galp

regenerating the future

Annual Integrated Report 2022



ESEF – unofficial and unaudited version

This document is an ESEF version of the 2022 Annual Report of Galp Energia SGPS SA in English. This version is unofficial and has not been audited. The official and audited version of the ESEF report is available on the CMVM website at www.cmvm.pt in the Portuguese language only. In case of discrepancies between this version and the official ESEF report, the latter prevails.

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About the report

Galp's integrated report is intended to provide a global, transparent and accurate account of the activities through which we create economic value and our practices and principles on environmental, social and corporate governance, including the disclosure of performance results for 2022. The report allows Galp's performance to be assessed in an integrated way, considering the relevant external factors and incorporating information on the previous years, when necessary.

This report comprises five parts which together form the 2022 Integrated Report, as follows:

- An Integrated Management Report (IMR) which includes the key elements of Galp's strategic framework together with the operational, financial and sustainability performance during 2022, as well as the main themes of corporate governance and risk management;
- A Sustainability Journey booklet, providing further insights into our sustainability performance and practices;
- The Corporate Governance Report, detailing the governance model and practices;
- The Consolidated and Individual Financial Statements of Galp Energia, SGPS, SA;
- Appendices.

2022 Integrated Report				
Part I	Part II	Part III	Part IV	Part V
Integrated Management Report	Sustainability Journey	Corporate Governance Report	Consolidated and Individual Financial Statements	Appendices

Leader in integrating best reporting standards and guidelines

This report has been prepared according to the applicable standards and globally recognised guidelines, namely:

- International Financial Reporting Standards (IFRS);
- The guidelines of the Portuguese Commercial Companies Code (CSC) relating to the content of the management report, including those pertaining to the reporting of non-financial information introduced by Decree-Law no. 89/2017 of 28 July;
- The model for reporting non-financial information by issuers of securities listed on a regulated market recommended by the Portuguese Securities Market Commission (CMVM);
- The provisions of the Portuguese Securities Market Code (CVM) and of CMVM Regulation no. 4/2013 referring to the annual corporate governance reporting and taking into account the Corporate Governance Code of the Portuguese Institute of Corporate Governance;
- The provisions of the CVM for the reporting of payments made to public administrations;
- The Value Reporting Foundation (VRF) guidelines for integrated reporting;
- The Global Reporting Initiative (GRI) guidelines, GRI Standards 2022 version, in the "reference to the GRI Standards" option, including the GRI 11 Oil & Gas sector standard (link here);
- The Sustainability Accounting Standards Board (SASB) for Oil and Gas, including Exploration & Production, Midstream and Refining and Marketing Standards (link here);
- The recommendations from the Task Force on Climate-related Financial Disclosure (TCFD) of the Financial Stability Board (FSB) concerning disclosure of climate-related financial risks (link here);
- The United Nations Global Compact (UNGC) principles (link here);
- The World Economic Forum, Measuring Stakeholder Capitalism metrics and disclosure (link here);
- The Sustainable Development Goals (link here);
- The principles of inclusion, materiality, responsiveness and impact set in the AA1000 Accountability Principles Standard (AA1000AP 2018) regarding sustainability information;
- The Financial Accounting Standards Board (FASB) applicable for Extractive Activities – Oil & Gas.

Non-Financial Reporting Directive

Value Reporting Foundation



Global Reporting Initiative



United Nations Global Compact



Sustainability Accounting Standards Board



Task Force on Climate related Financial Disclosure



WEF Measuring Stakeholder Capitalism



Galp's financial statements were prepared in accordance with IFRS standards, with the cost of goods sold and raw materials used valued at Weighted Average Cost (WAC).

When prices of commodities and raw materials fluctuate, the use of this valuation method may lead to volatility in results through gains or losses in inventories, without reflecting the real operating performance of the Company during the period. This effect is called the inventory effect. Other factors which may influence results are special items, such as gains or losses from the sale of assets, extraordinary taxation and certain mark-to-market of financial hedges, which do reflect the Company's true performance.

In order to provide a better assessment of the Company's operating performance excluding the aforementioned effects, Galp also discloses its consolidated results on a Replacement Cost Adjusted (RCA) basis, excluding special items and the inventory effect, the latter of which due to the fact that the cost of goods sold and raw materials consumed was determined using the Replacement Cost (RC) valuation method. Galp's IFRS results are audited, RC results are reviewed by the auditor, while RCA results are neither audited nor reviewed.

Regarding non-financial information, the information consolidation and reporting methodology cover all activities in which Galp has an interest of 50% or more and when it has operational control. Whenever relevant, this report also includes information on non-controlled activities in which Galp holds a minority interest.

Galp submits the contents of this report to an external, independent and certified assessment. The scope of work of Galp's Statutory Auditor/Certified Accounting Entity, Ernst & Young Audit & Associados, SROC, S.A., for the Integrated Report is as follows:

Financial statements	Non-financial information	Corporate governance information	Other information
Statutory and auditor's report on the audit of the consolidated and individual financial statements	Verification of the inclusion of non-financial information required under decree-law 89/2017 of 28 July	Verification of the inclusion of the elements of the corporate governance report referred to in article 29º-H of the CVM	Verification of the consistency of the management report with the financial statements

With regard to the non-financial information disclosed in this Report, on our website and in the Global Reporting Initiative (GRI) Standards and TCFD Recommendations (link here), the independent assurance report is issued by PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda., which provides reasonable assurance on the Carbon Footprint (Scopes 1 and 2) 2022, and limited assurance on the remaining non-financial information. As a complement to this report, Galp publishes additional and detailed non-financial information on its corporate website (link here).

Galp intends to establish a constant and inclusive dialogue with its stakeholders. You may send your opinion on this report, as well as ask questions about it, to the Investor Relations team through the following contacts:

Galp Energia, SGPS, S.A.
Investor Relations
Tel.: +351 217 240 866
E-mail: investor.relations@galp.com
Website: https://www.galp.com/corp/en/investors

Board of Directors' message

Paula Amorim

Chairman



The global economy continued challenging and volatile during 2022. We saw a fading post-pandemic reopening boost, monetary tightening and the food and energy supply shocks resulting from the Russian war on Ukraine. In Europe, the energy crisis has forced governments to prioritise energy security in the short term, reducing dependency on Russian energy. Energy companies are facing unprecedented challenges to balance the need for affordable, reliable, and secure energy. In the face of the pressing need to redesign the energy system, I believe that governments and corporations need to work together to set the framework and the necessary conditions to develop an attractive investment environment and ensure a just energy transition.

Simultaneously, climate-change mitigation continues to be a key priority, calling on all of us to seek new solutions in the transition towards lower carbon energy. Galp is actively playing a leading role in this transformation. We believe that having a leading position in promoting lower carbon solutions, aligned with the expected evolution of energy demand patterns, will ensure the competitiveness and sustainability of our portfolio and position us to pursue further growth opportunities. However, we need to ensure that the progressive transformation of our portfolio is well balanced, also aware of the needs of the societies and communities we serve in the short and medium term.

Galp will keep its focus on maximising the value of its upstream business. This will be achieved through the development of some the most resilient, higher quality and lower carbon footprint upstream projects globally, with no new exploration areas to be added in the future. We are confident that our upstream portfolio has the right conditions to continue to create long term value and to generate the returns to support Galp's ongoing decarbonization plans.

Back in 2021, our plan assumed about half of net investments allocated to lower carbon businesses. We now see these investments representing over 70% of net capex until 2025, as we accelerate the decarbonization of our industrial assets and continue to growth our sizeable renewables platform.

During 2022, we continued to be guided by our long-standing commitment to sustainability. In December, our environmental and social performance translated into leading scores and ratings in some of the most respected global ESG rankings. These recognitions highlight Galp's strategy to progressively decarbonise its portfolio and operations, investing both in improving the sustainability of its operations and in new clean energy sources. Delivering on our strategy, getting closer to our medium-term targets and creating value in a sustainable way showcases the skills, work and dedication of our people. I am grateful for the ongoing resilience and innovation demonstrated by the Galp team.

I would like to thank Andy Brown for his leadership of our Executive Committee over the last two years. In January 2023, Filipe Silva took on the CEO role, as the Board recognized his vast know-how and experience. The Board is confident that Filipe, together with his renewed team, will be great leaders of the business, guiding Galp during this transformational journey.

The outlook for Galp in 2023 and beyond remains positive. The asset base has the longevity and competitiveness to deliver sustainable cash flows under this economic environment. We can use this cash flow to invest, with discipline, in the low-carbon businesses which will drive our portfolio transformation and to provide a competitive yield to our shareholders. The Board will propose to the Annual General Meeting a dividend related to the 2022 fiscal year of €0.52 per share. In addition, as part of our capital allocation guidelines, Galp has initiated a share buyback of €500 m which will be executed throughout 2023.

I would like to thank all my colleagues across Galp for their contribution to the performance of the company throughout 2022. We have seen noticeable improvements in Galp's businesses, navigated very challenging gas markets during most of the year, and made relevant strides in our sustainability agenda. Thank you also to our partners for their continued commitment to our purpose during a year of significant uncertainty. We continue to thank our shareholders for their confidence and support as we reshape Galp.



Paula Amorim
Chairman of the Board of Directors

Filipe Silva

CEO

Now as CEO, I remain as convinced as ever that long term value creation, for our people, our clients, partners and shareholders, will be fundamentally tied to how well we manage the energy transition over the coming few years.

We start with a strong base. We serve our clients competitively, we care and watch after the safety of our people, and we have some of the very best assets and teams globally. We strive for operational excellence in everything we do. We are consistently positioned at the very top of the international sustainability rankings.

We run an integrated business model from, say, a reservoir or a solar farm, to the final client. We have the right size and a supportive set of long-term shareholders to be able to navigate through the inevitable tensions which arise from the energy transition uncertainties. And we are financially strong.

The Russian invasion of Ukraine has placed energy security, and affordability, on top of the political agenda. Decarbonizing a world which still uses fossil sources for 80% of its primary needs will take time. This needs to accelerate, and Galp wants to be an example of what an energy transition leader can look like.

Our upstream production will grow to 2026, when Bacalhau reaches plateau. These are the sort of projects the world needs to prioritize: efficient, low cost, and low-carbon intensive. Where flaring is kept at a minimum and significant carbon is reinjected back into the reservoirs.

Our Refinery in Sines is moving forward with renewable fuels and hydrogen projects destined to open the path to the grey-to-green transformation. We aim to reduce absolute operating emissions by 50% by 2030.

We stand out in the sector for our integration of renewable power in Galp's overall energy mix. Already a significant solar player, we are progressing towards 4 GW of renewable capacity by 2025. This will support our industrial transformation, providing the green electrons for the necessary green hydrogen production.



Our Midstream team has managed to deliver gas to our Iberian gas customers despite significant sourcing restrictions during 2022. To de-risk this activity, additional long-term volumes of natural gas have been secured from the US, also to support the opening of the Brazilian market.

Finally, our Commercial activity is making significant progress to help decarbonize its client's needs, with increased non-fuel offerings, convenience, and fast-growing decentralized solar and EV charging footprints.

Our strategy is clear, and so are the challenges ahead. We are energized and thrilled with Galp's transformational journey. We will look back with pride for having been an example of sustainable and long-term value creation.



Filipe Silva
Chief Executive Officer


1. the Galp world

1.1 **Galp's presence**



Upstream

Renewables & New Businesses

Industrial & Midstream

Commercial

1. Portugal
2. Spain
3. Brazil
4. Angola
5. Mozambique
6. Cape Verde
7. Guinea-Bissau
8. S. Tomé and Príncipe
9. Namibia
10. Eswatini



Upstream

Galp is involved in the development of a selection of high quality, low breakeven and lower carbon intensity upstream projects. The Company has 20 upstream projects under exploration, development and/or production phases, all located in offshore areas. The portfolio consists of a selection of development projects located in the world-class pre-salt Santos basin in Brazil, the high-potential natural gas projects under development in the Rovuma basin, in Mozambique; as well as relevant exploration assets located in São Tomé and Príncipe and in Namibia.



Renewables & New Businesses

The Renewables & New Businesses unit is focused on developing a sustainable and diversified portfolio of renewable energy generation, currently focused on Iberia and Brazil, which can be leveraged by synergies with the company's remaining energy businesses, whilst supporting its energy transition trajectory. This unit also identifies, assesses, and develops new business opportunities in the energy space, such as in the battery value chain.



Industrial & Midstream

The Industrial & Midstream division includes in the Industrial segment refining, logistics, biofuels and cogeneration activities in Iberia, whilst Midstream comprises the supply and trading of oil, gas and electricity, focused on value maximization along the integration of the businesses and its value chains. Galp aims to transform and progressively decarbonise its Sines industrial complex, improving its energy efficiency, reducing the carbon footprint, expanding the current biofuels operations to advanced biofuels and introducing green hydrogen production.



Commercial

The Commercial business unit provides the best energy solutions to serve the needs of business and residential customers and consumers in Iberia and in selected African geographies, whilst it supports the value creation of Galp's integrated value chains of oil, gas and power products. Our commercial offer is constantly evolving with market trends, namely in what concerns the decarbonisation of supply chains and individual consumptions, as well as the deployment of optimisation digital technology. Grounded on a strong brand, long-lasting relationships and a customer centric mindset, we are committed to leading our clients through the energy transition.

2022 Inputs

€21.0 bn cost of goods sold
€1.9 bn supply and services
€1.3 bn capital expenditure
€370 m salaries and benefits

9.3 million m³ raw water
1,271 TJ electricity purchased
30,480 TJ consumed primary energy
€5.5 m investment in eco-efficiency in refining

6,715 employees
3,001 women
54 nationalities
10 countries
584 hires
191,551 hours of training

94 relevant partnerships
3,196 suppliers
86% local purchases
97% local hiring
8,591 volunteer hours
€29.7 m innovation and R&D

Business Model

Galp assumes an integrated approach to sustainable value creation, by anticipating risk, maximising opportunities and building strong and lasting relationships with stakeholders.

Business segments

Upstream
- **4** countries with a core position in Brazil
- **20** projects
- **668** mboe 2P reserves
- **1,653** mboe 2C contigent resources
- **127** kboepd WI average production

Renewables & New Businesses
- Key solar player in Iberia and expanding in Brazil
- **1,930** GWh renewable energy generated
- **1,363** MWp installed capacity for renewable generation
- **1,595** ktonCO$_2$ avoided emissions

Industrial & Midstream
- **226** kbpd refining capacity
- **88** mboe processed raw materials
- **15.8** mton oil products supply
- **91** MW cogeneration capacity

Commercial
- **7.4** mton total oil product sales
- **1,273** service stations
- **19.0** TWh total NG/LNG sales
- **4.1** TWh total electricity sales

2022 Outputs

€26.8 bn turnover
€3.8 bn Ebitda
€3.1 bn cash flow from operations
0.4x net debt/ Ebitda
€881 m net income attributable to Galp shareholders

6.1 million m³ waste water
7 contention losses that reached the environment
0.04 Tier 1
0.28 Tier 2 process safety events rate
116.6 kton CO$_2$ (Flaring) – Upstream equity
22.2 kton waste generated
62% waste recovered
3.4 mton CO$_2$e – scope 1
0.09 mton CO$_2$e – scope 2

1.23 LTIF lost-time injury frequency
0 fatalities
74% engagement level
100% employees assessed
9.40% turnover
5.36% absenteeism
€11.53 ROI on human capital

€29.7 m community investment
€1.74 m in relevant partnerships with sector entities and associations
32 R&D projects
8 clean R&D projects
65 whistle-blowing reports received
83% resolved

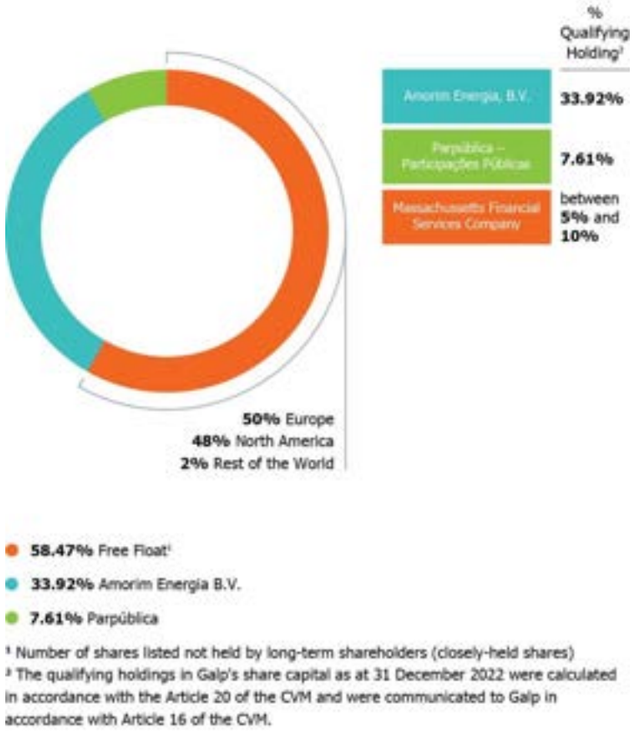
1.3 **Galp in the capital markets**

Shareholder structure

Galp has been listed on Euronext Lisbon since 23 October 2006.

At the end of 2022, Galp's share capital comprises 815,111,548 ordinary shares, of which c.93% are listed on Euronext Lisbon. The remaining 7% are unlisted and held indirectly by the Portuguese State through Parpública – Participações Públicas, SGPS, S.A. (Parpública). All shares grant the same voting and economic rights. At the end of 2022, c.34% of the Company's share capital was held by Amorim Energia, B.V., while the remaining free float, was held by institutional investors from 36 countries. For more details on the shareholder structure, please refer to Part III of this report – Corporate Governance Report, or our website (link here).

Shareholdings as of 31st December 2022



¹ Number of shares listed not held by long-term shareholders (closely-held shares)
² The qualifying holdings in Galp's share capital as at 31 December 2022 were calculated in accordance with the Article 20 of the CVM and were communicated to Galp in accordance with Article 16 of the CVM.

Galp share performance

At the close of 2022, Galp had a market capitalisation of around €10.28 bn, a 45.5% increase compared to the end of 2021. The total shareholder return (TSR) during the year, considering the share price evolution and the dividends distributed, was positive at 55.4%.

Galp's Share Performance 2022 (€/share)



Source: Bloomberg

Share price @ 31 December, 2021	€8.52
Share price @ 31 December, 2022	€12.61
Minimum share price during 2022	€8.73 @ January 3
Maximum share price during 2022	€12.85 @ June 8
Average daily shares traded[1] (all trading venues)	9.39 million shares
Average daily shares traded on Euronext Lisbon	2.9 million shares

[1]Source: Bloomberg

Analysts' coverage

The Galp share is currently followed by 21 financial analysts, who produce their research analyses on the Company, as well as estimates for future results. As of 31 December 2022, the average price target of Galp share was €13.86, with 67% of the analysts recommending purchasing, 24% holding and 10% selling recommendations. All information related to Galp's stock recommendations and target prices issued by the various institutions can be seen in our website (link here).

Dividends and share buybacks

Galp's Board of Directors will propose to the 2023 Annual General Shareholders Meeting (AGM), to be held on May 3, a dividend of €0.52/share, paid in cash, related to the 2022 fiscal year. In addition, the Board is to execute a share buyback of €500 m, throughout 2023, for the purpose of reducing the issued share capital of the Company.

During 2022 Galp executed a €150 m buyback programme. This programme took place between May and November and resulted in the repurchase and cancellation of 14,139,087 own-shares.

Participation in the 2022 annual general shareholders meeting

Galp's 2022 Annual General Shareholder Meeting was held on April 29 and the main items on the agenda were the confirmation of the appointment of Teresa Abecasis, Javier Cavada Camino and Georgios Papadimitriou as members of the Board of Directors and the election of Cláudia Almeida e Silva to the Board of Directors, to complete the (2019-2022) term. In addition, the integrated management report and consolidated accounts and other financial statements for 2021 fiscal year, as well as the proposal for the allocation of the 2021 results were approved. The Board of Directors, the Audit Board and the Statutory External Auditor's performance during the fiscal year of 2021 was also assessed.

A decision was taken on the Remuneration Committee's statement, on the remuneration policy for the management and supervisory bodies and members of the Board of the Shareholders' General Meeting, as well as on the granting of authorisation to the Board of Directors for the acquisition and sale of own shares and bonds or other own debt, by the Company and its subsidiaries' instruments. Lastly, the reduction of the Company's share capital up to 9% of its current share capital by cancellation of own shares was resolved. Upon 153 shareholders attended or were represented at the General Meeting, representing 699,214,308 shares, or 84.32% of the Company's share capital. All proposals submitted for deliberation were approved.

Information to the bondholder

Bonds outstanding under the *Euro Medium Term Note* (EMTN) programme on December 31, 2022.

Name	ISIN	Date of Issue	Maturity	Amount	Coupon	Yield at end of year (%)	Var. from pricing (bp)	Place of Translation
Galp 1.000% 02.2023	PTGALLOM0004	15-11-2017	15-02-2023	€500 m	1.000%	2.6	(130)	London Stock Exchange
Galp 2.000% 01.2026	PTGALCOM0013	18-06-2020	15-01-2026	€500 m	2.000%	4.9	(1,398)	Euronext Dublin



1.4 **A data-driven Company**

In an increasingly customer-centric world, the ability to capture and use customer insights to shape products, solutions and the buying experience, as a whole, is critically important.

Recognising that most companies are using only a fraction of the data in their possession, extensive legacy systems and siloed databases leaving out significant value on the table, our Data Office started a journey to transform Galp into a fully data-driven company.

A transformation strategy relies on culture change and people, processes, technology, and the ability to understand and extract value from our data. Touching all these vectors, Galp's Data Office has evolved in these key dimensions, collaborating with the business areas to promote more value to customers, suppliers, and employees, which resulted in:

- Optimisation of new services and offers with data intelligence for better and stronger decisions.
- Performance and production optimisation using data to enable a more sustainable business growth which supports our energy transition.
- Get a 360-degree view of the customer to better respond to their needs.
- Transform our customer experience and expand our client base, providing a bundled offer response, based on actionable data.
- Expand and refresh our business to capture more value through real insights.

One of the fundamental pillars of a data analytics strategy is the effective governance of all of the organisation's data assets. This avoids information damage and assists in the detection of incidences related to privacy and information security.

Being data-driven is also one of the key enablers for putting our people at the center and empowering them to have the right skills and knowledge to use data analytics. Data can help each Galp employee to understand what their development journey is. The Data Office promotes a series of initiatives to Galp employees in order to promote a common understanding of data analytics tools and frameworks that achieve the ultimate potential between Galp data teams: working as one.



1.5 **Our brand**

Galp is a benchmark brand in the global energy market. Faced with the context of uncertainty, market volatility and business complexity, it has managed not only to maintain the credibility and resilience that distinguish it, but also to strengthen its role in innovation and energy transition in the various markets in which it operates.

Today, Galp has a stronger global perception, with a brand value estimated at EUR 1.7 billion and a clear ambition to strengthen its recognition as a unique player in current markets, and also in new geographies and business areas.

The ability to adapt to a world in constant change has also helped the brand to position itself as one of the best prepared in 2022, mainly in Portugal, but also in Spain, Brazil, and Africa, where Galp continues to consolidate its position.

At the beginning of 2022, Galp defined as major pillars of positioning the (re)approach to the communities in which it operates in a post-pandemic context, and the increased perception that the Company is at the forefront of the energy transition, of renewable energies, and of the search for new ways to create value for its clients, both private and corporate. Galp's offer is, therefore, increasingly integrated and sustainable, with businesses such as Galp Solar and the focus on electric mobility.

Brazil continues to be a relevant market for the brand, where Galp strengthened its position with local stakeholders, participating in events such as Rio Oil and Gas.

In Africa, Galp continued to develop its work with communities, supporting the Luju Standard Bank Food & Lifestyle Festival 2022 in Eswatini, the first festival sponsored by the brand on African soil. In strengthening its B2B positioning, the Galp Frota Corporate card and the brand's new website were launched in Mozambique.

But there is more. The goal of making Galp an Iberian brand of reference was another major focus, with an ambitious plan to renovate shops in Portugal and Spain to improve the customer experience, with the strengthening of solar energy and electrical mobility offers, and the presence in various sector events.

Particularly in the Portuguese market, the brand wanted to strengthen its proximity to communities and raise awareness of the energy transition, by being present at events such as Rock in Rio and maintaining its support for the Portuguese National Team in the football World Cup. To highlight the scope of the business, the campaign "Pensar fora do carro" showed the diversity of services that make up the Galp World.

Innovation was always present, with the presentation of the first Smart Store in Portugal, the launch of the new Pluma, and participation in strategic events such as the Web Summit.

All this to be close to people and to strengthen the innovative and transformative positioning. And the results speak for themselves:

- 81% of people in Portugal recognize Galp as one of the reference brands in the energy sector;
- Two-thirds of the market consider Galp to be a trusted brand.

The strength of the brand lies in its global vision of the future and its ability to innovate every day, and this is what is intended to convey to the people who continue to trust Galp.





2. strategic framework

2.1 **Our energy beliefs**

The energy industry is undergoing a strong disruption following the need to develop a lower carbon intensive system and, recently, fuelled by geopolitical and macroeconomic events. These events have reinforced the need to accelerate the pace of transition, leading to a stronger regulatory push and worldwide pledges on Net Zero Commitments, although also highlighting the importance of energy security and a just energy transition.

While uncertainty remains high, Galp's strategy is anchored on its energy beliefs, a company-wide set of assumptions that provide guidance on the outlook of the energy sector towards a greener future, on which we highlight the following:

- Heightened social and regulatory concerns over energy security, affordability and sustainability.
- Oil and gas demand to peak across Europe, albeit with different timelines, but to hold a key role for several years to support the transition process and ensure energy security.
- Ongoing worldwide electrification, with renewable energies becoming relevant sources for power generation and a fast penetration of solar and wind in Iberia and worldwide.
- Higher uptake in electric vehicles and distributed generation, triggering new value chains such as batteries.
- Renewable hydrogen and other low carbon fuels gaining momentum, being key to address hard to abate sectors.

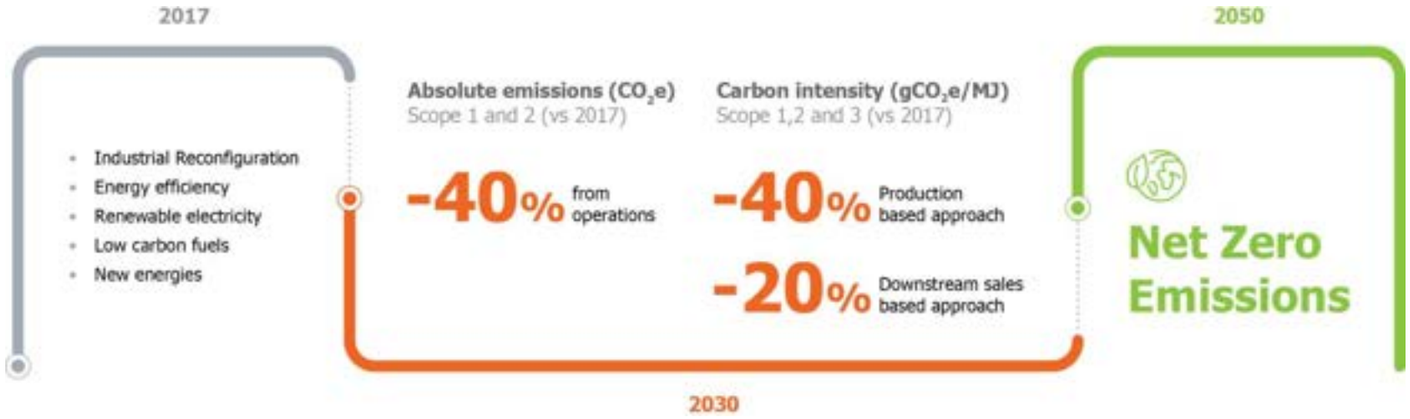


2.2 **A sustainable strategy**

Galp aims to be an energy transition leader, reshaping its high-quality portfolio towards long term value creation, through the integration of low carbon solutions.

Galp is committed to this transformational journey, enhancing its role as an integrated energy company and reaching its ambition of becoming a net zero company by 2050.

Galp defined three emission reduction targets using independent metrics which will reflect its progress towards a lower carbon future, focused on the gradual decarbonisation of our industrial operations, of the energy that we produce and of the energy that we sell to our customers. These targets consider 2017 as a baseline as it marks the start of the diversification of our portfolio and commitment to the development of a transition strategy.



Methane emissions

Galp is aware of the increased relevance and urgency of cutting methane emissions. Although the Company's methane emissions have a relatively low weight in its operational emissions at 1%, Galp aims to reduce methane emissions from its operated assets (5% of current CH_4 emissions). All of our CO_2 reduction targets are expressed in a CO_2e basis which incorporate the impact of methane. Finally, all of the upstream operators of Galp's Upstream production are signatories of the OGCI Methane Reduction Initiative.

Our sustainability journey showcases our commitment, with Galp being consistently ranked as one of the most sustainable companies by some of the most distinguished entities.

We are leaders in integrating best reporting standards and guidelines in our report, namely:

- Non-Financial Reporting Directive (NFRD)
- Value Reporting Foundation (VRF)
- Global Reporting Initiative (GRI)
- United Nations Global Compact (UNGC)
- Sustainability Accounting Standards Board (SASB)
- Task Force on Climate related Financial Disclosures (TCFD)
- WEF Measuring Stakeholder Capitalism

Key ESG ratings score



Decarbonising our business

Our transformational strategy is anchored on three pillars, aimed at turning Galp into a leading player in the energy transition and becoming a net zero company by 2050.



This strategy relies on a clear capital allocation framework. After committing in 2021 to allocate about half of our net investments towards low and zero carbon businesses until 2025, this is now translated into an over 70% allocation during the 2023-25 period, as we accelerate the portfolio's transformation levers, whilst maintaining our financial discipline and focus on returns. Besides the categories eligible under the EU Taxonomy regulation, Galp also considers activities that may contribute significantly to mitigate climate change, such as investments in the battery value chain, hydrogen network and CO_2 emission reduction projects in the refinery (mainly energy efficiency).

Net Capex 2023-25

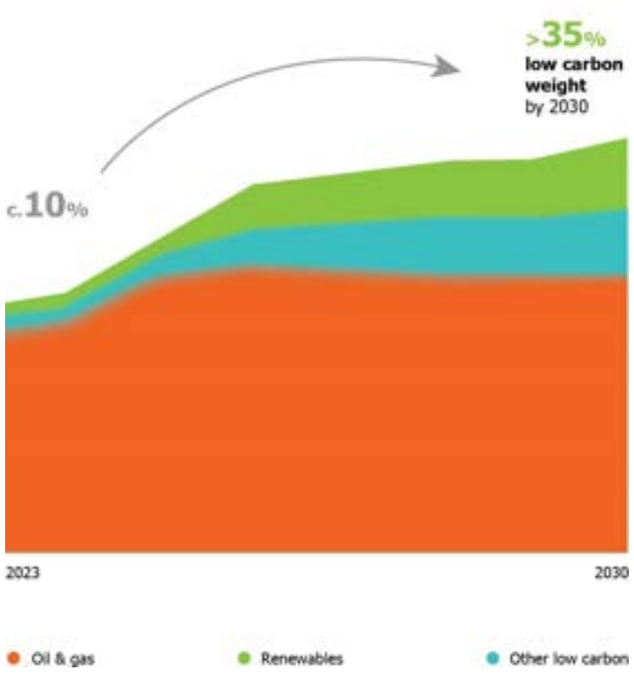


Our capital stewardship is dully ensured through a dynamic and integrated portfolio management, which provides an integrated view of our portfolio, to assess its fit towards our strategic focus and energy transition ambitions, including our energy mix and GHG emissions pathway. Investment decisions are also subject to a strict

evaluation, from screening to approval, and stress tests are performed to ensure its resilience against adverse macro conditions.

By transforming our portfolio, Galp will not only reduce absolute operating emissions, but also rapidly increase the operating cash flow (OCF) contribution weight from low carbon businesses to over 35% by 2030.

OCF 2023-25



Our transformation is also driven by our innovation and digital strategy anchored on exploring low carbon technologies and asset & portfolio decarbonisation, focusing on efficiency and value maximisation through new technologies and processes, leveraging digital enablers, and enabling our customers' own energy transition and decarbonisation.

Throughout this journey, it is a priority for Galp to enjoy a transition that is just, inclusive and people centred and that safeguards the environment. Galp will seek to tackle and effectively mitigate the core social and economic impacts from this highly disruptive transformation, dully ensuring the protection of human rights, preparing the workforce for the future of work and reducing inequality.

Focused upstream growth

Upstream will remain a growth and value extraction business within Galp's portfolio for the coming years, focused on our existing assets.

Our upstream portfolio combines unique low carbon intensity, low breakeven and long-life projects, providing the resources required both by Galp and our society to guarantee access to affordable energy, ensure its security and fund the necessary investments throughout the energy transition.

Going forward, most of the investments will be focused on developing a selection of high-grade, already discovered, resources and to derisk the existing exploration areas with no new exploration areas to be added in the future.

Galp's Upstream business is thus critical to our decarbonisation journey as it enables us to deliver lower carbon footprint hydrocarbons still required throughout this transition in the most efficient way, while supporting our portfolio transformation.

Renewables growth and integration

Galp is actively involved in the ongoing electrification of the economy, where access to renewables power will be key to support both Galp's customers and its own decarbonization ambitions.

As a key decarbonisation priority, Galp aims to further build up its renewables' portfolio to 4 GW of installed capacity by 2025, reinforcing its footprint in core geographies where it has a larger historical presence whilst also exploring alternative geographies and technologies, adding size and optionality to its portfolio.

Executing this ambition will be cornerstone to the deployment of integrated value chains across Galp's businesses, strongly anchored on the need for green electrons, fuelling its grey to green ambition.

Industrial and Commercial transformation

Industrial & Midstream

Galp is adapting its industrial operations to the future needs of the energy sector. Recognizing that the world will still require oil products for many years, Galp intends to maintain its legacy refining position, through its Sines refinery, yet accelerating the pace of decarbonisation of our operations.

To accomplish this goal, Galp will seek to transform Sines, working towards a more efficient oil conversion and increasing the production of sustainable fuels, such as Hydrotreated Vegetable Oil (HVO), advanced fuels and green hydrogen.

Under this objective, Galp has the ambition to substitute the grey hydrogen used in our refining operations by green hydrogen, through up to 700 MW electrolyser installed capacity throughout the decade.

Midstream, through the energy management activities, undertakes a key role in our energy supply activities, ensuring reliable and competitive sourcing of raw materials and other energy products, and the value maximization of the supply and trading of all products. The role of Energy Management will continuously evolve as Galp further embodies an integrated role, tackling and extracting value across different energy value chains.

Commercial

Galp is a reference energy supplier in Iberia, catering to the needs of its customers and assisting them to reduce the carbon intensity and increase the efficiency of their own activities and businesses.

The accelerated pace of the energy transition means that Galp will have to adapt and diversify its offer quickly to anticipate evolving customer needs and expectations, increasing its offer of low carbon products.

With this ambition, Galp is transforming its fuel stations network under new hub concepts, combining multi-energy supply and greater customer convenience. This transformation will translate into an increased contribution from convenience and low carbon sales and the expansion in our charging points network in Iberia to >10k by 2025.

Beyond its hub network, Galp is developing competitive and differentiated offers throughout, from electric mobility solutions for condominiums and fleets to distributed generation solutions, expanding its Galp Solar portfolio and promoting the setup of local energy communities.

In the gas and power segment, Galp envisions to grow its electricity sales, while maintaining a leading position in gas sales.

New energies

The New Business area is looking into opportunities across different value pools, from energy storage to the battery value chain, as well as solutions to further address hard to abate sectors which cannot be decarbonised through electrification.

With this ambition in mind, in 2021, Galp and Northvolt established the Aurora JV to develop a state-of-the-art lithium conversion plant in Portugal. Lithium conversion is the first step of a wider value chain where Galp is exploring several opportunities, including battery recycling.



2.3 **Approach to ESG**

Our energy transition goes beyond our climate and portfolio ambitions. It's also about building transparency, driving engagement and ensuring a just transition which promotes social inclusion and protects the environment.

We take our approach to sustainability very seriously, embedding it in our culture and empowering it at the highest level, through our Sustainability Committee and Chief Sustainability Officer (CSO), bringing the sustainability lens to our investment analysis and decision-making process. We also include ESG performance indicators in the short- and long-term incentives of the employees and the Executive Committee.

We also know that this needs to be a shared responsibility, as these challenges cannot be tackled by one company alone, being therefore important to combine forces and count on external stakeholders and partners as a crucial part of the change.

Sustainability materiality assessment

We prioritize the communication with our stakeholders. An important piece of this ongoing interaction is the materiality assessment process, in which we are able to identify the key sustainability topics for our business, through the voice of our stakeholders.

Our latest assessment provided us fundamental outcomes for our sustainability roadmap development, allowing us to focus on what matters most to our business and our stakeholders. For each key material aspect, Galp has set goals and targets, and their progress is monitored and reported in the public domain. This information can be found in the beginning of each chapter of Part II (Sustainability Journey) of this Annual Report.

Between 2023/24 we will conduct a new materiality assessment, considering the new Corporate Sustainability Reporting Directive (CSRD) requirements for double materiality in which we will assess how sustainability issues affect our business and, on the other hand, how our business activities impact society and the environment, combining the impact materiality and financial materiality.



Other relevant aspects

Corporate governance | Risk management | Research, technology and digitalisation | Product and service portfolio quality | Product and service innovation | Sustainable supply chain management | Tax Strategy | Climate strategy | Circular economy | Operational eco-efficiency | Biodiversity and ecosystems | Water management | Security | Health | Work practices and conditions | Local community development | Citizenship and philanthropy

Sustainability Roadmap

We consider the UN's Sustainable Development Goals and the expectations and requirements from regulators, investors, customers and other stakeholders, who are increasingly driving the pressure towards sustainability compliant companies.

Our revised Sustainability Roadmap focuses essentially on five foundations, each one converted into 2030 ambitions that are now our priority, being considered in every business decision and having the full support and ownership of our executive committee.

Ambitious and collaborative Roadmap

Galp has been working together with people across the Organisation, in a series of workshops and dedicated sessions with each business unit, to define its key 2030 sustainability ambitions and an action plan for the 2023-25 period. A comprehensive sustainability diagnosis report has supported these discussions - where Galp is today, results of a context and trends analysis, key insights of a benchmark analysis performed to our peers, results of the materiality assessment - where we used the different lenses to identify what are our main challenges, key ambitions and the initiatives that we have to commit to in order to improve our sustainability performance.

In order to make this happen, we have started to define a short-term action plan (2023-25), in a joint effort with all business units and corporate centre, which aims to achieve ambitious targets and implement initiatives on the various ESG related topics.

For more detail on each ambition, its related targets and initiatives, and how we approach sustainability, please consult the Sustainability Journey chapter of this Annual Report (Part II).



2022 ESG Highlights

Environment

- 2022 saw an increase in the absolute emissions from operations (scope 1 and 2 – equity) of 7.7% when compared to 2021, although this indicator still showed a decrease of 20% in relation to the 2017 baseline. This temporary increase can be justified by decisions made during 2022 to reduce the consumption of natural gas in order to ensure the continuing supply of fuels at affordable prices in the context of high commodity prices driven by the conflict in the Ukraine, which lead to the use of more carbon intensive fuels. This value was also impacted by the start-up and commissioning of the Coral FLNG unit in Mozambique which is associated with higher flaring volumes. These were both temporary situations and these assets should resume their efficient operations and improve their emissions performance during 2023. The intensity of both the energy produced and sold by Galp decreased in relation to the previous year and the 2017 baseline (-14%, and -4%, respectively) benefiting from substantial increases in the production of renewable energy and biofuels and changes in refinery output to lighter, less carbon intensive fuels.

- Our ecoefficiency indicators had an overall negative performance, compared to 2021, mainly in air emissions indicators, which is partially justified by the return to normal operating levels, post pandemic. On waste management, we achieved the best performance of the last 4 years, with 62% of waste recovered from operations. Despite the increase of NO_x, SO_2 and particulate emissions, mainly influenced by the Sines Refinery, there are continuous efforts and investments in ecoefficiency, totalizing around €5.5 m in 2022. Also, when comparing the performance of the last 4 years, we highlight the decrease in 53% of SO_2 emissions and 72% of particulate emissions. We reduced our freshwater withdrawal by around 100 thousand m^3 and our energy consumption by primary sources decreased 11%, when compared to 2021.

- We updated the assessment of biodiversity and water related risks, extending the scope of the analysis to 100% of operated sites. These assessments show that some 30% of our retail sites are located or adjacent to high importance biodiversity and high overall water risk areas, being an important input for our biodiversity & water management strategy.

Social

- In safety, we reached an overall LTIF of 1.2 (a positive 0.01 decrease vs 2021) and a TRIR of 2.1 (a negative 0.4 increase vs 2021), however improving our employees' performance, reaching a LTIF and a TRIR below 1. We improved in the severity index, reducing the severity in 27% when compared to 2021. This is the reflection of the ongoing work towards consolidating a safety culture, caring, and ensuring that our workforce returns home safely, every day.

- In 2022, we brought diversity, equity & inclusion to the table, increasing women representativity inside the Company. We now count with 45% of women in the workforce and 35% women in management positions (a positive increase of 2 p.p. vs 2021). We continued our efforts to reduce gender pay gap, with mean gender pay gap of annual remuneration of 19%.

- Skilling our employees continued to being a priority in 2022, with Galp reaching a total of 191,551 hours of training in various topics such as Energy Transition, Environment, Human Rights, Safety, Ethics, among others.

Governance and Economics

- Ethics is a key principle for us. Throughout 2022, we increased the level of reporting through our Open Talk channel, demonstrating the transparency and commitment in addressing these issues.

- Aligned with our commitment to improve transparency, in 2022, we conducted a Non-Financial Information (NFI) Control internal audit which allowed us to access processes and define an action plan to be implemented in 2023 with the goal to increase reliability and traceability of NFI data.

- We continued to improve our relationship with suppliers, aiming for a more sustainable supply chain. A reflection of this was the increase in the number of Tier 1 suppliers evaluated in terms of ESG (95% in 2022 vs 88% in 2021), with less than 30% having a high sustainability risk.

Galp's contribution to the Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) set in the United Nations Agenda 2030 are a blueprint for worldwide sustainable development, for which Galp has committed to contribute. Galp evaluated how its strategy and business activities are helping to

achieve the SDGs, particularly those to which Galp contributes and impacts the most.

We mapped the SDGs on which we have the greatest potential to make a difference, allocated to each foundation defined in the Sustainability Roadmap 2030, as well as the main established targets which will contribute to each goal. We have grouped them into three blocks that reflect their relative position in our activity: material SDG, direct SDG and indirect SDG.

- **Material SDG**. These are the SDGs that are in line with our materiality assessment and which represent a higher interest to our stakeholders.
- **Direct SDG**. We affected and are affected by these SDGs directly and for this reason, we also monitor and act on these indicators, always trying to improve our performance.
- **Indirect SDG**. These SDGs, although being described as indirect, they function as a pillar for many others, and are the ones that we can influence indirectly through our actions, so we make sure that they are not ignored.

17 Partnerships for the goals

- Member of the WBCSD, BCSD Portugal and CDP Supporter
- Subscriber of the Voluntary Principles on Security and Human Rights
- Commitment to the 10 Universal Principles of the UNGC, TCFD and Zero Routine Flaring Initiative

13 Climate action

- Reduction of 40% of absolute emissions from operations (scope 1 & 2) by 2030
- Reduction of 40% of the production carbon intensity and 20% of all downstream sales carbon intensity by 2030
- Achievement of Net Zero Emissions (scopes 1, 2 & 3) by 2050

12 Responsible consumption and production

- €5.5 m real investment in 2022 in eco-efficiency projects in refining
- Acquisition of 100% renewable electricity in our operations in Portugal in 2022
- 10% of reused water in refining

Material SDG	Direct SDG	Indirect SDG
7 | 8 | 9 | 12 | 13 | 17	3 | 6 | 11 | 14 | 15 | 16	1 | 2 | 4 | 5 | 10



7 Affordable and clean energy

- 126,015 ton of biodiesel produced
- 1,930 GWh of gross renewable energy produced
- 51% of marketed electricity from renewable sources

8 Decent work and economic growth

- 97% of local hiring
- 12% of employees with less than 30 years
- 94% of employees covered by health safety insurance

9 Industry, Innovation and Infrastructure

- More than €180 m of innovation and R&D investment planned until 2025
- €29.7 m invested in innovation and R&D
- Founder member of the Singularity University Portugal and partner of the Heriot-Watt University

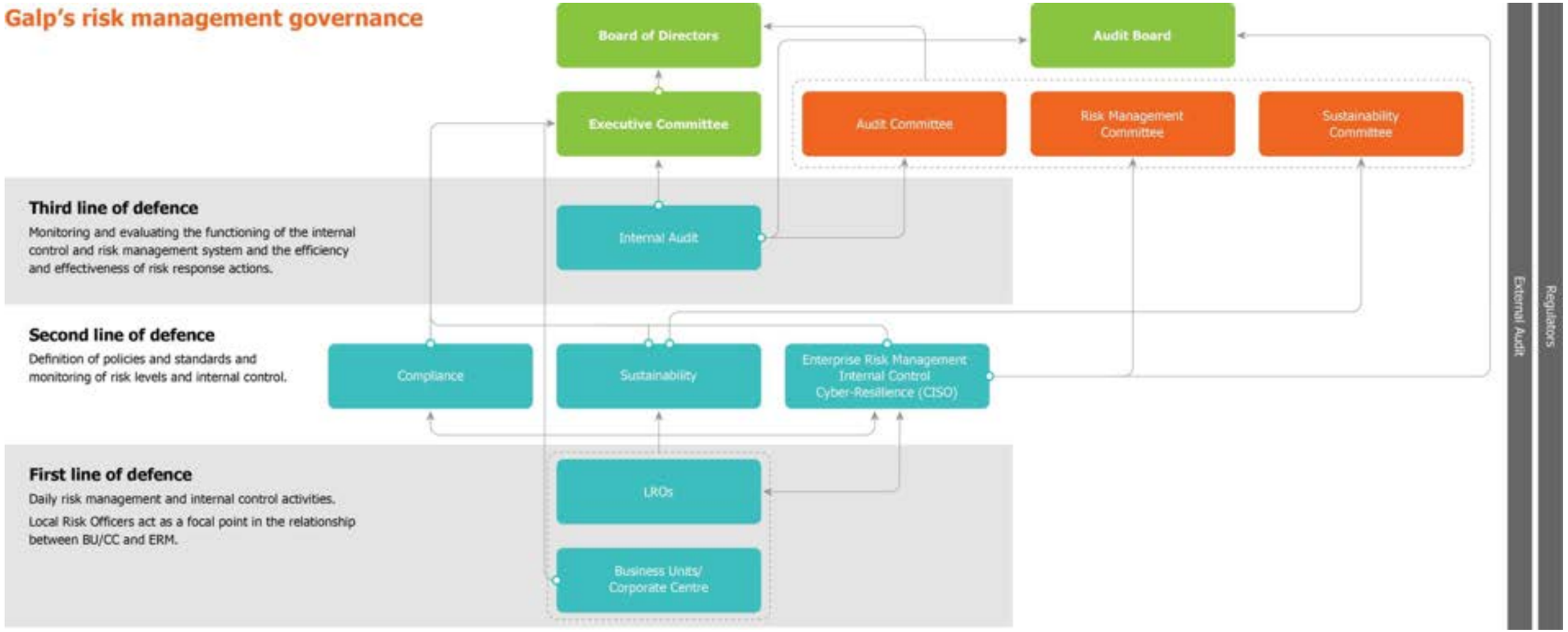
2.4 **How we manage risk**

Galp is exposed to risks which may impact its operational and financial performance, reputation and market capitalisation.

The management of these risks is based on a Risk Management Model, implemented through an integrated, continuous, and dynamic process that involves the business units and Galp's corporate areas, and which is supported by the Risk Management Policy, the Risk Management Governance Model and the Internal Control Manual, approved by the Board of Directors.

Galp's risk management governance and organisational structure follows the COSO (Committee of Sponsoring Organizations of the Treadway Commission) methodology and is structured according to the three-lines-of-defence organisational model, in cooperation with the supervisory bodies, as represented in the image below:

Galp's risk management governance



Galp has a governance structure, procedures and systems which enable the Company to manage the risks to which it is exposed, so that risk management is an integral part of the decision-making processes.

We identify below the emerging risks, defined as those which (i) are not currently having a significant impact on the Company, but which are highly uncertain due to their rapid evolution, non-linearity or both; or (ii) even if they have already started to impact the Company's business, they will continue to have an impact in the long term and may materially influence Galp's business model. The way the Company addresses and mitigates them is also described.

The results are discussed in greater detail in Part II of this report – Corporate Governance Report.

Some of these risks are sensitive to climate change phenomena and low-carbon economy transition scenarios, particularly those associated with regulation, future trends in demand, commodity price fluctuations and potential increase in competition. Given the emerging nature of climate change risks in the current energy context, and in accordance with the commitments undertaken, Galp includes them in the scope of its risk analysis, together with other emerging risks, integrates them into the decision-making process, and ensures that they are continually managed.

This risk analysis and the resulting risk matrix are regularly discussed with the Executive Committee and the Risk Management Committee.

Galp has defined a methodology that allows the Company to obtain an overview of its main risks, classifying them according to their materiality, characterising them in a comprehensive and robust manner, assessing the probability of occurrence, quantifying their potential impact (in the financial results, shareholder value, business continuity, environment, reputation, quality, health and safety, and human capital dimensions) in each business unit or corporate area, integrating them, and identifying, when appropriate, effective mitigation measures.

Galp has also been working on identifying climate-related risks, considered as strategic risks for the Company. Since 2021, these risks are assessed for all business units and geographies on an annual basis using scenario-based modelling. This procedure aims to assess the resilience of the Company's strategy to different climate scenarios and integrate the most relevant associated risks in the risk management framework.

Galp's main & emergent risks are shown in the matrix beside, based on their criticality in terms of "probability x impact".

Top Risks



	Risks
Strategy Risks	
Climate Change - *Emerging Risk*	The physical risks (acute or chronic) associated with climate change may have a potential impact on Galp's activities, causing damage or interruptions and delays in its operations. Transition risks (market, legal and regulatory, and technological risks) will lead to a change in consumer behaviour, reducing demand for O&G, and potentially affecting their prices; to large investments in new technologies supporting the transition to a lower-carbon, energy efficient economic system, namely electrification and hydrogen; and could drive the creation of stranded assets.
Portfolio Performance and Valuation	Galp's sustainability depends on its ability to reshape its portfolio, focusing on opportunities that ensure a portfolio capable of creating long-term sustainable value, taking advantage of the Company's existing competitive advantages, while diversifying and exploring adjacent synergies and opportunities aligned with market trends, enabling it to meet its decarbonisation ambition at the pace demanded by the market.
ESG Regulatory Compliance - *Emerging Risk*	Any failures by the company, its employees, governing bodies, suppliers/service providers or counterparties relating to compliance with ESG laws and standards, or failure to respond to ESG topics, which are gaining prominence and being increasingly scrutinised by several stakeholders, may have adverse effects on the Company's investment case and reputation.
Reputation and Image	Actual or perceived failures in governance, regulatory compliance, or a lack of understanding of how our operations affect communities and the environment or how the Company is responding to expectations from customers and the society, namely on the energy transition arena, could damage our brand and reputation.
Economic Context	Galp operates in a sector particularly exposed to the economic context, with supply and demand conditioned by the macro environment. Its competitive position and financial performance may be harmed, specifically if the Company is unable to respond adequately and in time to disruptive changes in the market.
Partnerships	Most projects developed by Galp in the various segments depend on partnerships with other entities which, while allowing the Company to take advantage of complementary capabilities and resources, as well as adequate risk sharing, give Galp less control over the execution, performance and operating costs of projects and expose the Company to the risks associated with partners (financial, technical, operational, cyber, reputational, etc.).
Innovation & Technology - *Emerging Risk*	The inability to identify and integrate new digital transformation trends, particularly in terms of automation and solving complex industrial challenges or developing new practices that speed up processing times and reduce manual work, would affect Galp's efficiency and its competitive position. Failure to monitor the Cybercrime risks associated with these new technologies would also have material adverse effects on the company, customers and partners.
New Project & Business Evaluation - *Emerging Risk*	Galp's strategy of developing a set of diversified projects (renewables, battery value chain, green hydrogen, etc.), in line with the energy transition, and that allow capturing synergies with other businesses, may be compromised if the investment options do not meet the defined objectives and/or do not contribute to the fulfilment of Galp's Decarbonisation Roadmap.
Finance Risks	
Price	Galp's business portfolio is exposed to volatility in prices of crude oil, natural gas, LNG, electricity, CO2, and other raw materials, as well as changes in interest and exchange rates. The variability of commodity and financial prices, resulting from macroeconomic, geopolitical or technological factors that affect the dynamics of demand and supply, may have a material adverse effect on the value of Galp's assets, results and financial performance.
Liquidity & Insurance Management - *Emerging Risk*	Galp's ability to access the financial and capital markets to finance its strategy and obtain insurance quotes for its investment projects could be affected by the growing pressure on investors to divest from fossil fuel companies.
Operations Risks	
Sourcing and Supply	The significant increase on pressure on global and domestic supply chains, causing shortages of raw materials and labour, restrictions on production capacity and logistics, price increases, demand volatility, and a growing risk of cyber-attacks, may have a major impact on Galp's operations and its financial performance.
Hazards & Catastrophic Loss	The nature, technical complexity, and diversity of Galp's Upstream and Industrial operations expose the Company and its communities to a broad spectrum of disruptive health, safety, security and environment risks.
Contractualisation and Customer Management	The inability to retain a sustainable customer portfolio may impact Galp's competitive position, financial performance and jeopardize its commercial growth strategy.

	Risks
Efficiency and Effectiveness	The inability to ensure the efficiency and effectiveness of its operations may threaten the Company's ability to provide services at cost levels equal to or lower than those of its competitors, compromising Galp's productivity and competitive performance.
Business Continuity	The occurrence of a failure or disruption may disrupt or threaten Galp's critical business processes, impacting on human resources, the environment, the value of assets, the revenues and, ultimately, on the continuity of Galp's business.
Project Execution & Management	The execution of Galp's projects is exposed to several risks (market, liquidity, political, legal, regulatory, technical, commercial, climate and others) that may compromise compliance with budget, deadlines, defined specifications, and its operational reliability.
Legal and Compliance Risks	
Legal & Regulation	Galp is subject to a wide range of international laws and standards of the various countries in which it operates, whether industry-specific, or transversal. Additionally, part of Galp's activity is carried out in emerging or developing economies, with a relatively unstable legal and regulatory framework, which may lead to legislative and regulatory changes that may alter the business context in which Galp operates.
Sanctions	Non-compliance with the economic and financial sanctions imposed on third parties by supranational or governmental entities may have a major impact on Galp's reputation and financial performance.
Information Technology Risks	
Cybersecurity - *Emerging Risk*	Most of Galp's processes rely heavily on digital systems and data. Any failure in the security of these systems, whether accidental (due to network, hardware or software failures), or resulting from intentional actions (cybercrime), or negligence (internal or due to service providers) may have severe negative impacts for Galp's operations, its customers and suppliers.
People Risks	
Talent Attraction & Retention	The failure to adopt a new work model paradigm, while building a culture of holistic wellbeing (including physical, emotional, financial, social, and career perspectives), ensuring employee engagement and productivity, may prevent Galp from attracting and retaining talent, undermining its ability to properly execute its strategy, and impacting its financial performance and reputation.

3. business pillars





Coral Sul FLNG (Mozambique) start-up and delivery of first LNG cargo

Coral South Floating Natural Gas (FLNG), in Area 4 offshore Mozambique, has safely delivered its first commercial cargo in November 2022 after executing the development and construction phases according to plan and budget. The unit is completing its ramp up and is expected to contribute 7 kboepd to Galp in 2023.

Progressing on Bacalhau I (Brazil) with start of drilling programme

The drilling and the marine installation campaigns in Bacalhau have safely started in November and in December respectively and are being supported by one drilling ship and four support vessels. A second drillship will join the operations following the completion of the appraisal campaign in Bacalhau North, planned for the second half of 2023. Bacalhau will start operations in 2025 and represents a key driver for Galp's production growth.

Divestment of Angolan upstream assets

Announced in early 2023, Galp has signed the agreement for the sale of its upstream assets in Angola. The transaction allows Galp to crystalize value from mature upstream assets and supports the high-grading of the portfolio. The transaction completion is expected during the second half of 2023.

Secured natural gas opportunities in Brazilian liberalized market

Following the new framework for the natural gas (NG) market liberalization in Brazil, Galp has established gas commercialisation contracts effective from January 2022. The sale, sourcing and processing agreements established showcase the Company strategy to develop its integrated gas portfolio in Brazil, maximising value creation from both its Upstream and Midstream operations.



Taking full ownership of Titan Solar

Galp acquired the 24.99% it did not already own in Titan 2020 S.A. (Titan Solar), the company created in September 2020 as a joint venture (JV) with the ACS Group, and which detains Galp's main renewable portfolio in Spain. The stake was acquired from Cobra, which had taken the position from ACS, for a total consideration of €140 m. At the end of 2022, Titan's portfolio included 1.2 GW of solar photovoltaic plants in operation and several projects at different stages of development with about 1.6 GW of capacity expected to be online by 2025.

Further expansion of renewables projects' funnel

Galp agreed to acquire up to 4.8 GW diversified portfolio of early-stage renewable energy projects in Brazil, doubling its funnel of opportunities across Brazil, Spain and Portugal. The framework agreement comprises the acquisition of 19 photovoltaic (PV) projects to be developed by SER Energia, with total potential capacity of 4.6 GW, and a 216 MW cluster of three wind farms in Brazil's Northeast, to be developed by Casa dos Ventos. The transactions will become effective as the several parks advance through the respective development stages.

Maturing opportunities in the battery value chain

Galp and Northvolt have taken meaningful steps towards the development of the Aurora Lithium conversion unit, having considerably reinforced the team, hiring key managerial and technical positions and conducting the definitive feasibility studies for the up to 35 ktpa of battery-grade lithium hydroxide production capacity plant.



Immediate suspension of Russian oil-product purchases

Following the Russian acts of aggression against the people of Ukraine, Galp's Board of Directors decided to suspend all new purchases of petroleum products either sourced in Russia or from Russian companies. Although Galp had no joint ventures with any Russian entities, Galp immediately began the process of eliminating direct or indirect exposure to petroleum products either sourced in Russia or from Russian companies in existing contracts. Although the measure impacted Sines refining operations and its likely financial contribution, Galp continued to ensure the supply of gas and fuels to the Portuguese market.

Entering into an agreement with NextDecade for U.S. LNG

Galp signed a 20-year Sales and Purchase Agreement (SPA) with NextDecade Corporation for access to 1 mtpa of LNG from the U.S.. Commercial deliveries of Next Decade's Rio Grande LNG project, in Texas, are expected to start in 2027. This agreement enhances Galp's access to competitive U.S. LNG volumes, supplementing supplies from Venture Global, which are due to start during 2023. It also adds more flexibility and geographic diversity to its sourcing portfolio.

Progressing on green hydrogen development

In 2022, Galp conducted the feasibility study for a 100 MW electrolyser, to be deployed in Sines. The 100 MW project has advanced to the basic engineering stage, with additional key support mechanisms being created throughout the year, to support an FID in 2023. The system will be integrated with the refinery, allowing to start replacing the current hydrocarbon-based hydrogen production.

Transforming Matosinhos industrial site

As the decommissioning activities of the Matosinhos refinery progressed during 2022, Galp, the Matosinhos City Council (CMM) and the North Regional Coordination and Development Commission (CCDR-N) signed a cooperation protocol for the reconversion of the site.



Progressing in our Commercial transformational journey

During 2022, Galp revamped in 153 service stations and opened 12 new Hubs, as it continues to transform its retail network. The Company aspires to convert all of its current retail network, with digitalisation playing a key role in the transition to expand the low carbon and convenience offer, simplifying the customer journey.

Accelerating distributed solar and electric mobility

Galp Solar installed more than 7,700 panels in Portugal and Spain rooftops, further expanding the company's solar energy capacity. This was accompanied by Galp's expansion in electric mobility, with the installation of an additional 1,196 new charging points for electric vehicles, ending the year with a total of 2,382 charging points operating across Iberia. These investments will enable further leveraging of our convenience businesses while responding to the evolving needs of our customers.

2022 Highlights

- Working interest (WI) production was 127 kboepd, flat versus the previous year, as the slight decrease in production from more mature projects was offset by more efficient planned interventions and the start-up of Coral Sul FLNG towards the end of the year.

127 kboepd
Average WI production

10 $kgCO_2e/boe$
Carbon Intensity

2.8 $/boe
Production Costs

2.3 bn boe
2P Reserves and 2C Resources (ex Angola)

- In Brazil, Galp and its partners continued to progress the development of the Bacalhau project, expected to start in 2025, by securing the drilling ship that will also perform the appraisal well in the Bacalhau North area. Drilling and marine installation campaigns started in November and December, respectively.
- Still in Brazil, the FPSOs developing the Berbigão/Sururu and Sépia reached plateau production.
- In Mozambique, Area 4 partners have successfully delivered the first LNG cargo from the FLNG Coral Sul unit in November, having executed the project on time and on budget. The partners also continue their efforts to assess possible development concepts for the Rovuma LNG onshore project.
- In São Tome and Principe, Galp performed an exploratory well in Block 6, which proved a working petroleum system, although with no evidences of a commercial discovery.
- Already in 2023, Galp signed an agreement with Somoil for the sale of Block 14 and block 32 in Angola.

Main indicators

	2021	2022
Reserves 1P[1] (mboe)	410	367
Reserves 2P[1] (mboe)	712	668
Resources 1C[1] (mboe)	417	525
Resources 2C[1] (mboe)	1,521	1,653
Average working interest production[2] (kboepd)	127	127
Average net entitlement production[2] (kboepd)	125	126
Carbon intensity in Upstream[3] ($kgCO_2e/boe$)	10.3	10.1
Oil realisations indicator ($/boe)	-	98.9
Gas realisations indicator ($/boe)	-	52.7
Production costs ($/boe)	1.6	2.8
DD&A[4] ($/boe)	14.0	13.6
RCA Ebitda (€m)	2,020	3,083
RCA Ebit (€m)	1,434	2,229
OCF (€m)	1,527	2,022
Investment (€m)	616	640

Note: unit values based on net entitlement production.
[1] Excludes all reserves and resources related to Angolan assets held for sale (as of 31 December 2022: 1P 13 mbbl, 2P 21 mmbl, 3P 34 mbbl, 1C 20 mbbl, 2C 67 mbbl, 3C 136 mmbbl).
[2] Includes the production of exported natural gas, excludes consumed or injected natural gas.
[3] Considers 100% of emissions from oil and gas production from operated blocks and the working interest from non-operated blocks. In the case of the Coral FLNG only emissions from activities considered Upstream (gas production) are taken into account by this metric, while Midstream activities related to the primary intent of producing gas liquids for sale as liquefaction are considered out of scope.
[4] Includes provisions for relinquishment and excludes impairments related to exploration assets.

Development of reserves and resources

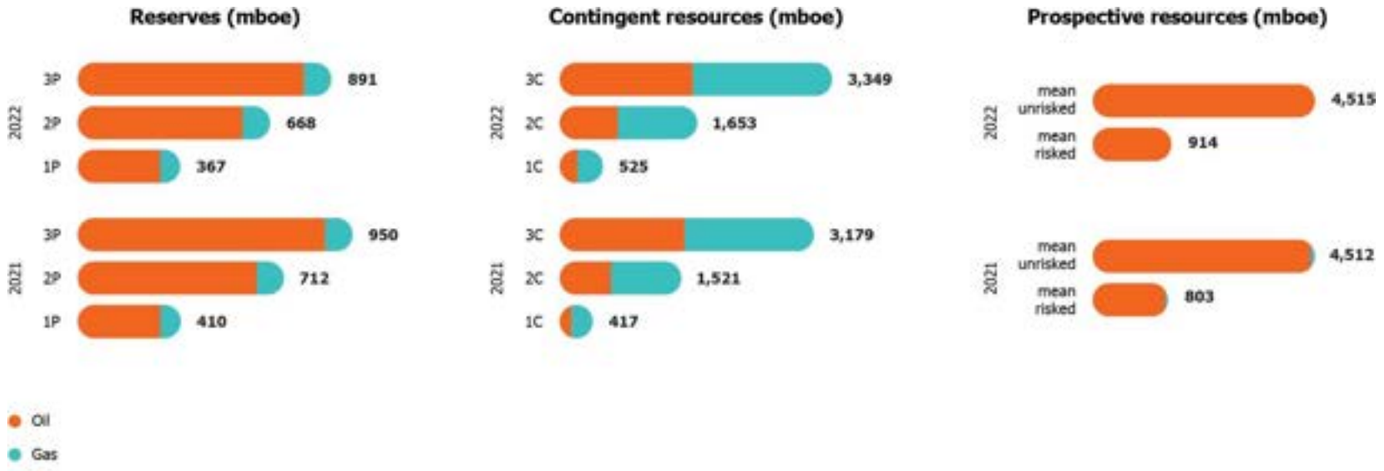
Reserves 1P were reduced 10% YoY to 367 mboe, considering the exclusion of the Angola reserves and the net entitlement production during the year of 46 mboe, although partially offset by the upwards revision of Bacalhau reserves, in Brazil.

Proven and probable reserves (2P) followed, decreasing 6% YoY to 668 mboe, of which natural gas represents 14%.

2C contingent resources increased to 1,653 mboe, 9% higher YoY, mainly driven by Bacalhau phase II studies, although partially offset by the exclusion of Angolan resources. Natural gas account for 54% of current 2C resources, mainly attributable to Mozambique.

2P reserves, together with 2C contingent resources, amounted to 2.3 bn boe.

Galp's reserves and resources are subject to an independent assessment by DeGolyer and MacNaughton (DeMac).



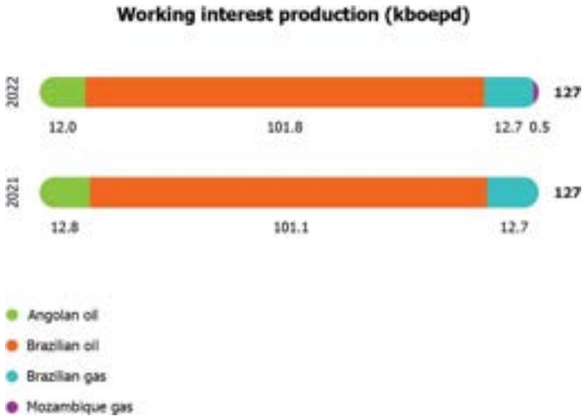
Note: Reserves on a net entitlement basis. Contingent resources and prospective resources on a working interest basis.

Production overview in 2022

WI production was 127.1 kboepd, stable relative to 2021, reflecting the plateau stage of most of our assets, with decline from more mature projects being offset by the full ramp up of Berbigão and Sururu, and Sépia (Brazil) in the summer, and by the start-up of Coral FLNG (Mozambique) in the last quarter of the year. Maintenance activities performed during the year started to normalise, after bottlenecks experienced during the pandemic years, but still with some backlog interventions resulting from persistent logistical and operational constraints.

In Brazil, WI production was 114.6 kboepd. During the period, the Berbigão and Sururu unit completed its ramp-up, reaching the highest daily production in June. Sépia has also reached highest production in 2022.

In Angola, WI production was 12.0 kbpd, a decrease of c.7% YoY, reflecting the natural decline in Block 14/14k and in Block 32.



Galp continues to focus on optimising its portfolio, strengthening plans of development and implementing the steps to ensure all value extraction initiatives are executed on its key projects, with the Company predicting sustainable growth based on its highly competitive and lower carbon intensity portfolio.

This will also be supported by the safe execution of Bacalhau in Brazil, which will contribute with c.40 kboepd net to Galp once at plateau, being a key driver of growth to the Company in the future.

Galp's Upstream portfolio

In early 2023, Galp signed an agreement for the sale of its Angolan upstream assets in blocks 14 and 32. This deal enabled Galp to crystalize value from mature projects and to high-grade its overall portfolio.

Following the sale of the Angolan portfolio, Galp currently has 20 upstream projects at different states of maturity, ranging from exploration to production and located entirely in deep waters. The most relevant projects include the development of the BM-S-11 block in the Brazilian Santos basin, where one of the world's largest oil discoveries in recent decades is located, the major natural gas discoveries in the Rovuma basin in Mozambique, and promising exploratory assets in Namibia and São Tomé and Príncipe.

Galp's Upstream enviable position is recognised by its low-cost base combined with its low carbon intensity, at almost half of the industry's average and continues to have an NPV_{10} Brent breakeven below $25/bbl for new sanctioned projects.

Carbon intensity in Upstream[1]



Galp
Industry average (IOGP 2021)

[1] Considers 100% of emissions from oil and gas production from operated blocks and the working interest from non-operated blocks.

Commitment to responsible energy production

Galp's growth profile is based on a distinct Upstream portfolio, with resources that are characterised by its high sustainability, namely considering the low production costs and the lower carbon intensity. The competitiveness of these developments enables a carbon intensity of 10.1 $kgCO_2e/boe$, well below the industry average of 18.3 $kgCO_2e/boe$ (source: International Association of Oil and Gas Producers (IOGP) 2021).

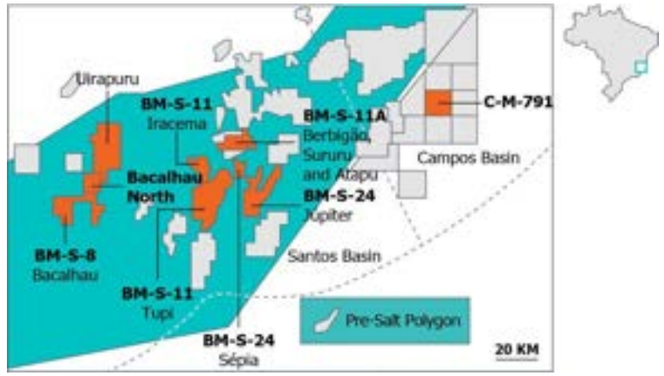
Ultra-deepwater projects are expected to continue to be fundamental to global production and energy security. Thanks to the high level of investment, expertise, technology and innovation, the deepwater projects can be safely developed and are able to produce one of the lowest carbon-intensive barrels of oil in comparison to other methods. In addition to stricter regulation on venting and flaring, where Brazil is a benchmark on best practices, new FPSOs include technologies that will help reduce their carbon footprint further. For example, the Bacalhau FPSO will use combined cycle gas turbines capable of reducing CO_2 emissions by c.110 ktpa.

Brazil

Offshore

Galp's offshore portfolio in Brazil focuses mainly on the pre-salt polygon, where the Company has been present since the exploration and assessment phases of the first prospects. The Brazilian pre-salt is a reference in the industry, mainly due to the size and quality of its resources, which, along with the advanced technology used in the development concepts, place these projects among the most competitive and sustainable worldwide.

Galp is one of the key players in Brazil, currently the fourth largest producer in the country, with several projects in the pre-salt of the Santos and Campos basins, in appraisal, development and production phases.



Producing units in the pre-salt in the Santos basin

Galp started production in the pre-salt in 2010, through the FPSO Cidade Angra dos Reis allocated to the area of Tupi Pilot. By the end of 2022, Galp had 12 operating FPSOs, seven of which in the Tupi accumulation, two in the Iracema, one developing the Berbigão & Sururu accumulations, another in the Atapu field and finally one allocated to the Sépia project.

[1] Subject to approval of the unitisation agreement.

Unit	Designation	Location	Oil | Natural Gas Capacity	Production Start	Galp's stake
FPSO #1	Cidade Angra dos Reis	Tupi Pilot	100 kbpd | 5 mm^3/d	Oct. 2010	9.20%
FPSO #2	Cidade de Paraty	Tupi North East	120 kbpd | 5 mm^3/d	Jun. 2013	9.20%
FPSO #3	Cidade de Mangaratiba	Iracema South	150 kbpd | 8 mm^3/d	Oct. 2014	10.00%
FPSO #4	Cidade de Itaguaí	Iracema North	150 kbpd | 8 mm^3/d	Jul. 2015	10.00%
FPSO #5	Cidade de Maricá	Tupi Alto	150 kbpd | 6 mm^3/d	Feb. 2016	9.20%
FPSO #6	Cidade de Saquarema	Tupi Central	150 kbpd | 6 mm^3/d	Jul. 2016	9.20%
FPSO #7	P-66	Tupi South	150 kbpd | 6 mm^3/d	May 2017	9.20%
FPSO #8	P-69	Tupi Extreme South	150 kbpd | 6 mm^3/d	Oct. 2018	9.20%
FPSO #9	P-67	Tupi North	150 kbpd | 6 mm^3/d	Feb. 2019	9.20%
FPSO #10	P-68	Berbigão and Sururu	150 kbpd | 6 mm^3/d	Nov. 2019	10.0%[1]
FPSO #11	P-70	Atapu	150 kbpd | 6 mm^3/d	Jun. 2020	1.70%
FPSO #12	Carioca	Sépia	180 kbpd | 6 mm^3/d	Aug. 2021	2.40%



Production and development in Brazil

Tupi and Iracema

The Tupi and Iracema projects started production in 2010, through the Tupi Pilot area, and contribute the most to Galp's production. From inception to date, nine production units have been installed in these accumulations, with a combined capacity to process up to 1.3 mbbl of oil and 56 million m^3 of natural gas per day, having delivered more than 2.9 bn boe of accumulated production so far.

By the end of 2022, 135 wells (74 producers and 61 injectors) were drilled, out of the 151 wells planned. Currently, 128 wells are connected to the installed FPSO units.

The partners are committed to maximise the value extraction from their assets, optimising operations and increasing the recoverability of the discovered resources.

In late 2021, Galp, together with its partners, submitted an updated Plan of Development (PoD) for the Tupi and Iracema fields to ANP. This submission includes a set of identified actions aimed at maximising the value creation from the Tupi field, identifying additional resources of low breakeven prices, which will increase the fields' total recoverability.

The updated PoD is now subject to ANP approval, who has seen its queries promptly answered by the consortium, with the process expected to be completed in 2023. The new PoD is another relevant milestone in the execution of Galp's Upstream strategy and alignment with the Company's capital allocation guidelines, targeting additional value enhancement and sustainable development opportunities in core assets, which are among the largest and most productive offshore fields in the industry.

Berbigão, Sururu and Atapu

Through the BM-S-11A consortium, Galp holds stakes in Berbigão, Sururu and Atapu, three accumulations located in the central pre-salt area of the Santos basin, northeast of the Tupi and Iracema fields.

The Berbigão and the western flank of Sururu accumulations are under development through FPSO P-68, which has reached plateau in October 2022. The unit has 9 producing wells connected, out of a total of 10 planned. It also has 6 injector wells connected, out of the 7 planned.

The FPSO P-70, in the Atapu accumulation reached plateau in 2021, and, by the end of 2022, had 6 producing wells connected, out of a total of 8 planned.

The drilling campaign in the three accumulations is proceeding according to plan, with 18 producing wells and 12 injection wells already drilled by the end of 2022, out of the 33 wells planned.

In the Sururu area, Galp and its partners continued to study the subsurface of the accumulation to develop the central area of the field. Based on the data from the EWT (Extended Well Test), which is producing through P-68 since June 2021 and the RDA (Reservoir Data Acquisition) well drilled in 2020, the Consortium has submitted to ANP preliminary results and a possible way forward.

The Berbigão and Sururu accumulations extend beyond the limits of block BM-S-11A, towards a Transfer of Rights (ToR) area, and will be subject to unitisation with the surrounding areas. Regarding the ToR area, in 2018, the members of the consortium, along with Petrobras, submitted the Production Individualisation Agreements (AIP) to ANP and await the agency's approval. As a result of the unitization agreement, once approved, Galp will reduce its working interest in the project. Based on the principle of prudency, the accounting implications that the unitization carries have already been reflected in our statements in the third quarter of 2022, when the Company began to be in a net payable position.

Bacalhau

The Bacalhau project extends through blocks BM-S-8 and Bacalhau North, with Galp holding a 20% stake in both.

In 2021, Galp and its partners made the Final Investment Decision to develop phase I of the Bacalhau field. The total full life cycle investment for this first phase is estimated at c.$8 bn. In 2022, the consortium focused on the execution of the FPSO construction and planning of the drilling campaign, which began in the last quarter of the year.

The Bacalhau project is considered one of the most promising assets in the pre-salt of the Santos basin due to the high-pressure conditions of the reservoir and its high quality resources. It is a highly competitive project, both in economic and environmental terms, with phase I having an estimated NPV10 Brent breakeven well below $35/bbl and a carbon intensity of c.9 $kgCO_2e/bbl$.

The development of phase I will consist of 19 subsea wells tied back to an FPSO located at the field. This will be one of the largest and more technologically advanced FPSOs in Brazil, with a production capacity of 220 kbpd and 2 mbbl in storage capacity. The stabilised oil

will be offloaded to shuttle tankers and the gas will be re-injected in the reservoir.

During the year, the partners have secured access to a second drilling rig that will support the drilling and completion program of phase I, as well as perform a Reservoir Data Acquisition (RDA) well in the Bacalhau North area, expected in the first half of 2023. The results of this well will help further define the development concept for Bacalhau phase II project, with several solutions being analysed. In November and in December, the partners started the drilling and marine installations campaigns, respectively, which will continue throughout 2023.

The Bacalhau project will significantly contribute to Galp's continued competitive Upstream growth in the short to medium term.

Sépia

Galp has a small stake of 2.4% in the Sépia project, which started production in August 2021, through FPSO Carioca, located approximately 200 km off the coast of the state of Rio de Janeiro, with a water depth of 2,200 m. The unit, chartered from Modec, has a processing capacity of up to 180 kbpd and 6 mm^3 of natural gas, being the largest operating unit in the Santos Basin in terms of complexity, contributing to Galp's expected growth in production.

The drilling campaign counts with 7 producing wells and 4 injection wells drilled by the end of 2022, out of a total of 15 planned wells. Currently, 4 producer wells are connected to the installed FPSO. The remaining wells will be hooked up in 2023 and 2024, totalizing 7 producers and 4 injector wells. The unit has reached a production of c.175 kboepd in May 2022 and is now considered to be fully ramped up, the additional wells will support production near plateau levels.

In late 2021, ANP hosted the second bid round for the surplus volumes of the ToR of Sépia, having awarded the Sépia rights to the consortium composed of Petrobras, TotalEnergies, Petronas and Qatar Petroleum. Galp's stake in the project remained unchanged at 2.4%. A development plan for a new phase has been submitted to ANP in late 2022, comprising the installation of an additional FPSO.

Júpiter

The discovery of Júpiter, located entirely within block BM-S-24, is a large-scale accumulation, still under assessment.

The results from the Drill Stem Test (DST) performed in 2020 reinforced the potential of the Júpiter reservoir, with high added value condensate sample, and Galp and its partner are committed to continuing development studies for the discovery.

During 2022, the partners continued the technological development studies and the analysis of additional assessment activities in order to support the project's conceptual solution.

Block C-M-791

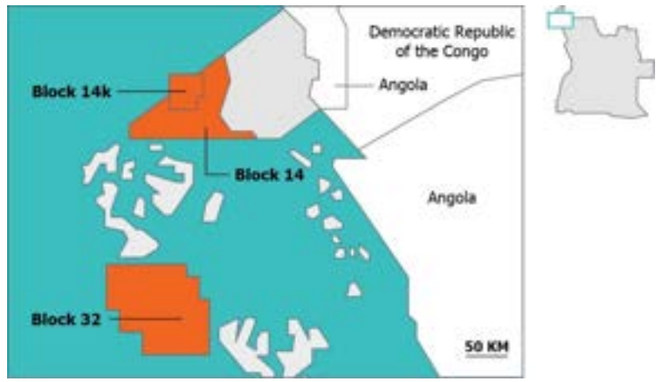
Block C-M-791 is an exploration asset in the Campos basin with pre-salt geological potential, although located outside the pre-salt polygon.

In 2019, the consortium started an exploration program with the acquisition of around 2,800 km^2 of 3D seismic in the region, more than covering the area of block C-M-791. The data was processed, leading to the identification the Bob prospect. In 2022, an exploratory well was drilled which showed significant CO_2 content. The partners are now moving forward in analysing ways to maximize value from this asset.

Angola

In early 2023, Galp signed an agreement for the sale of its upstream assets in Angola. This transaction allows to crystalize value from mature upstream assets and supports the high grading of the upstream portfolio. Following the transaction these assets will be treated as available for sale.

In 2022, Angola contributed c.10% of the Company's working interest production.



Block 32

The Kaombo project, in block 32, is located in an ultra-deepwater area of the Angolan offshore.

During 2022, the consortium continued to work to optimise oil recovery and maximise value extraction, drilling 4 new wells as part of a campaign focused on completing the remaining Field Development Plan (FDP) & approved pop-up wells, enhancing production efficiency with reservoir management, and continuing evaluating potential upsides.

At the end of 2022, the consortium had drilled and delivered 51 wells from the 64 planned for the development of the Kaombo field.

Block 14/14k

During 2022, given the current state of natural decline of various fields included in the Re-Demarcated Development Area in block 14 and the Lianzi field in block 14k, the consortium continued to work to optimise oil recovery and enhancing production with efficient reservoir management and tackling platform reliability issues.

At the end of 2022, as part of current Block 14 drilling campaign, 3 infill wells were delivered. Additionally, the Contractor Group initiated the delivery of the commitment package (6 infill wells and 1 exploration well) foreseen in the 2020 Heads of Agreement with the Government that enhances block fiscal terms by increasing the recoverable costs amount, through a higher cost oil rate.

Mozambique

Natural gas will play a key transitional role to a lower-carbon economy, a statement which has gained more relevance and support as direct consequence of the recent geopolitical events. The discoveries in the Rovuma basin will enable Mozambique to become one of the world's leading natural gas suppliers, having achieved its first LNG cargo delivered in November 2022 from the Coral field.

Area 4, where Galp holds a 10% stake, holds 85 trillion cubic feet (tcf) of high quality gas volumes in place. The development of Area 4, in the Rovuma basin, includes the Coral South offshore project located in the Coral field and the Rovuma LNG onshore project to develop the large Mamba field.



Coral South

After being sanctioned in 2017, the Coral South project is the first development to tap the large-scale natural gas resources of Area 4.

The Coral discovery, located entirely on the Area 4 concession, is defined by a reservoir with approximately 16 tcf of gas in place. The project consists in a FLNG unit connected to the southern area of the Coral discovery, with a processing capacity of about 3.4 mtpa of LNG.

The construction of the FLNG started in 2018, with a controlled execution which led to the unit sail away from South Korea in November 2021, as per plan and despite the pandemic. The FLNG arrived in Mozambique in January 2022, with mooring activities performed in the second quarter of the year. Throughout the commissioning phase, first hydrocarbons were safely introduced to the FLNG in June and first LNG drop achieved in the beginning of October. Subsequentially the first commercial cargo left the FLNG unit in November, marking this as a historic day for the country.

The next phases will focus in ramping up production and reach plateau within the first half of 2023, expecting to contribute c.7 kboepd to Galp.



Rovuma LNG

The development of the Rovuma basin project is one of the most competitive natural gas green field developments in the world, benefiting from Mozambique's privileged geographical position, the quality of the gas and the proximity of the discoveries to shore.

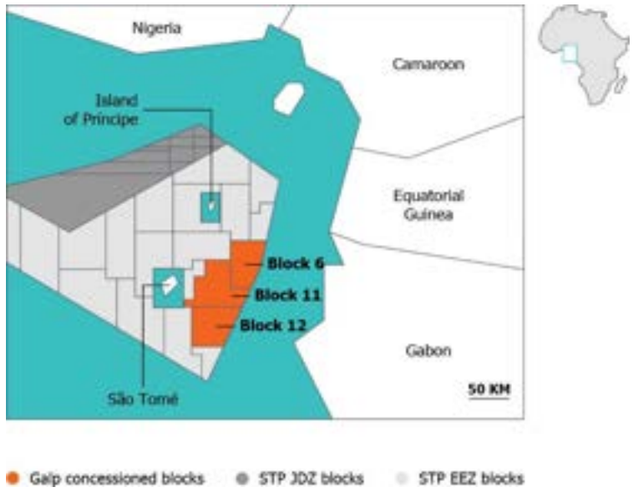
In May 2019, the Government of Mozambique approved the Plan of Development for Phase I of the Rovuma LNG project, which will produce, liquefy and export natural gas from Mamba.

As a result of the rising tensions within the country, the Area 4 JV decided to call force majeure, evacuating its people and putting a temporary halt to the project. In 2022, the partners focused on optimising the development concept and evaluating options to ensure the project's economic and sustainable robustness.

The consortium is equally evaluating potential synergies with adjacent development areas and continues to closely monitor the security situation in-country.

São Tomé and Príncipe

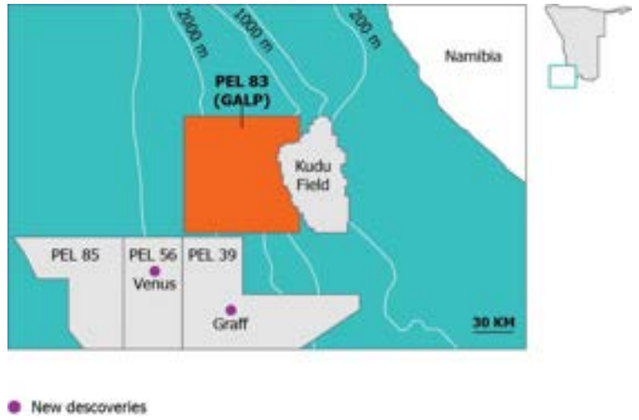
Galp's exploration portfolio in São Tomé and Príncipe currently includes three offshore blocks, namely Blocks 6 and 12, where Galp is the operator with 45% and 41% participating interest, respectively, and block 11, in which the Company holds a 20% non-operating participating interest. Following the geological and geophysical studies carried out on Block 6, Galp has drilled an exploratory well in 2022. The well, known as Jaca, showed no evidence of a commercial discovery, although it underlined an active petroleum system and allowed Galp to acquire a large set of valuable data which is being analysed to define the next exploratory steps in the region.



Namibia

Galp's exploration assets in Namibia consist of Petroleum Exploration Licence No 83 (PEL83), which covers an area of almost 10,000 km^2 in the Orange Basin in the southern part of Namibia's offshore waters near to the border with South Africa. The Company holds an 80% working interest in the Licence along with the Namibian State Oil Company, Namcor (10%), and local Namibian Independent Oil Company, Custos Energy (10%).

Galp is now planning an exploratory well, to be drilled in 2023 or early 2024. Recent nearby oil discoveries have proven the presence of a working petroleum system in the Orange Basin and PEL83 is well situated immediately to the north of these discoveries.



Current Upstream project portfolio

Block(s)	Basin	Type	# Projects	Main Projects	Oil Properties		Phase	Partners
					API (º)	Sulphur (%wt)		
Brazil (via Petrogal Brazil, except Barreirinhas)								
BM-S-11	Santos	Ultra-deepwater	1	Tupi	27-34	<0.5	Development & Production	Galp 9.2% | Petrobras 67.2% (op.) Shell 23.0% | PPSA 0.6%
BM-S-11	Santos	Ultra-deepwater	1	Iracema	28-32	<0.5	Development & Production	Galp 10% | Petrobras 65% (op.) Shell 25%
BM-S-11A	Santos	Ultra-deepwater	1	Berbigão	25-28	<0.5	Development & Production	Galp 10% | Petrobras 42.5% (op.) Shell 25% | TotalEnergies 22.5%
BM-S-11A	Santos	Ultra-deepwater	1	Sururu	24-29	<0.5	Development & Production	Galp 10% | Petrobras 42.5% (op.) Shell 25% | TotalEnergies 22.5%
BM-S-11A	Santos	Ultra-deepwater	1	Atapu	27-29	<0.5	Development & Production	Galp 1.7% | Petrobras 65.7% (op.) Shell 16.7% | TotalEnergies 15.0% | PPSA 1.0%
BM-S-8	Santos	Ultra-deepwater	1	Bacalhau	30-32	<0.5	Development	Galp 20% | Equinor 40% (op.) ExxonMobil 40%
Uirapuru	Santos	Ultra-deepwater	1				Exploration	Galp 14% | Petrobras 30% (op.) Equinor 28% | ExxonMobil 28%
Sépia	Santos	Ultra-deepwater	1	Sépia	26-30	<0.5	Development & Production	Galp 2.4% | Petrobras 55.3% (op.) TotalEnergies 16.9% | Petronas 12.7% QP 12.7%
BM-S-24	Santos	Ultra-deepwater	1	Júpiter			Appraisal	Galp 20% Petrobras 80% (op.)
C-M-791	Campos	Ultra-deepwater	1				Exploration	Galp 20% | Shell 40% (op.) Chevron 40%
BAR-M-300/ 342/344/388	Barreirinhas	From shallow to Ultra-deepwater	4				Exploration	Galp 10% | Shell 50% (op.) Petrobras 40%

Block(s)	Basin	Type	# Projects	Main Projects	Oil Properties		Phase	Partners
					API (º)	Sulphur (%wt)		
Mozambique								
Area 4	Rovuma	Ultra-deepwater	2	Coral Sul Rovuma LNG			Development & Production	Galp 10% | Eni 25% (op.) ExxonMobil 25% (op.) | CNPC 20% Kogas 10% | ENH 10%
Namibia								
PEL 83	Orange	From shallow to Ultra-deepwater	1				Exploration	Galp 80% (op.) | NAMCOR 10% Custos 10%
S. Tomé and Príncipe								
Block 6	Rio Muni	Ultra-deepwater	1				Exploration	Galp 45%(op.) | KE 25% | Shell 20% ANP 10%
Block 11	Rio Muni	Ultra-deepwater	1				Exploration	Galp 20% | KE 35% (op.) Shell 30% | ANP 15%
Block 12	Rio Muni	Ultra-deepwater	1				Exploration	Galp 41.2% (op.) | Equator 46.3% ANP 12.5%

3.3 **Renewables & New Businesses**

2022 Highlights

- Start-up of 400 MW of renewable generation capacity during the year, raising gross operating capacity at year-end to 1.4 GW, contributing to almost double the generation achieved in 2021, to 1.9 TWh (on a 100% basis).
- First Galp renewable generation project to start operations in Portugal, a 144 MW solar plant in Algarve.

9 GW

Gross renewable capacity in operation and construction & development

1.4 GW

Gross renewable generation installed capacity

1.9 TWh

Gross renewable power generation

- Expansion of the renewable portfolio, now totalling 9 GW on a 100% basis, considering projects under operation, construction and/or development.
- Enlarged position in Brazil, accessing a pipeline of 5 GW in photovoltaic projects in the solar belt and wind projects.
- Reinforcing the renewable position in Iberia, securing full ownership of Titan, to explore new value enhancement opportunities.
- Developing key steps for hybridisation and storage projects in Iberian parks to ensure continuous renewable growth and efficiency.
- Conclusion of early phase economic and engineering studies with successful production of lithium hydroxide at required specification (battery grade).
- Secured land plot option in Setúbal for construction of lithium processing plant.
- First direct investment in Corporate Venture Capital approved, aiming to invest in 6K, a company developing disruptive cathode materials manufacturing technology.

Main indicators

	2021	2022
Renewable installed capacity[1] (GW)	1.0	1.4
Renewable power generation[1] (GWh)	1,288	1,930
Avoided CO_2e emissions (tonCO_2e)	352,382	308,835
RCA Ebitda (€m)	-	50
Pro-forma Renewables Ebitda[2] (€m)	76	180
Pro-forma Renewables RCA Ebit[2] (€m)	52	131
Pro-forma Renewables OCF[2] (€m)	75	168
Investment (€m)	142	402

[1] Corresponds to, on a 100% basis, the installed capacity of renewable electricity generation projects at the end of the year.
[2] Pro-forma considers all Renewables projects as if they were consolidated according to Galp's equity stakes.

Renewables & New Businesses

The Renewables & New Businesses unit aims to develop a sustainable and diversified portfolio of renewable energy generation, which can be leveraged by synergies with the Company's remaining businesses, whilst supporting its energy transition trajectory and carbon intensity reduction ambitions.

In addition, this unit identifies, assesses, and develops new business opportunities in the energy space, seeking to add new value pools and maximise the value creation of current businesses by taking advantage of the disruptive changes that the industry is going through.

Renewables

Galp is one of the largest producers of solar photovoltaic energy in Iberia. During 2022, Galp's gross renewable energy generation pipeline increased from 4.7 GW to 9.0 GW including projects under operation, construction and different stages of development, located in Portugal, Spain and Brazil.

Galp concluded 2022 with 1.4 GW of capacity already under operation, after 400 MW of new operating capacity came online during the year.

Renewables portfolio

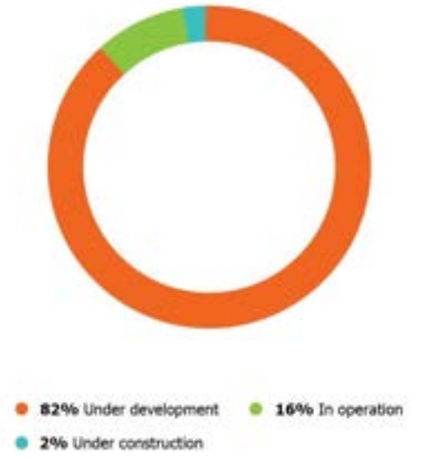
Galp Renewable capacity (GW)	In Operation	Under Construction	Under Development	Total
Gross	**1.4**	**0.2**	**7.4**	**9.0**
Spain	1.2	0.2	2.0	3.5
Portugal	0.2	0.0	0.4	0.5
Brazil	0.0	0.0	5.0	5.0

Project	Country	Region	Capacity (MW)	Status
Projects in operation and under construction				
Alcazar	Spain	Castile la Mancha	190	In operation
Alcazar I, II, III	Spain	Castile la Mancha	150	In operation
Aragón I	Spain	Aragon	725	In operation
Logro	Spain	Aragon	50	In operation
Manzanares	Spain	Castile la Mancha	36	In operation
Pitarco	Spain	Aragon	62	In operation
Ictio Solar	Spain	Castile la Mancha	50	In construction
Perea & Vegon	Spain	Castile la Mancha	100	In construction
Toledo & Ahin	Spain	Castile la Mancha	65	In construction
Alco	Portugal	Algarve	144	In operation
Vale Grande (wind)	Portugal	Coimbra	12	In operation

Split per geography (GW)

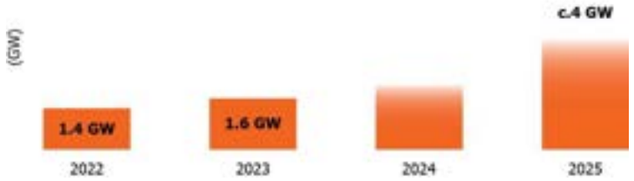


Split per development stage (GW)



With a competitive renewable platform in place and the competencies to make it prosper, Galp's goal is to gradually expand its renewable generation portfolio to 4 GW gross operating capacity by 2025, and continuing to grow throughout the decade.

Operating capacity at YE (GW)



The expansion plan to reach our development targets is selective, leveraged on the execution of the existing pipeline, whilst growing our presence in markets where there is a strategic advantage for Galp. The diversification of technologies will also play an important role to build a more resilient low-carbon business along with hybridisation and storage opportunities.

Galp's renewable strategy relies on balancing its presence in mature and non-mature markets to secure a long-term sustainable portfolio adjusted to the risks and opportunities of each market, but also to pursue active approaches to energy management, capital structure optimisation and asset rotation. This should allow the enhancement of the value creation of the renewables projects and the delivery of quality growth.

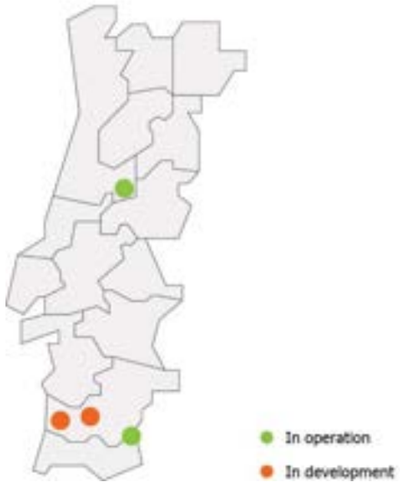
Expanding our renewable energy generation portfolio is a key enabler of our decarbonisation journey. As such, we have been enhancing our workforce to strengthen our ability to grow, developing core competencies that have been recognized as accelerators of our learning curve and that allow us the rapid development of our portfolio, and diversify both geographically and in terms of technology.

Portugal

In Portugal, Galp holds a portfolio of 507 MW of solar PV projects, including 144 MW in Alcoutim, Algarve, Galp's first project in Portugal, which started contributing in 2022.

The portfolio pipeline also includes 343 MW in Ourique and 8 MW in Odemira, both in Alentejo, at different stages of development. Galp's installed capacity for renewable generation in Portugal also includes 12 MW from a wind farm in operation.

Renewables portfolio in Portugal

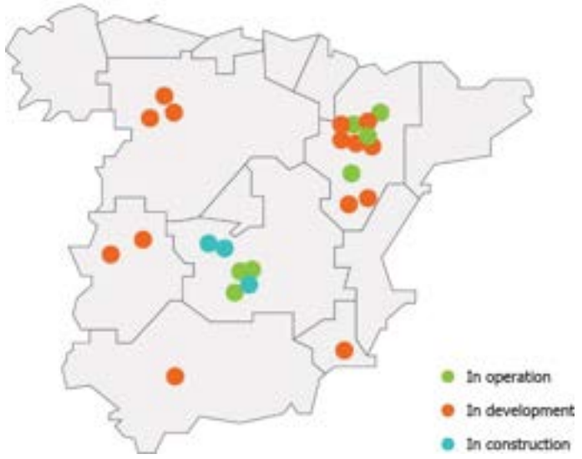


Spain

In 2020, Galp entered the solar power market in Spain, through an agreement with the ACS Group to establish Titan 2020 S.A. (Titan Solar), a JV aimed at developing a portfolio of solar PV projects in Spain. Galp owned a 75.01% stake in this JV and the stake was accounted for in Galp's financial statements using the equity method.

In 2022, Galp acquired the remaining 24.99% it did not already own in Titan. The stake was acquired from Cobra, which had taken the position from ACS, for a total consideration of €140 m.

Renewables portfolio in Spain



Titan Solar portfolio includes c.1.2 GW of solar PV plants in operation and several projects at different stages of development with about 1.6 GW of additional capacity expected to be online by 2025, all located in Spain.

The full incorporation of this high-quality portfolio reinforced the position of Galp as a leading player in solar PV in Iberia, allowing further control and optionality in its development and creating new value enhancement opportunities.



Brazil

Galp entered the Brazilian renewables business in 2021 with the acquisition of two solar PV projects with a combined capacity of c.590 MW.

In 2022, Galp secured more renewable power projects and expanded into wind in Brazil through agreements with SER Energia and Casa dos Ventos. These contracts provide access to a selection of photovoltaic and wind projects located in nine Brazilian states, across what is known as the solar belt, adding size and optionality to Galp's growth ambition. The framework agreement with SER Energia encompasses the acquisition of projects under development across Brazil's solar belt while the agreement with Casa dos Ventos comprises the acquisition of a 216 MW cluster of wind farms under development in Brazil's Northeast.

Renewables portfolio in Brazil



New Businesses

Galp actively works to identify and develop new businesses opportunities to drive growth and profitability. Creating these value pools for the future increases the potential of generating new autonomous businesses, in areas related to sustainability, energy transition, transportation, infrastructure and production. With new created businesses the Company can reach new markets while leveraging on the existing business model and capabilities.

Battery Value Chain (BVC)

Energy storage technologies will play a fundamental role in paving the way for a sustainable transition, as the EU aims to become active in lithium-ion battery production and electric mobility. Europe's path to net zero requires a major push to electrify industries, with the transportation and e-mobility areas having been identified as those where the greatest benefits can be achieved. The transportation sector is central to the realisation of a more sustainable energy system.

Portugal has potential for developing an integrated value chain because of the availability of endogenous renewable resources, availability of lithium spodumene, nearby automotive capacity, infrastructure and geographic position.

Galp is in a privileged position to participate in the development of a local and integrated value chain due to its experience in operating large-scale industrial businesses and chemical processes, in raw material sourcing and trading, renewable energies know-how and a highly skilled workforce.

Galp has given a significant first step in becoming an early mover in the lithium processing segment of the battery value chain. The 50/50 JV between Galp and Northvolt ("Aurora JV") was legally completed in 2022, and significant progress was made in the project to build and operate a lithium processing facility in Portugal, with a capacity to annually produce up to 35 kton of lithium hydroxide, sufficient for 50 GWh of battery production per year (approximately 700 k electric vehicles per year).

With the start of production expected in 2026, the project will use a proven conversion process, leveraging recent process improvements and technologies to increase its sustainability and efficiency. Additionally, the Aurora JV is seeking to enable the use of green energy to power the conversion process, thereby minimizing reliance on the conventional natural-gas-powered approach.

Galp continues to explore other business opportunities in the growing battery value chain market, leveraging on the know-how and strong network acquired whilst developing the Aurora project and on the current social, political and financial backing of projects that enable the energy transition.

Corporate Venture Capital and other businesses

In 2022, Galp intensified its Corporate Venture Capital activities and made its first direct investment of $5 m in 6K, a company developing disruptive cathode materials manufacturing technology.

The company 6K is championing the innovative process of advanced microwave plasma technology to produce metal powders for specialized applications, including cathode materials. 6K focuses on

producing low-cost, environmentally friendly battery materials to lower the environmental impact of global battery material production and to do so cost-effectively and sustainably. Investing in 6K fits well strategically with Galp's ambitions to position itself in the battery value chain.

Galp will continue assessing investment opportunities that target areas of high strategic relevance for the Company's ambitions in the energy transition, and that allow exposure to global, best-in-class networks of entrepreneurs and other corporations with whom relevant opportunities could be jointly explored.

Additionally, Galp will persist in building its pipeline of investment opportunities not only in the battery value chain but also in areas such as hydrogen, circular economy and renewables, looking at executing the ones that prove more appealing both from a financial and a strategic point of view. Such investments will complement Galp's new business development efforts in these strategic areas.

Galp Innovation

The goal of the Innovation Team is to build a portfolio of opportunities to boost the energy transition and accelerate the path to decarbonisation. In alignment with the Company's strategy, by testing new solutions and increasing engagement with the innovation ecosystem, Galp will be able to discover, test and validate solutions that may create new profit streams.

The Innovation Team works closely with all business units in order to ensure rapid learning, agile decision-making, effective execution and full alignment across the organization.



3.4 Industrial & Midstream

2022 Highlights

- Refining performance was strong, with Sines operating at close to full availability throughout the year, capturing the improvement of the international environment, driven by the generalised recovery in demand which, coupled with the tightness in supply, led to a robust refining margin of $11.6/boe.

88 mboe
Raw materials processed

15.8 mton
Oil products supply

54.6 TWh
NG/LNG supply & trading

29 %
Refining emissions reduction (Scope 1 & 2) vs 2017

- Continuing our commitment to improve refining energy efficiency, as well as expanding its low-carbon portfolio, namely through the deployment of a 270 ktpa Hydrotreated Vegetable Oil (HVO) technology plant and by pursuing opportunities in the green hydrogen field, as it matures a 100 MW electrolyser project.

- Progressing on the conversion of the former Matosinhos refinery continued, with the signing of a cooperation protocol with local entities, and the selection of MVRDV to develop the urban regeneration project.

- Effectively increased value capture from integration through energy management, within Midstream, taking advantage of internal synergies to supress persistent natural gas sourcing restrictions from long term suppliers.

- Entering the Brazilian liberalised natural gas market, contributing to the fourfold increase on the realisations of the Upstream's associated gas sales, through signing of 37 new contracts.

Main indicators

	2021	2022
Raw materials processed (mboe)	76.6	88.0
Galp refining margin ($/boe)	3.3	11.6
Refining costs[1] ($/boe)	2.0	2.2
Oil products supply (mton)	14.8	15.8
NG/LNG supply & trading volumes (TWh)	67.2	54.6
of which Trading (TWh)	31.6	23.2
Direct GHG emissions (tonCO_2e)	2,682,605	2,664,396
Total water consumption per treated feedstock[2] (m^3/ton)	0.71	0.56
Percentage of water reutilised[2]	15%	10%
RCA Ebitda (€m)	64	451
RCA Ebit (€m)	(173)	66
OCF (€m)	98	459
Investment (€m)	67	72

[1] Excluding refining margin hedging impact.

[2] In Sines refinery.

Industrial

Galp's industrial operations incorporate the refining, logistics and cogeneration activities.

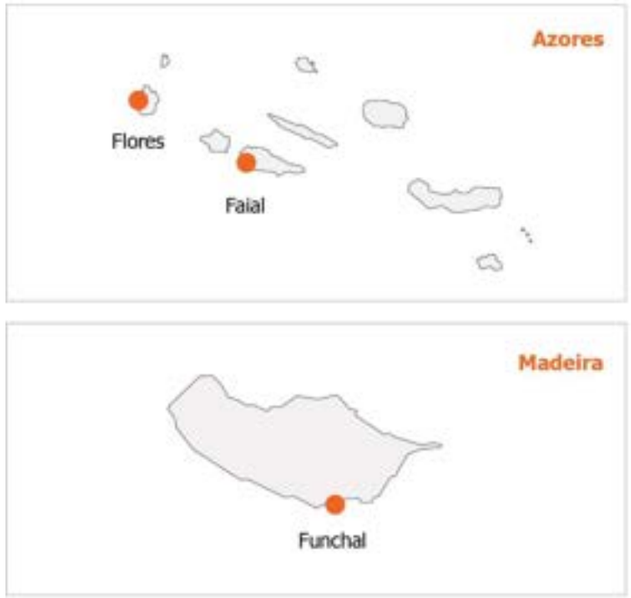
Galp continues to focus on maximising value creation in this segment, increasing the efficiency of its operations, and adapting its portfolio to future demand patterns and to the progressive decarbonisation of its operations.

All of Galp's current industrial activities are located in Iberia. The Company owns the only refinery in operation in Portugal, located in Sines, and also operates maritime terminals and storage parks. Galp's industrial activities in Sines are central to the local economy, employing over 500 people directly, and c.900 external employees.

The Sines refinery is one of the largest in Iberia, with a distillation capacity of approximately 226 kbpd. Capable of processing a varied array of crude grades, Sines' refinery can run in different modes. The process starts in the atmospheric distillation unit, producing valuable products such as diesel. Its residue is then processed in vacuum distillation units, separating into other valuable output streams. According to their characteristics, these are fed to fluid catalytic cracking, hydrocracking or visbreaker units, maximising conversion and desired yields.

The conversion complexity and capacity, as well as the strategic advantage from its coastal location and the deep-water port infrastructure in Sines, both for the supply of crude oil and the export of products, make this refinery highly competitive and well positioned to thrive through the challenges the sector faces ahead.

Industrial & logistic assets in Iberia





Galp's power activity is supported by the operation of a cogeneration unit in Portugal totalling 91 MW installed in the Sines refinery. This unit is highly efficient, as it combines heat and electricity generation, and it is a significant supplier of steam to the refinery operations.

In 2022, a total of 630 GWh were produced from cogeneration activities, up 6% YoY on a comparable basis.

Operational performance in 2022

In 2022, raw materials processed totalled 88.0 mboe, up 15% YoY, successfully ensuring the supply of oil products to Iberia despite the marked disruptions felt during the period. The flexibility of our system allowed for an integrated optimisation of the Group's value, coping with the restrictions experienced, namely following the self-imposed cut of imports of oil products from Russia and the need to adjust natural gas consumptions.

Moreover, and to reduce the impact on energy costs from the surge in power and natural gas market prices, several initiatives were put in place. These included replacing some gas consumptions with naphtha, NG for LPG to makeup the fuel gas network and optimising the cogeneration cycle.

Safety

Galp prioritises safety and embeds a strong safety culture, aiming to lead the sector in terms of lowest LTIR. With that in mind, Galp launched in 2022 two programmes for all employees in the Industrial business segments.

- Safety culture, which aims to boost a culture of care and discipline in our industrial assets;
- Process safety management with the purpose of defining clear rules and guidelines on how to handle safety processes at Galp's assets.

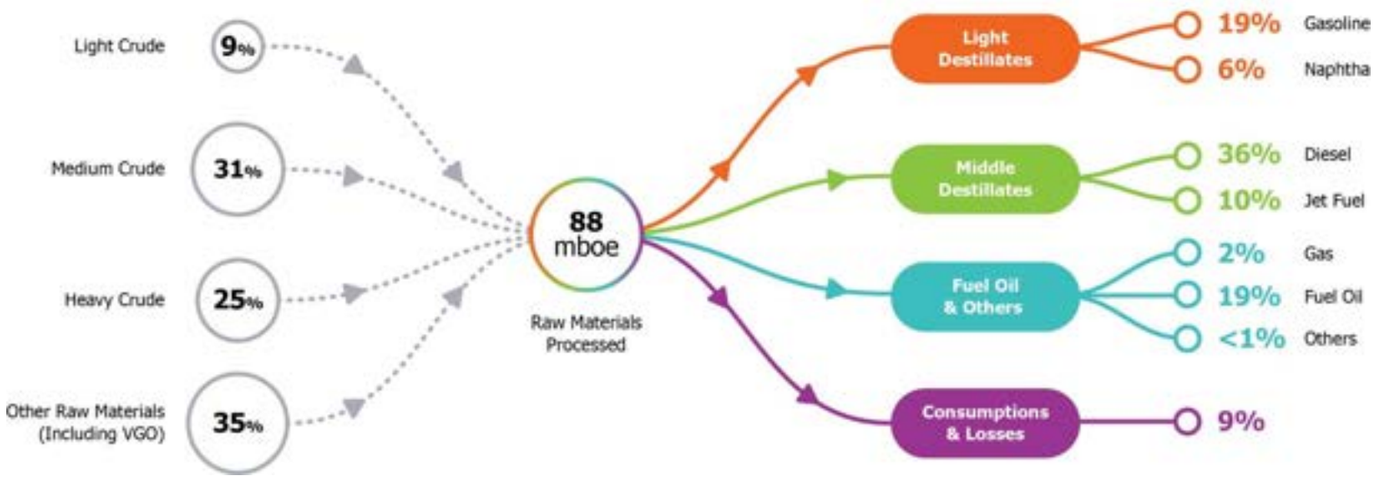
Crude oil accounted for 85% of raw materials processed, 84% of which corresponded to medium and heavy crudes. The crude processed was almost exclusively of sweet grades.

Galp's refining margin was up YoY, from $3.3/boe to $11.6/boe, capturing the increase in international oil products' cracks, namely on middle distillates, and despite the higher costs of energy and CO_2 emissions.

Diesel and gasoline were the most relevant products in Galp's production mix, representing 36% and 19%, respectively. Fuel oil yield was also significant at 19%, with the entire production allocated to Very Low Sulphur Fuel Oil (VLSFO).

Galp continues to focus on improving the competitiveness of its Sines refinery, in an increasingly demanding regulatory environment and a challenging oil product market.

Sines refinery 2022 inputs/outputs



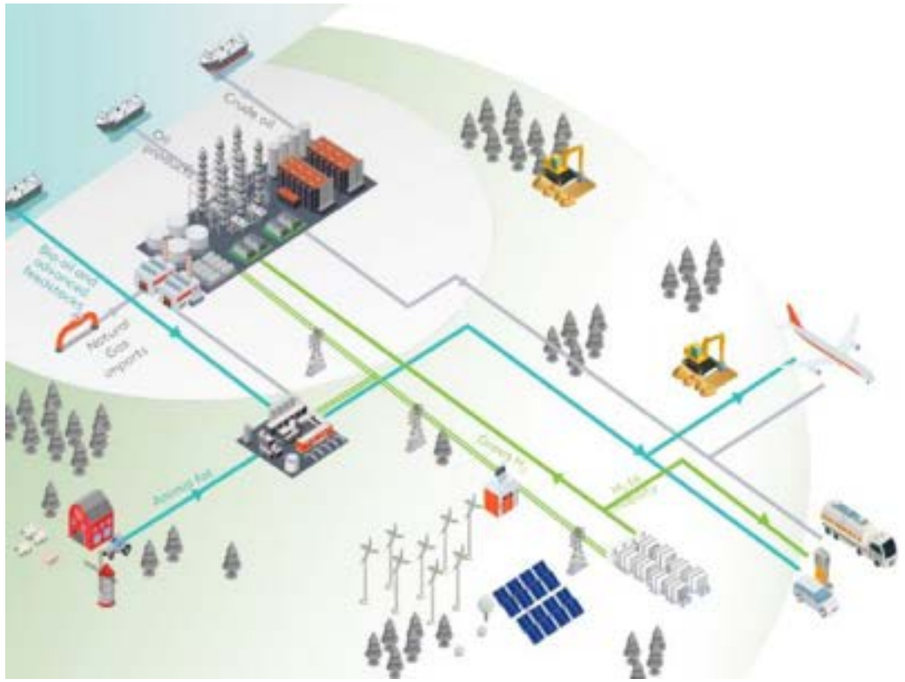
From a grey refinery to a green energy hub

Galp announced its plan to transform its refining system, now fully concentrated in Sines.

Throughout 2022, considerable investments were made in order to improve the energy efficiency of the refinery, including the technological upgrade of heat exchangers in the crude unit and hydrocracker, the improvement of the waste heat recovery in the diesel desulfurisation units and the installation of a new and more efficient recovery boiler on the fluid catalytic cracking unit.

Additionally, Galp has advanced the maturity of its transformational projects, namely towards the production of advanced renewable fuels and green hydrogen.

The integration of these projects, together with the concentration of refining activities in Sines, will enable the reduction of c.50% of scope 1 and 2 emissions, by 2030, comparing to 2017 levels, from Industrial activities.





Digital transformation in operations

Galp is transforming its refining and logistics operations, in order to make processes more agile and data more accessible within the Company.

A series of initiatives introduced in 2021 took root throughout 2022 and improved decision making, contributing to cost reduction, safety control and opportunity capitalisation.

In 2022, Galp partnered with Porto Business School for a Data Literacy Programme, which saw many employees within the Industrial segment enhance their skill set in data tools. Other initiatives included an Advanced Scheduling tool for operations' optimization, a Predictive Maintenance model for critical equipment in the refinery and the development of IoT networks for wireless sensorisation.

Renewable fuels

Galp is analysing the development of a HVO plant in the Sines refinery with the capacity to produce 270 ktpa of advanced renewable products from Used Cooking Oils (UCOs) feedstocks. The unit was designed to have the flexibility to produce both Renewable Diesel and Renewable Jet, also known as Sustainable Aviation Fuel (SAF), together with other bio co-products.

This development is expected to be made through strategic partnerships. During 2022, the project concluded the FEED (Front-End Engineering Design) phase and submitted the Environmental Impact Study to Portuguese authorities.

The sourcing strategy for the project is aligned with the circular economy trend, using feedstocks from waste oils and biomass residues to used cooking oils and waste animal fats. Several feedstock agreements have been agreed to ensure flexibility and mitigate supply risk. New supply chains are also being developed to optimise sourcing from diversified geographies.

Galp expects to reach a Final Investment Decision (FID) during 2023, and the unit is estimated to come online by 2025.

The Company already produces renewable diesel (HVO) in a hydrogenation unit at its Sines refinery. This biofuel results from the co-processing of vegetable oil with diesel, producing a biofuel with characteristics similar to mineral Diesel. In 2022, production reached approximately 4.2 kton, equivalent to a reduction of 13.6 kton of CO_2 emissions.

Galp also owns Enerfuel, an industrial unit in Sines producing Fatty Acid Methyl Ester (FAME) biodiesel. This product is made 100% from the processing of animal fats and used cooking oils. Enerfuel produced approximately 25.4 kton of FAME biodiesel in 2022.

In 2022, Galp complied with the European Union's Renewable Energy Directive (RED), incorporating 11% biofuels in its energy content in Portugal, and 10% in Spain. In total, the Company produced over 300,000 m^3 of biofuels in Iberia, including almost 29,000 m^3 of second-generation biodiesel produced by Enerfuel. Galp continues to pursue a biofuels strategy, encouraging the use of biofuels made from waste, which represented over 70% of the raw materials for this type of fuel in 2022. The total of biofuels deployed during the year, prevented the emission of over 887 kton of CO_2e comparing to traditional fossil fuels.



Green hydrogen

Galp considers renewable hydrogen (green hydrogen) as an important energy carrier for the energy transition, namely for the decarbonisation of hard to abate sectors, such as heavy-duty transport, maritime, aviation and high energy intense industrial processes.

Galp is also the biggest producer and consumer of (grey) hydrogen in Portugal. In order to decarbonise its Industrial activities, it is important to develop new energy paths such as the production of green hydrogen and e-fuels. Adding to this a set of competitive advantages that Portugal enjoys, namely in terms of renewable energy sources, infrastructure and strategic location, it is clear that Galp holds a privileged position to develop green hydrogen solutions in the country.

In 2022, Galp concluded the feasibility study for a 100 MW electrolyser project, both to be deployed in Sines. The 100 MW project has advanced to the basic engineering stage, with additional key support mechanisms being created throughout 2022 to support an FID in 2023.

Galp is also co-leading, together with EDP, a consortium of 13 European entities to develop one of the first large-scale electrolysers in Europe. The consortium submitted an R&D project to the EU's "Green Deal Fund". The project is under development and the grant agreement has already been signed by the EU.

Galp sees the potential to grow its installed capacity of electrolysers throughout the decade, allowing to fully replace its grey hydrogen consumption at Sines and explore other opportunities, as the green hydrogen business model materialises and gets proven.

Throughout 2022, Galp also continued to pursue other opportunities related to green hydrogen, namely nurturing hydrogen-based mobility eco-systems and developing new low carbon service station concepts with a hydrogen offer.

Matosinhos

As the decommissioning activities of the Matosinhos refinery progressed during 2022, Galp, the Matosinhos City Council (CMM) and the North Regional Coordination and Development Commission (CCDR-N) signed a cooperation protocol for the reconversion of the site.

This was the starting point for a process which aims to densify, develop and implement the solutions under analysis to reconvert the site where Galp's industrial unit operated.

Midstream

Midstream continues to gain relevance in Galp's operations, boosting value creation through integration, encompassing supply and trading activities of crude oil, oil products, natural gas and electricity, from both equity and third-party origination.

The Company will be able to capture new trading opportunities, through the management of the integrated margin, optimisation of supply-to-sourcing and taking advantage of energy sales dynamics and risk management.

Midstream's internal capabilities were reinforced throughout the year, with the added expertise contributing for the increase of internal synergies, enabling the mitigation of the potential impacts from the volatile market conditions. This continuous process resulted in the improvement of legacy activities, such as the competitive supply of Galp's business activities, while also giving the team the ability to promptly access new value levers, such as the entrance in the Brazilian natural gas market.

During 2022, Midstream supply and trading activities had to cope with several sourcing restrictions from Galp's long-term natural gas contracts, at a time of significant shortage of natural gas in the European market. That, combined with pre-sold and hedged volumes, impacted the segment contribution. During this period, our energy management activities acted in order to mitigate, as much as possible, the impacts caused by these circumstances, and ensured additional flexibility for the years to come.



Equity oil

The Midstream area is responsible for the placement of Galp's equity crude oil production, aiming to optimise its overall realisations, adjusting its worldwide placement according to market conditions. During 2022, the team efficiently placed its equity production, resulting in an improved discount of the Upstream's oil realisations, when compared to 2021. This was achieved despite the pressured market that Brazilian grades faced throughout the year, as some of the main outlets faced a challenging demand environment.

Throughout 2022, volumes sold totalled 33.5 mbbl, of which 72% were placed in China, which maintained its position as the main outlet for Galp's oil production. The other two main markets were Europe and South America, representing 23% and 5%, respectively.

Raw materials and oil products

The Midstream unit manages the procurement of crude oil and other raw materials, looking to optimise the refining system and maximise the margin captured, considering a strategy of supply diversification, and extracting value from the existing asset base.

Galp imported crude from 11 different countries, with medium and heavy crude oils accounting for 82% of the total. Galp's crude sourcing was almost exclusively of lower sulphur content. Galp's own equity production only accounted for 12% of the crude oil procured.

Crude source in 2022

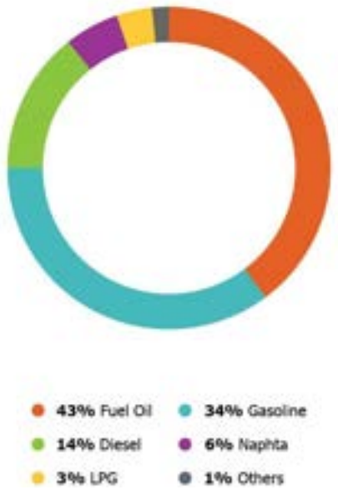


Upon Russia's act of aggression against Ukraine, Galp decided to suspend all new purchases of petroleum products either sourced in Russia or from Russian companies, despite potential impacts on Sines' operations and its financial contribution. This decision mostly affected the Company sourcing of Vacuum Gas Oil (VGO), which is one of the feedstocks for the manufacturing of diesel in the Sines refinery. During the year, Galp successfully procured alternative suppliers of VGO for its own needs.

The oil products resulting from our refining and trading activities are then channelled to our Commercial business unit, and externally to other operators and exports. In 2022, volumes sold totalled 15.2 mton, of which 7.4 mton were sold to Commercial, 3.4 mton to other operators and 4.3 mton were exported.

The U.S., particularly the East Coast, remained one of the most relevant destinations for the export of heavy gasoline components, hence successfully capturing the upside from its placement across the Atlantic. Fuel oil, gasoline and diesel were the main products exported, accounting for 33%, 30% and 18% of total exports, respectively, mostly to the U.S., Spain and Gibraltar.

Exports per product in 2022



Natural gas

Galp has an active NG/LNG supply and trading business. The Company engages in long-term supply activities, through which Midstream sources its Commercial, Industrial and Trading, as well as directly to electro producers. Additionally, Galp has an active presence in the Brazilian market, where it started to place third party and its own equity associated gas production.

Galp's NG and LNG supplies are mainly sourced through long-term contracts established with Sonatrach in Algeria and Nigeria LNG Limited (NLNG) in Nigeria. These represented about 83% of the Company's supply sources in 2022. In parallel, Galp also explores other sources of supply, namely the Spanish and French wholesale markets. The remaining needs are covered through spot market operations.

Currently, NLNG is Galp's biggest long-term supplier of natural gas. Through several agreements established throughout time, Galp has currently secured, until 2027, the delivery of up to c.3.4 bcm (c.40 TWh) of LNG per annum. The latest agreement was reached in 2020, when Galp signed a SPA with NLNG for the supply of 1 mtpa (c.16 TWh) of LNG over a period of 10 years.

Regarding Sonatrach, Galp has an agreement through which it will continue to source natural gas from Algeria, via the Medgas pipeline to Iberia. Through this, Galp has secured 1 bcm (c.12 TWh) per year for a 5-year period, starting in 2021.

Galp is diversifying its natural gas sourcing basket through the signing of agreements with its producers such as Venture Global.

In 2018, Galp signed an agreement with Venture Global LNG for the acquisition of 1 mtpa (c.16 TWh) over a period of 20 years, starting in 2023. Galp has hired an LNG transport vessel from Pan Ocean Co., Ltd for an initial period of 5 years, to support the transportation of LNG.

During 2022, Galp signed a 20-year SPA with NextDecade for access to 1 mtpa (c.16 TWh) of U.S. LNG. This agreement is subject to a number of conditions precedents. Commercial deliveries of Next Decade's Rio Grande LNG project, in Texas, are expected to start in 2027.

Galp also develops its NG/LNG trading activity in the international market and has also been consolidating its position in natural gas markets in European hubs, namely Spain, France and the Netherlands, through the NG network trading activity.

The natural gas sourced is channelled to our Commercial business (B2B and B2C), self-consumptions (mainly refinery) and trading activities with other energy companies. The volumes of NG sold via trading were entirely done so via network trading.

NG/LNG Supply & trading volumes in 2022



Considering 2022 market disruptions, the midstream and refining teams worked together to explore the flexibility of our industrial site, reducing natural gas consumptions in the refinery, leading to a reduction of the self-consumptions weight on the overall uses of natural gas.

Brazilian natural gas market

Throughout 2022, Galp explored the sale of its associated gas produced in its Upstream operations in Brazil. Following the new framework for the natural gas market liberalisation in Brazil, Galp established a series of gas commercialisation contracts with a start date of January 1, 2022.

This has opened marketing opportunities for Galp in the country, allowing the Company to expand its presence along the natural gas value chain, targeting new clients and creating new business opportunities. The Midstream team seized this opportunity, contributing to the fourfold increase on the realisations of the Upstream's associated gas sales.

During the year, Galp signed sales contracts mainly with local distribution companies, including some long-term agreements.

In addition, Galp signed agreements with Petrobras and local transportation companies to ensure direct access to the processing and transportation infrastructures, respectively.

Power

Galp is present in the electricity market through the Iberian Electricity Market (MIBEL), both on the spot market (OMEL) and the forward market (OMIP). This activity is mainly aimed at optimising Galp's sourcing and renewables production, guaranteeing the needs of the Commercial business and enabling value creation.

Galp currently holds two long-term contracts for the purchase of renewable energy from solar power plants, for a total of approximately 730 GWh per year, as part of the strategy to ensure a supply of efficient and environmentally sustainable energy solutions.

During the year, the company entered into several bilateral agreements, mainly with Iberian cogenerations, to perform route-to-market services.

The Company also established a Brazilian Power trading desk at the end of 2022, which will focus on establishing a profitable portfolio in this growing market and optimize the future sale of Galp's renewable energy production.

3.5 **Commercial**

2022 Highlights

- Sales of oil products were 7.4 mton, up 14% YoY, reflecting the post-pandemic demand recovery in Iberia from both B2C and B2B activities.

7.4 mton
Oil product sales

23.2 TWh
G&P sales

1,475
Service stations

2,382
Electric mobility charging points

- Natural gas sales were 19.0 TWh, driven by stronger consumption levels, particularly in Spain, while electricity sales were in line with 2021, at 4.1 TWh.
- Galp settled relevant partnerships with Portuguese players in the aviation and maritime tourism business segments to supply renewable fuels.
- In electric mobility, Galp maintained its leadership position, more than doubling the number of electric vehicle charging points in operation, surpassing 2,000 points by year end.
- Galp continues to expand its customer experience, with 12 new hubs and intervening in 153 c-stores, aiming to transform the current service stations towards innovative, multi-energy and convenience concepts.
- Galp Solar installed more than 7,700 panels in Portugal and Spain, being considered the fastest growing distributed energy player in Iberia.

Main indicators

	2021	2022
Sales of oil products to direct costumers (mton)	6.5	7.4
Natural gas sales to direct costumers (TWh)	18.3	19.0
Electricity sales to direct costumers (TWh)	4.2	4.1
Number of service stations	1,480	1,475
Number of convenience stores	862	860
Number of electric mobility charging points	1,186	2,382
RCA Ebitda (€m)	288	298
RCA Ebit (€m)	179	75
OCF (€m)	266	290
Investments (€m)	92	113

Commercial

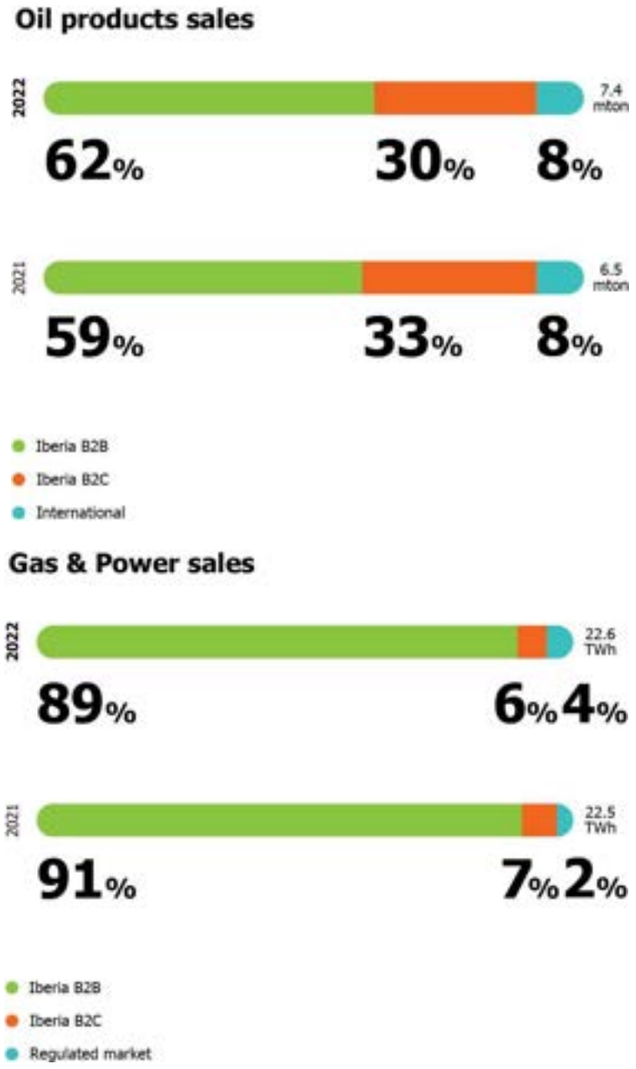
Galp's Commercial business provides a complete and transversal offer to its clients, ranging from oil products, natural gas and electricity, to other convenience services. Maintaining a customer-centric approach as its core, our business offers solutions for companies and customers in different geographies leveraging the strong position of Galp´s brand in Iberia and in a selection of African countries.

The Company is actively adapting to new consumption patterns with a focus on offering products and services that are more sustainable and digital. Galp is positioning itself as a leader, in the markets it operates, with regards to e-mobility and distributed energy businesses.

Operational performance in 2022

Oil product volumes sold to direct customers increased by 14% YoY to a total of 7.4 mton, following the higher demand during the period, given the slight recovery in Iberia after the pandemic years. Sales of natural gas to direct customers amounted to 18.5 TWh, an increase of 4% YoY, driven by the lower contribution from the B2B segment, while electricity sales amounted to 4.1 TWh, 1% lower YoY.

During 2022, Galp continued to transform its retail network to better serve future consumption patterns. Over 150 convenience stores were revamped and a new hub concept was deployed in 12 selected premium locations, supporting an increase in contribution. In parallel, Galp doubled its EV charging network to 2,382 charging points and significantly expanded its distributed solar footprint by installing more than 7,700 new rooftop solar panels in Portugal and Spain.



Business-to-consumer

On the road

Using the distribution network under Galp's brand, we offer oil products, electric mobility, new energies, non-fuel and convenience products, as well as diverse services to B2C clients.

By the end of 2022, Galp's retail network consisted of a total of 1,273 service stations in Iberia, 699 of which in Portugal. The Company also has 340 convenience stores in Portugal and 383 in Spain.

Galp has been renovating and enhancing its network of stores and service stations, offering differentiated products and services, as well as prioritising and optimising customer experience. The Company aspires to convert all of its current retail network by 2027, with digitalisation playing a key role in the transition to expand the non-fuel offer simplifying the customer journey.

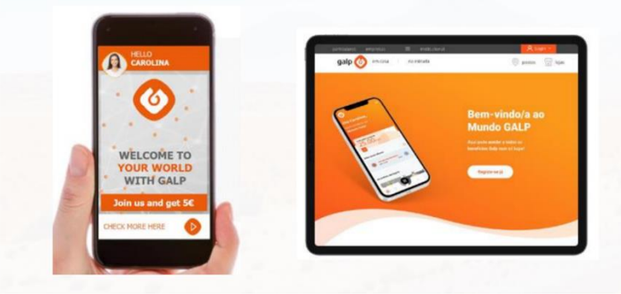
Regarding oil products, in 2022, Galp maintained its leadership position in the Portuguese market and maintained a relevant position in Spain, reaching a market share of c.26% and c.4%, respectively.

Galp World

Galp World is the retail network loyalty program, launched in 2021 and designed to be used via its mobile application, via the web (www.mundogalp.es) and in passbook format.

Mundo Galp accounted for more than 900 k registrations in Iberia, surpassing the initial target of 750 k. More than 200 million litters of

fuel were sold through Mundo Galp and more than c.50% of users did transactions with the app in the last 3 months.



Reinforcing store concept transformation

Galp continues to expand the customer experience, aiming to transform the current fuel stations towards innovative, multi-energy and convenience concepts, by modernising and expanding its products and services offered using a new hub concept.

In new hubs, cafeteria & bakery sales increased 80% vs previous years. The Company will continue its efforts to enhance the convenience and low-carbon offering and expects that this contribution will offset the fuel retail decline in Iberia overtime.

We continue to invest in strong partnerships in the various market segments where we operate, improving cross-sales and differentiating Galp's brand as a service provider. During 2022, we continued to develop partnerships with online home delivery platforms, despite lower weight in the total sales, home delivery sales grew 5% YoY.

The customer base associated with loyalty programmes reached a total of around 2 million customers in 2022, mainly because of the partnership with the largest food retail group in Portugal, Sonae, which volumes associated increased 5% YoY, benefiting from a strong summer campaign. In the Iberian retail segment, more than 45% of the oil product volumes sold are connected to loyalty programs.

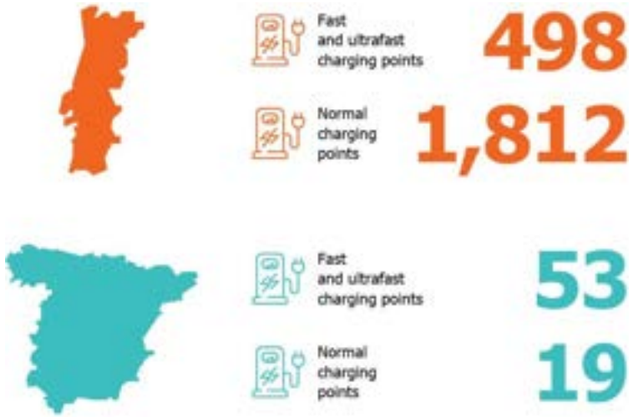
To capture new market opportunities, Galp has been exploring new value creation sources in the field of new energies, which includes the electric mobility market and Natural Gas for Vehicles (NGV).

Electric mobility

Regarding charging points for electric vehicles, Galp has a leading position in Portugal, with an electricity volume market share of around 26%. Through the Galp Electric card commercial offer, we provide energy, mobility solutions and services on the road and at home. During 2022, more than 14,000 cards were issued.

During the year, Galp supplied 8.9 GWh of electricity through its charging infrastructure, a 5.5 GWh increase comparing to the previous year. All the electricity supplied by Galp is green electricity.

In 2022, Galp more than doubled the number of operating charging points, reaching 2,382 points in Iberia. Currently, the Company owns the largest network in Portugal, with 2,310 points, of which 498 are fast and ultra-fast charging points. The Company is also developing its network structure in Spain, with 72 charging points already installed.



During 2023, the Company will continue to focus on expanding its network of points network in Iberia. This will involve establishing new partnerships with renowned automobile brands like Nissan and BMW, as well as collaborating with IKEA. In addition, Galp plans to continue installations on its own service station network but also identify additional locations in both public and private placements. The Company expects to have more than 10,000 operating charging points installed in Iberia by the end of 2025, with this business playing a relevant role in Galp's transition to a lower-carbon portfolio.

At home

Galp is close to its residential customers through the transversal offer of natural gas, electricity, and LPG in Iberia, as well as various services aimed at ensuring safety, efficiency and comfort.

Galp supplies natural gas and electricity to more than 365 k B2C customers in Iberia. The Company is one of the key players in the region, with a market share of 23% in natural gas and 5% in the electricity market in Portugal.

Galp's B2C customer base, decreased 10% during 2022, because of the trend of clients swapping to the regulated market, since September.

Galp also provides energy efficiency solutions, as well as technical services aimed at optimising and reducing energy consumption by installing more efficient equipment.

In Spain, Galp is present in the gas and electricity market through a 25% stake in a digital supplier, PODO, which currently has 92 thousand customers on a digital platform that allows the combined supply of gas, electricity and services in a more agile manner.

Pluma – "First smart bottle in the world"

Galp's bottled LPG business involves the production and sale of various types of gases that are packaged in portable containers or tanks for use in a variety of applications such as heating, cooking, and vehicle fuel.

In 2022, Galp launched a new type of bottle called "Pluma". This bottle is the first smart bottle in the world to allow the user to know the gas level in real-time. This will be possible through the 'Mundo Galp' application where the customer will be allowed to access the level of gas, and the consumption history and to place new orders.

Business-to-business

Galp's offer in the B2B segment in Iberia covers the entire portfolio, including oil products such as fuels, chemicals, and lubricants, as well as natural gas, electricity, new energies, and services. Through the offer of products and services, Galp is able to provide a truly transversal offer across multiple needs of companies and maximising the creation of high added-value solutions.

In this segment, the Company has about 21 k customers of oil products and almost 4 k customers of natural gas and electricity in Iberia, which are scattered through a variety of sectors such as distribution, transportation, marine bunkers, aviation, industry, services, public sector and others.



The Company has been promoting the creation of value for its customers by offering energy efficiency solutions, and Low Carbon Products, as well as technical services aimed at optimising and reducing energy consumption by installing more efficient equipment.

In 2022, Galp signed a strategic partnership with TAP and ANA, key aviation players in Portugal, for the development and supply of sustainable fuels. The first Portuguese flight fuelled by Sustainable Aviation Fuel (SAF) took off in July, connecting the Portuguese islands of Azores to Lisbon, achieving a 35% reduction in total CO_2 emissions of the flight. Galp also established a partnership with Douro Azul, one of the main national players in maritime tourism, for the supply of sustainable fuels to three cruisers, which enables an 80% carbon footprint reduction when compared to fossil fuels.

In the B2B segment, Galp's offer includes auditing, training and energy efficiency certification, efficient lighting, installation of charging stations and solar panels, among others.

International

Galp is currently operating in Africa through stakes in several companies. Each company is focused on a specific market, allowing brands to adjust their marketing and operations to different cultures, maximising value for customers in each region.

The Company has been strengthening its position in a selected group of countries in Africa, where market growth is expected. The quality of the products, as well as the geographical location and synergies with the existing logistic and business capacities are true competitive advantages contributing to the development of Galp's market in these countries.

During the year, the Company maintained its network, with a total of 202 service stations and 137 convenience stores spread across five African countries. Galp is market leader in Cape Verde, Guinea and Eswatini and has a relevant position on the other African markets in which it operates.

Galp continued to expand and optimise its asset base, namely through the opening of new sites, mostly in Mozambique, and to increase product rotation in Galp's tank farms, to optimise logistic costs.



Galp Solar – distributed energy solutions

Galp developed a distributed renewable energy production solution, Galp Solar, based on smaller scale solar power generation systems and services aiming at maximising energy consumption and efficiency both to B2C and B2B segments.



Galp Solar uses advanced technologies, such as satellite image analysis, artificial intelligence algorithms and big data, to optimise the acquisition and installation cost of distributed solar panels, offering the solution that is best suited to the customers' needs.

During the year, Galp launched the Galp Solar brand in Spain, established important partnerships, and ramped up in half-cut solar cells, building the basis for fast and profitable growth in the coming years.

At the end of 2022, Galp Solar had installed 5,328 panels in Portugal and 2,397 in Spain, ending the year with 7,725 installations in total, which corresponds to an installed capacity of c.24.7 MW. In 2022, Galp Solar was considered the fastest growing distributed energy player in Iberia.

This brand aims to further position Galp to thrive through energy transition, with an innovative digital approach. Going forward, the Company will seek the development of new products and services (e.g. batteries, EV chargers, and home solutions) to capture the high potential of the Iberian market.

Daloop

Through Daloop, Galp offers a Software as Service (SaaS) platform for managing EV charging infrastructure, the fleets and people that use it. Daaloop provides this platform to various entities such as charge point operators, mobility service providers, utilities, and facilities, offering them the necessary tools to securely expand and implement solutions for the fast-growing EV ecosystem.



In 2022, Daloop provided strategic solutions to support Galp's Electric Mobility business unit, secured customers in the UK and Spain, and completed a strategic project in the US as part of the Biden administration's "Build Back Better" regional challenge.

Galp continues to analyse the potential for business expansion to new geographies as well as strategic partners.



4. financial performance

4.1 **2022 highlights**

Galp's RCA Ebitda was €3,849 m, driven by the stronger operational performance, namely in the Upstream and Industrial activities, also supported by the improved market conditions during the period.

OCF reached €2,788 m, while CFFO amounted to €3,071 m, with the strong cash generation supported by the operational performance and a working capital release, benefiting from the unwind of all gas derivatives margin account balances, as expected.

Net Capex totalled €1,266 m, mostly directed towards maintaining Upstream projects and expanding the Renewables' portfolio execution.

Considering cash dividends of €420 m and buybacks of €150 m, as well as dividends to non-controlling interests of €245 m, besides other adjustments, net debt decreased €802 m, compared to the end of 2021.

At the end of the period, net debt amounted to €1,555 m and net debt to RCA Ebitda was 0.4x.

Ebitda and Ebit by business segment in 2022

€m

	IFRS Ebitda	Inventory effect	RC Ebitda	Special items	RCA Ebitda
Galp	3,885	(36)	3,849	-	3,849
Upstream	3,083	-	3,083	-	3,083
Renewables & New Businesses	50	-	50	-	50
Industrial & Midstream	471	(20)	451	-	451
Commercial	314	(16)	298	-	298
Others	(34)	(0)	(34)	-	(34)

€m

	IFRS Ebit	Inventory effect	RC Ebit	Special items	RCA Ebit
Galp	2,381	(36)	2,345	-	2,345
Upstream	2,229	-	2,229	-	2,229
Renewables & New Businesses	32	-	32	-	32
Industrial & Midstream	86	(20)	66	-	66
Commercial	91	(16)	75	-	75
Others	(57)	(0)	(57)	-	(57)

Upstream

RCA Ebitda was €3,083m, up 53% YoY, driven by the favourable oil price environment. OCF followed Ebitda and reached €2,022 m.

Production costs were €122 m, excluding IFRS 16 leases of €142 m. In unit terms, and on a net entitlement basis, production costs were $2.8/boe. Realised hedging operations covered 6.0 mbbl of Galp's oil production in the period, resulting in a €-114 m impact to RCA Ebitda.

Amortisation and depreciation charges (including abandonment provisions) amounted to €855 m, including impairments of €265 m related with exploration and appraisal assets in Brazil and São Tomé and Príncipe. On a net entitlement basis, and excluding the impairments, unit DD&A was $13.6/boe.

RCA Ebit and IFRS Ebit both amounted to €2,229 m.

Renewables & New Businesses

All Galp's renewable generation is exposed to merchant conditions. Average solar generation sale price was €144/MWh, up YoY from €99/MWh, reflecting the increased Iberian wholesale market prices.

Renewables & New Businesses RCA Ebitda was €50 m, including 100% Titan Solar portfolio consolidation from August onwards.

RCA Ebit and IFRS Ebit were €32 m.

Pro-forma Ebitda related to the Renewables business was €180 m, up €104 m YoY, supported by higher power prices in Iberia and increased renewable installed capacity. Of the total installed capacity, c.0.3 GW is subject to the application of the Spanish government's temporary clawback mechanism, with an impact of €22 m in pro-forma Ebitda. Pro-forma OCF was €168 m.

Industrial & Midstream

RCA Ebitda for Industrial & Midstream was €451 m, following the higher contribution from the refining activities. OCF was €459 m.

Galp's refining margin was up YoY, to $11.6/boe, following the stronger international refining environment and despite the increased costs of energy and CO_2 emissions licenses. Following the sharp widening of natural gas prices against Brent during 2022, the refinery gas input costs were priced at the prevailing spot market conditions in Iberia (PVB) throughout the full year. Electricity and CO_2 purchases already followed merchant conditions.

Refining unit cash costs slightly increased YoY from $2.0/boe to $2.2/boe.

Midstream contribution was negative, impacted by persistent gas sourcing restrictions throughout the year and the widening of European to Iberian gas price differentials.

RCA Ebit was €66 m and IFRS Ebit was €86 m.

Commercial

RCA Ebitda increased 4% YoY to €298 m, supported by the recovery in oil volumes sold during the period and despite the pressure from the high price environment. OCF was €290 m, up 9% YoY.

Convenience contribution margin increased 27% YoY, to €72 m.

RCA Ebit was €75 m, considering the retail impairment registered in the fourth quarter. IFRS Ebit was €91 m.

Consolidated income (RCA, except otherwise stated)

€m

	2021	2022	% Var
Turnover	16,117	26,840	67%
Cost of goods sold	(12,129)	(20,956)	73%
Supply & Services	(1,536)	(1,888)	23%
Personnel costs	(297)	(370)	24%
Other operating revenues (expenses)	173	232	34%
Impairments on accounts receivable	(7)	(9)	32%
RCA Ebitda	**2,322**	**3,849**	**66%**
IFRS Ebitda	**2,698**	**3,885**	**44%**
Depreciation, Amortisation and Impairments	(954)	(1,380)	45%
Provisions	3	(124)	n.m.
RCA Ebit	**1,372**	**2,345**	**71%**
IFRS Ebit	**1,670**	**2,381**	**43%**
Net income from associates	96	166	74%
Financial results	(138)	(154)	12%
Net interests	(31)	(16)	(46%)
Capitalised interest	15	30	n.m.
Exchange gain (loss)	(29)	10	n.m.
Mark-to-market of derivatives	-	(80)	n.m.
Leases interest (IFRS 16)	(76)	(85)	12%
Other financial costs/income	(17)	(13)	(24%)
RCA Net income before taxes and minority interests	**1,329**	**2,358**	**77%**
Taxes	(729)	(1,254)	72%
Taxes on oil and natural gas production[1]	(560)	(843)	51%
Non-controlling interests	(143)	(223)	56%
RCA Net income	**457**	**881**	**93%**
Non-recurring items	(737)	560	n.m.
RC Net income	**(280)**	**1,440**	**n.m.**
Inventory effect	284	35	(88%)
IFRS Net income	**4**	**1,475**	**n.m.**

[1] Includes taxes on oil and natural gas production, such as Special Participation Tax (SPT) payable in Brazil and oil income tax (IRP) payable in Angola.

RCA Ebitda of €3,849 m was 66% higher YoY, driven by the strong operational performance, supported by the improved market conditions during the period.

Following RCA Ebitda, RCA Ebit was €2,345 m, up YoY from €1,372 m, although also including impairments of €265 m and €108 m in Upstream and Commercial, respectively, and the provisions related with the transformation of the Matosinhos site.

Financial results were €-154 m, considering net interests and interests on leases (IFRS 16), as well as mark-to-market swings mostly related with the fair value accounting of commodity derivatives in the Upstream and Refining segments.

RCA taxes increased YoY from €729 m to €1,254 m, following the increased operational results.

Non-controlling interests of €-223 m are related with Sinopec's stake in Petrogal Brasil.

RCA net income was €881 m.

Special items

€m

	2021	2022
Items impacting Ebitda	11	-
Termination agreement for service and equipment (P-71)	(27)	-
Matosinhos Refinery	38	-
Items impacting non-cash costs	78	-
Provisions for environmental charges and others (Matosinhos Refinery)	71	-
Matosinhos Refinery	7	-
Items impacting financial results	785	(852)
Gains/losses on financial investments (GGND)	12	15
Financial costs – Others	0	-
Mark-to-Market of derivatives	832	(885)
FX differences from natural gas derivatives	(60)	19
Items impacting taxes	(140)	265
Taxes on special items	(179)	274
BRL/USD FX impact on deferred taxes in Brazil	8	(91)
Windfall Taxes	-	53
Energy sector contribution taxes	31	30
Non-controlling interests (Unitisation and FX on deferred taxes Brazil)	3	27
Total special items	**737**	**(560)**

4.4 **Capital expenditure**

Capex totalled €1,265 m, with Upstream accounting for 51% of total investments, whilst the downstream activities represented 15% and Renewables & New Businesses 32%.

Upstream investments were mainly directed to Brazil, namely the execution of Bacalhau and maintenance in BM-S-11 projects, and Mozambique.

Investments within the Renewables & New Businesses segment supported the continued execution of the solar projects and include the Titan Solar stake acquisition in 3Q22.

Commercial investments were allocated to business transformation whilst Industrial & Midstream investments were directed to refining activities.

Capital expenditure by segment

€m

	2021	2022	Var.
Upstream	616	640	4%
Renewables & New Businesses	142	402	n.m.
Industrial & Midstream	67	72	8%
Commercial	92	113	23%
Others	20	39	94%
Capex[1]	**936**	**1,265**	**35%**

[1] Capex figures based in change in assets during the period.

4.5 **Cash flow**

Galp's OCF was €2,788 m, with the strong cash generation driven by the operational performance and a supportive macro environment. CFFO amounted to €3,071 m, including the expected working capital release from the the unwind of all gas derivatives margin account balances.

FCF amounted to €1,681 m.

Net debt decreased €802 m compared to the end of 2021, also considering dividends paid to shareholders of €420 m and the €150 m share repurchase programme executed throughout the year, as well as dividends to non-controlling interests of €245 m.

Cash flow (IFRS figures except otherwise stated)

€m

	2021	2022
RCA Ebitda	2,322	3,849
Dividends from associates	132	26
Taxes paid	(602)	(1,087)
Adjusted operating cash flow	**1,852**	**2,788**
Special items	(11)	-
Inventory effect	387	36
Change in Working Capital	(1,176)	247
Cash flow from operations	**1,052**	**3,071**
Net capex[1]	(525)	(1,266)
Net financial expenses	(54)	(39)
IFRS 16 lease interest	(76)	(85)
Free cash flow	**397**	**1,681**
Dividends paid to non-controlling interests[2]	(198)	(245)
Dividends paid to Galp shareholders	(498)	(420)
Buybacks[3]	-	(150)
Reimbursement of IFRS 16 leases principal	(115)	(132)
Others	122	69
Change in net debt	**292**	**(802)**

[1]2021 includes the proceeds from the GGND stake sale of €368 m and 2022 includes Titan Solar stake acquisition of €140 m.
[2]Mainly dividends paid to Sinopec.
[3]Share repurchase amounts related to programmes for the sole purpose of the cancellation of own shares.

4.6 **Financial position**

Consolidated financial position

€m

	2021	2022	Var.
Net fixed assets[1]	6,667	6,876	210
Rights of use (IFRS 16)	1,079	1,116	37
Working capital	1,879	1,632	(247)
Other assets/liabilities[1]	(2,119)	(2,089)	30
Assets/liabilities held for sale	-	413	413
Capital employed	**7,506**	**7,948**	**443**
Short term debt	1,305	800	(505)
Medium-Long term debt	2,995	3,187	193
Total debt	**4,300**	**3,987**	**(313)**
Cash and equivalents	1,942	2,432	490
Net debt	**2,357**	**1,555**	**(802)**
Leases (IFRS 16)	1,179	1,277	98
Equity	3,970	5,117	1,147
Equity, net debt and leases	**7,506**	**7,948**	**443**

[1] Net fixed assets and other assets/liabilities include the estimated impact from unitisations.

On December 31, 2022, net fixed assets were €6,876 m, including work-in-progress of c.€2.0 bn, mostly related to the Upstream business. Assets/liabilities held for sale are entirely related to the net position of the Angola upstream portfolio.

By 2022-year end, capital employed amounted to €7.9 bn, of which c.€1.2 bn associated with renewables businesses.

Equity was up €1,147 m YoY, supported by the IFRS net income in the period, although partially offset by distributions to shareholders and dividends to minorities.

5. corporate governance



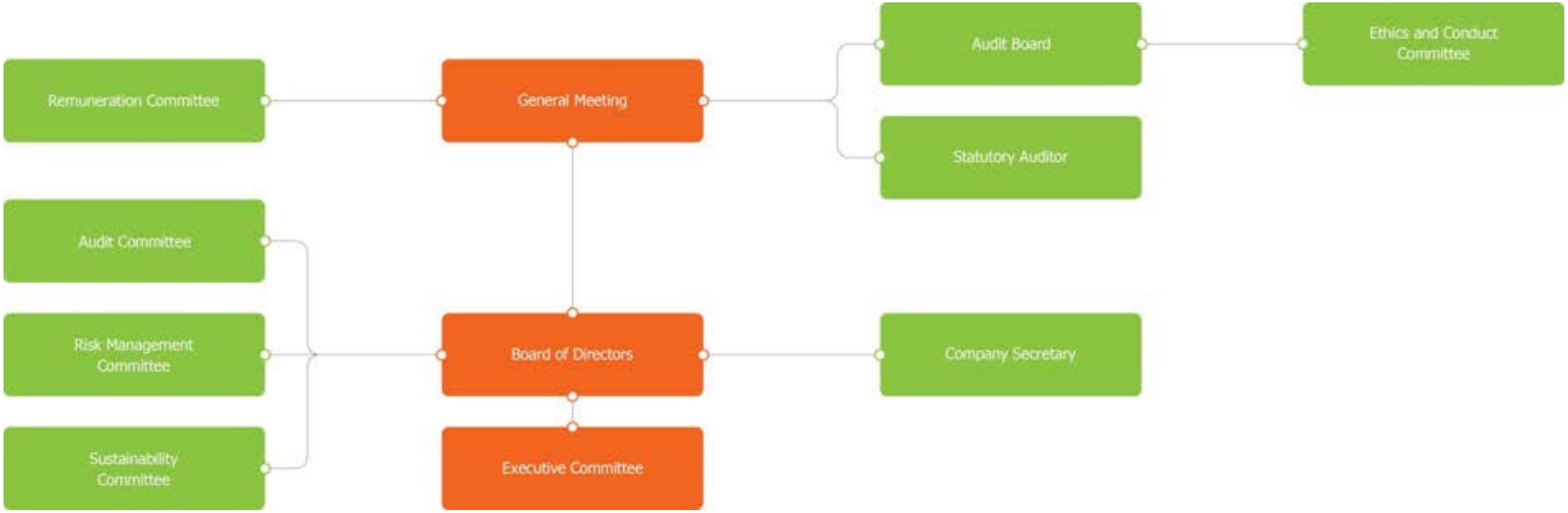
5.1 **Governance model**

Galp adopts the single-tier model corporate governance model, which comprises:

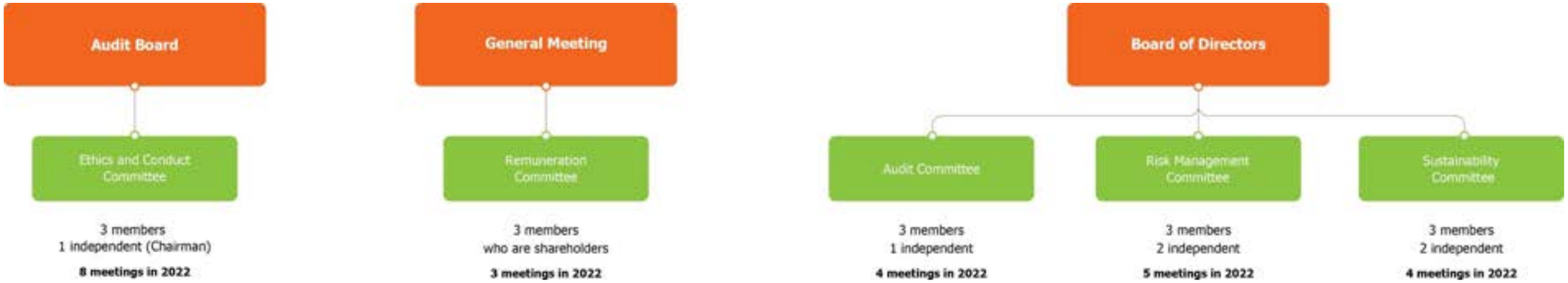
- General Meeting, which gathers the Company's shareholders;
- Management, comprising a Board of Directors and an Executive Committee with powers delegated by the former;
- Supervision, which includes an Audit Board and a Statutory Auditor; and
- Company Secretary, in charge of the specialised support to the corporate bodies.

Galp's governance model seeks the transparency and efficiency of the Group's operation, based on a separation of management powers from supervisory powers. While the Board of Directors performs a role of supervision, control and monitoring of strategic guidelines, the role of the Executive Committee – delegated by the Board of Directors – is operational in nature and consists of the day-to-day management of the business and of the corporate centre.

The supervisory powers of the Board of Directors are bolstered by the existence of a Lead Independent Director and three committees created within the Board, comprised exclusively of non-executive directors. These committees provide support on key issues related to its supervisory role.



The Company also has other specialised committees dedicated to relevant issues.



Duties				
Risk Management Committee	**Sustainability Committee**	**Audit Committee**	**Ethics and Conduct Committee**	**Remuneration Committee**
Monitoring Galp's risk management system.	Monitoring the integration of sustainability principles into the management process.	Monitoring the supervision of the internal audit system.	Monitoring the implementation of the Code of Ethics and Conduct, clarifying questions about its application and reception and processing irregularity reports through the "Open talk" ethics line.	Proposing to the General Meeting the remuneration policy of the members of the corporate bodies and annual performance review of executive directors.

For more details on the governance model, please refer to Part III of this report – Corporate Governance Report.

5.2 **Corporate bodies**

Board of Directors



Paula Amorim
Chairperson
Chairperson of the Audit Committee
First appointment:
24 April 2012



Miguel Athayde Marques
Vice-Chairman
and Lead Independent Director
Chairman of the Sustainability Committee
Member of the Risk Management Committee
First appointment:
23 November 2012



Filipe Silva
Vice-Chairman
Chief Executive Officer (CEO)
and Chief Financial Officer (CFO)
First appointment as Vice-Chairman and CEO:
1 January 2023
First appointment as CFO:
26 July 2012



Thore Kristiansen
COO Production & Operations
First appointment:
3 October 2014



Teresa Abecasis
COO Commercial
First appointment:
23 July 2021



Georgios Papadimitriou
COO Renewables & New Businesses
First appointment:
1 January 2022



Luis Todo Bom
Chairman of the Risk Management Committee
Member of the Audit Committee
First appointment:
23 November 2012



Adolfo Mesquita Nunes
Chairman of the Ethics and Conduct Committee
First appointment:
12 April 2019



Cristina Neves Fonseca
Member of the Sustainability Committee
First appointment:
12 April 2019



Edmar de Almeida
First appointment:
12 April 2019



Javier Cavada Camino
First appointment:
17 December 2021



Cláudia Almeida e Silva
First appointment:
29 April 2022



Diogo Tavares
Member of the Sustainability Committee
First appointment:
22 February 2006



Rui Paulo Gonçalves
Member of the Risk Management Committee
First appointment:
6 March 2008



Jorge Seabra de Freitas
Member of the Audit Committee
First appointment:
23 November 2012



Francisco Teixeira Rêgo
First appointment:
16 April 2015



Marta Amorim
First appointment:
14 October 2016



Carlos Pinto
First appointment:
12 April 2019

50%
of non-executive directors
are independent

Executive Member
Independent Member [1]
Other Members

[1] According to the criteria for ascertaining the independence of non-executive directors, as set in the Corporate Governance Report of the Portuguese Institute of Corporate Governance

The Board of Directors includes 14 non-executive directors, which represents 78% of the total number of directors, seven of which are independent (50%). This constitutes an adequate number of non-executive and independent directors, considering the governance model adopted by the Company, Galp's shareholder structure, the respective free float, the size of the Company and the complexity of the risks inherent to its activity, in accordance with the recommendations of Portuguese Institute of Corporate Governance's (IPCG) Corporate Governance Code.

Diversity within the Board of Directors

- Age: 35 to 77;
- Gender: 28% female (above the legal minimum of 20%);
- Geographical: 6 countries; and
- Independence: 50% of non-executive directors.

The Diversity Policy in the management and supervisory bodies approved by the Board of Directors on 15th December 2017 had an impact on the appointments of members of the Board of Directors made since that date, with the election of individuals for the Board of Directors who, in addition to age, gender and geographical diversity, possess a variety of skills, academic backgrounds and professional experience, as shown in the figure below. These are suited to Galp's activities and strategy, displaying an effective diversity within the Board of Directors, which plays a relevant role in the Company's decision-making process.

Powers of the Board of Directors

- Supervision, control and monitoring of the strategic guidelines;
- Monitoring the management and relationship between the shareholders and the other corporate bodies; and
- Decide on matters of exclusive competence (non-delegated to the Executive Committee) – and which enables it to promote the definition and monitoring of Galp's strategic guidelines.

For further information on the powers of the members of the Board of Directors, refer to section 19 of Part III of this report - Corporate Governance Report.

Election

Under Portuguese law and the Company's By-laws, the members of the Board of Directors are elected by the shareholders at a General Meeting, for four calendar years, through lists, with the vote being for the entire list and not for each of its members. Nevertheless, the continuity of each director in office depends on her/his annual performance appraisal, through a vote of praise and/or confidence. The absence of a positive annual appraisal, materialised through a vote of no confidence, may lead to the dismissal of the director in question, as provided for by law.

Limitation of positions

All members of the Board of Directors must have the availability required for the exercise of their duties, and therefore it is stipulated in the respective internal regulations that non-executive directors cannot hold management positions in more than four companies with shares admitted to trading on a regulated market that are not part of Galp Group.

Performance review

The Board of Directors annually assesses its performance and the performance of its committees. This review takes into account compliance with the Company's strategic plan and budget, risk management, its internal functioning and the contribution of each member to those goals, as well as the relations of the Board of Directors itself with its committees.

Board of Directors' meetings held in 2022: 9

Resolutions approved through votes cast by electronic communications in 2022: 9

Attendance: 95.3% (not counting presence by representation)

Board of Directors' Skills



Powers of the Executive Committee

The Executive Committee is responsible for the day-to-day management of the business and of the corporate centre, in accordance with the delegation of powers, the strategic guidelines defined by the Board of Directors and the functional delegation of powers relating to the business and activities of the Company and of the Group companies to each member of the Executive Committee set by the Chief Executive Officer ("CEO").

Performance review

The executive directors are evaluated each year by the Remuneration Committee, based on compliance with certain economic, financial, operational and safety and environmental sustainability objectives, defined in the remuneration policy proposed by the Remuneration Committee and approved by the General Meeting.

Limitation of positions

According to the internal regulations of the Board of Directors, the members of the Executive Committee shall not hold executive positions in listed companies that are not part of Galp Group.

Executive Committee meetings held in 2022: 22

Resolutions approved through votes cast by electronic communications in 2022: 5

Attendance: 100%

Executive Committee



CEO & CFO
Filipe Silva

- People, Organisation & Health
- Energy Management
- Matosinhos project
- Strategy & Sustainability
- Communication & Corporate Social Responsability
- Safety
- Corporate Secretary, Compliance & DPO
- External Relations & Regulation
- Legal
- Finance & M&A
- Accounting & Tax
- Planning & Performance
- Investor Relations
- IT & Digital
- Transformation Office
- Data Office
- Procurement & Contracting
- Risk Management & Internal Control
- Internal Audit



COO
Thore Kristiansen

- Production & Operations (includes Upstream & Industrial business units)



COO
Teresa Abecasis

- Commercial
- Spaces & Mobility



COO
Georgios Papadimitriou

- Renewables
- New Businesses
- Battery Value Chain
- Biofuels
- Innovation

Audit Board

Chairperson:

- José Pereira Alves

Members:

- Maria de Fátima Geada
- Pedro Antunes de Almeida

Powers:

- Control of the Company's financial information;
- Supervision of risk management, internal control, compliance and internal audit systems;
- Receive and processing irregularity reports through the Ethics and Conduct Committee;
- Select and propose the Statutory Auditor to the General Meeting and the respective remuneration;
- Check and control the independence of the External Auditor.

Statutory Auditor

Effective:

- Ernst & Young Audit & Associados, SROC, S.A., represented by Rui Abel Serra Martins

Alternate:

- Manuel Mota

Powers:

- Control and review the Company's financial information.

Board of the General Meeting

Chair:

- Ana Perestrelo de Oliveira

Vice-Chair:

- Rafael Lucas Pires

Secretary:

- Sofia Leite Borges

The General Meeting is the ultimate governing body of the Company. It is through this body that the shareholders actively participate in the Company's decisions. Any shareholder who holds at least one share on the record date and declares its intention to participate in the General Meeting within the legal deadlines may attend, discuss and vote at the General Meeting, either in person or through a representative. Galp's shareholders may also exercise their right to vote by correspondence and by participating in the meeting through telematic means.

5.3 **Remuneration policy**

In accordance with the say-on-pay principle, the General Meeting held on 29 April 2022 approved, with 95.99% of the votes, the new remuneration policy of its corporate bodies for 2022 proposed by the Remuneration Committee, in accordance with the applicable law.

The non-executive members of the Board of Directors receive a fixed monthly amount established by the Remuneration Committee, taking into account current market practices. It may differ in the case of non-executive members who perform special supervisory duties or are a member of a specialized committee.

In order to incentivise management alignment with the medium and long-term interests of the Company and its shareholders, the remuneration policy has annual and multi-annual goals for the executive members of the Board of Directors, considering a three-year period for determining the value of the remuneration's multi-annual variable component and deferring a significant portion of the three-year period payment, which depends on the Company's performance during this period.

The remuneration policy for executive directors for 2022 is outlined on the following page below.

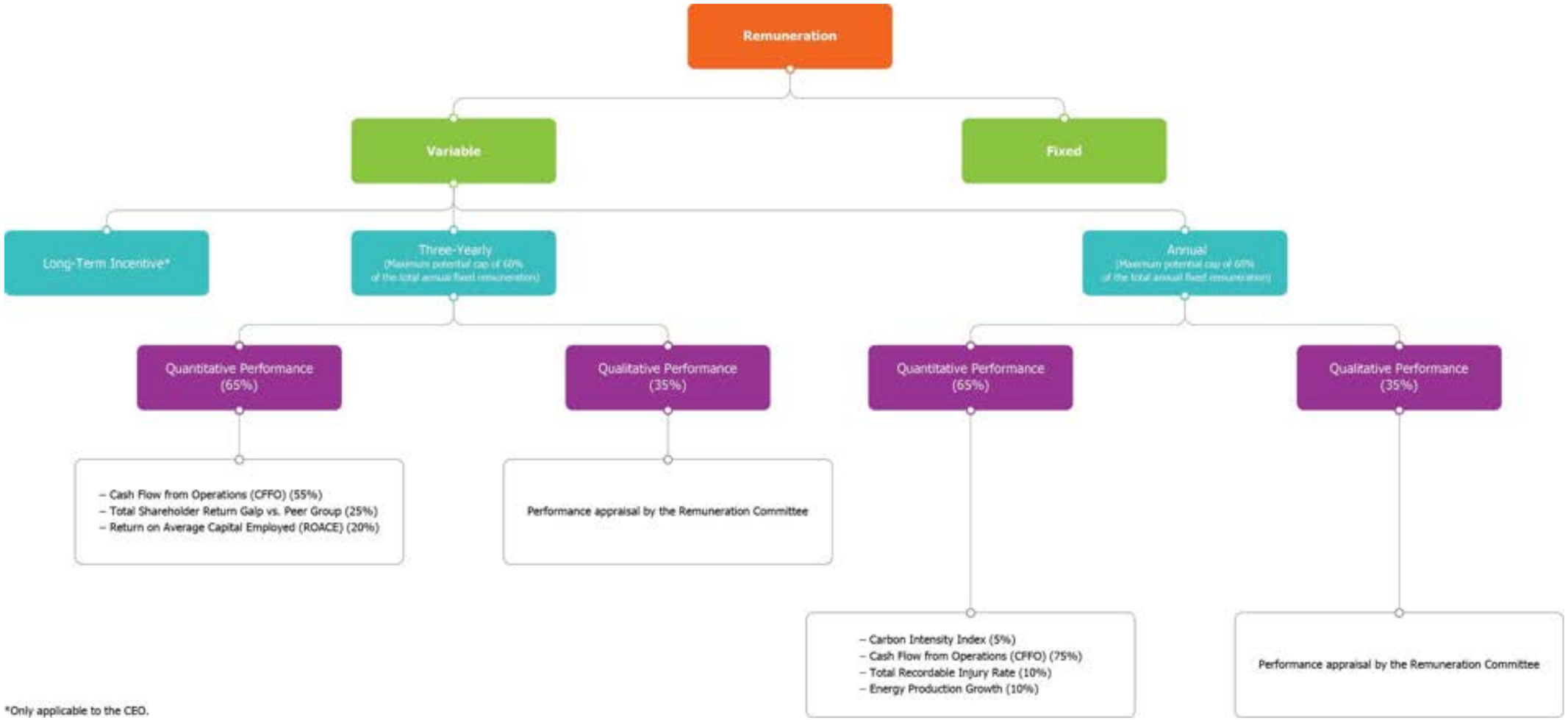
The remuneration policy for 2022 establishes a mechanism applicable to the CEO for partial payment of the variable 3-year remuneration through shares of the Company in order to promote the alignment of the Company with the long-term interests of the shareholders.

The remuneration of Galp's directors includes all remuneration for positions held in corporate bodies of other Group companies.The remuneration policy for 2022 foresees the possibility of returning the amount of variable remuneration attributed to a member of the Executive Committee under certain situations (claw-back).

The total and individual annual amount of remuneration received by the members of the Board of Directors in 2022, as established by the Remuneration Committee, as well as other information related to the remuneration policy, is available in paragraph 77, Part III of this report - Corporate Governance Report.

The members of the Audit Board receive a monthly fixed remuneration, paid twelve times a year. The remuneration of the Chairperson of the Audit Board is differentiated, taking into account his special duties. The remuneration of the members of the Audit Board does not include any variable component.

The Statutory Auditor has the remuneration contracted under normal market conditions.



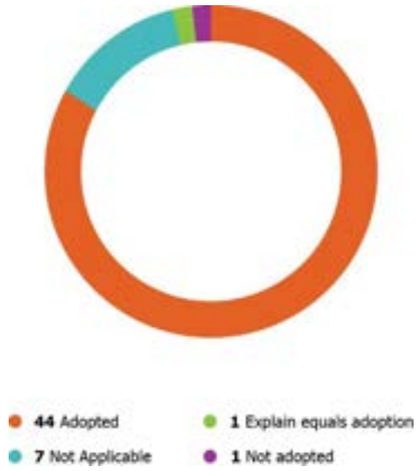
*Only applicable to the CEO.

5.4 Compliance with the corporate governance code

Galp has voluntarily decided to adopt the Corporate Governance Code of the Portuguese Institute of Corporate Governance, approved in 2018 and revised in 2020 ("Código de Governo das Sociedades do IPCG") (link here). The code consists of a set of principles and recommendations of good governance in line with the best international practices and adapted to the Portuguese corporate reality.

In 2022, in accordance with its self-assessment and aligned with the assessment conducted by the Oversight and Monitoring Executive Committee of Galp's Governance Report for 2021, Galp adopted 44 of 45 recommendations applicable to it, as shown in the image at the right.

In Part III of this report - Corporate Governance Report, there is a presentation on the adoption of the recommendations, in accordance with the "comply or explain" rule.







6. proposal for the allocation of results

6. Proposal for the allocation of results

The 2022 Galp Energia SGPS, S.A net profit, based on its individual financial statements, in accordance with International Financial Reporting Standards, was €1,008,407,831.21. In September 2022, Galp distributed an interim in advance dividend of 2022 profit in the amount of €213,132,891.43, corresponding to €0.26 per outstanding share. The Board of Directors proposes, under legal terms, that €0.26 per outstanding share be distributed to shareholders in the form of dividends, which added to the €0.26 per share, already paid as interim in advance dividend of 2022 profit, totals a total dividend to be distributed to shareholders of €0.52 per outstanding share related to the financial year 2022, with an estimated total amount, based on the share capital as of 31 December 2022, of €425,061,893.91. The remaining amount of the net profit of the year shall be transferred to retained earnings.

Lisbon, 31 March 2023.

The Board of Directors:

Chairman:

Paula Amorim

Vice-Chairman and Lead Independent Director:

Miguel Athayde Marques

Vice-Chairman:

Filipe Silva

Members:

Thore E. Kristiansen

Teresa Abecasis

Georgios Papadimitriou

Marta Amorim

Francisco Teixeira Rêgo

Carlos Pinto

Luís Todo Bom

Jorge Seabra

Rui Paulo Gonçalves

Diogo Tavares

Edmar de Almeida

Cristina Fonseca

Adolfo Mesquita Nunes

Javier Cavada Camino

Cláudia Almeida e Silva

7. cautionary statement



7. **Cautionary statement**

This document may include forward-looking statements. All statements other than statements of historical facts are, or may be deemed to be, forward-looking statements. Forward-looking statements express future expectations that are based on management's expectations and assumptions as of the date they are disclosed and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such those statements. Accordingly, neither Galp nor any other person can assure that its future results, performance or events will meet those expectations, nor assume any responsibility for the accuracy and completeness of the forward-looking statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Galp to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections, and assumptions. These forward-looking statements may generally be identified by the use of the future, gerund or conditional tense or the use of terms and phrases such as "aim", "ambition", "anticipate", "believe", "consider", "could", "develop", "envision", "estimate", "expect", "goals", "intend", "may", "objectives", "outlook", "plan", "potential", "probably", "project", "pursue", "risks", "schedule", "seek", "should", "target", "think", "will" or the negative of these terms and similar terminology.

Financial information by business segment is reported in accordance with the Galp's management reporting policies and shows internal segment information that is used to manage and measure the Group's performance. In addition to IFRS measures, certain alternative performance measures are presented, such as performance measures adjusted for special items (adjusted operational cash flow, adjusted earnings before interest, taxes, depreciation and amortisation, adjusted earnings before interest and taxes, and adjusted net income), return on equity (ROE), return on average capital employed (ROACE), investment return rate (IRR), equity investment return rate (eIRR), gearing ratio, cash flow from operations and free cash flow. These indicators are meant to facilitate the analysis of the financial performance of Galp and comparison of results and cash flow among periods. In addition, the results are also measured in accordance with the replacement cost method, adjusted for special items. This method is used to assess the performance of each business segment and facilitate the comparability of the segments' performance with those of its competitors.

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sustainability
journey
galp
Book II

Lee Hodder

Chief Sustainability Officer & VP Strategy



At Galp, we want to play an active role in the Energy Transition. A transition that at its core has both our net zero ambition by 2050 and the need for it to be Just for those involved. A transition that not only aims to provide affordable and reliable energy but one that does so in the most sustainable manner – being conscious of the impact of our value chain activities on nature, the environment, and the society in which we operate.

I remain confident that our sustainability journey, focused on five core foundations, will enable us to be competitive and will lead us to success in the short, medium, and long term.

Galp strategy is anchored on value creation for our shareholders and stakeholders through energy solutions that meet the needs of the communities we serve, developing systems able to supply affordable and reliable energy in an economical and environmentally sustainable way.

This has been a key element of our journey. And it will continue to be in the future now with a clear plan to progressively decarbonise our portfolio, actively participating in the energy transition.

In late 2021, Galp took the step of combining our Strategy & Sustainability teams in recognition that it is not possible to separate business ambitions and sustainability performance. We advanced further to embed sustainability into the core of our strategic discussions, investment decisions and in how we engage and learn from the outside world. Many of the challenges of the ongoing energy transition are not yet fully understood or identified. Therefore, our strategy simultaneously includes a focus on delivering the portfolio transformation while continuously updating our knowledge of the emerging opportunities, risks and dilemmas associated with the new value chains and energy system of the future.

In 2022, we refreshed our Sustainability Roadmap. This updated approach focuses on five foundations that aim to support all business units towards generating positive impact. Each foundation guides longer-term priorities & economic ambitions, covering environmental, social and governance topics.



1. Our journey to net zero by 2050

Our **2030** ambitions	**Accelerate decarbonisation across our ecosystem**			**Reshape our portfolio with focus on low carbon**
Our targets and KPIs	Reduce absolute emissions from operations (scope 1 & 2 equity) in 40% by 2030	Reduce production-based carbon intensity in 40% by 2030	Reduce Downstream sales-based carbon intensity in 20% by 2030	Allocate >70% Net Capex to Low Carbon (2023-2025)[1] Including divestments
2022	3.3 $mtonCO_2e$ **-20%** compared to 2017	80.2 gCO_2e/MJ **-14%** compared to 2017	73.4 gCO_2e/MJ **-4%** compared to 2017	33.5%
Material topic	Climate Strategy			Sustainable energy portfolio
Our alignment with the **SDGs**	7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION

[1]Besides the categories eligible under the EU Taxonomy regulation, Galp also considers activities that may contribute significantly to mitigate climate change, such as investments in the battery value chain, hydrogen network, and CO_2 emission reduction projects in the Refinery (mainly efficiency energy).

Galp is an integrated energy company with the ambition of driving and thriving through the energy transition, reshaping its high-quality portfolio towards long term value creation while addressing growing global concerns over climate change.

Effective governance of climate-related issues is necessary across organisations to guarantee that critical risks are mapped and mitigated and all relevant opportunities that may arise as a result of a changing climate are identified and addressed. This includes adopting policies and practices that reduce greenhouse gas emissions while simultaneously incentivizing their internal adoption and working with stakeholders so they implement similar practices.

Accelerate decarbonisation across our ecosystem

Our strategy integrates our climate & energy transition related ambitions/challenges, our capital allocation plans, our climate engagement and just transition, and finally our governance and risk management framework.

Clear and effective oversight and management of climate

Failure to address climate risks and opportunities can compromise a Company's capability to guarantee long term value generation, attract investment, talent and even its license to operate.

Galp recognizes the importance of responsible leadership in addressing Climate & Energy Transition related risks and opportunities – over the short, medium and long term – integrating the Company's strategic formulation process and investment planning. These are overseen by the Board of Directors and the Executive Committee, where the CEO is the designated member responsible for climate strategy.

The Sustainability Committee, supported by the Risk Management Committee, is the board level committee responsible for climate related topics, being key in assisting the board in integrating sustainability principles into the decision-making process and ensuring that the main risks and opportunities that we face are identified and continually managed. The current chairman of the Sustainability Committee is also the vice-chairman and the lead independent director of the board, and a member of the Risk Management Committee.

Oversight on climate metrics

The Board of Directors, Executive Committee and Sustainability Committee are informed on a quarterly basis on carbon metrics performance against targets and updated on the decarbonisation roadmap status or any key climate change related risks and opportunities via a specialized report. The Board also regularly reviews, evaluates and approves Galp's risk appetite, annual budget, its short- and long-term incentives, overviews the Company's consolidated performance as reported in the annual Integrated Report and analyses the business plan to ensure it is appropriate to implement the Company's energy transition strategy.

Galp's Chief Sustainability Officer (CSO) is the Director of the Strategy and Sustainability Department, responsible for corporate management of sustainability risks and has the power to establish and propose assessment and monitoring methodologies. These are implemented in a coordinated effort with the business units and Corporate Risk Management team, thereby ensuring that an action plan is established to minimise and mitigate these risks.

Integrating carbon pricing in investment approval

Galp considers that carbon cost internalization mechanisms, such as carbon pricing, as one of the most effective ways to promote the investment to lower carbon emitting solutions, while securing technological neutrality. Anchored on this belief, Galp includes a global carbon price when evaluating investments in new projects or changes in existing ones. To ensure the resilience of its investments, the Company considers a carbon price on investment analysis, even in geographies without emissions trading schemes in place, considering prices consistent with external long-term energy transition scenarios (>€90/tonne of CO_2 by 2025, >€100/tonne of CO_2 by 2030, >€150/tonne of CO_2 by 2050).

Additionally, Galp always evaluates the impact of the related CO_2 emissions in its decarbonisation targets (production carbon intensity, downstream sales carbon intensity, and operational absolute emissions) before any investment decision. This approach ensures the prioritization of low carbon-emitting projects, keeping Galp on track to achieve its decarbonisation commitments.

Physical and transition climate risks and opportunities assessment

Galp has been improving its identification and quantification of climate related risks and opportunities, including acute and chronic physical risks, and transition risks, aligning with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and preparing for EU Taxonomy for sustainable activities disclosure.

This analysis involved alignment of Galp's corporate risk and opportunities taxonomy with the categories recommended by the TCFD, the definition of a complete scenario framework considering physical and transition scenarios, comprehending relevant 1.5ºC and/or well-below-2ºC aligned IPCC scenarios for physical variables and in-house or IEA scenarios for market variables. The assessment is performed on short-, medium- and long-term time horizons to ensure these risks are captured and assessed on a time scale compatible with the one of climatic evolution and long-term Company strategy.

This procedure aims to assess the resilience of the Company's strategy to different climate scenarios and integrate the most relevant associated risks in the risk management framework, monitoring their evolution and defining any appropriate mitigation measures. Following the annual assessment and the analysis of the calculated expected loss and climate value at risk, Galp prioritizes the risks and develops appropriate action plans and mitigation measures.

Learn more about Galp's alignment with the TCFD recommendations (link here), including the Company's governance regarding climate related risks and opportunities.

Reduce and mitigate our GHG emissions

We aim to become a Net Zero Company and our 2030 climate related targets[1] are a crucial milestone in that journey. The company has defined three 2030 emission reduction targets using independent metrics which, coupled with the commitment to invest in renewable and low carbon technology, will reflect its progress towards a low carbon future, focused on the decarbonisation of our industrial operations, of the primary energy that we produce and of the energy that we sell to our customers.

2030 targets

Our short to mid-term targets are a direct result of Galp's business plans and associated milestones and are therefore embedded in our strategy. Business plans are updated yearly and reflect internal forecasts for the budget and economic outlook for the next years. The variables used in emissions, sales and production forecasts are then aligned with our long-term strategic development plan which includes important changes in our portfolio.

- The **absolute emissions** metric includes all operational emissions (scope 1 and 2), on an equity basis, from Galp's Upstream, Industrial and Commercial assets. It reflects decarbonisation of our operations through increases in energy efficiency, integration of renewable energy and reorganization of industrial activities. It is forecasted that Galp will reduce its absolute emissions in 40% by 2030 (vs 2017).

- The **all-downstream sales carbon intensity**[2] includes all emission scopes (1, 2 and 3) associated with the value chains of all energy products sold by Galp (e.g., liquid fuels, gas, electricity). Its reduction reflects the progressive decarbonisation of our portfolio, as more renewable and low carbon solutions are made available and adopted by our customers. The carbon intensity of Galp's downstream sales will be reduced in 20% by 2030 (vs 2017).

- The **production carbon intensity**[2] includes operational scope 1 and 2 emissions from the Company's assets and scope 3 emissions from the use of produced hydrocarbons and biofuels and its evolution will materialize the transition of Galp's energy production into a low carbon focused producer with renewable electricity, biofuels and renewable hydrogen progressively reducing oil and gas. The carbon intensity of the energy produced by Galp will be 40% lower in 2030 (vs 2017).

[1] These targets consider 2017 as a baseline as it marks the start of the diversification of our portfolio and commitment to the development of a transition strategy.
[2] In both the carbon intensity metrics, electricity is converted to a fossil equivalent using a primary energy factor that reflects the efficiency of thermoelectric production and connects primary and final energy. This factor indicates how much primary energy is used to generate a unit of electricity and is meant to make the energy content of electricity and other fuels more comparable. In the sales metric, renewable electricity sold for electric mobility is multiplied by a factor of 4, to reflect the higher efficiency of electrical engines when compared to ICE, in line with current RED II guidelines.

Carbon intensity methodology

Galp recognises that the communication of its carbon metrics and methodologies is necessary to raise confidence and trust from stakeholders, and that there is a clear need to develop a common approach for the O&G sector.

Galp was a member of the technical working group involved in the development of the Science Based Targets initiative (SBTi) methodology for the Oil &Gas sector (by CDP) and follows internationally recognised frameworks and guidance (e.g., GHG Protocol, IPIECA, SBTi O&G draft) to account for its emissions and calculate carbon intensity.

An independent external expert verified that the two carbon intensity accounting methodologies are adequate, properly identified and referenced, and that the assumptions and input data used in the calculations performed are acceptable, reasonable and duly substantiated. For more information on the carbon intensity metrics, please refer to our website.

Whenever the SBTi guidance for the O&G sector becomes available, Galp will evaluate its application and the impacts on the current targets.

2050 net zero ambition

The current short and mid-term targets are the first and critical steps towards the ambition to be net zero in 2050. As the energy transition accelerates and society moves towards a low carbon future so will we, and our business plans and portfolio will mirror this progress, however it is challenging to have the same kind of granularity in terms of specific projects and investments for such a distant time horizon, especially given that some of the solutions and technologies available to decarbonise in the future may not be technically viable as of today.

Our energy mix will continuously change over time with Galp continuing committed to supply affordable, reliable and sustainable energy.

Methane

Galp is aware of the increased relevance and urgency of cutting methane emissions to limit global temperature increases. Although the Company's methane emissions have a relatively low weight in its operational emissions at 1% in 2022 and are mostly associated with non-routine flaring in non-operated Upstream assets, Galp aims to reduce methane emissions from its operated assets (5% of total current CH_4 emissions) in line with industry expectations. Also all of our CO_2 reduction targets are expressed in a CO_2e basis that incorporates the impact of methane. Finally, all of the upstream operators of Galps upstream production are signatories of the OGCI Methane Reduction Initiative.

Performance against targets

The conflict in the Ukraine and the ensuing energy crisis posed a challenge for all energy companies. As a consequence of these events, decisions had to be made to ensure the continuing supply of fuels at affordable prices. This implied reducing the consumption of natural gas and using refining sub-products as fuel in the operations of the Sines refinery, leading to an increase in its absolute scope 1 emissions. These temporary constrains will probably be removed in the near future and the Sines refinery should resume its efficient low GHG intensity performance.

Additionally, the commissioning phase of the Coral FLNG, in Mozambique, involved substantial flaring, leading to a temporary spike in scope 1 emissions during the second half of 2022. The unit will soon finish the commissioning phase and subsequent activities are actively energy optimized since project design with no routine flaring.

The emissions intensity of the energy produced by Galp decreased 14% in relation to 2017, benefiting from the increase in renewable electricity and biofuels production while the sales carbon intensity showed a decrease of 4% in relation to the baseline, reflecting the aforementioned increases in biofuels and renewable electricity production and also changes in refinery output to lighter, less carbon intensive fuels.

Galp's Carbon Footprint

Each year, Galp's carbon footprint (operational control) is compiled, based on internationally recognised methodologies and recommendations, and is monitored and verified by a third party.

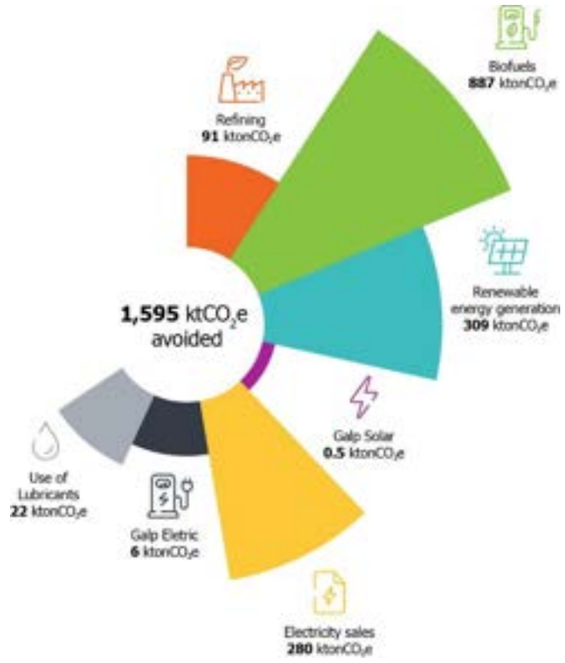
	CO_2e emissions – scopes 1, 2 and 3	
	Unit	2022
Direct emissions – Scope 1		
Total	**mtonCO_2e**	**3.4**
Upstream[1]	ktonCO_2e	733
Industrial & Midstream	ktonCO_2e	2,703
Commercial	ktonCO_2e	0.2
Renewables & New Businesses	-	-
Other	ktonCO_2e	5.2
Indirect emissions – Scope 2 (market based)		
Total	**ktonCO_2e**	**9.1**
Upstream	ktonCO_2e	0
Industrial & Midstream	ktonCO_2e	0.6
Commercial	ktonCO_2e	8.5
Renewables & New Businesses	-	-
Other	ktonCO_2e	0.03
Indirect emissions – Scope 3		
Total	**mtonCO_2e**	**46.2**
Upstream	mtonCO_2e	3.0
Industrial & Midstream	mtonCO_2e	33.6
Commercial	mtonCO_2e	9.6
Renewables & New Businesses	-	-
Other	ktonCO_2e	2.3
---or---		
Purchased good and services	mtonCO_2e	4.7
Fuel and energy related activities	mtonCO_2e	1.0
Business travel	ktonCO_2e	2.4
Transportation and distribution (upstream+downstream)	mtonCO_2e	0.6
Processing of sold products	mtonCO_2e	1.3
Use of sold products	mtonCO_2e	38.6
Investments	mtonCO_2e	0

[1] Considers all emissions from Coral FLNG, including from activities classified as midstream related the primary intent of producing gas liquids for sale as liquefaction, etc

Moving towards low carbon solutions

Avoided emissions

In 2022, Galp avoided the emission of approximately 1,595 ktonCO_2e through the implementation of energy efficiency measures in the refinery, the integration of biofuels, the production and sale of renewable energy, the supply of decentralised energy production and energy efficiency services, and the delivery of electricity for electric mobility.



Tackling emissions in our businesses

Upstream

The high efficiency and low carbon intensity of our portfolio, at 10.1 kgCO_2e/boe, close to half of the industry's average of 18.3 kgCO_2e/boe (IOGP average of 2021), is a result of the focus on sustainability and energy efficiency during project design and operations. Our journey starts in project evaluation, where we fully incorporate the amount of carbon dioxide in the field into our investment decisions, focusing on developing assets with low carbon intensity.

- Newer projects, such as the Bacalhau field development, located in the Brazilian Santos basin, have taken this focus further, resulting in even lower field lifetime emissions. The Bacalhau FPSO will feature a combined cycle gas turbine system to increase the efficiency of the power station. This, combined with an optimized gas system, allowed to greatly reduce emissions from power generation and flaring, resulting in a world class lifetime emission intensity of 9 kg CO_2e/bbl

- The Coral Sul FLNG was designed with energy optimisation focus, resulting in an energy efficient plant design and lower GHG emissions and zero routine flaring. This was achieved by use of aero-derivative gas turbines for refrigerant compressors and power generation (equipped with waste heat recovery systems). This unit was planned to consume 256 kWh/t LNG in the liquefaction process, lower than the industry benchmark of 275-400 kWh/t LNG.

- The company has also been committed to the continuous improvement of the efficiency of the remaining assets in production, commissioning flare gas recovery systems and closed flares and optimising pump usage, equipment rotation as well as identifying other initiatives that can lead to higher energy efficiency and lower emissions.

Additionally, Galp is also a subscriber of the World Bank's Zero Routine Flaring by 2030 initiative by which it committed to not to perform routine flaring in its hydrocarbon production projects, known to be a significant source of emissions within the industry.

Industrial & Midstream

- **Efficiency and emission reductions at Sines**

  Despite all the challenges posed by the ongoing energy crisis, the Sines Refinery continued focused on improving the efficiency of its operations. In 2022, we invested in several energy efficiency projects which reduce energy consumption and reduce emissions, including replacing boilers in the FCC unit, upgrading exchangers to more efficient technologies and replacing reactors with models that allow higher yields and lower energy usage. When fully implemented, these projects will allow reductions of > 90 kton CO_2e/year.

Several efficiency projects have been identified and approved for investment until 2025 which will result in an investment of 50m€ and emission reductions of approximately 100 kton CO_2e. Additionally, dedicated teams are continuously working to reduce emissions and increase the efficiency of the operations identifying new opportunities and synergies on a regular basis.

- **Low Carbon fuels**

  In 2022, Galp continued to produce HVO, at the Sines Refinery by co-processing in the HD unit, with an output of 101 kton, adding to the c. 25.5 kton of second generation FAME biodiesel produced at Enerfuel.

  The company is also engaged in developing low carbon renewable fuels for all modes of mobility and has, in 2022, taken important steps towards developing the green hydrogen value chain while simultaneously maturing the 270 ktpa HVO project. These projects will be crucial for the decarbonisation of the Sines refinery and the company's portfolio, allowing it to develop and provide low carbon fuels for all modes of transport.

  During the year c.306 000 m^3 of biofuels were integrated in the diesel (biodiesel and HVO) and gasoline (bioethanol) sold by the Company, including the c. 25.5 kton of second-generation FAME biodiesel produced by Enerfuel. This represents approximately 887 ktons of avoided CO_2 emissions on a life cycle basis, when compared to a fossil equivalent.

- **LNG supply**

  Galp recently signed an agreement to purchase 1 mtpa LNG to be delivered for 20 years from 2027, from NextDecade's Rio Grande LNG project, in Texas. It includes one of the largest projects for Carbon Capture and Storage facilities in North America, substantially reducing the life cycle emissions of LNG associated with this energy intensive process and Galp has the option of purchasing LNG volumes whose liquefaction emissions were captured.

- **Carbon Capture Storage & Utilisation**

  Galp is exploring a range of long-term pathways and options to both mitigate, reduce & utilise CO_2 beyond 2030. It is too early to be specific. However, our recent Innovation award for Carbon Capture & utilisation of CO_2 technologies is an example of our proactive work – involving 70 applications from companies across 21 countries – ranging from use of CO_2 for e-fuels, production of chemicals and other value creating products.

- **Carbon offsets**

  Carbon offsets are not part of Galps shorter-term (2030) decarbonisation targets. They may, however, provide a useful tool to achieve Net Zero emissions by 2050 in line with globally recognised target setting standards such as the SBTi Net Zero standard which indicate c. 5-10% of baseline emissions may be needed to be offset by 2050. Within this scope, the Company is committed to use only high-quality offsets that would result in permanent, additional and verified emission reductions.

  Carbon offsets can also be important for our customers, who are increasingly concerned about their impact on climate and therefore might be interested in, through Galp, offsetting the emissions from their fuel consumption until they are replaced by viable low carbon intensity alternatives. Addressing these needs, Galp is implementing solutions that integrate offsets on its commercial offer and building capabilities and standards to manage carbon offsets and credits, from project development to trading, according to the best available recommendations to guarantee project quality and process reliability.

Offsetting emissions from sponsored events

Galp has offset emissions from events that it sponsored in 2022 in an attempt to mitigate their overall impact. The emissions from these events came mostly from the transport sector, where Galp is a major service provider and player, and Galp purchased a total of 4,111 credits to offset emissions from the Rock in Rio Lisboa festival and the Portuguese Football Federation's participation in World Cup 2022.

Please consult our website for more information related with carbon offsetting at Galp.

Commercial

In 2022, Galp continued to deliver low carbon solutions to its customers, broadening its portfolio to provide new low carbon intensity fuels for aviation and water borne transport.

The company became a first mover in both air and water borne transport by providing low carbon fuels for the first Sustainable Aviation Fuel (SAF) powered flights from Portugal. It also announced a strategic partnership with TAP and ANA – Aeroportos de Portugal (Portuguese airport company) to develop, produce and supply SAF on a large scale, from waste, recycled used oils and other sustainable raw materials.

In respect to water-borne transport, Galp started supplying sustainable, residual feedstocks derived HVO diesel to several Douro Azul ships, a Portuguese cruise company, reducing emissions from the fuel use in cruises in the World Heritage Douro Valley area by c. 80%.

- **Galp Electric**

  During 2022, Galp Electric continued to expand its network of charging points which totalled more than 1950 charging stations in Portugal and Spain, 26% of which are fast and ultra-fast charging stations. Sales of electricity for mobility increased to 7.2 GWh and correspond to an estimated c. 5.5 ktons of avoided CO_2 emissions when compared to the same energy used on an ICE vehicle, on a life cycle basis.

Galp and BMW

In Spain, Galp and the BMW group joined forces to create a network of 25 ultrafast charging centers for electric vehicles in key medium and long-distance corridors in the country. The agreement includes the installation of more than 100 ultra-fast charging points powered by renewable generation sources, thanks to the installation of solar panels located in the canopy. Galp and BMW will also collaborate in the development of open innovation initiatives through Galp's Upcoming Energies programme. BMW will participate in the creation of synergies, co-creation, and development cooperation, as well as the launch and commercialisation of projects related to electric mobility.

- **Galp Solar**

Through Galp Solar, one of the fastest growing companies in decentralized energy in Iberia, Galp provides decentralised solar power production and storage solutions to B2B and B2C customers, within the residential, commercial and industrial sectors using technology to provide fit for purpose solutions and optimal results. In 2022, and with just 2 years of operation, the company had completed 10,715 installations in Portugal and Spain (>3x growth YoY) in a total of 32 MW of solar panels, almost tripling installed capacity and quadrupling revenues during 2022 in relation to the previous year. It also installed more than 1,500 batteries in its installations, which helped customers achieve to achieve on average >60% of self-sufficiency by combining power generation and storage and delivering extra yearly savings. The total electricity production from the c. 32 MW of equipments installed since 2020 is estimated at c. 3.4 GWh and is thought to have avoided 0.5 $ktCO_2e$ in comparison to the same amount of electricity purchased from the grid. Galp Solar is also working with the Innovation team on shared self-generation and consumption and plans to deliver 10 'Solar Buildings' in Spain and to start 5 Solar Communities in Portugal during 2023.

Galp transforms 100 service stations into solar power producers

Galp is installing solar PV panels for self-consumption in 100 of its service stations in the Iberian Peninsula. With this project the Company seeks to set the example in reducing its imported energy consumption, by producing its own emissions free renewable power while simultaneously saving costs. The project encompasses 2.5MWp installed across 100 service stations and is estimated to sabe the company more than €750 k during the solar panel's life.

Renewables and new businesses

Renewable electricity continued to be Galp's main focus on low-carbon technologies in 2022. The company increased and diversified its portfolio of renewable electricity projects both geographically and in terms of energy source, to 9 GWp distributed between Iberia and Brazil, encompassing both solar and wind power. From this portfolio, 1.4 GWp are already in operation and generated c.1930 GWh during 2022 which translated into c. 309 $ktCO_2e$ of avoided emissions in comparison to the amount emmited by the production of an equivalent amount of electricity in the location where it was generated.

- **Aurora**

Aurora, Galp's joint venture with Northvolt, kept advancing towards its objective of building Europe's largest and most sustainable lithium conversion plant, that will be key in developing opportunities related to the battery value chain. It also completed the pre-Feasibility Study for this project and assigned the definite Feasibility Study to Fluor. The JV also continued to build its corporate structure and nominated its CEO, CFO and other relevant positions, a key step for the timely materialization of the project.

Although the production of lithium hydroxide will be responsible for a small increase in Galp's operational emissions, this material can be used to manufacture 50 GWh of battery production per year (sufficient for approximately 700,000 electric vehicles) and significantly contribute to the reduction of emissions of the transport sector. To ensure that the impact from this activity is mitigated, the JV is strongly focused on guaranteeing the sustainability of its activity, and in 2022 focused on defining the scope for the Environmental Impact Assessment study, performing complete Life Cycle analysis (LCA) on the plant's outputs, the definition of a roadmap to minimise CO_2 emissions and the creation of a network of offtakers for by-products.

Corporate centre

Galp is also committed to reduce the impact and emissions from its daily activities in its offices and corporate centre. As such, a series of initiatives regarding electrification and waste reduction have been implemented in 2022, namely the electrification of the company's light duty vehicle fleet and moving forward in our single-use plastic free headquarters.

Light duty vehicle fleet electrification

As a company focused on providing mobility solutions and the operator of a large fleet of light vehicles (>1,200), Galp is committed to deliver electric mobility solutions and decarbonise its own fleet. With these goals in mind, the company defined in 2022 a roadmap for the electrification of its light duty vehicle fleet, with all new vehicles being plug in hybrid or electric from 2022 onwards and fully electric from 2025, with full electrification of the fleet estimated for 2028, avoiding c. 5 kton CO_2e/year. This decision was preceded by a survey to evaluate the project's needs, any possible barriers and the deployment or access to charging solution both in office spaces and in private residences.

Reshaping our portfolio with focus on low carbon

More information on initiatives related with low carbon and energy transition projects and products in different business segments can be found on their corresponding chapter in this report (see Part I – 3. Business Pillars).

Leverage on innovation for the energy transition

Galp believes innovation is key to enabling the transition to a more sustainable and equitable energy system. The goal of the Innovation Team is to build a portfolio of opportunities to boost the energy transition and accelerate the path to decarbonisation. In alignment with the Company's strategy, by testing new solutions and increasing engagement with the innovation ecosystem, Galp will be able to discover, test and validate solutions that may create new profit streams in areas like decarbonisation of industrial activities, renewable electricity, electric mobility, social innovation and low carbon fuels.

Galp has invested c. €80 m in ongoing projects, of which €29.7m in 2022.

Activity highlights in 2022 for the different innovation centres include:

- Production and Operations Innovation centre: in 2022 we analysed several technological routes for sustainable fuel production to develop Galp's roadmap for low carbon aviation and marine fuels that can meet regulations and the sustainability targets of the company. There was also a continued focus on predictive maintenance and security while finding new solutions for an efficient energy matrix including studying biomethane production and understanding the needs from other industries on their decarbonisation path. We have been working closely with different collaborative laboratories including Net4CO_2, Bioref and Hylab studying decarbonisation solutions in the CO_2, biofuels and hydrogen space. Finally, the Company has once again fully complied with ANP in Brazil with developing strategically driven innovation projects.

- Commercial Innovation centre: Galp partnered with the startups Swobbee and Boost Logistics to launch the first micro-mobility battery-swapping service in Iberia, aiming to make fleet management operations more efficient and sustainable through a decentralized charging network. Five swapping stations were installed in Lisbon and Madrid, with 10 k batteries swapped in the first four months (more than 7.6 MWh of charged energy). The centre also launched Optimize, a project that aims to protect Galp's B2B clients from the volatility of energy markets, offering them innovative solutions to become more efficient and less dependent on the gas & power grids. The project targets high energy consuming customers in industry, buildings, pools and sports facilities.

- Renewables and Energy Management innovation centre: we developed a series of projects focused on digitalization, renewable energy storage and synergies between agriculture and solar power production in an Agrivoltaics partnership with Instituto Superior de Agronomia in Lisbon.

- Open Innovation centre: we continued engaging with startups through the Startup The Future program, to collaboratively accelerate the energy transition. It received more than 200 applications from four continents and 54 countries, and a €50 k prize was awarded to the winner, Koolboks. There were also other Open Innovation initiatives focused in engagement with academia (e.g. Instituto Superior Técnico Golden Partner, Portuguese Católica University & Yunus Social Innovation Centre, MIT Industrial Liaison Program) , with positioning Galp within the Innovation ecosystem (MOU with Portugal Ventures, a venture capital firm that invests in startups; sponsoring the European Innovation Academy and becoming a main partner in the Lisbon Unicorn Factory) and active participation in startup engagement programs (e.g. Amazon Web Services Clean Energy Accelerator; European Greenhouse Gas Program).

Our **2030** ambitions	**Protect biodiversity**		**Effective water stewardship**			**Operational excellence and transition towards circularity**	
Our targets and KPIs	Do not operate in World Heritage UNESCO and IUCN protected areas Cat I-IV	Sites with Net positive Impact plans in place	Total freshwater withdrawal	Freshwater withdrawal in areas with water stress	Water recycled in operations	Energy consumption	Waste recovered in operations
2022	0 sites in World Heritage UNESCO areas 2 sites in IUCN Category IV areas	1	9,219 10^3 m³ **-15%** compared to 2017	8,078 10^3 m³	14%	30,480 TJ **-39%** compared to 2017	62%
Material topic	Biodiversity and ecosystems		Water management			Operational eco-efficiency and Circular Economy	

Our alignment with the **SDGs**



At Galp, it is crucial to ensure the sustainable development of our projects by protecting the environment and, whenever practical, creating a positive impact. This sustainability foundation has the ambition to protect and restore biodiversity, take an effective water stewardship approach, be a reference in operational eco-efficiency and promote circularity throughout our value chain.

Protect biodiversity

Galp aims to protect biodiversity in all geographies where it operates, contributing to the Sustainable Development Goals (SDGs) and ensuring the preservation of natural areas and species throughout the lifecycle of projects. Our focus is to continue to protect biodiversity in our current operations and create a positive impact in new projects located in sensitive areas. The Renewables business is already taking action in new sites, particularly in PV solar assets, ensuring a renewable power plant fully integrated as part as the ecosystem, through a pilot project.

Commit to include biodiversity related criteria in the decision-making

We are committed not to operate/explore/mine/drill inside the boundary of UNESCO's World Heritage areas and IUCN (International Union for Conservation of Nature) Category I-IV protected areas. These commitments are supported by internal standards and procedures, aligned with the IMO (International Maritime Organisation), IOGP and IPIECA (Global Oil and Gas Industry Association for Environmental and Social Issues) guidelines, focusing on developing a better integration of biodiversity into environmental impact assessments and the identification and implementation of appropriate solutions for managing activities in potentially high importance biodiversity areas.

Biodiversity risks assessment

An annual mapping of biodiversity preservation and protection areas around Galp facilities, up to a 50 km radius, is carried out, using the IBAT (Integrated Biodiversity Assessment Tool), to evaluate the position of operated sites in high importance biodiversity areas[1]. The number of threatened species in areas surrounding our operations is also monitored according to the IUCN Red List.

The biodiversity risk assessment is performed annually, and this year we included our Commercial B2C business in its scope, increasing to 448 assessed operated sites and covering 100% of our operated sites.

Considering all our operated sites, none of our operated sites are in or adjacent to UNESCO's World Heritage Areas. Regarding the position of our operated activities in other high importance biodiversity areas, 142 (32%) are located in or adjacent to (within 1km radius) these sensitive regions. Most of the sites located in or adjacent to high importance biodiversity areas are service stations in Spain. We also concluded that none of our exploration & production, biofuel, cogeneration and refining operations are in or adjacent to these regions.

More detailed information can be consulted in Galp's Biodiversity Risk Assessment 2022 (link here).

[1] Any area of biodiversity protection or of priority conservation identified in this report, according to the data provided by the IBAT tool (IUCN areas, Key Areas of Biodiversity, National, Ramsar, Natura 2000 network, Regional Seas, MAB, Emerald Network and UNESCO World Heritage).

Embed our sites in the ecosystem

We are continuously working in assessing and monitoring the environmental impacts of our projects in areas where we operate, globally or nationally relevant for biodiversity, following the mitigation hierarchy (avoid, minimise, restore and offset).

For existing operated sites with potential impact on IUCN Category I-IV protected areas, we are working in defining a Biodiversity Action Plan, to identify and implement the actions necessary to minimize the risk of any adverse effects. Sines Refinery is currently reviewing and updating its Biodiversity Action Plan, in order to address the suitable actions to conserve the ecosystem.

We are also focused developing a strategy to create a positive impact on biodiversity, applied to new projects located in sensitive areas. For that purpose, a taskforce has been created to set this approach to integrate biodiversity and social acceptance in the entire lifecycle of our new projects.

Smart Renewable Power Plant

In the renewables business, an innovative methodology, called "Smart Renewable Power Plant", was developed to create a positive impact in our solar PV sites, ensuring a renewable power plant fully integrated as part as the ecosystem. This approach considers the region context (including community engagement) and the project specifications, sets targets and actions that are implemented, monitored and reported to measure the net gain. A pilot project to implement this methodology has already started in a PV Plant situated in Alcoutim, south region of Portugal, and we are also developing an action plan to our PV sites in Aragão (Spain) to restore the natural ecosystem. Adding to this, in future projects, we plan to perform socioenvironmental diagnosis and identify relevant stakeholders where we will operate, to get a complete characterisation and meet the community and environment expectations and needs, regionally. These inputs will contribute for a more complete and realistic action plan, aligned with our sustainability targets. All these initiatives will allow the company to integrate its sites in the ecosystem and create a positive impact, by promoting biodiversity and the involving the local community.

In non-operated sites, we share with our partners our best practices and respect the commitments established in the joint ventures. The partners who manage the upstream blocks not operated by Galp develop a set of initiatives to promote and preserve biodiversity. Over the last years, Coral Sul FLNG project contributed to biodiversity protection in Vamizi island, Cabo Delgado, Mozambique. Main activities include coral cultivation, capacity building for 30 fishermen and a community fishing council, capacity building for two women handicraft associations, supply of laboratory equipment to UniLurio, the local university, and awareness campaigns on biodiversity conservation in the Vamizi Community School.

Preserve and conserve the forest

Galp aims to ensure zero net deforestation in its new projects. The main focus is to avoid all deforestation of indigenous species and compensate with future reforestation, wherever it is impossible to avoid deforestation. In 2022, Galp planned and achieved the target to implement 6 new projects and avoiding deforestation in all of them. For 2023, Galp plans to implement 10 new projects, with 7 of them avoiding deforestation and 3 requiring deforestation compensation measures.

Note: The information was updated due to the internal review of the "forest" and "deforestation" definitions, aligned with Food and Agriculture Organization of the United Nations (FAO).

Collaborate through initiatives and partnerships

We participate in O&G sector initiatives and working groups that contribute to the development of knowledge about good practices in the management of biodiversity and ecosystem services. We also work in partnership with our stakeholders to implement projects and establish good practices for managing the impacts on biodiversity restoration.

In 2022, Galp proactively joined Taskforce on Nature-related Financial Disclosures (TNFD) Forum, a multi-disciplinary consultative group who share the mission and principles of the TNFD and are available to contribute to the work of the Taskforce. TNFD mission is to provide a risk management and disclosure framework for companies to report and act on nature-related risks. This framework will allow organisations, such as Galp, to understand how nature impacts the financial performance, and incorporate these risks and opportunities into their strategic decisions. Also Galp, already a member of BCSD, recently joined its Biodiversity working group, contributing to deliver solutions to protect and preserve biodiversity.

CRASSA

Sines Refinery is working with Quercus to support the project CRASSA (Centro de Recuperação de Animais Selvagens de Santo André), located in the Southwest of Alentejo. The scope of the project was the recovery of injured animals followed by returning them to their natural habitat. In 2022, from 342 animals received, 326 were released back to the nature. CRASSA also promotes initiatives in investigation and environmental education, raising awareness to the community. In 2022, 80 volunteers and trainees joined the institution, giving them the opportunity to develop technical and soft skills in different subjects, such as biology, veterinary, animal behaviour, teamwork, autonomy, among others. Also, several environmental education sessions were performed, involving volunteers and trainees, authorities and the local community.

"Vinum Solis"

Galp, in partnership with Instituto Superior de Agronomia da Universidade de Lisboa (ISA), is conducting a pilot study on photovoltaic panels at Tapada da Ajuda vineyards in Lisbon, as part of a new sustainable approach to viticulture. The idea is that partially or totally covering a vineyard with solar panels should help reduce the levels of radiation to which the plants are exposed. Finally, the panels will also be used to produce energy to supply part of the electricity demand at ISA.



"One Child, One Tree"

In 2022, Galp concluded its partnership in the "One Child, One Tree" project in Mozambique, collaborating with Filhas de Maria Auxiliadora and the Amigos de Inharrime associations, with the aim of promoting environmental sustainability in Moatize, through community awareness and street tree planting project that seeks to fight the harsh weather conditions and promote the reforestation of the Moatize district.

Effective water stewardship

Water is an essential resource for life and a key element for sustainable development – critical for socio-economic development, energy and food production, healthy ecosystems and for human survival itself.

The risks associated with water quality and availability are numerous and correlate with population growth, industrialization trends and climate patterns. The security of water resources is essential to ensure stability and growth but is vulnerable to the impacts of climate change, as can be witnessed by the ongoing drought in the Portuguese territory.

The protection of water resources is a material topic getting higher relevance within the scope of our current and future activities. Galp is committed to the adoption of measures that lead to a more efficient and sustainable water use in operations, safeguarding its quality and availability in the ecosystems. We are also focused in developing a strategy to mitigate the impacts associated with the use of water, particularly in water stress areas where our operations are located.

Understand and conserve water resources

Galp is currently using the WRI Aqueduct Water Tool (developed by World Resources Institute) to assess water risks in its operated sites. In 2022, we updated our assessment scope, including the Commercial B2C business, and covering 100% of our operated sites from Galp's operated facilities, 31% are located in areas with high overall water risk and 3% in areas with extremely high overall water risk, according with WRI Aqueduct Water Tool.

In addition to the appropriate management of Galp's potential impact in this domain, Galp regularly communicates the mapping of its operations, according to the risk associated with the water use (link here). In 2022, Galp's operated sites withdrew around 9.2 million cubic meters of fresh water, 76% of which was withdrawn by Sines Refinery which is considered located in a water stressed area.

In refining, Galp has adopted an action plan focused on specific projects and operational excellence initiatives, to reduce water withdrawal, reduce associated discharges and improve wastewater treatment and water recycling. Some examples are the installation of a membrane bioreactor (MBR) to increase the amount of industrial wastewater recycled and the significant investment in maintenance of the firefighting system, improving water efficiency. Other initiatives are implemented, such as the reuse of water in the fire and garden water systems and the reuse of process water, totalizing 10% of total water recycled. In 2022, 14% of Galp's total water was recovered/ recycled.

In Commercial business, particularly in service stations owned and operated by Galp in Iberia, around 22% use water in carwash stations through water recycling systems. Adding to this, from this year, all new or revamp service stations with carwash stations will use water recycling systems.

Galp maintains its monitoring control programme for soils and groundwater that started in 2010 at several sites of the company Group. To this end, water samples have been collected from site piezometers to assess the groundwater's quality.

Galp is working on its water efficiency strategy, to improve a responsible management of this resource. We have planned in our Sustainability Roadmap initiatives to incorporate a water stewardship methodology, involving our sites and stakeholders through a collaborative approach.

Operational excellence and transition towards circularity

Galp is committed to the continuous improvement of performance, promoting the adoption of the best available technologies, setting goals and targets, and periodically monitoring performance in all geographies, subject to third party reviews. We also aim to disseminate and increase the circularity in our value chain, from construction, to operating and decommissioning. We will focus on using our resources and materials efficiently, increasing the reuse and recycle approach and identifying new opportunities in new projects.

Optimise resources, effluents, emissions and waste

Galp implements efficiency measures for the use and management of resources in all phases of the life cycle of facilities products and services, from the conception and design, operation and useful life, to the end of life and decommissioning.

	2019	2020	2021	2022[3]	of which, Refining[1]
Direct energy consumption by primary sources (TJ)	40,906	38,863	34,249	30,480	94%
Purchase of electricity (TJ)	1,597	1,558	1,389	1,271	90%
Total water withdrawal (10^3 m^3)	10,774	9,881	9,435	9,343	75%
Total freshwater withdrawal (10^3 m^3)	10,380	9,743	9,321	9,219	76%
Total freshwater withdrawal in areas with water stress (10^3m^3)	-	-	6,764	8,078	86%
Total water recycled (%)	13	15	14	14	50%
Wastewater (10^3 m^3)	5,989	5,913	5,822	6,125	71%
Waste produced (ton)	39,674	27,894	20,355	22,167	31%
Waste recovered/recycled rate (%)	57%	56%	60%	62%	-
Number of primary containment losses that impacted the environment[2]	3	7	11	7	14%
Volume of primary containment losses that impacted the environment (m^3)[2]	61	302	44	64	3%
GHG Emissions under the European Union Emissions Trading System ($tonCO_2e$)	3,258,709	3,067,805	2,674,058	2,664,396	100%
NOx emissions (ton)	1,458	1,384	1,349	1,539	91%
SO_2 Emissions (ton)	3,069	1,113	922	1,454	99%
Particulate emissions (ton)	243	182	183	70	91%
Methane emissions (ton)	n.d.	682	491	1,318	4%
Production Carbon Intensity (gCO_2e/MJ)	87.3	82.5	81.6	80.2	-
Downstream sales Carbon Intensity (gCO_2e/MJ)	74.8	74.9	73.7	73.4	-
Carbon Footprint – Direct Emissions ($tonCO_2e$) (scope 1)	3,745,540	3,591,892	3,198,740	3,442,507	77%
Carbon Footprint – Indirect Emissions ($tonCO_2e$) (scope 2 – market based)	112,504	42,026	9,149	9,138	0%
Flaring gas – Upstream (Mm^3)	50.0	40.2	34.5	116.6	0%

[1] The refining activity (Sines Refinery) is the segment with the greatest materiality in the environmental performance of the Company.
[2] Includes containment losses >0,150 m^3, excluding gaseous products.
[3] Please note that the renewables business is not included in the scope in most indicators except the water withdrawal.

Galp's performance in the key ecoefficiency indicators was influenced by the return to normal operating levels, post-pandemic, with the Sines refinery processing c. 12% more feedstock. This year we highlight the positive performance in the energy consumption (-11% vs 2021), freshwater withdrawal (-2% vs 2021) and particulate emissions (-62% vs 2021). There was an increase in the freshwater withdrawal in areas with water stress, justified by the broadening of scope of analysis, and in the NO_x and SO_2 emissions (+14% and +58% respectively) highly influenced by the processed cargo in the Sines refinery.

Circular economy

Galp aims to produce low-carbon energy, increasing the input of secondary raw materials in the development of new products, obtaining economic and environmental advantages, and promoting a circular economy. By transforming Sines from a grey refinery to a green energy hub in 2030, Galp will be able to develop high-return efficiency projects that incorporate reused materials to produce low-carbon products. Adding to this, Galp continues to operate Enerfuel, an industrial facility in Sines, producing Fatty Acid Methyl Ester (FAME) biodiesel. This product is made 100% from the processing of animal fats and used cooking oils.

During 2023, we plan to define and endorse a circular economy approach across the company and start working on an action plan focused on key priority areas.

In the renewables business, we are looking for opportunities to give a second life to our equipment. Currently, we are extending the lifetime of our equipment by donating solar panels to scouts institutions in Spain.

3. **Boost a just transition for all**

Our **2030** ambitions	**People-centric energy transition**		**Promote Diversity, Equity & Inclusion (DE&I) everyday**			**Respect, protect and fulfil Human Rights**
Our targets and KPIs	Create, promote and support Green Jobs	Local hiring	Accelerated convergence to gender parity until 2030			Assess Galp's most representative geographies in terms of Human Rights
2022	>50% of Matosinhos refinery workforce reskilled/reassigned to other businesses and roles	97%	35% Women in all management positions	28% Women in BoD	19% mean gender pay gap	73% assessed in the last 3 years
Material topic	Development of Human Capital		Local Community development	Work practices and conditions	Talent attraction & retention	Human Rights

Our alignment with the **SDGs**



Our energy transition journey cannot be successful without a just transition strategy that embodies the responsibility to prioritize the protection of human rights and the fundamental principles and rights at work, reducing inequalities and promoting the reskilling towards preparing the people for the challenges of the energy transition. We want to be a change agent, boosting a just transition for all, that allows our employees, clients, suppliers and communities to better succeed in this upcoming future of change.

People-centric energy transition

An inclusive and people-centric energy transition is crucial to ensure that a world moving at a fast pace, collectively and consistently towards a net-zero emissions economy by 2050, does not leave anyone behind, supporting those most impacted and who have the least capacity to respond, while generating net new, well-paid jobs, guaranteeing access to clean, affordable energy and reducing inequality. This is also a critical point for the achievement of the United Nation's Sustainable Development Goals (SDGs) and the objectives of the Paris Agreement.

Encourage social dialogue and stakeholder engagement

Reshaping our portfolio requires close engagement with key stakeholders, anchored on a common commitment to the energy transition. Under this ambition, Galp seeks to build proximity and refresh its relations with governments, companies, academia, customers and communities at large, to support the development of policies and implementation of initiatives towards a net zero world.

Our materiality assessment

We believe our stakeholders are an important voice, whose inputs offer an improvement opportunity to create shared value for the company and society. Our engagement with stakeholders holds in various forms from taking part of several conferences, roadshows, events, initiatives as well as conducting regular materiality assessments to identify the key sustainability material topics for our business. Identifying these topics allows a better integration of ESG topics in our business strategy, prioritizing initiatives and aligning our Sustainability roadmap with investor's interests and Galp's business strategy. Following international best practices, this materiality analysis process includes four major steps, that prioritises topics from a double perspective: the impact of the Company's business activities on the economy, the environment, and society, and the impact of sustainability topics on Galp's business development, performance, and position. Both perspectives contribute to identifying the current and emerging aspects that must be addressed. The four key steps are:

- Identification of topics, which consists of analysing insights and information from external and internal sources
- Determination of relevance, for which we carry a stakeholder's consultation to know our stakeholders' key expectations regarding Galp's performance and their views about the relevance of each topic
- Determination of impact, through an internal assessment that is carried out with top management to ensure the alignment of material topics with our values, policies and commitments
- Validation of material topics that are prioritised considering their relevance and impact (from an internal and external perspective).

As an output of our last materiality assessment, the key material aspects identified are Safety, Sustainable Energy Portfolio, Human Rights, Development of Human Capital, Talent Attraction & Retention and Business Ethics. For each of them, we set goals and targets, developing initiatives and reporting our progress annually in the public domain.

Our presence in key engagements

Galp promotes a meaningful social dialogue and continuous engagement with key stakeholders, recognising that we all have a pivotal role to play in a just energy transition. In 2022, we participated in several conferences, events and initiatives that were crucial to both gain deeper insights, build network and promote transparency on our energy transition narrative and ESG performance.

- **Galp Electric Summit**

  In June 2022, the second edition of the Portuguese energy conference, in partnership with Portuguese media, namely Jornal de Negócios, Sábado and CMTV, took place with "The Future of Energy" as main topic, focusing on the energy transition and sustainable mobility and reaching, in streaming, more than 173 k people.

- **World Bike Tour**

  For the second year in a row, we were a part of the World Bike Tour that took place in Lisbon, promoting low carbon energy and

more sustainable forms of mobility. This event counted with more than 21 k participants, including 100 employees, in which Galp was able to make a difference, creating positive impact, providing Galp Ryde electric bicycles and reinforcing the commitment of investing heavily in the areas of sustainable mobility.

- **Web Summit**

  Galp was once again present at the Web Summit, in Lisbon, Europe's largest technology conference, to deepen the debate on decarbonisation and energy transition. Under the motto "The Energies of the Future", we showcased some of the innovative projects that we are implementing to contribute to a more sustainable world and shared, Galp's internal culture and work environment. We had a Galp Booth where attendees had the possibility to join Galp's journey through the energies of the future, foreseeing how they will shape urban areas and the interactions of people with public spaces as well as taking part of some talks and initiatives like the Startup the Future, the Yunus Social Innovation Center network, among others.

- **COP 27**

  Galp was present in COP 27, in Sharm El Sheikh, Egypt. This event counted with the participation of some members of our Strategy & Sustainability and External Relations & Regulation teams that were able to participate in conferences on topics related to the current energy crisis, loss and damage finance, fossil fuels, carbon trading, just transition, among others.

- **Galp Town Hall**

  We promoted the "Galp Town Hall", an event available to all employees, with participants from 14 different countries, 227 in person and 1149 by streaming. This event was attended by all executive members, some leadership team members to discuss topics such as business overview, future challenges, safety, people, among others.

In addition to public and internal events, our executive members were present in various debates throughout the year to discuss topics related to the energy transition, just transition, the future of energy among others – "Transformation for the Future" a conference organised by Dinheiro Vivo in which our COO Teresa Abecasis was part of, "CNN Portugal Summit" that counted with the participation of our CEO and Chief Sustainability Officer (CSO), the "Bloomberg Capital Markets Forum" in which our CFO participated, among others.

Galp also engages, throughout the year, with several investors, via dedicated meetings, and with associations like WBCSD, BSCD Portugal, UN Global Compact, World Economic Forum, Energy Impact Partners, The Climate Board, among others, where we have the chance to share knowledge, discuss and influence on topics related to energy transition, climate change and sustainability.

Climate policy engagement

Our advocacy efforts aim to find common ground and reinforce the pivotal role that governments, industry, and society play in designing and implementing a holistic approach to the decarbonisation and sustainability of the energy system. With a strong presence at a global level, Galp develops operations in 10 countries over four continents, with a relevant presence in Brazil, Angola and Mozambique. Consequentially, Galp is also very conscious of the local geopolitical framework and engages with the relevant stakeholders locally, always seeking to be a constructive partner in creating value and contributing to the national and local economic development.

The collaboration with relevant stakeholders such as central and local governments, European Union institutions, business and consumers associations, industry peers, partners, energy users and investors, generates learning opportunities, creates shared value, fosters partnerships and trust, and ultimately paves the way for a more inclusive and informed decision-making process.

Political contributions

Galp does not make contributions to political entities, either directly or indirectly, nor does it make donations for any purpose other than those strictly permitted by the applicable legislation. We are fully committed to operating in accordance with our Ethics & Compliance principles and strictly abide by all relevant European and national laws.

As part of our engagement with several trade associations, Galp publishes, annually, a report on the alignment of the main associations in which we are present with the Paris Agreement, the European Climate Law and Galp's purpose, vision, mission and values. This report aims to show their views on climate change and how Galp relates to that, communicating transparently where we differ. As for future association membership, Galp will continue to focus its choice

on a set of criteria leveraging its participation to support the development of strategies aligned with the international community's goals, mainly those regarding the energy transition and carbon neutrality. The 2022 updated report can be consulted in our website (link here).

Skill all employees for the challenges of the energy transition

In 2022, Galp promoted several activities on topics related to the energy transition, impacting employees and communities, namely:

- **Business Roundtable Portugal**

  Galp has been involved in this working group, accompanying Portuguese multi-company Labs to develop a program to requalify people in precarious work situations, preparing them for recent and future-driven skills that the labour market is currently looking for. Galp is currently contributing for the Sales, Green Jobs, Digital and Business Intelligence Labs. The final goal of this project is, among all the laboratories created, to reskill 20 k unemployed Portuguese people by 2025.

- **Energy Transition engagement sessions**

  Throughout the year we promoted several workshops for employees and executive and board members on various topics such as hydrogen, renewables, strategy, among others. A specific energy transition session was given to the Board of Directors in mid-2022, involving the Strategy & Sustainability team as well as some specialized external partners, which covered topics on the global energy perspective and response to the energy transition and how Galp's is accelerating it, our climate strategy, Galp's ESG performance and just transition journey. This shows the company's commitment to skill all employees, including board members and c-level, on topics related with the energy transition and sustainability, ensuring we are ready and properly prepared to address its upcoming challenges. More than 75 trainees were present in a 2h30 session where topics such as Galp's energy beliefs, strategy and sustainability ambitions were covered. The participants had the possibility to join an open debate with the Strategy & Sustainability team, enabling a direct and transparent deep-dive on Galp's energy transition journey.

- **Data Literacy Programme**

  In the end of 2021, Galp launched the Data Literacy Programme, a tailor-made programme, with the support of two renowned partners, Porto Business School and IDC. In this programme our mission is to build a data-driven Galp together, relying on the power of data to make better decisions, accelerate our transformation and enhance our clients' experience. The programme includes 4 learning paths available to all Galp population: Data Fundamentals, Data Operations, Data Excellence and Data Strategy. In 2022, we held 9 editions of the learning paths integrated in this programme reaching more than 370 participations from all the business units across the organisation. In 2023, the programme continues to promise Galp's development towards an increasingly data-driven company, with 4 Data Operations and 2 Data Excellence editions, along with the always available Data Fundamentals path.

Industrial transformation – Matosinhos' case

In 2020, faced with the accelerated transformation of the global energy system combined with the Covid-19 implications, Galp announced the decision to concentrate its refining infrastructure in Sines, discontinuing the Matosinhos refinery. Seeking to minimize job losses, Galp created an internal mobility and reskilling program to increase employability, both internally and externally. To this date, over 200 employees were reskilled/ reassigned to other businesses and roles, representing more than 50% of the total 2021 Matosinhos' refinery workforce. Still, Matosinhos remains a humbling and critical learning moment in the history of Galp.

Data Open Day



In November we launched the Data Open Day, a 2 days event, in our headquarters in Lisbon, with several talks and roundtables that counted with internal and external guests. The event covered topics such as the value of Data, OKR's and Data Strategy, Data through people, Data quality, Data science, among others.

Empower communities through social investment

Social licence to operate

Considering each context and geography where Galp operates, the Company develops investment and engagement plans to mitigate and manage the social impacts of the transition on society, making sure its activities are conducted according to the highest possible standards, including creating inclusive transition opportunities for marginalised communities and enhance the achievement of the Sustainable Development Goals.

Galp takes great care in obtaining a social licence to operate and for us is decisive to understand the expectations of the local community and other stakeholders. The risks and opportunities involved in obtaining the social license to operate and social acceptance are assessed through a meaningful social dialogue and continuous engagement with key stakeholders.

- **São Tomé and Príncipe**

  We continue to promote a social project in Vila da Madalena, with the engagement of different stakeholders, such as the government, local municipalities and schools, aiming to complete the refurbishment of a primary school and a construction a sports facility to support school activities. The construction is expected to be completed by the end of 2023 and more than 600 students will be directly impacted, benefiting from a better quality of their education.

Social impact on communities

The efficient use of energy, energy literacy and empowerment of communities is a major challenge in the context of the just energy transition.

Galp's vision is to help shape carbon-free sustainable communities. It is our aim to promote this shared journey, empowering, supporting and working side-by-side with society, advocating the development through the access to sustainable energy while protecting biodiversity, providing quality education, stimulating conscious energy consumption and by fostering social innovation and entrepreneurship, as aligned with our 5 strategic pillars of social impact.

Solar Power Alcoutim – Promoting inclusion through energy and sustainable mobility

The community investment plan for this project was co-designed with local stakeholders, with the aim of implementing a local electric mobility system and a social program, that promotes active aging and supports the elderly population, one of the most vulnerable groups in this rural and interior area of Portugal.

The project was designed from a holistic perspective with active community involvement, contributing to raise awareness around the energy transition, in an inclusive way that induces change in behaviours, generates employment, and the contributes to the implementation of regional plans to respond to climate related challenges.



Sustainable energy and mobility solutions

Impact in 2022: 10 initiatives were developed to promote a fair and just energy transition.

- Galp Upcoming Energies is the innovation partner of Girl MOVE Academy's Changemaker LAB, for which Girl MOVERS had the common goal to develop energy access projects in Mozambique. This project aims to support the school community (1,204 students and 13 teachers) and 478 households in the local community.

- The 3rd edition of the Energy Up award, in partnership with Galp Solar, sponsored a school with solar panels for decentralized production, that allowed to save 9% of their annual energy expenditure, avoiding the emission of 8 ton of CO_2 and impacting 850 students.

- At Instituto da Imaculada para Pessoas com Necessidades Especiais, a social organization working with people with disabilities, the installation of solar panels for decentralized production and heating water system, transformed the energy system to being approx. 69% energy self-sufficient.

Education/sensibilization

Impact in 2022: 222,393 beneficiaries
Goal 2025: 2,300,000 direct beneficiaries (since 2010)

- Future Up, Galp's energy educational project, with the main goal to increase knowledge about energy and transition challenges, has more than 12 years of existence, impacting more than 2 million students. In 2022, we impacted 5,129 students and teachers, in 117 schools in Portugal, teaching more than 126 energy classes.

- Apps for Good, a technological education program that challenges students to develop applications, showing them the potential of technology, is now available for all national schools in Portugal having reached, in 2022, more than 300 technological solutions developed by students.

- Educate for the Future, an initiative in partnership with Helpo, supports 9 communities in Nampula, northern Mozambique, and has already impacted 13,724 students, giving more than 675 scholarships. Until 2025, 20,200 students will be impacted.

- The Galp Foundation, in partnership with EPIS (Entrepreneurs for Social Inclusion), launched 40 social grants for undergraduate and master's degree students of Portuguese communities where Galp operates, rewarding the academic merit of those who have finished secondary school or undergraduate studies.

Ecosystem integration

Impact in 2022: 5 initiatives were developed to promote ecosystem integration, of which we highlight:

- Triggers Acceleration program – Rebalance our Planet, promoted by the Santa Casa da Misericórdia de Lisboa (Casa do Impacto), in partnership with Galp Upcoming Energies, gives voice to 25 start-ups focused on high-impact entrepreneurship and the environmental sustainability of the planet. In 2022, 10 teams were chosen to go on to the acceleration phase, being monitored and mentored by Galp employees.

- In Mozambique, Galp supports initiatives to protect and restore mangroves in the Cape Delgado area, aiming to contribute to climate change mitigation, promoting economic diversification initiatives such as beekeeping and aquaculture. Also, in the Mecufi district, the development of procedures for access to water and health and hygiene services already benefited 42 thousand households.

Support to local projects

Impact in 2022: 1,180,368 direct beneficiaries
Goal 2025: 4,500,00 direct beneficiaries (since 2021)

- The 3rd edition of Every Step Counts, achieved the ambitious goal of raising 1 million meals for families supported by the Food Emergency Network. The three editions of Every Step Counts already counted with a total of 2.2 million meals delivered.
- Galp is supporting, through access to energy, the 21 Food Banks of the Portuguese Network, indirectly impacting a total of 1.2 m people, for the next 3 years.
- By partnering with Entreajuda, a Portuguese NGO, between 2022 and 2023, Galp will support more than 80 thousand low-income families with LPG gas supply, impacting 240 thousand people.

Social emergencies

Impact in 2022: 593,208 beneficiaries

- In line with Galp's goal to allocate €6.5 m for humanitarian support to Ukraine (through Red Cross, AMI, UNICEF), we developed several initiatives, such as supporting refugee centres, donating jet fuel for 10 humanitarian flights, donating heaters and integrating refugees through qualified employment and education programs – the Galp Integration Program and the Galp Scholarship Program, having more than 115 employees voluntarily joining this movement.
- We continued the effort to reduce the impact of Cabo Delgado's armed conflict on the displaced population. In partnership with local authorities, NGDOs and Camões Institute (Ministry of Foreign Affairs of Portugal), integration actions continue to be implemented to ensure access to education, employment, creation of infrastructures and provide psychosocial assistance, impacting more than 340 k people.

Volunteering activities

Galp's volunteer program has over a decade of existence and is aligned with our social investment strategy. By giving employees up to 6 working days/year to participate in a community activity, we enhance internal culture alignment, promote skills development, and leverage our local community investment.

The corporate volunteer program is driven and supported by the CEO all the way throughout the organisation, whose full commitment in 2022 translated in all executive committee members participating in these activities, as well as more than 60% of the leadership team. In 2022, the total participation in our volunteer program (unique volunteers) reached 20% of Galp's headcount, benefiting more than 25 social organisations.

By 2025, the goal is to have 26% of employees engaged with community service.

Measuring our social impact

To measure our impact, with full transparency, we monitor several indicators, evaluating the progress against the defined social objectives and using the methodology of the Business for Societal Impact (B4SI).

2022 Social Impact	
Motivation (€m)	
Donations	4.8
Community investment	29.7
Commercial initiatives in the community	0.7
Motivation (€m)	
Europe	15.5
Middle East and Africa	1.7
South America	18
Total (€m)	**35.2**
Motivation (%)	
SDG 4: Quality Education	49
SDG 7: Affordable and Clean Energy	1
SDG 10: Reduced Inequality	9
SDG 11: Sustainable Cities and Communities	4
SDG 13: Climate Action	22
SDG 16: Peace, Justice and Strong Institutions	11
SDG 17: Partnerships for the Goals	3
Number of beneficiaries	2,007,162
Number of beneficiary entities	4,476
Volunteering	
Number of volunteers	1,259
Volunteering hours (Galp employees)	8,591

Create, promote and support green jobs

A fast-paced energy transition means that Galp will commit to the creation of green jobs in its low carbon projects and ensure that these new jobs are accessible to workers that might be affected by changes in the legacy carbon intensive businesses, and are suitable and in line with fundamental core labour rights.

- We are currently working on the transformation of the Sines site that will create and support the access to green jobs. One of the main goals of the new projects to be developed is to create more new green jobs.
- The redevelopment of the former Matosinhos Refinery site will ensure that this area remains an important pole of economic and social development, and a job generator in the region.
- Galp's investment in the lithium conversion plant will spearhead the development of a wider battery value chain, which will create more jobs.

Promote Diversity, Equity & Inclusion (DE&I) everyday

The Diversity, Equity and Inclusion matter is growing stronger and Galp is actively taking action to define a strategic plan on DE&I looking to create a long-lasting diverse and inclusive culture in all aspects – gender diversity, LGBT+, different capacities and backgrounds, race, age, cognitive diversity, among others.

As of December 31st 2022, Galp had 6,715 employees, present in 10 countries.

Employees

6,715

Distribution by age



789
< 30 Years
Generation Y

4,289
30 – 50 Years
Generation X / Y

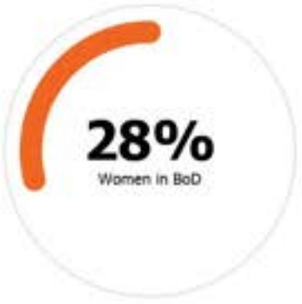
1,637
> 50 Years
Baby Boomer

Nationalities

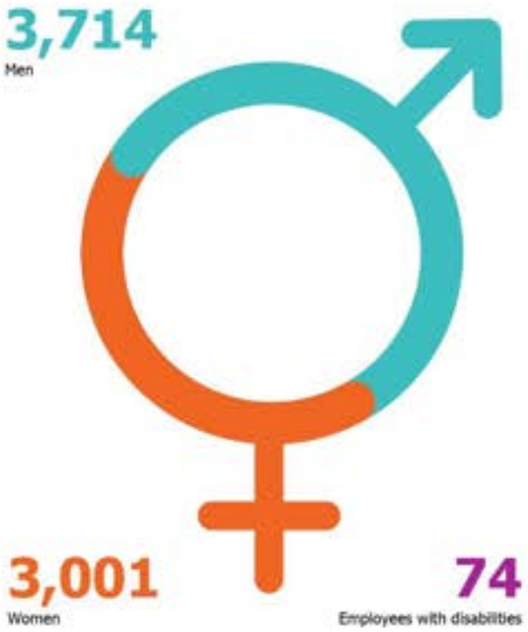
54

Countries

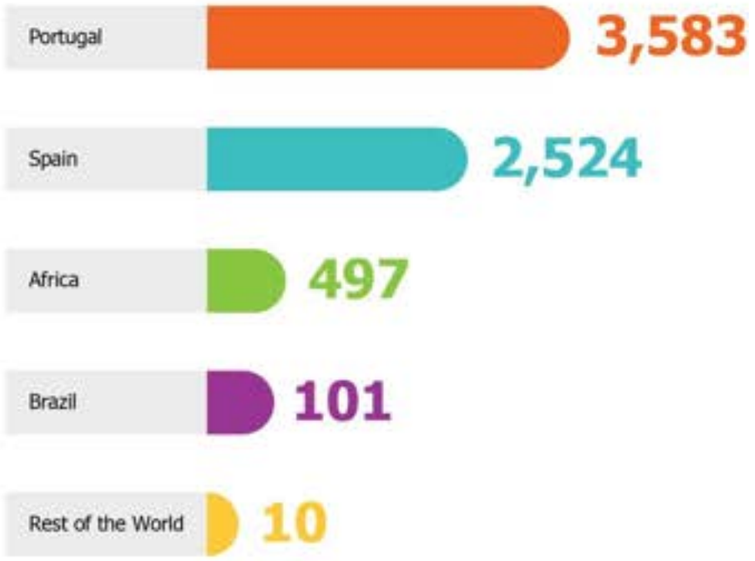
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Distribution by region



Elevate a DE&I culture and tackle inequalities

In 2022, Galp was once again included in the Bloomberg Gender Equality Index, being recognised for the excellence of its gender and equality practices, along with other 417 companies, with an overall GEI score of 83%. This recognition was renewed in 2023, showing an improvement of 3 p.p (to 86%) in the overall GEI score. This is aligned with the revision of our People Strategy, which will count with a dedicated DE&I team, in charge on implementing initiatives that can leverage this ambition.

We are committed to disseminate the DE&I among our employees. In 2021-2022, the Diversity Talks@Galp initiative was joined by more than 357 participants in 5 digital sessions with internal and external guests, covering topics such as: generation diversity, inclusion of people with disabilities and gender diversity. Transversal actions on these topics such as "What if that was you", "Power of Feedback" and "Unconscious Bias", were included in our annual training plan, which had more than 2,660 participants between 2021-2022.

Gender equality

In 2021, Galp has set the goal to work on an accelerated convergence to gender parity, by 2030.

Currently, at Galp, more than 44% of our employees are female, however the presence of female in leadership positions is below our ambition (35%). We are currently defining and implementing initiatives to leverage female leadership and empower women inside our organisation.

Professional category	Female		Male	
Executive / Top management	11	19%	47	81%
Middle / General management	74	39%	172	61%
First Line management / Supervisor	236	30%	374	70%
Specialists	678	40%	1,016	60%
Others	2,002	49%	2,105	51%
Total	3,001	45%	3,714	55%

In 2022, Galp continued to participate in the "Target Gender Equality" working group from the UN Global Compact, also renewing its partnership with PWN (Professional Women Network) and the Business Equality Forum – IGEN, a national body that promotes equality and non-discrimination between men and women at work, in employment and professional training.

Female Leadership



Earlier this year, our COO Teresa Abecasis, promoted an event in the Sines Refinery to address barriers and bias regarding gender. This event constituted a Manifesto with the goal to create a space for networking, sharing and conviviality among the women of Galp, to work on building team relationships outside the function and work area and on empowerment from a learning-by-modelling perspective, to analyse the bias that limits the promotion and development of women within the company and to increase the curiosity about experiences of other women in Galp and outside the company.

For the 6th year in a row, Galp published the Plan for Equality (link here), a document approved annually by the Executive Committee which contains our main goals towards achieving effective equality of treatment and opportunities between women and men, promoting the elimination of gender discrimination, and fostering balance between personal, family and professional life.

Also this year, we carried out an analysis of salary equity with the commitment to reduce the pay gap in the coming years, where the gap is most significant. In order to ensure this principle, Galp applies performance meritocracy to the Promotions & Progression exercise leading to a previewed reduction of 20% in the gender salary pay gap.

Mean total remuneration	**21%**
Median total remuneration	**36%**
Mean gender pay gap	19%
Median gender pay gap	34%
Mean bonus gap	35%
Median bonus gap	33%

[1] gender pay gap is calculated by subtracting the mean/median female compensation from the mean/median male compensation and dividing the result by the mean/median of the higher earning gender compensation. The gender pay gap indicator considers the annual base remuneration and the bonus gap indicator considers the variable remuneration. The total remuneration indicators include both annual and bonus remunerations.

People with disabilities

At Galp, we do not tolerate any form of discrimination based on disability, ensuring equal opportunities and equal treatment in matters of professional activity. We are part of the Inclusive Community Forum (ICF) initiative, that aims to promote the inclusion of people with disabilities in the community. As part of this initiative, Galp has set the commitment to increase the number of employees with disabilities working in the company, addressing the main obstacles to the inclusion of these people while also promoting employability.

As of December 31st 2022, Galp had 74 employees with disabilities above 60%.

Throughout 2022 we developed several initiatives with local associations such as continuing our partnership with Fundação La Caixa, our partnership with Alares – Plan Concilia – which is fully run by people with disabilities in a special employment centre, offering telephonic assistance on many topics from health to juridic to all Galp employees in Spain. In addition, we participate in awareness campaigns such as the International Day of People with Disabilities, December 3rd, with Fundación Adecco.

Respect, protect and fulfil Human Rights

Galp is committed to promote, respect and comply with internationally recognised human rights. In our Human Rights Policy (available here), which is aligned with internationally recognised standards, including the 10 principles of the United Nations Global Compact, the Universal Declaration of Human Rights by the United Nations as well as the Code of Conduct of the International Labour Organization (ILO) and the respect for the fundamental rights and freedoms of indigenous communities (ILO 169 and IFC PS7), we reinforce the commitment to respect, promote and enforce Human Rights within our stakeholders – employees, communities, suppliers, partners and customers – adopting measures to prevent our operations from causing, directly or indirectly, any abuses or violations of the internationally recognised Human Rights.

We are also conscious that, to pursue our energy transition strategy, and to ensure support from investors, it will be fundamental to guarantee compliance with the EU Taxonomy. This will not only promote transparency regarding activities that are actually environmentally sustainable, but also the alignment of companies with a set of Human Rights frameworks.



Learn more about Galp's corporate documents and policies (link here).

Address all findings and potential impacts

We have a due diligence process in place to proactively identify and assess potential impacts and risks related to Human Rights, aiming to cover all our operations, value chain or other activities related to our business, new acquisitions and joint ventures. Following this, for the past years, Galp has been undertaking human rights assessments in its operations throughout Europe, Africa and Brazil, and as a result, action plans were defined. All this information is publicly available for all stakeholders and can be consulted in the Human Rights Annual status report (link here).

Galp recognises that human rights is a topic in which the company must do more, acting proactively to identify initiatives that can mitigate potential findings and creating positive impact across all our operations. For that, in our 2023-25 Sustainability Roadmap, we have defined the following actions to be implemented:

- Create an internal dedicated team responsible for managing the human rights topic;
- Conduct human rights risk assessments in relevant geographies, at least every 3 years;
- Define a plan to address the assessments' findings and implement the needed remediation or improvement actions;
- Reassess needed geographies to guarantee that "100% geographies assessed in the last 3 years" remains valid.

Spread Human Rights awareness in our ecosystem

As stated in our Human Rights Policy, Galp is committed to spreading Human Rights awareness in its ecosystem – employees, clients, suppliers, partners and other relevant stakeholders.

In 2022, we had a total of 1,206 hours of training in Human Rights topics to our employees across all geographies.

4. Protect and empower our people

Our **2030** ambitions	Safest energy company in the world			Galp as the greatest place to work		
Our targets and KPIs	No life altering events by 2030 Achieve a LTIF ≤ 0.9 by 2023	Zero Fatalities	No major industrial accidents	Engagement level	New hires Rate	Turnover Rate
2022	1.2	0	7 primary containment losses that impacted the environment 64 m³	74%	18%	9%
Material topic		Safety		Development of Human Capital	Talent Attraction and Retention	Health Work practices and conditions
Our alignment with the **SDGs**	3 GOOD HEALTH AND WELL-BEING	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS

For Galp, people come first. Being a sustainable and responsible business without the wellbeing of our workforce is incompatible. We strongly believe in empowering human potential and talent, whose skills are the main drivers of our long-term success. We also believe this is only possible if we have a safety culture incorporated in our DNA, caring and ensuring that our workforce return home safely, every day. Therefore, our fourth foundation has the ambitions to become the safest energy company in the world and to be recognised as the greatest place to work, where we reenergise our people and provide a dynamic culture, innovative clean energy solutions, while always caring for the people and the planet.

Safest energy company in the world

Safety is what makes us return home every day. It is a value and a non-negotiable commitment we share in our DNA, that translates into ensuring the safety of people, the value of our assets and the protection of the environment.

Our ambition to become the safest energy company in the world extends to all assets and environment where we operate. We are focused in achieving **zero personal, material and environmental accidents with a significant impact.** For this purpose, we act in accordance with safety best practice, making use of the most recognised international guidelines, guaranteeing the integrity of assets, at all phases of their life cycle. In addition, Galp assumes the skills and the empowerment of its employees and partners as a basic condition for the fulfilment of its commitment and responsibility regarding safety. We also work continuously to strengthen our safety culture. The higher the maturity level of our safety culture, the greater our capacity to generate value: to our employees and contractors, to the local communities in which we operate, in the creation of more and better jobs; to generate more sustainable businesses over time and deliver greater value to our shareholders and investors.

Our Vision

- We believe that safety really matters, it's in our hands. It is our license to operate.
- We are here for the long term, growing and thriving from the care we have for safety. We attract great partners, new opportunities and the best talent.
- We are known for our deep care for people, the environment and our assets. We at Galp pull together as a community with pride in our accomplishment.
- Our people are engaged, disciplined and positive. Our facilities are clean and well organised to the highest standards.
- We are trusted. We are the safest energy company in the world.

Guarantee no personal harm for all

In 2022, there was a significant decrease in the number of employees injured and overall severity. In 2021 there were 1174 days away from work related to 14 accidents and, in 2022, we reduced this to 214 days related to 7 accidents, which represents an 81% decrease in severity.

We also saw a very encouraging increase in the amount of Near Misses reported across the business (81% increase with 438 Near misses reported in 2022), reflecting the improvement in our safety culture and transparency. This allowed us to learn and improve without the consequences of injuries. Our message this year has been very clear that we need to learn from unsafe conditions, unsafe acts and near misses without the fear of blame.

In 2022, the number of contractor injuries increased, particularly the report of minor injuries. In 2021 there were 878 days away from work related to 14 accidents. Despite having in 2022, an absolute increase of these data (1087 days related to 24 accidents), the severity decreased about 27%, when comparing to the previous year.

In 2022, we introduced the concept of SIF – F (Serious Injury and Fatality – Frequency) to focus the organization on preventing serious incidents that can affect people, assets and community. In 2021 we had 3 serious injuries and, in 2022, we have reduced this to 0.

Sharing our performance, periodically, is important for us. A safety week status is shared with the Leadership Team with LTIF and TRIR performance, as well as some highlights, if applicable.

	2019					2020					2021					2022				
	Fatalities	Accidents LTIs [1]	Accidents RWC & MTC [2]	LTIF [3]	TRIR [4]	Fatalities	Accidents LTIs [1]	Accidents RWC & MTC [2]	LTIF [3]	TRIR [4]	Fatalities	Accidents LTIs [1]	Accidents RWC & MTC [2]	LTIF [3]	TRIR [4]	Fatalities	Accidents LTIs [1]	Accidents RWC & MTC [2]	LTIF [3]	TRIR [4]
Employees	0	19	4	1.5	1.9	0	9	4	0.8	1.1	0	14	7	1.2	1.9	0	7	3	0.6	0.8
Service providers	0	13	14	0.8	1.6	0	5	10	0.3	1.0	0	14	4	1.2	1.6	0	24	20	1.8	3.3
Total	0	32	18	1.1	1.7	0	14	14	0.5	1.0	0	28	11	1.2	1.7	0	31	23	1.2	2.1

[1] LTIs: Lost time injuries.
[2] RWC & MTC: Restricted Work and Medical Treatment Cases.
[3] LTIF (Lost Time Injury Frequency): all accidents with lost time (including fatalities) per million work hours. Aligned with Concawe definition.
[4] TRIR (Total Recordable Injury Rate): all accidents (includes fatalities, accidents with sick leave and medical treatment, excludes first aid) per million work hours.

Note: in 2022, the construction operations in the Renewables sites were included in the scope of analysis for the key safety indicators.

Travel security app

An international assistance application was launched in the Company, applied for all employees and mandatory for all journeys outside the country of origin. This app provides personalised travel advice, real-time updates, incident alerts and 24/7 assistance, when needed, anywhere around the globe. By using this app, employees will travel safely, get real-time alerts while traveling, get assistance on demand and connect easily.

Prevent major industrial accidents

Process Safety

Galp guarantees a proactive action, based on analysis and prevention of activity risks. The company identifies the risks involved and implements suitable risk measures which apply to its assets. Also, we update all the processes safety information on a regular basis, in accordance with the management changes procedures and the results of risk analysis, having a robust risk management and acting on the accident prevention.

In 2022, Tier 1 and tier 2 process safety events (PSE) decreased 69% and 43% respectively, comparing with last year.

Process safety event rate	2019	2020	2021	2022
Tier 1[1]	0.10	0.07	0.13	0.04
Tier 2[2]	0.17	0.48	0.49	0.28

[1] Tier 1 is a primary containment failure with major consequences: unplanned release from a process of any material, including non-toxic and non-flammable materials, resulting in very serious consequences.
[2] Tier 2 is a primary containment failure with minor consequences: unplanned release of any material, including non-toxic and non-flammable materials, with consequences.

Emergency Response

In addition to focusing on prevention actions, we ensure emergency management based on a quick and effective action, guaranteeing that the adverse effects on people, the environment and assets are minimised. It is necessary to plan, train and prepare the emergency response to mitigate potential impacts on people, the environment, facilities and the community. Emergency management is carried out in a systematic manner, following an internal standard, with plans for internal emergencies being defined for all our facilities, in collaboration with relevant stakeholders. All of our sites conduct emergency training and drills to test and review their emergency plans, including pollution and spill control.

Road transport safety

We are focused on improving our road transport safety, to be aligned with Galp Vision to be the Safest Energy company in the World. In 2022, Galp has focused on developing a management system with the industry best practice standards and requirements to assure that we have a robust and comprehensive Galp Road Transport Safety Manual with safety pillars and guidelines.

A transformational project was started in 2022 with the ambition to reach zero accidents, engaging Galp top leadership, employees and haulers. For that purpose:

- We promoted top level forums bringing together the Haulers community and Galp leadership;
- We started a road show, promoting one to one sessions, with haulers in our Iberian operations with 15 sessions introducing the

road safety pillars and some important compliance requirements bringing forward a strong engagement and relationship;

- We developed a comprehensive Galp Road Transport Safety Manual, some assessment tools and support materials that will be available to Haulers community;

- We created a new Galp unsafe condition and near miss platform and made available to the haulers to have a transparent and easy mechanism to detect and solve any condition that could lead to an accident aiming for the safest journey management.

The 2023 year will be a milestone year as we will continue to implement this transformational project, which will be a long-term challenge and a demanding continuous focus on Safety.

Incorporate safety culture in our DNA

We are focused on working continually to build a strong safety culture, bringing our employees, contractors and suppliers together in this journey, sharing the same vision.

In 2022, Galp promoted initiatives to reinforce its safety culture, impacting several geographies where we operate:

- **Galp Safety Leaders Way (GSLW)**

  We believe safety begins with leadership. For that purpose, we have started a program to put in place a *Shared Commitment* to become the safest energy company in the world. This program involves three main focus groups – Senior management, Frontline leaders and Workforce – in order to embed this vision in all company and contractors. In the Industrial & Midstream business, the program has already started. More than 2100 people participated in activities related with safety culture (350 in commitment Safety workshops (Safety Orientation Champions), 1750 in safety orientation sessions, 24 in frontline leaders leadership skills). Ten Safety leaderships team meetings across Galp facilities were conducted and engagements and Safety Meetings with the main contractors' companies happened throughout the year.

- **Galp Safe Energy Day**

  With the involvement of the entire leadership team, we celebrated safety throughout the organisation with events in more than 20 locations, including service stations. Our CEO, Executive Committee and Leadership Team accompanied employees, partners and service providers in these locations throughout Portugal, Spain and Cape Verde. Some events included first aid training, firefighting response training, drills, recognition moments, among others.

- **Safe Energy Awards**

  We promote moments to recognise and thank those who stand out for their example on safety. At the end of 2022, we hosted the first edition of the Safe Energy Awards where we reflected on the 2022 safety journey and recognised teams for their contribution toward our vision of being the safest energy company in the world. The Executive Committee awarded their teams that have showed outstanding Safety Leadership, Operations Excellence and Care for People.

Galp as the greatest place to work

We recognise that it is important to nurture lifelong opportunities, advance knowledge, and skills, encourage diversity and inclusion, promote well-being, and guarantee the respect of human rights, full human potential is inextricably tied to sustainable development. Galp is a firm believer in managing human potential and talent through an integrated approach that is deeply rooted in recruitment, integration, performance management, reward, recognition, learning and training, mobility, wellbeing, as well as with sustainability and company's values.

Last year, we redefined our purpose. We prioritize innovation and agility always empowering our people and protecting the planet. We put our customers first, reaching out to them as One Galp that provides them with the energy solutions they need, while restoring the connections between nature and humanity that are essential to revitalize our communities. We will communicate openly and with compassion, to earn their trust. By doing this, our Galp brand image will, inevitably, regenerate, becoming an exciting place to work.



Reenergise our people

As one of the three pillars of our new purpose, we are committed to reenergising our people. A piece of that is our ambition to make Galp the greatest place to work, that enables our people to unleash their ultimate potential.

We are working in new capabilities, taking advantage of our solid learning culture to drive agility and high performance throughout the organization aiming to create:

- Care | Fair, competitive and transparent rewards, recognition and focus on wellbeing
- Cultural Change | Sense of purpose and cultural change towards flexibility and trust
- Leadership Development | Human centred leaders that walk the talk, empower and enable a One Galp culture
- People Experience | Performance succession planning, learning culture, DEI, new talent pools
- New Ways of working | Structures and ways of working, agile, new skills, benchmark for efficiency

Last year, we started working on people analytics, using data to better manage our human capital, ensuring we get the right people, in the right places, doing the right things to achieve the organisation's strategy, all at the right cost. An important output of this is our internal mobility programme that acts as a development opportunity for our employees, allowing them to diversity experiences and networks while also contributing to improve their agility. We promote internal mobility as a continuous and crucial part of our People strategy. In 2022, 334 people changed internally between departments, with 32% of the total internal hires being filled by internal candidates.

In our journey to make Galp the greatest place to work and an organisation truly focused on its people, we launched another People Strategic Program, the Endorse – Referrals program. This program gives employees the opportunity to refer professionals who, in their opinion, would be a perfect fit for the open positions at Galp

Aligned with our new purpose, we extended our benefits to employees, prioritizing initiatives that leverage our energy transition path like offering special deals for all Galp employees in Galp Solar PV installations, electricity, natural gas, fuel and other energies and services.

Attract and empower talent

Galp is committed to address the challenges ahead, managing talent and empowering the workforce through training actions, highly focused on new trends and the energy transition.

When it comes to attracting young talent, in 2022, Galp promoted several initiatives, with impact in several geographies where we operate:

- **Generation Galp**

  The 24th edition of the programme welcomed 51 trainees, 46 in Portugal, 2 in Spain and 3 in Brazil, 53% of which are women

and 47% are men. The range of qualifications was varied with 84% of them having a master's degree, 12% having a bachelor degree and 4% having a technical-professional course background. The Generation Galp programme has been a solid source of entry for new and qualified generations of employees into the company, with a retention rate of 70% of all participants, since its first edition.

- **Ready.Set.Galp**

  For the second year in a row, Galp launched the "Ready.Set.Galp" student internship programme with the goal of providing the first work experience to those who are finishing university. In 2022, Galp welcomed a total of 9 interns, 4 of which are men and 5 women, spread across the Commercial, Corporate, Industrial and Midstream and Renewables & New Businesses teams.

- **Master's degree on Oil Engineering**

  In 2022, Galp had 12 students attending the internship programme, 4 Portuguese and 8 Brazilian, with a gender balance of 58% female and 42% male. After the programme, 2 students were integrated in Galp and are currently working in the Upstream engineering and Innovation teams.

- **Galp Integration Program**

  In 2022, integrated in the "Together for Ukraine" taskforce, we launched the Galp Integration Program (GIP). This program aims to help people coming from Ukraine to get settled in Portugal, allowing them to find a new career opportunity in their field of expertise and to continue pursuing their professional path. We provided to all selected candidates a financial support package to help in their settling in Portugal and finding real opportunities that meet their knowledge and capabilities. A total of 17 applicants joined the company, 71% of which are women and 29% men.

- **Mentoring@Galp**

  This year we launched the mentoring programme 2022 edition, with the ultimate goal to enable the sharing of important knowledge, between mentors and mentees, while addressing strategic organizational needs and focusing on the professional and personal development of all the mentees. This year's edition, so far, involved 24 mentees and 22 mentors. Final data, including hours of interactions, will only become available in the end of the programme.

In addition to several internal programmes to promote young talent, Galp recently joined the Portuguese "Pacto para Mais e Melhores Empregos para os Jovens" (Pact for More and Better Jobs for Young People), an initiative promoted by Fundação José Neves with the sponsorship from the Portuguese President. This pact aims to contribute to the employment of young people with each signatory company committing to, until 2026 and with specific metrics and targets, hire, retain, train, develop, guarantee quality employment and give voice to the younger generation. For 2026, we have the goal to increase in 12 p.p the total of young people working in Galp.

Creating a recognition culture

In 2022, we launched GROW (Great Recognition of Outstanding Work), a recognition program which main purpose is to promote a culture of recognition along with a culture of experimentation throughout the Group, which is essential for the pursuit of Galp's transformation process. It recognises new ideas materialized in extraordinary results that contribute to effective improvements in safety, operational efficiency, organisational agility, cost reduction, investment optimisation, sustainability, partnerships, among other contributions likely to support the achievement of the Group's main objectives and challenges. Between August and December, a total of 148 employees were recognised and awarded.

In addition, we continued to simplify some people management processes, aiming to create a more dynamic environment and empowering the organisation. In 2022, the performance assessment model was reviewed, responding to the organisation's need for reinforcing cultural alignment and incorporating a more agile mentality in Galp's DNA, adjusted to our cultural principles. Extensive training for all the managers/evaluators in Performance Evaluation, Calibration and Feedback skills was provided at the end of the year, aiming to ensure that all evaluators correctly assess performances by analysing behaviours, skills and attitudes aligned with Galp's cultural principles.

Advocate people's wellbeing as top priority

We are committed to making Galp the greatest place to work and for that we are focused in giving people the best working conditions, promoting safety, health and well-being in the workplace.

Promoting flexible work conditions

In 2022, we fully implemented the "Smart Work" – Hybrid Home Office Policy – that started during the Covid-19 pandemic, which consists in flexible work schemes, providing better conciliation options, in order to promote a better work-life balance. This goal was confirmed by a survey where the respondent employees rated 7.89/10 considering their level of satisfaction with the new model and 4.29/5 when asked if the new model helped having better work-life conciliation. On the note of promoting flexible and agile ways of working, in 2022, agile spaces were inaugurated in our headquarters to accelerate the company's digital transformation journey with auditoriums for retrospectives, design thinking sessions or lean inceptions, break rooms and individual corner desks, to foster collaborative and agile work.

Protecting the health of our people

In a year in which the world is still recovering from the impacts of the covid-19 pandemic, Galp continues to ensure that all employees have a safe and healthy work environment, promoting health & wellbeing as a part of their daily activities.

In 2022, our Occupational Medicine continued to perform periodic medical examinations, important for employees due to the new challenges of work, such as remote work, the use of technologies, the reconciliation of work and personal life, lifestyles, socialization and the respective impacts on their physical and mental health. We also continued to monitor the situation arising from the covid-19 pandemic, seeking to ensure, at all times, adequate health and safety conditions to prevent the risk of contagion, through the identification and dissemination of restrictive measures adapted to each reality.

Wellbeing is a strategic pillar for Galp as our aim is to have an ongoing plan with several initiatives available to our employees that aim to promote their welfare helping with health, mental and physical challenges they may be exposed to. Galp is focused on ensuring an equal experience of health and wellbeing for each of our people, in all locations and geographies, ensuring that all feel healthier, more productive and happier.

This year, we continued to promote several initiatives, in all geographies, namely: nutrition consultations (in Portugal and Spain), mental health support (in Portugal and Cape Verde), Yoga, Pilates and gym partnerships (in Spain and Brazil), physiotherapy (in Spain and Cape Verde), providing mental health and suicide prevention workshops (in Portugal, Cape Verde and Mozambique) among others. Aligned with our commitment to foster a culture of parenting protection and support, we developed a parental kit, with information on all the relevant new parenting topics such as rights and duties, legal regime, useful contacts and procedures and the delivery of physical parenting kits to all new parents.

The challenges for 2023 are deeply related to the world's new reality, with an underlying scenario of prolonged uncertainty. This cycle began with the pandemic and was reinforced by the war in Ukraine, earlier this year. In this context, Galp's main focus is on people, as the resilience of our strength lies in a work environment where each of our people has the necessary tools to better adapt to adverse situations, being able to manage stress and remaining motivated.

5. Promote a value-adding, conscious business

	Embed sustainability in our culture	Transparency and ethics as key principles		Sustainable supply chain driving our business	No significant cyber security breach
Our targets and KPIs	Performance evaluation linked to ESG metrics	NFI Internal Control framework	Cases reported in need of disciplinary measures (Open Talk)	100% Tier 1 suppliers evaluated in terms of ESG	Significant cyber security breaches (no.)
2022	Safety and Climate metrics for all employees (weighing 25%) and executive members (weighing 15%)	External audit performed and control improvement plan in implementation	18%	93%	0
Material topic		Business Ethics		Sustainable supply chain management	Security
Our alignment with the **SDGs**	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES		11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS

At Galp, our ultimate goal is to promote a value-adding, conscious business for all our employees, clients, investors and other stakeholders. For that, our fifth foundation has the very clear purpose of promoting sustainability, ethics and transparency values inside the company, while also focusing on improving our supply chain, turning it more sustainable, always protecting people and assets through business continuity plans that ensure no security breach compromises the future of the company.

Embed sustainability in our culture

While driving and thriving through the energy transition, we need to bring the sustainability lens to our investment analysis and decision-making process and embed it in our culture. For the past years, our sustainability journey and world class practices were not unrecognized as we have been consistently ranked as one of the most sustainable companies over the last decade by some of the most reputable entities on this field.

Shared accountability for success

Management commitment

An effective management and an integrated approach to sustainable value creation requires having committed leadership, a clear strategy and a robust and strong governance.

For Galp, these factors are considered fundamental to being a more resilient company, better prepared to respond to current and future challenges. Galp's governance model is based on a decision-making culture that includes the assessment of risks and opportunities, which covers the entire life cycle of its operations – from the identification of the business opportunity to the decommissioning.



Sustainability incentives

The company's commitment with decarbonisation and with driving the energy transition is reflected by its performance evaluation ESG indicators, linked to variable remuneration and applicable to all employees in all geographies.

All employees

From 2022 onwards, hydrocarbon production related metrics are no longer featured as weighting factors in employees' incentives. The performance scorecard was reviewed in 2022 to give more empowerment to ESG related metrics, that now weight 25% of all annual performance indicators, covering safety and decarbonisation KPIs. In addition, 20% of the employees' scorecard is allocated to the completion of strategic milestones that include, among others, topics related to cybersecurity and low carbon projects like electrification and H_2.

Executive Committee

For the Executive Committee, safety and decarbonisation KPIs are also included in the short-term incentive scorecard, with a combined weight of 15%. The remuneration policy of members of the Galp's corporate bodies is reviewed annually and made publicly available (link here).

Objective Key Results (OKR)

OKR methodology has recently been implemented in all business units with the aim to engage the wider organisation in delivering Galp's strategic milestones. By leveraging visibility on what matters, teams

worked with high focus and recognized their efforts in Galp's results. Some of the sustainability related OKRs present in the business units' scorecards are related with safety, decarbonisation projects and carbon offsets strategy, increase renewables capacity and production, among others.

Our certifications

In 2022, Galp approved SIG 2.0, a revamped Integrated Management System that aims for Galp to have a more simplified management system, more focused, agile and with added value for the organisation. In SIG 2.0, we maintained the ISO 9001 and ISO 14001 certifications in 100% of our assets, the ISO 5001 in the Sines Refinery as well as SEVESO and EN 12591:2009 (CE marking) certifications in the applicable sites.

Transparency and ethics as key principles

At Galp, ethics is a key principle that we live and apply everyday in our activities, reinforcing our commitment for zero tolerance for corruption and other unethical practices in order to maintain our business ethical and trustworthy. We aim to generate trust amongst all our stakeholders by acting ethically and in a transparent manner that shows that both these principles are imperative for Galp.

Zero tolerance for unethical practices

Our Code of Ethics and Conduct (link here) is one of the main expressions of Galp´s corporate culture, guiding the personal and professional behaviour of all people of the group, regardless of the position or function they perform, as well as the relationship between employees and shareholders, investors, customers, suppliers, and representatives of the communities with which Galp interacts.

Embracing ethics

As part of our journey to make Galp the greatest place to work, we are committed to reinforce a culture of ethics, providing a safe work environment, free from discrimination and harassment, across the company and externally.

Communicating irregularities

Galp's Open Talk is a safe, confidential and, if desired, anonymous channel for questions, concerns or reports of breaches within the scope of our Code of Ethics and Conduct. This channel is publicly available to any stakeholder of Galp's network and is managed by the Ethics and Conduct Committee which is responsible for receiving and handling all the communications made, concerning potential irregularities or breaches of the Code of Ethics and Conduct or of the complementary internal regulations.

In 2021 this channel was renovated in order to guarantee a closer alignment with the European Directive. Open Talk is available 24 hours a day, to all stakeholders through an online platform (link here), by phone, post or email. All calls and reports over the Open talk channel are received on behalf of Galp by an independent third party specialist ethics line provider who is in charge of communicating them to the Ethics and Conduct Committee who ensures that there are no acts of retaliation against anyone who has, in good faith, reported facts deemed to violate the Code of Ethics and Conduct. We believe it is the duty of all employees, particularly the leaders, to ensure compliance with this commitment from Galp towards whistle-blowers on a daily basis.

In 2022, the Ethics and Conduct Committee received 65 reports which were properly investigated, according to the Irregularities Communication Internal Standard. From the reports received, 36 were related to moral harassment in the workplace, 8 to potential conflict of interests, 3 to safety in the workplace, 7 to misappropriation of property and 11 were tests or unsubstantiated reports. Of the 65 cases reported, 11 were archived due to lack of evidence of the facts described, 6 required the adoption of disciplinary measures by the Company, 6 required the adoption of measures by the Company in order to adapt the conduct to the standards established in the Code of Ethics and Conduct, 11 are in progress and 31 are out-of-scope complaints that do not have mitigation measures defined.

Fighting corruption and other unethical practices

At Galp, all corrupt practices are strictly forbidden. In 2022, we continued our efforts to prevent corruption, in all its active and passive forms. For this we have a Corruption Prevention Policy and a Prevention of Money Laundering and Financing of Terrorism Policy (Corporate policies available here) that set the tone of our commitments on this topics and which are applicable to all the group and its employees. In addition, we have the commitment to consistently promote full compliance with the provisions of the Code of Ethics and Conduct, aligned with the best practices expressed in several international standards such as the United Nations 2004 Convention to Combat Corruption (UN Global Compact 10 principles).





Increment greater ESG disclosure, clarity, and accuracy

Because part of the transformation is to progressively promote transparency, Galp engages with several internationally established benchmarks and sustainability principles and discloses its non-financial performance aligned with internationally recognised voluntary reporting standards and frameworks. Also, our sustainability journey and world class practices were not unrecognized as Galp has been consistently ranked as one of the most sustainable companies over the last decade by some of the most reputable entities on this field.

We want to continuously increase the transparency of our communications and ESG disclosure in line with the best practices of the sector that demand an increment on clarity, accuracy and reliability of all data.

To achieve that, in 2022, we continued taking steps towards incrementing clarity, accuracy and reliability of all ESG data. For the first time, we conducted an independent Non-Financial Information (NFI) audit that assessed all NFI sources and outputs of information, analysing potential improvements and drawing an action plan to be implemented throughout 2023.

Galp is now an EFRAG Community Sector Group member

In 2022 we joined the European Financial Reporting Advisory Group (EFRAG), as a member of the Community Sector Group for the development of the EU Sustainability Reporting Standards – Sector standards on Oil and Gas, within the scope of the Corporate Sustainability Reporting Directive (CSRD), through joining several workshops along with other peers.

We are also now a member of the Taskforce on Nature-related Financial Disclosures (TNFD) Forum, that will give us the opportunity to learn from sharing and to build capacity towards nature-positive outcomes.

EU Taxonomy

The EU Taxonomy regulation for sustainable activities was developed within the scope of the European Green Deal and the framework of Sustainable Finance, to provide a common language and framework for investors, companies, and policymakers to assess the sustainability of economic activities, and to guide investment decisions towards activities that have a positive impact on the environment and society. The EU taxonomy is intended to be a classification system and sets criteria and technical screening factors to define and identify sustainable economic activities that significantly contribute to the environmental objectives and its sustainable growth of the European Union.

The First Delegated Act was published and adopted in 2021 and determines whether the activities contribute substantially to the objectives of adaptation and mitigation to climate change, do not cause significant damage to other environmental objectives and comply with minimum social safeguard established by OCDE and the United Nations.

At the present, the EU Taxonomy only covers two of the six environmental objectives and it is expected that the regulation will be in continuous development in the coming years, in order to include the remaining environmental objectives, as well as other activities that should be considered in the list of sustainable economic activities.

As in the previous year, an eligibility analysis of Galp's business activities based on the Delegated Acts of the EU Taxonomy Regulation was conducted in 2022.

This year, in addition to the eligibility analysis, we evaluated the compliance with EU Taxonomy technical screening criteria to conclude about the alignment of the eligible activities.

During the evaluation of the alignment, business units interactions were promoted to identify the substantial contribution to the environmental objectives, to verify whether do not these activities cause significant damage to other objectives and to ensure the compliance with minimum social safeguards. From these interactions it was concluded that all of Galp's eligible activities comply with all Technical Screening Criteria.

Further information about Galp's EU Taxonomy context, alignment and performance can be found in Part V – Appendices (1. Non-financial consolidated information).

Galp Low Carbon capital allocation

In addition to the activities included on the Delegated Acts of the EU Taxonomy, Galp considers other activities that, so far, are not eligible under the regulation but may contribute significantly to mitigate climate change, such as investments in the battery value chain and CO_2 emission reduction projects in the Refinery (which also contribute to improving energy efficiency). Furthermore, Galp includes in its Low Carbon capital allocation definition the renewables and other eligible non-consolidated business under the EU Taxonomy, although these are excluded from a consolidation perspective. Considering our internal classification of sustainable activities, Galp's strategic plan foresees over 70% of the net capital expenditures planned during 2023-2025 to be allocated to low carbon activities which, from its perspective, reflects the Company's ambition and commitment to the energy transition and the transformation to a carbon neutral value chain.

Sustainable supply chain driving our business

Galp's activities generate thousands of direct and indirect jobs worldwide. This impact means a wide range of economic, social and environmental concerns that needs to be addressed by Galp when dealing with contractors and suppliers, especially in the context of the energy transition where our supply chain is also changing.

Our relationship with our business partners is built on known policies, codes and practices, aligned with the highest ethical, social, environmental, and quality standards. Besides including sustainability criteria clauses in its purchase contracts, Galp has also processes in place to assess and manage the ESG risks of the supply chain.

We seek to promote local development, prioritizing contracts with local products and services – around 86% of our total procurement is local-based.

ESG as primary criteria for managing all our suppliers

All our bidders, when registering and participating in the purchasing processes, declare that they are aware of and undertake to comply with our Sustainable Procurement Policy, Code of Ethics and Conduct, Corruption Prevention Policy, Corporate Social Responsibility Policy, Quality Policy, and Safety, Health and Environment Policy.

Suppliers and sustainability risk

Galp's methodology for assessing and managing the sustainability risks of the supply includes:

- Qualification and assessment of vendor bids for services with health, safety and environment (HSE), cyber security, general data protection regulation (GDPR) or business continuity risk
- Evaluation and monitoring of the financial position of the suppliers
- ESG risk surveys through various internal procurement platforms
- Audit and evaluation of ESG services

Updated Sustainable Procurement Policy

Our Sustainable Procurement Policy (link here) was updated in 2022 and the following four fundamental principles were reinforced:

- Respect for human rights and working conditions
- Acting with transparency and integrity
- Assume quality as a critical success factor
- Protection of the environment, people, and assets

We are committed to establish and maintain relationships only with suppliers that adopt, respect, act and cascade on its own supply chain, the principles set out in our Sustainable Procurement Policy.

ESG Survey

All our suppliers receive a survey with ESG criteria that will contribute to their overall qualification. Our survey is divided in different topics covering matters such as:

- Assuring that our suppliers have their own Code of Conduct
- Stakeholders Engagement (e.g., community investment, diversity inclusion programs, work-life balance)
- Energy and Environmental Management (e.g., environmental goals and action plans to achieve them)
- Supply chain (e.g., purchasing policy, ethics, environment, safety, quality, and social requirements)
- Communication and Transparency (e.g., channels to transparently provide their information)
- Safety and Health (e.g., certifications, health and safety policy, training, number of work accidents)
- Environment (e.g., certifications, training, performance monitoring, ecoefficiency procedure, biodiversity areas, ecological materials)

Galp will reinforce its ESG supply chain assessments, working with specialized entities as a complement of its supplier's evaluation and decision process.

Assessment of suppliers' exposure to sustainability risk

Percentage of suppliers assessed in the last three years

Type of suppliers	2020	2021	2022	Target 2023
Tier 1	96%	88%	95%	95%
Critical Non-Tier 1	95%	90%	81%	95%

Galp values suppliers that are certified in internationally recognised standards as a guarantee of its commitment to continuously improve its sustainability performance. In 2022, 18% of Galp's critical tier 1 suppliers audited, were certified.

International standard	2020	2021	2022
ISO 9001	2,931	2,426	2,643
ISO 14001	1,640	1,389	1,540
OHSAS 18001/ISO 45001	1,678	1,387	1,525
Other certifications	1,887	366	497

Continuous monitoring of supplier performance

On a yearly basis, Galp evaluates both current and potential suppliers in relation to the Company's sustainability policies and practices.

Suppliers' evaluation

In 2022, Galp made a total of €673 m in purchases from 3,196 suppliers, of which 867 were tier-1 suppliers with >€50 k and 406 were critical suppliers.

	2022
No. of suppliers	3,196
No. of critical[1] tier n-1 suppliers	16
No. of audited tier 1 suppliers	106
% of local purchases	86%
Average days of payments to suppliers	50

In 2022, 162 audits were carried out, in accordance with defined requirements and considering the applicable legislation in the country where the audit was conducted.

Whenever a serious issue is identified during an audit, Galp ensures that a corrective action plan or improvement action plan is defined and implemented by the supplier.

Galp's target, in 2022, was to conduct 50 in-site audits of suppliers, which has clearly been exceeded as there were 89 in-site audits. For 2023 we aim to conduct 60 in-site audits.

[1] Critical suppliers: suppliers with HSE, cyber-security, GDPR or business continuity risks; non-replaceable suppliers, suppliers of good or services whose failure to supply or continue operations may affect the Galp Group's activities, in areas such as legal compliance and the safety of people, assets and the environment.

Act for change, together with our suppliers

We believe that applying the principles set out in the Sustainable Procurement Policy will improve the global ESG footprint. Galp is willing to support its partners in their sustainability journey as it requires a common effort between all the parties involved in the business relations.

A supplier survey was conducted in 2022, by the Procurement team, to determine the supply chain alignment with our policy, as well as obtain a perception of the best market practices. A total of 502 tier 1 suppliers, which represents 86% of total billing, were invited to answer, where we obtained a 46% response rate. All suppliers scored above 75% in this survey, which provided a positive assessment of our supply chain.

In 2022, we also shared with more than 3,400 suppliers our RGPD and Cybersecurity flyer to sensibilize and inform about the best practices and the steps to take on these topics. Moving forward, we want to find more comprehensive ways to reach all our suppliers, by sharing regular communication on sustainability topics, and identify ways to reward the suppliers with best ESG "compliant" practices.

No significant cyber security breach

One of the biggest challenges that cybersecurity faces is the evolving technology which gives cybercriminals an ever-growing list of vulnerabilities to explore and results in an increased likelihood of accidental failure of Galp's digital infrastructure. This combined with the constant development of new methods of conducting cyber-attacks exposes Galp to an increase cyber-threat risk. In addition, the

Russia-Ukraine conflict has exacerbated this trend, triggering an increase in cyber-attacks on energy infrastructure in several European countries, with serious consequences.

Considering this context, cybersecurity has become a greater priority for Galp, whose ambition and strategic milestone is to have no significant cyber security breach, measured by having no cyber security incidents that lead to interruption of our critical business processes longer than RTOs (Recovery Time Objective) included in the Business Continuity Plan and by having no personal data breach with "High" level of impact and probability, in line with Galp's GDPR risk matrix. For that, we have strengthened cyber resilience in our operations and incorporating Cyber culture in our DNA.

Strengthen cyber resilience in our operations

Multiple Cyber Assessments were conducted throughout the year to internal business units and major suppliers, that play a critical role on protecting Galp's digital landscape and critical business processes.

Furthermore, Galp has a permanent Red Team evaluating the Cyber Resilience of its Digital landscape and business processes. This team has conducted multiple assessments as well as one yearly Cyber Crisis Simulation (including both Operational and Management/ExCom members) to test Galp's Cyber Crisis readiness. We also invested significantly in enhancing the cyber resilience of our industrial areas (OT – Operational Technology), following the recent threat landscape evolution for the energy sector in Europe.

Galp ensures a 24/7 response capability to cyber incidents through its CSIRT (Cyber Security Response Team), guarantying its resilience through coordinating the response to incidents that affect the organisation. We also identify and monitor lessons learned, as a way of continuously improving the organisations cyber security, and proactively exchange threat information with authorities and peers.

Incorporate Cyber culture in our DNA

According to Bitsight (a Cyber Ratings company), Galp is currently positioned within the Top 10% companies of the Global Energy Sector in terms of its Cybersecurity posture. An assessment during 2022, by an external party, also confirmed that Galp's Cyber Maturity Level stands above the global cyber maturity benchmark.

Several initiatives were launched to raise awareness among employees to the cyber threats that emerged in this context, as well as public alerts to customers and society in general, regarding situations in which cyber criminals tried to take advantage of Galp's reputation for carrying out cyber fraud attempts. Galp continued to invest in promoting a Cyber Culture program through its "CyberOn" brand. Apart from dozens of awareness contents, campaigns, and trainings – inc. regular phishing exercises – a new Cyber Gamification platform is being implemented to explore other Cybersecurity gaps and measure the effectiveness of the awareness and trainings contents being developed through this adaptive learning approach. Also aligned with our goal of incorporating cyber culture in our DNA, we'll have from 2023 onwards mandatory trainings on cybersecurity topics.

This year a new Cyber Roadmap has been developed, for the period of 2023-2024, with several initiatives and projects aiming to bring Galp's Cyber Maturity in line with the Global Top Quartile for all sectors, including the definition of a new value-at-risk approach and value assurance unit, to ensure risk-based focus and prioritization of investments and initiatives.

Guidebook for a Cyber-Resilient Energy transition

Galp contributed to development of this guidebook, together with our peers at the World Economic Forum, thus promoting a more sustainable and safer world.


corporate
governance
report
galp
Book III

This report describes in detail the corporate governance structure and practices adopted by Galp in 2022, to comply with Article 29-H of the Securities Code ("CVM")[1] and the governance code report model approved by CMVM Regulations No. 4/2013, which is available on CMVM website at https://www.cmvm.pt/en/Legislacao/National_legislation/Regulamentos/Docum ents/Reg4_2013.Governo.das.Sociedades.en.pdf

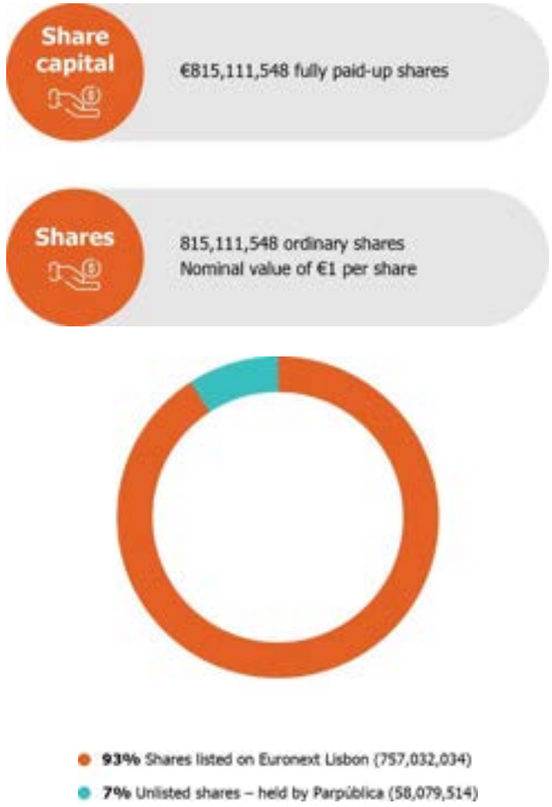
[1] All references to Articles without indication of the respective legal act are considered to be made to the CVM.

Information on the Company shareholding structure, organisation and governance

A. Shareholding structure

I. Capital structure

1. Capital structure (share capital, number of shares, distribution of capital by shareholders, etc.), including shares that are not listed, different classes of shares, the corresponding rights and duties and the capital percentage that each category represents (Article 29-H(1)(a)).



Note: non-listed shares are owned by Parpública and, under the applicable legal framework, must be placed in the market, as they were not used to repay the exchangeable bonds. These shares do not have any special rights and may be fungible with the remaining shares upon request without requiring the approval of any of Galp´s corporate bodies.

2. Restrictions on the transfer of shares, such as consent clauses on disposal or limits on share ownership (Article 29-H(1)(b)).

Galp shares are freely transferable with no restrictions in the By-laws to their transferability or ownership.

3. Number of own shares, corresponding percentage of share capital and percentage of voting rights corresponding to own shares (Article 29-H(1)(a)).

As at 31 December 2022, Galp held no own shares or bonds.

4. Material agreements to which the Company is a party and which come into effect, are amended or are terminated after events such as a change in the control of the Company following a takeover bid, as well as the respective effects, except where, owing to the nature of the same, disclosure would be seriously detrimental to the Company, except where the Company is specifically required to disclose such information pursuant to other legal requirements (Article 29-H(1)(j)).

Galp is not a party to any agreement which takes effect, is amended or terminated in the event of a change of control of the Company.

In line with market practice, some financing agreements and bond issues include change-of-control provisions, with the possibility of the relevant creditors/bond holders requesting early repayment. These contracts have no adverse financial effect on the transfer of shares in Galp nor on the assessment of the directors' performance by the shareholders.

Galp has not adopted any mechanism that entails making payments or undertaking responsibility for costs in the event of a change of control or a change in the composition of the Board of Directors that could adversely affect the transfer of the shares and the assessment by the shareholders of the performance of the members of the Board of Directors.

5. Framework for the renewal or withdrawal of countermeasures, particularly those which establish a restriction on the number of votes that can be held or exercised by a single shareholder, individually or together with other shareholders.

Not applicable. Galp's By-laws enshrine the "one share, one vote" principle and there are no By-laws provisions or other legal instruments that impose any limitation on the number of votes that can be held or exercised by a single shareholder, individually or together with other shareholders, or other defensive measures.

6. Shareholders agreements which the Company is aware of and which could result in restrictions on the transfer of securities or voting rights (Article 29- H(1)(g)).

The Company is not aware of any shareholders agreements relating to Galp which could lead to restrictions on the transfer of securities or the exercise of voting rights.

II. Shares and bonds held

7. Details of the natural or legal persons that are, directly or indirectly, the holders of any qualifying holdings or special rights (Article 29-H(1)(c) and (d) and Article 16), showing the allocated percentage of capital and votes, as well as the sources and reasons.

Shareholders and other entities are required to report qualifying holdings to CMVM and to Galp when the holding attributable to such shareholder or entity reaches, exceeds or falls below the thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 and 90% of the voting rights in Galp's share capital.

As of 31 December 2022, the qualifying holdings in Galp's share capital, calculated in accordance with Articles 20 et seq. of the CVM and reported to Galp, for the purposes of Article 16 of the CVM, were as follows:

Amorim Energia B.V.	No. of shares	% share capital with voting rights
Direct	276,472,161	33.92%
Total attributable	**276,472,161**	**33.92%**

Parpública – Participações Públicas (SGPS) S.A.	No. of shares	% share capital with voting rights
Direct[1]	62,061,975	7.61%
Total attributable	**62,061,975**	**7.61%**

[1] 58,079,514 of which are subject to privatisation process.

Massachusetts Financial Services Company	No. of shares	% share capital with voting rights
Direct	30,354,831	3.72%
Indirect[2] [3]	11,780,164	1.45%
Total attributable	**42,134,995**	**5.17%**

[2] Includes 11,682,177 shares and 97,987 depository receipts converted to the common stock shares.
[3] Held through the following entities: MFS Institutional Advisors Inc, MFS Investment Management Canada Limited, MFS Heritage Trust Company, MFS Investment Management Company (LUX) S.a.r.l., MFS International Singapore Pte. Ltd, MFS International (UK) Limited and MFS Investment Management K.K.

During 2022, the following transaction took place on qualifying holdings:

	Transaction date	Description of the transaction
T. Rowe Price Group Inc.	21 December 2022	Decrease to below 5%

8. List of the number of shares and bonds held by members of the management and supervisory bodies

	Total of shares as at 01.01.2022	From 01.01.2022 to 31.12.2022						Total of shares as at 31.12.2022
		Acquisition			Disposal			
		Date	No. of shares	Value (€/share)	Date	No. of shares	Value (€/share)	
Members of the Board of Directors								
Chairperson								
Paula Amorim[1]	0							0
Vice-Chairmen								
Miguel Athayde Marques	1,800							1,800
Filipe Silva (CEO & CFO)[3]	20,000							20,000
Andy Brown (Ex-CEO)[4]	25,323							25,323
Directors								
Thore E. Kristiansen	0							0
Teresa Abecasis[2]	445							445
Georgios Papadimitriou	0							0
Marta Amorim[1 2]	19,915							19,915
Francisco Teixeira Rêgo[1 2]	17,680							17,680
Carlos Pinto	0							0
Luís Todo Bom	0							0
Jorge Seabra[1]	0							0
Rui Paulo Gonçalves[1]	0							0
Diogo Tavares	30,540							30,540
Edmar de Almeida	0							0
Cristina Fonseca	0							0
Adolfo Mesquita Nunes	0							0
Javier Cavada Camino	0							0
Cláudia Almeida e Silva[5]	0							0
Members of the Audit Board								
Chairman								
José Pereira Alves	0							0

	Total of shares as at 01.01.2022	From 01.01.2022 to 31.12.2022						Total of shares as at 31.12.2022
		Acquisition			Disposal			
		Date	No. of shares	Value (€/share)	Date	No. of shares	Value (€/share)	
Members								
Maria de Fátima Geada	0							0
Pedro Antunes de Almeida	5							5
Alternate: Amável Calhau	0							0
Statutory Auditor								
Effective								
Ernst & Young Audit & Associados, SROC, S.A. represented by Rui Martins	0							0
Alternate								
Manuel Mota	0							0

[1] For the purposes of Article 447, no. 2, paragraph d) of the Companies Code ("CSC"), it is further stated that Amorim Energia B.V., in which the director indicated also performs management functions, holds 276,472,161 Galp shares.
[2] Shares held by related parties.
[3] Filipe Silva was appointed CEO and Vice-Chairman by the Board of Directors with effects as of 1 January 2023, following the resignation of Andy Brown.
[4] Andy Brown resigned as CEO with effects from 31 December 2022. On the date he left the Board of Directors, Andy Brown held 25,323 shares.
[5] Cláudia Almeida e Silva was appointed, for the first time, on 29 April 2022 (being the first available information reported to that date).

On 31 December 2022, none of the members of the management and supervisory bodies held any bonds issued by the Company.

The number of shares held by Andy Brown, CEO and Vice-Chairman in function on 31 December 2022, expressed as a multiple of the respective fixed annual salary, is 0.2788; the average number of shares held by executive members (except the CEO), expressed as a multiple of the respective fixed annual salary, is 0.1263.

9. Special powers of the management body, particularly with regard to resolutions on capital increase (Article 29-H(1)(i)), stating the date the powers were conferred, the time period within which they may be exercised, the upper threshold for the capital increase, the amount already issued under the allocation of powers and the manner of implementing the allocated powers.

The Board of Directors has the management powers laid down in the Companies Code ("CSC") for the relevant governance model. The By-laws grant no special powers to the Board of Directors, in particular, it does not grant the power to resolve on share capital increases.

The Annual General Meeting of Shareholders held in 2022 granted the Board of Directors the power to acquire and dispose of the Company's own shares and bonds, on the terms to be decided in line with market conditions, and the criteria approved at the General Meeting of Shareholders, in accordance with the applicable law and regulations.

The relevant resolution is available on Galp's website at: https://www.galp.com/corp/en/investors/information-to-shareholders/general-shareholders-meetings/general-shareholders-meeting/id/23/annual-general-meeting

10. Information on any material business relationships between the holders of qualifying holdings and the Company.

In 2022, there were no material business relationships between the holders of qualifying holdings and Galp.

B. Corporate bodies and committees

I. General Meeting

a) Composition of the Board of the General Meeting

11. Names and position of the members of the Board of the General Meeting and their term of office (start and end dates).

Under Article 11(2) of Galp's By-laws, the Board of the General Meeting consists of a Chair, a Vice-Chair and a Secretary, each of whom is elected at the General Meeting.

The members of the Board of the General Meeting elected for the 2019–2022 term of office, beginning on 12 April 2019 and ending on 31 December 2022 (without prejudice to remaining in office until the election of new members, where applicable), are as follows:

Chair: Ana Perestrelo de Oliveira

Vice-Chair: Rafael Lucas Pires

Secretary: Sofia Leite Borges

b) Exercising the right to vote

12 Any restrictions on the right to vote, such as voting right restrictions based on a number or percentage of shares, deadlines for exercising voting rights or systems whereby the financial rights attached to securities are detached (Article 29-H(1)(f)).

The By-laws enshrine the "one share, one vote" principle and there are no By-laws provisions or other legal instruments which restrict the exercising of voting rights. There are no systems for detaching rights.

Galp has not established any mechanism that would have the effect of creating a discrepancy between the right to receive dividends or to subscribe new securities, and the voting rights carried by each share.

The right to vote is exercised pursuant to Article 10(1) of the By-laws, in accordance with the I and II Shareholders' Rights Directives, as transposed into the CVM. Therefore, any shareholder may attend, take part in the discussions and exercise its right to vote at the General Meeting, in person or by proxy, subject to the following requirements:

- on the record date, i.e., 00:00 (GMT) of the 5th trading day prior to the date of the General Meeting, the shareholder holds at least one share;
- shareholder communicates its intention to participate in the General Meeting to the financial intermediary where the individualised registry account is opened up to the day prior to the record date;
- the financial intermediary shall notify the Chair of the Board of the General Meeting of the shareholder's intention and shall send the information on the number of shares registered on behalf of its client by the end of the 5th trading day prior to the date of the General Meeting.

The exercise of these rights is not affected by the transfer of the shares at any time after 00:00 (GMT) on the record date and does not depend on the shares being blocked between that date and the date of the General Meeting. However, shareholders who – having declared their intention to attend the General Meeting – transfer the ownership of shares between 00:00 (GMT) on the record date and the end of the General Meeting must immediately inform the Chair of the Board of the General Meeting and CMVM, and this will not prejudice the exercise of their right to participate and vote at the General Meeting.

Article 10(6) to (9) of the By-laws permits the unrestricted exercise of the voting right by correspondence and, despite not being expressly provided for in the By-laws, votes may also be cast by telematic means, pursuant to the law and in accordance with the requirements established by the Chair of the Board of the General Meeting in the convening notice for the relevant General Meeting, in order to ensure authenticity and confidentiality.

This possibility has been included in all convening notices of Galp's General Meetings, including the convening notice for the 2022 Annual General Meeting, and has been a repeated practice since 2015.

As specified in the convening notice for the relevant General Meeting, shareholders may participate in the General Meeting by telematic means. Detailed instructions for participating are included in the applicable convening notice.

The possibility of participation by telematic means has also been available for all General Meetings held since 2018, including the 2022 Annual General Meeting, the latter being exclusively held by telematic means.

The holding of an Annual General Meeting exclusively using telematic means reinforces Galp's repeated practice of allowing shareholders to participate in General Meetings remotely, as well as to exercise voting rights also remotely, through electronic communications, mechanisms that were already available to shareholders in previous years but were not usually used.

Galp intends to continue to encourage shareholder participation in General Meetings, which, in the particular case of shareholders residing or headquartered outside Portugal, is particularly facilitated by the possibility of voting and participating remotely.

13. Details of the maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders in a relationship with that shareholder, as established in Article 20(1).

Not applicable. The By-laws make no provision for any limitation on the voting rights that may be exercised by a single shareholder or shareholders in any of the relationships set forth in Article 20(1) of the CVM.

14. Details of any shareholders' resolutions that, in accordance with the By-laws, may only be passed by a qualified majority, in addition to those provided for by law, and the details of any such majority.

Resolutions of the General Meeting are passed by a simple majority of the votes cast unless a qualified majority is required by law or under the By-laws. Abstentions are not counted as votes cast.

In addition to those legally set out in the law, Article 12(4) of Galp's By-laws requires a two-thirds qualifying majority in the following cases:

a) first and second calls, for resolutions on matters relating to the management of the Company submitted to the General Meeting by the Board of Directors;

b) second call for the following matters: (I) amendments to the By-laws, including capital increases and the restriction or suppression of any pre-emption rights of the shareholders; (II) merger, demerger, transformation or winding-up of the Company.

Although these provisions of the By-laws establish a deliberative quorum, which may, in certain situations, be higher than that provided for by law, they are not intended to hinder shareholder resolutions, nor are they intended to be an anti-takeover defence mechanism that harms the market for control (which in Galp is not limited). The purpose is to ensure adequate representation of shareholders, particularly minority shareholders, when approving resolutions on matters of strategic importance to the Company and on fundamental matters of Galp, which characterise its essence, and to avoid the classic agency problem. This mechanism was therefore created with the primary goal of protecting the Company itself, ensuring its stability, as well as the minority shareholders, in key matters for Galp. It should also be noted that the application of a deliberative quorum of two thirds in a second convening is only required for matters that are strategic and of utmost importance to the Company.

II. Management and supervision

(Board of Directors, Executive Board and General Council and Supervision)

a) Composition

15. Details of the adopted corporate governance model



Galp's corporate governance model comprises:

(i) a management structure composed of a Board of Directors from which an Executive Committee is selected;

(ii) a strengthened supervisory framework, which includes the Audit Board and the Statutory Auditor;

(iii) a Company Secretary with the duty of providing specialist support to the corporate bodies.

Corporate bodies comprising Galp's governance model with a reinforced supervision model are mandatory for companies issuer of shares admitted to trading on a regulated market which have adopted the single-tier model provided for in Articles 278(1)(a), 413(1)(b) and (2)(a) and 446-A(1) of the CSC.

Galp's governance model is designed to ensure transparency and the effectiveness of the Group by means of a separation of powers between the different corporate bodies. While the Board of Directors is responsible for defining, overseeing, monitoring and supervising the strategic guidelines, as well as for management supervision and the relations between shareholders and other corporate bodies, the duties of the Executive Committee, as delegated by the Board of Directors, are operational in nature and involve the day-to-day management of the business and of the corporate centre.

The existence of matters which are the exclusive remit of the Board of Directors (i.e., not suitable for delegation to the Executive Committee) ensures that the Board of Directors establishes and monitors Galp's strategic guidelines.

The Board of Directors' Regulations establishes that its members, strictly for the performance of their duties and in compliance with the applicable legal limits, have access to any necessary information, particularly through access to documents or through information or clarification provided by the Company's employees, in order to assess the Company's performance, status and prospects for development, including, inter alia, the minutes, the auxiliary documents for decisions made, the convening notices and the files of Executive Committee meetings.

The Chair of the Board of Directors has, among other responsibilities set down in the applicable provisions of the law, regulations and the By-laws, the authority to coordinate and supervise relations between the Company and its shareholders, taking into account the Company's objectives, the long-term interests of its shareholders, and the sustainable development of Galp's business.

With a view to strengthening Galp's governance, particularly in terms of monitoring, evaluating and supervising the Company's activity by non-executive members, the Board of Directors, at its meeting of 17 September 2020, decided to delegate to the non-executive director Jorge Seabra the special task of monitoring the Executive Committee's activity, as provided for in article 6(1) of the Board of Directors' Regulations.

The supervisory powers of the Board of Directors are bolstered by the existence of a Lead Independent Director and three specialised committees created within the Board of Directors – Audit Committee, Sustainability Committee and Risk Management Committee –, comprised exclusively by non-executive directors, which are described in paragraphs 27 and 29 of this report.

The Audit Board is responsible for exercising the oversight functions of the Company's business in five key areas:

(i) supervision of the Company's activity;

(ii) control of the Company's financial information;

(iii) oversight of the internal risk management, internal control, compliance and internal auditing systems;

(iv) receipt (and processing) of reports of irregularities; and

(v) protection of the External Auditor's independence.

The Statutory Auditor is responsible for controlling the Company's financial information.

16. By-law rules relating to the procedural and material requirements for the appointment and replacement of members of the Board of Directors, the Executive Board and the General and Supervisory Board, where applicable (Article 29-H(1)(h)).

Election

The members of the Board of Directors, including the Chair, are appointed by the shareholders at the General Meeting, for a term of four calendar years, with the year of appointment counting as a full year, and may be re-elected one or more times.

Members of the Board of Directors take office at the time of appointment and remain in office until the appointment, co-option or designation of a substitute, except in case of resignation or removal, in which case the member in question remains in office for the periods stipulated in the CSC.

Members of the Board of Directors are elected from a list containing the names of the proposing shareholders. The vote applies only to the list as a whole and not to each of its members individually, as provided for by law and the By-laws.

The law and Galp's By-laws include a mechanism to entitle shareholders who do not support the winning list and who hold a minimum of 10% of voting rights, individually or together with others, to propose the appointment of one director.

Every year, shareholders also decide on whether directors should remain in office by making a positive appraisal of their performance through a vote of praise and/or confidence.

A negative annual appraisal, by way of a no-confidence vote, may lead to the dismissal of the director in question, in accordance with the terms of the law.

In view of the Portuguese legal framework, which attributes to the shareholders the exclusive power to elect the members of the Board of Directors and excludes the power of the Board of Directors in matters of shareholders competence, Galp has no nomination committee within the structure of the Board of Directors. In fact, such a committee could not replace the powers of the shareholders under Article 391 of the CSC.

However, the Company has approved the Diversity Policy and promoted exhaustive selection processes in order to identify, attract and select specific profiles for the position of member of the Board of Directors, a strategy tailored for value creation oriented for the different and relevant management positions, with the support of reputable international companies specialised in the selection of C-level executives.

Substitution

In the event of the permanent absence or impediment of any member of the Board of Directors, the latter must replace the relevant member and submit this replacement for ratification at the next General Meeting. To this end, the By-laws state that a director is deemed permanently absent if he or she misses three consecutive or five non-consecutive meetings.

17. Composition of the Board of Directors, the Executive Board and the General and Supervisory Board, as applicable, with details of the minimum and maximum statutory number of members, the duration of the term of office, the number of sitting members, the date they were first appointed and the end date of each member's term of office.

Under the By-laws, the Board of Directors has a minimum of 19 and a maximum of 23 directors.

Currently, following the resignation of the CEO with effect from 31 December 2022, the Board of Directors consists of 18 members. The Board of Directors has decided not to co-opt any other member to the Board of Directors, given the proximity of the end of the current term of office.

The current members of the Board of Directors elected for the four-year term 2019–2022, as well as the changes that occurred during 2022, and all members who performed duties on 31 December 2022, are listed in the following table. This information is always updated on Galp's website.

Name	Position	Date of first appointment	Term end date*	Age
Chair				
Paula Amorim	Non-executive Chair	24 April 2012	31 December 2022	52
Vice-Chairmen				
Miguel Athayde Marques	Lead Independent Director[2]	23 November 2012	31 December 2022	67
Filipe Silva[i]	Chief Executive Officer (CEO) (as of 1 January 2023)	26 July 2012	31 December 2022	58
Andy Brown	Ex-CEO (until 31 December 2022)	5 February 2021	31 December 2022	61
Directors				
Thore E. Kristiansen	Executive director	3 October 2014	31 December 2022	61
Teresa Abecasis[ii]	Executive director	23 July 2021	31 December 2022	45
Georgios Papadimitriou[ii]	Executive director	1 January 2022	31 December 2022	50
Marta Amorim	Non-executive director	14 October 2016	31 December 2022	50
Francisco Teixeira Rêgo	Non-executive director	16 April 2015	31 December 2022	50
Carlos Pinto	Non-executive director	12 April 2019	31 December 2022	44
Luís Todo Bom	Independent non-executive director	23 November 2012	31 December 2022	74
Jorge Seabra	Non-executive director	23 November 2012	31 December 2022	63
Diogo Tavares	Non-executive director	22 February 2006	31 December 2022	77
Rui Paulo Gonçalves	Non-executive director	6 May 2008	31 December 2022	55
Edmar de Almeida	Independent non-executive director	12 April 2019	31 December 2022	54
Cristina Fonseca	Independent non-executive director	12 April 2019	31 December 2022	35
Adolfo Mesquita Nunes	Independent non-executive director	12 April 2019	31 December 2022	45
Javier Cavada Camino[ii]	Independent non-executive director	17 December 2021	31 December 2022	47
Cláudia Almeida e Silva[iii]	Independent non-executive director	29 April 2022	31 December 2022	49

* Pursuant to Article 391(5) of the CSC, although appointed for a fixed period of time, members of the Board of Directors shall remain in office until such time as a new appointment is made.
[i] Filipe Silva was appointed Vice-Chairman and CEO by the Board of Directors with effects as of 1 January 2023, following the resignation of Andy Brown, with effects from 31 December 2022.
[ii] The co-option of the director to complete the term of office 2019-2022 was ratified by the General Meeting on 29 April 2022.
[iii] Cláudia Almeida e Silva was appointed by the General Meeting on 29 April 2022.

18. Distinction to be drawn between executive and non-executive directors and as regards non-executive members, the details of members that may be considered independent or, where applicable, the details of the independent members of the General and Supervisory Board.

The members of the Board of Directors are considered independent, in accordance with the Governance Code of the Portuguese Institute of Corporate Governance ("IPCG Corporate Governance Code"), if they are not associated with any specific interest group within the Company and there is nothing that could affect their impartiality in terms of analysis and decision-making, namely because:

a) they have exercised functions in any of the Company's corporate bodies for more than twelve years, continuously or interspersed;

b) they have been an employee of the Company or a company with which it has been in a controlling or group relationship in the past three years;

c) in the past three years, they have provided services to or established a significant business relationship with the Company or with a company with which it is in a controlling or a group relationship, either directly or as a partner, board member, manager or director of a legal person;

d) they are receiving remuneration paid by the Company or by a company with which it is in a controlling or group relationship, in addition to the remuneration received as a member of the Board of Directors;

e) they are cohabiting with or are married to, related to or next of kin to, up to and including direct third-degree relatives, a member of the Board of Directors or of someone who, directly or indirectly, holds individual qualifying holdings;

f) they are a qualifying shareholder or representative of a qualifying shareholder.

Currently, 14 of the 18 members of the Board of Directors are non-executive directors, which is equivalent to more than half (77.78%) of the total number of directors, which is an appropriate number, particularly given Galp's shareholder structure, the significative capital dispersion and size of the Company and the complexity of the risks involved in the Company's business activity.

The non-executive directors supervise and continually assess the management of the Company, ensuring its capacity for monitoring, supervising, overseeing and appraising the activities of the executive directors.

Board of Directors

Non-executive Directors


Paula Amorim


Miguel Athayde Marques


Marta Amorim


Francisco Teixeira Rêgo


Carlos Pinto


Luís Todo Bom


Jorge Seabra de Freitas


Diogo Tavares


Rui Paulo Gonçalves


Edmar de Almeida


Cristina Fonseca


Adolfo Mesquita Nunes


Javier Cavada Camino


Cláudia Almeida e Silva

Executive Directors


Filipe Silva


Thore Kristiansen


Teresa Abecasis


Georgios Papadimitriou

Given the criteria for determining the independence of the non-executive directors, provided for in IPCG Corporate Governance Code, the Board of Directors includes the following seven independent non-executive directors, based on its self-assessment for the 2022 financial year performed at the meeting held on 10 February 2023:

Independent non-executive directors

Miguel Athayde Marques (Lead Independent Director)
Luís Todo Bom
Edmar de Almeida
Cristina Fonseca
Adolfo Mesquita Nunes
Javier Cavada Camino
Cláudia Almeida e Silva

In view of the Company's governance model, its shareholder structure and its free float, Galp believes that the proportion of independent directors among the non-executive directors (50%) is suitable and is higher than the proportion recommended in the IPCG Corporate Governance Code (1/3).

At the Board of Directors' meetings, and as provided for in its Regulations, the non-executive members promote and participate in establishing the Company's strategy, its major policies, its corporate structure and decisions that are deemed strategic due to their amount or risk, as well as in assessing whether these are followed.

At its meeting of 12 April 2019, the Board of Directors decided to assign to two non-executive directors – Carlos Pinto and Edmar de Almeida – the special responsibility of monitoring the evolution of the markets in Angola and Brazil, respectively, to ensure a detailed strategic analysis of these two key markets for the Company. On the same date, the independent non-executive directors appointed Miguel Athayde Marques as Lead Independent Director, for the purpose of, inter alia: (I) acting, whenever necessary, as an intermediary between the Chair of the Board of Directors and the remaining members; and (II) ensuring that they have all the necessary means and conditions for the performance of their duties.

At the co-option resolution of the Board of Directors on 17 December 2021, it was decided to assign to Javier Cavada Camino the special responsibility of following energy transition matters in Galp´s context.

19. Professional qualifications and other relevant information about each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.

As described in the chart below, the members of the Board of Directors have a range of skills, academic backgrounds and professional experience that are appropriate for the activities carried out by Galp and for the strategy established for the coming years.

This shows the diversity within the Board of Directors, which is in line with the Diversity Policy for the management and supervisory bodies approved by the Board of Directors on 15 December 2017, and which has an impact on the appointments made after this date, namely at the elective General Meeting of 12 April 2019. This policy is available on Galp's website at:
https://www.galp.com/corp/Portals/0/Recursos/Governo-Societario/SharedResources/Documentos/EN/Diversity_policy_for_the_board_of_directors_and_audit_board_-_Versao_publicada_-_EN.pdf

The Diversity Policy for the management and supervisory bodies is committed to endeavouring, in accordance with the powers of each body, to foster diversity on the Board of Directors and Audit Board, particularly with regard to the following criteria: age, gender, geographical origin, educational training and professional experience.

Galp recognises the benefits of diversity on its management and supervisory bodies in order to ensure a more balanced composition, improve the performance of its members, enhance the quality of decision-making and control processes, avoid the group-thinking effect and contribute to the sustainable development of the Company, while requiring that each member has the individual characteristics necessary for holding the position in question.

Apart from the diversity of skills, the variety of academic backgrounds and professional experience, the Board of Directors is suitably diverse in terms of the origin, age and gender of its members. Currently, the Board of Directors includes members from six nationalities, including countries where Galp operates and members with management experience in the various energy sectors. The co-option of Javier Cavada Camino and Georgios Papadimitriou in 2021 and 2022, respectively, continued this geographic trend, being from Spain and Greece, respectively. At the current date, the percentage of women on the Board of Directors is 27.78%, which is higher than the minimum percentage established by law. The Board of Directors' members range in age from 35 to 77.

In order to ensure adequate knowledge and monitoring by the non-executive directors of the activities carried on by the business units, periodic knowledge sessions have been in place since 2018.

In this context, in 2022, the Board of Directors participated in several workshops on projects developed by the business units, including but not exclusively in the field of renewable energy.

The biographies of each member of the Board of Directors in office and their positions in other companies have been included in the Appendices to this report. The figure below shows the matrix of competences of each member of the Board of Directors currently in office.

Skills matrix of the members of the Board of Directors

		Education				Main area of expertise										Operational experience										Other
		Engineering	Economics / Finance	Business Administration and Management (including Risk Management)	Law	Academy	Energy	Financial Services	Paper & Textile	Real Estate / Hospitality	Capital Market	Public Offices	IT / Telecommunications	Climate Changes	Retail	Chairman	CEO	CFO	International	Finance	Investor Relations	Marketing	Procurement/ Asset Management	Legal	NGO
Paula Amorim (Chairman)	NE			●			●		●	●					●	●	●		●		●				
Miguel Athayde Marques (Vice-Chairman and Lead Independent Director)	NE		●	●		●	●	●			●				●	●	●		●	●	●	●			●
Filipe Silva (CEO & CFO)	E		●	●			●	●			●						●	●	●	●	●				●
Thore E. Kristiansen	E	●		●			●									●	●		●	●	●	●	●		●
Teresa Abecasis	E		●	●			●								●				●						
Georgios Papadimitriou	E		●	●			●							●			●		●				●		
Marta Amorim	NE			●				●	●	●						●			●	●			●		
Francisco Teixeira Rêgo	NE	●		●			●		●	●							●		●		●		●		
Carlos Pinto	NE				●	●	●							●				●	●					●	
Luís Todo Bom	NE	●		●			●	●	●	●		●	●			●	●		●						●
Jorge Seabra de Freitas	NE		●	●					●								●		●	●	●				
Rui Paulo Gonçalves	NE			●	●	●	●																	●	
Diogo Tavares	NE	●		●			●	●	●			●			●				●	●					
Edmar de Almeida	NE		●	●		●	●							●					●						●
Cristina Fonseca	NE	●											●						●						
Adolfo Mesquita Nunes	NE				●	●	●			●		●												●	
Javier Cavada Camino	NE	●	●	●		●	●							●		●	●		●						
Cláudia Almeida e Silva	NE														●		●		●	●		●			

NE - Non-executive

E - Executive

20. Customary and meaningful family, professional and business relationships of the members of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, with shareholders that have a qualifying holding of more than 5% of the voting rights.

Relationships of the members of the Board of Directors with shareholders that have a qualifying holding of more 5% of the voting rights are as follows:

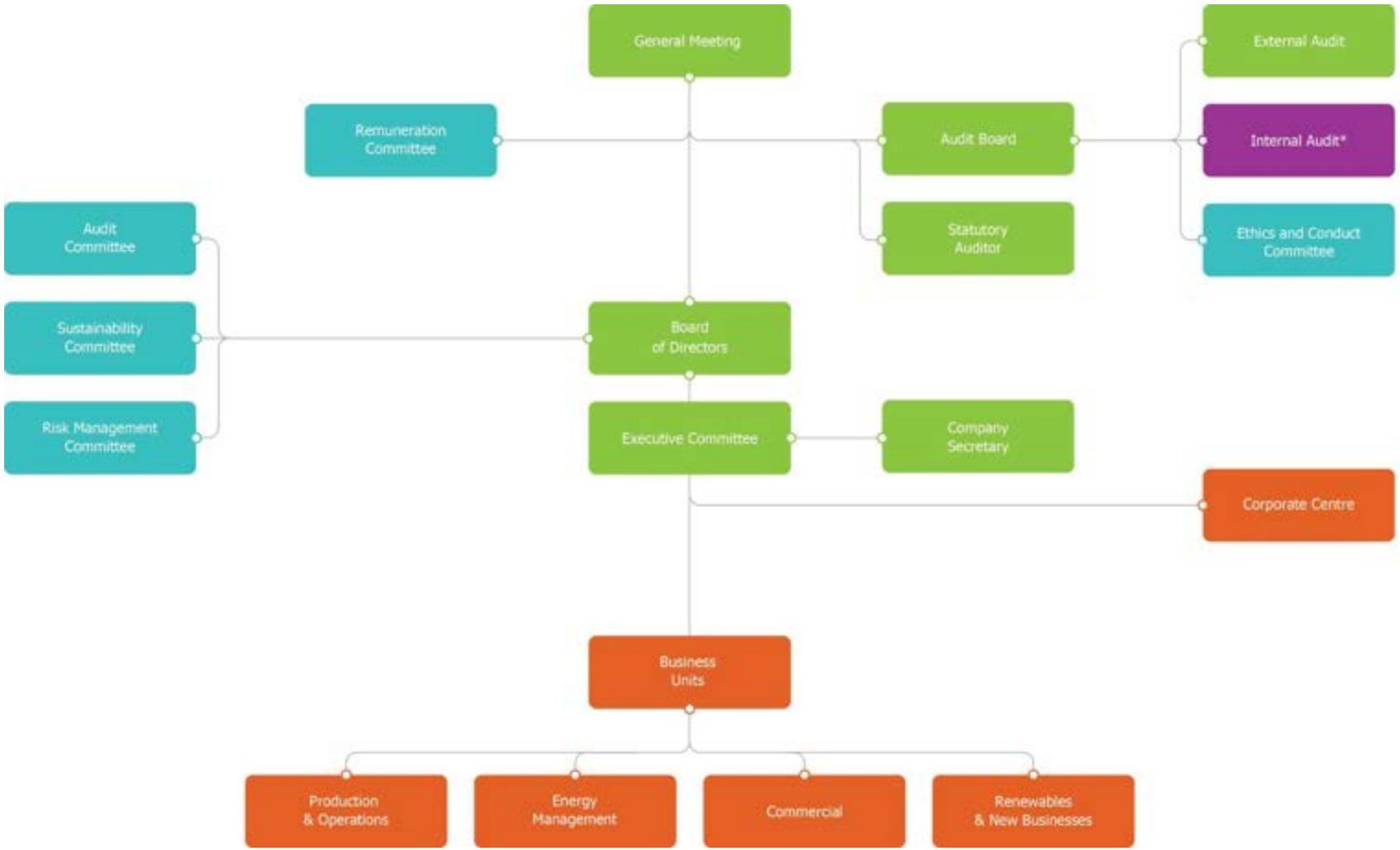
Director	Shareholder with qualifying holding	Relationship
Paula Amorim	Amorim Energia	Director
Marta Amorim	Amorim Energia	Director
Francisco Teixeira Rêgo	Amorim Energia	Director
Jorge Seabra	Amorim Energia	Director
Rui Paulo Gonçalves	Amorim Energia	Director

21. Organisational charts or flowcharts showing the allocation of powers between the Company's various corporate bodies, committees and/or departments, including information on delegated powers, particularly in relation to the day-to-day management of the Company.

Galp's current organisational structure is based on four business units and a corporate centre that is coordinated by each of the executive directors, as described in paragraph 29 of this report.

The corporate centre provides various services to the business units and the Group companies, including IT, planning and control, accounting, legal advice, governance and human resources.

The Company's organisational model also provides for the existence of several committees, which are described in paragraphs 27 and 29 of this report.



- Strategy & Sustainability
- Investor Relations
- Communications & Corporate Social Responsability
- Legal
- Corporate Secretary, Compliance & DPO
- People, Organization & Health
- Planning & Performance
- Finance & M&A
- Risk Management & Internal Control
- Procurement & Contracting
- Accounting & Tax
- IT & Digital
- Spaces & Mobility
- Innovation
- External Relations & Regulation
- Safety
- Business Transformation Office
- Data Office

*also reports to Audit Commmittee

b) Functioning

22. Where to find the operating regulations of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.

The operating regulations of the Board of Directors were approved by the Board of Directors at its meeting held on 12 April 2019 and are applicable for the 2019-2022 term, pursuant to Article 16 of the By-laws. These regulations are available on Galp's website at https://www.galp.com/corp/Portals/0/Recursos/0_Governance_2022/regulamento_CA_2022_EN_18022022.pdf

23. Number of meetings held and attendance record of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.

The Board of Directors ordinarily meets in accordance with the schedule of meetings approved at the end of the previous year, and whenever a meeting is convened by the Chair or by any two directors.

The By-laws allow for Board of Directors' meetings to be held by telematic means and postal voting is also allowed.

In 2022, the Board of Directors held nine meetings, two of which through telematic means (videoconference), and approved nine resolutions through votes cast by electronic communications. Minutes were drawn up of all the meetings and resolutions.

The attendance levels of the members of the Board of Directors at the nine meetings held in 2022 (which considers the number of meetings that occurred during the period each of them was in office during 2022) were as follows:

Name	Present	Represented	Absent	Attendance[1]
Paula Amorim	9	0	0	100%
Miguel Athayde Marques	9	0	0	100%
Andy Brown	9	0	0	100%
Filipe Silva	9	0	0	100%
Thore E. Kristiansen	9	0	0	100%
Teresa Abecasis	9	0	0	100%
Georgios Papadimitriou	9	0	0	100%
Marta Amorim	8	1	0	88.89%
Francisco Teixeira Rêgo	9	0	0	100%
Carlos Pinto	8	1	0	88.89%
Luís Todo Bom	9	0	0	100%
Jorge Seabra	9	0	0	100%
Diogo Tavares	9	0	0	100%
Rui Paulo Gonçalves	9	0	0	100%
Edmar de Almeida	9	0	0	100%
Cristina Fonseca[2]	6	3	0	66.67%
Adolfo Mesquita Nunes	8	1	0	88.89%
Javier Cavada Camino	7	2	0	77.78%
Cláudia Almeida e Silva	6	0	0	100%

[1] Not including representation.
[2] Cristina Fonseca was absent on maternity leave between November 2021 and March 2022 and she was duly represented in the meetings held during this period.

24. Details of the corporate bodies charged with appraising the performance of the executive directors.

The Remuneration Committee, elected by the General Meeting in accordance with Article 8 of the By-laws, conducts an annual performance appraisal of the executive directors for setting the respective variable remuneration, which includes a quantitative aspect (on the basis of whether economic, financial and operating targets, as defined annually by the Remuneration Committee), as well as a qualitative aspect (consulting the non-executive directors about the qualitative performance of the executive directors).

Furthermore, the non-executive directors, as part of their oversight role, monitor the performance of the executive directors.

In addition, pursuant to Article 376(1)(c) of the CSC, the General Meeting conduct a general appraisal of the Company's management on an annual basis. This appraisal is expressed through a vote of confidence or no confidence, in each of the directors and may, in case of negative appraisal, lead to the removal of the director concerned.

In addition, the Board of Directors assesses its own performance (including the executive directors) and the performance of its committees on an annual basis, pursuant to Article 16 of the Board of Directors' Regulations. This assessment takes into account whether the Company's strategic plan and budget were followed, its risk management, its internal functioning and the contribution of each member to these objectives, as well as their relationships with the Company's other bodies and committees.

At its meeting held on 10 February 2023, the Board of Directors conducted this performance evaluation, in reference to the year 2022, as in the previous years.

25. Pre-defined criteria for assessing the executive directors' performance.

The performance of the executive directors is assessed according to the fulfilment of certain economic, financial and operational objectives, including environmental sustainability and energy efficiency criteria, as set in the remuneration policy in force at each moment.

The pre-defined criteria for appraising the executive directors' performance in the 2022 financial year, under the terms approved by the Remuneration Committee and submitted to the approval of the General Meeting, are set out in paragraph 69 of this report.

26. Availability of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and the details of any positions held at the same time in other companies within and outside Galp Group, as well as any other relevant activities undertaken by the members of these boards throughout the financial year.

The positions held by the members of the Board of Directors in other companies within and outside Galp Group and any other relevant activities pursued by the members of this body, in the 2022 financial year, are shown in the Appendices to this report.

In general, the members of the Board of Directors show great availability for their duties, as confirmed by their attendance at the meetings of the Board of Directors and the Executive Committee, and by their work at Galp, as verified each year by the Remuneration Committee as part of the qualitative appraisal of the directors' performance.

Compliance with these requirements is evidenced in the Appendices of this report, since the members of the Executive Committee only hold positions in the management bodies of Galp's direct or indirect subsidiaries.

With regard to the non-executive directors with the highest number of positions held in other companies outside Galp Group, these are in compliance with the limits indicated below and holding these positions within the same group – the Amorim or Américo Amorim Group – and do not affect their availability for their positions and for their duties of monitoring, assessing and supervising.

Limits on positions

Under the Board of Directors' Regulations:

(i) members of the Executive Committee may not hold executive positions in issuers of shares listed on a regulated market that are not part of Galp Group; and

(ii) non-executive directors may not hold management positions in more than four issuers of shares listed on a regulated market that are not part of Galp Group.

Absences

Under the By-laws and the Board of Directors' Regulations, a director is considered definitively absent when he/she has not attended any three consecutive or five non-consecutive meetings and the justification for these absences has not been accepted by the Board of Directors.

If any member of the Executive Committee fails to attend more than 20% of the Executive Committee's meetings, the CEO will inform the Board of Directors, conveying to the latter the reasons given for such absences.

The Board of Directors may then replace the Executive Committee member with another director, causing the former to become a non-executive director.

Conflicts of interest

Galp complies with the mechanisms provided for by law, by the By-laws and by regulations for preventing and dealing with any conflicts of interest between the directors and the Company due to the holding of other positions outside Galp Group.

Under Article 398 of the CSC, directors may not:

- engage in any activity in competition with the Company or with a company in a controlling or group relationship with it, on its own behalf or on behalf of a third party, or perform duties in a competing company, or be appointed to it, unless authorised by the General Meeting;

- hold any position under an employment contract entered into with the Company or with a company in a controlling or group relationship with it (the employment contract will be deemed to have been terminated if entered into less than one year before becoming a director or suspended if entered into more than one year earlier).

In accordance with the Board of Directors' Regulations, directors shall promptly inform this Board, specifically the chair, of any facts that may constitute or give rise to a conflict between their own interests and the corporate interests.

The Company has also approved internal regulations which are applicable, among others, to directors and establish that directors who have been identified as having a conflict of interest must refrain from discussing, voting, making decisions, giving opinions on, taking part in or exerting any influence on any decision-making processes directly related to the conflict of interest, without prejudice to providing any necessary information or clarification. These Regulations are available on Galp's website at https://www.galp.com/corp/Portals/0/Recursos/Governance2019/regulamentos/NT-R-023%20-20Management%20of%20Conflicts%20of%20Interest.pdf

In addition, the Board of Directors' Regulations also (i) establish special mechanisms for access to sensitive information applicable to members of the Board of Directors that are in a conflict of interest due to carrying on an activity in competition with Galp authorised by the General Meeting and (ii) provide that its members shall immediately inform their chair of any facts that may constitute or give rise to a conflict between its interests and the Company's interests.

Moreover, in order to protect Galp Group's interests in possible conflicts of interest between the Company and its directors arising from any dealings between them and the Company or companies in a controlling or group relationship with it, the regulatory standard, approved by the Board of Directors with favourable prior opinion of the Audit Board, which governs the procedures to which the Group's related-party transactions are subject, as described in paragraphs 89 and 91 of this report.

In 2022, no authorisations were granted under applicable law to members of the Board of Directors to carry on business with the Company or companies controlled or in a group relationship with the Company.

c) Committees within the Board of Directors or Supervisory Board and Chief Executive Officers

27. Details of the committees created within the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and where to find their operating regulations.

Executive Committee

At the Board of Directors' meeting on 12 April 2019, the Board appointed the Executive Committee, which, further to some changes since then, currently consists of the four directors identified in paragraph 28, and approved the delegation of powers and the Executive Committee's Regulations, which establish the principles and rules for the organisation and operation of the Executive Committee.

In accordance with the By-laws, the Executive Committee has a minimum of 5 and a maximum of 7 directors. Following the resignation of the CEO with effect as from 31 December 2022, the Board of Directors has decided not to appoint any other member to the Executive Committee, given the proximity of the end of the current term of office.

The composition of the Executive Committee is available on Galp's website at https://www.galp.com/corp/en/corporate-governance/governing-model-and-bodies/executive-committee

The Executive Committee's Regulations are available at https://www.galp.com/corp/Portals/0/Recursos/0_Governance_2022/regulamento_CE_2022_EN_18022022.pdf

Sustainability Committee

On 12 April 2019, the Board of Directors established a Sustainability Committee composed of three non-executive directors, with the aim of ensuring the incorporation of sustainability principles into the management of the Group and fostering good industry practices in business and corporate areas.

At present, the Committee is chaired by the Vice-Chair of the Board of Directors and Lead Independent Director, Miguel Athayde Marques. It also has two non-executive directors, Cristina Fonseca (independent) and Diogo Tavares.

The Sustainability Committee's composition is available at https://www.galp.com/corp/en/corporate-governance/governing-model-and-bodies/committees/sustainability-committee

The Sustainability Committee's Regulations are available at https://www.galp.com/corp/Portals/0/Recursos/Governance2019/docs/Regulamento%20Comissao%20Sustentabilidade_E1.pdf

Audit Committee

The Audit Committee was set up at the meeting of 12 April 2019 of the Board of Directors with the aim of assisting the Board in overseeing and monitoring internal auditing activities within the Group.

It comprises three non-executive directors. It is currently chaired by the Chair of the Board of Directors, Paula Amorim. The other two positions are occupied by Luís Todo Bom (independent non-executive director) and Jorge Seabra.The Auditor Committee's composition is available at https://www.galp.com/corp/en/corporate-governance/governing-model-and-bodies/committees/audit-committee

The Auditor Committee's Internal Regulations are available at https://www.galp.com/corp/Portals/0/Recursos/Governance2019/docs/Regulamento_Comissao_Auditoria_052019_EN.pdf

Risk Management Committee

The mission of the Risk Management Committee, set up by the Board of Directors on 12 April 2019, is to support and monitor the development and implementation of Galp's risk management strategy and policy and to provide assistance to the Board of Directors in this respect.

It comprises three non-executive directors of Galp. It is currently chaired by an independent non-executive director, Luís Todo Bom. The other two positions are occupied by Miguel Athayde Marques (Lead Independent Director) and Rui Paulo Gonçalves.

The Risk Management Committee composition is available at https://www.galp.com/corp/en/corporate-governance/governing-model-and-bodies/committees/risk-management-committee

The Regulations of the Risk Management Committee are available at https://www.galp.com/corp/Portals/0/Recursos/Governance2019/docs/Regulamento%20Comissao%20Gestao%20de%20Risco_E1.pdf

Other committees

The Company has also set up specialised committees to address (i) the remuneration and performance appraisal of the members of the corporate bodies and (ii) ethics and conduct matters.

In accordance with the Portuguese law, shareholders have exclusive powers to appoint the directors. In order to avoid any conflicts of interest or agency problems, the Board of Directors did not set up any committee to address the issues related with the appointment of its members or the members of the other corporate bodies (such as the members of the Audit Board), without prejudice to the approval of a diversity policy for the members of the management and supervisory bodies, which includes also personal profile requirements applicable to the proposed members.

Remuneration Committee

The Remuneration Committee comprises three shareholders elected by the General Meeting, as identified in paragraph 67, and is responsible for setting the amount of remuneration owed to the members of Galp's corporate bodies and for conducting the annual performance appraisal of Galp's executive directors.

With regards to the Remuneration Committee's composition, please refer to paragraph 67 of this report.

The Committee's Regulations are available at https://www.galp.com/corp/Portals/0/Recursos/Governo-Societario/SharedResources/Documentos/EN/Regulamento%20Comissao%20de%20Remuneracoes_EN_2019.pdf

Ethics and Conduct Committee

The Ethics and Conduct Committee is appointed by the Audit Board. It comprises three members of proven expertise in ethics and compliance, auditing and human resources. The Chair is proposed by the Chair of the Board of Directors, one member is the person in charge of internal auditing and the other is proposed by the Executive Committee.

The current members of this Committee are: Adolfo Mesquita Nunes (Chair), independent non-executive director, Laura Santos, Head of Internal Audit, and Nuno Moraes Bastos, Company Secretary.

The Committee's composition is available at https://www.galp.com/corp/en/corporate-governance/governing-model-and-bodies/committees/ethics-and-conduct-committee

The Committee's Regulations are available at https://www.galp.com/corp/Portals/0/Recursos/Governance2019/Comiss%C3%B5es/comiss%C3%A3o%20de%20%C3%A9tica%20e%20conduta/Regulations-Ethics%20Conduct%20Committee.pdf

28. Composition of the Executive Committee and/or details of the Chief Executive Officer, where applicable.

Galp's Executive Committee currently comprises the following four directors:

CEO
Filipe Silva (CEO & CFO)
Members
Thore E. Kristiansen (COO)
Teresa Abecasis (COO)
Georgios Papadimitriou (COO)

Note: Filipe Silva was appointed CEO by the Board of Directors with effects from 1 January 2023, following the resignation of Andy Brown, with effects as of 31 December 2022, accumulating temporarily with the position of CFO.

29. Description of the powers of each of the committees and a summary of the activities carried on in the exercise of these powers.

Executive Committee

Powers

The Executive Committee is the corporate body responsible for the day-to-day management of Galp in line with the strategic guidelines defined by the Board of Directors and under the powers delegated to it by the Board, pursuant to Articles 17 and 18 of the By-laws and Article 407(3) and (4) of the CSC.

The delegation of powers to the Executive Committee, approved by the Board of Directors at the meeting held on 12 April 2019, does not include the power to pass resolutions on the following matters:

a) approval of the strategic investments of the Company and of Galp Group, and approval of the relevant funding;

b) approval of the strategic divestments of the Company and of Galp Group;

c) participation, namely through the direct or indirect acquisition of shareholdings, in companies that do not pursue the main operating activities pursued by the companies dominated by the Company (i.e. exploration, production, refination, transport, marketing and distribution of oil and gas, renewable energies, hydrogen and battery value chains);

d) establishment of strategic partnerships within the context of the core operating activities undertaken by Galp Group;

e) approval and modification of the strategic plans of the Company and of Galp Group;

f) approval of Galp Group's annual budget and business plans and their change when exceeding by 20% the value of the relevant item of the budget or by 10% the total amount of the annual budget;

g) carrying out transactions with related entities or with any of the Company's shareholders in excess of a single or aggregate amount of € 20,000,000;

h) choose of the Chairman of the Executive Committee of the Company

i) co-opting directors;

j) request to convene general shareholders meetings of the Company;

k) approval of the management reports and annual accounts of the Company;

l) provision of collateral and personal or real guarantees by the Company;

m) approval of the risk management policy and the internal control system;

n) change of headquarters and capital increases of the Company, under the terms established in the Company's Bylaws;

o) approval of merger, de-merger and transformation projects of the Company;

p) approval of demerger, merger, winding-up of any company controlled by the Company,

q) definition and organization of the corporate structure of the Galp Group;

r) proposal and exercise of the voting right in the election of the boards of directors of the companies controlled by the Company;

s) issue of bonds or other securities by the Company or by the Galp Group;

t) signing of peer agreements or subordinated group agreements by any company controlled by the Company.

Without prejudice to the above-mentioned limits on the delegation of powers, the Executive Committee has a special duty of initiative and to make proposals to the Board of Directors in respect of the matters referred to above.

Specific areas of operation

At the meeting of the Board of Directors held on 12 April 2019, the CEO assigned to the Executive Committee members their functions regarding the business and activities of the Company and the Group companies, under the terms set out in its Regulations.

Subsequently, due to the changes to the composition of the Executive Committee, it was deemed necessary to also change the allocation of functions between the members of the Executive Committee. The current allocation of functions is detailed below and is available on Galp's website at https://www.galp.com/corp/en/corporate-governance/governing-model-and-bodies/executive-committee

Executive Committee functional allocation

	Filipe Silva CEO & CFO		Thore Kristiansen COO Productions & Operations	Teresa Abecasis COO Commercial	Georgios Papadimitriou COO Renewables & New Businesses
Business Units/ Project	Energy Management Matosinhos Future Project		Production & Operations	Commercial	Renewables New Businesses Battery Value Chain Biofuels
Corporate Centre	Strategy & Sustainability Communication & Corporate Social Responsability Safety	Finance & M&A Accounting & Tax Planning & Performance Investor Relations		Spaces & Mobility	Innovation
	Corporate Secretary, Compliance & DPO External Relations & Regulation	IT & Digital Business Transformation Office Data Office			
	People, Organisation & Health Legal	Procurement & Contracting Risk Management & Internal Control Internal Audit*			

*Reports functionally to Audit Board and hierarchically to Audit Committee

Oversight and monitoring

A range of mechanisms has been adopted to ensure efficient and effective monitoring and control of the Executive Committee's activities by the non-executive directors and to facilitate the exercise of the right to information.

In fact, in accordance with the Board of Directors' Regulations, the CEO regularly informs the Chair of the Board of Directors about the agenda of the Executive Committee meetings, the resolutions passed at its meetings and any other matters deemed relevant for the proper use of the powers and responsibilities of the Board of Directors. The Chair of the Board of Directors and any two other non-executive directors may ask the CEO directly for information about the activity of the Executive Committee.

The convening notices and the minutes of the meetings of the Executive Committee are sent by the Company's Secretary to the Chair of the Board of Directors, to the non-executive director specially authorised to attend the Executive Committee's meetings and, when applicable, to the Chair of the Audit Board.

Meetings

In accordance with its Regulations, the Executive Committee meets every two weeks. In 2022, it met twenty two times and approved five resolutions through votes cast by electronic communications. Minutes were drawn up of all the meetings. The attendance at the meetings in 2022 was 100%.

The main activities carried on by the Executive Committee in 2022 within the scope of its responsibilities included, among others:

a) approval of the operations to be carried out by Galp Group's business units and companies;

b) assessment of monthly results;

c) approval of proposals for submission to the Board of Directors on matters pertaining to its powers;

d) approval of significant transactions;

e) assessment of information from the specialist committees, particularly in the areas of risk management, sustainability and EQS.

Sustainability Committee

The main responsibilities of the Sustainability Committee are:

a) to propose commitments, sustainability objectives and targets to the Board of Directors, in line with industry best practices, to identify the resources necessary for implementation and to monitor compliance;

b) to analyse the sustainability context of Galp, especially energy transition, social responsibility, human rights, safety and the environment, in support of the strategy and development of operations in different geographical regions;

c) to monitor and report to the Board of Directors on the performance indicators for the economic, social and environmental areas, including those related to energy transition and social responsibility, consistent with the stipulated policies, commitments, objectives and targets;

d) to monitor the alignment of Galp's strategic plan in order to conclude sustainability commitments and sustainable value generation;

e) to issue appropriate opinions and recommendations.

In 2022, the Sustainability Committee met formally four times, plus two extra informal meetings during June and July, and minutes of the formal meetings were drawn up regarding the following matters:

a) overview of Galp's sustainability roadmap for 2023-2025;

b) analysis of the regulatory context and main ESG trends related to EU Taxonomy, Fit for 55, Task Force on Climate-Related Financial Disclosures (TCFD), COP 27, among others;

c) analysis of Galp's sustainability strategy and reporting context and ESG best practices implemented by the peers, for each of the dimensions of the ESG space;

d) analysis of Galp's sustainability performance, including the results obtained in relevant sustainability indexes and respective performance gaps, namely the Sustainalytics, MSCI, CDP and S&S DJSI;

e) development of a Galp energy transition strategy;

f) analysis of the key findings and improvement plan as a result of the external audit performed to the non-financial information control framework;

g) analysis and debate of the key findings of the water and biodiversity risk assessment;

h) analysis and discussion of Galp's decarbonisation progress against targets;

i) overview of the process for the assessment of physical and transition climate-related risks;

j) discussion of the most relevant COP 27 outcomes and their impact on Galp's activities;

k) context and organisational response level analysis on the disclosure of non-financial information, focusing on the legislation and regulation that defines the forthcoming binding reporting duties and criteria, as well as the information on reporting frameworks to be used voluntarily, with the goal of improving consistency, comparability and reliability on ESG reporting.

At its meeting of 10 February 2023, the Board of Directors was informed of the work done by the Sustainability Committee during 2022.

Audit Committee

The activity of Galp's Audit Committee covers all the organisational units of Galp Group and companies whose management is controlled by Galp in all the geographical areas where the Group operates. It has the following remit:

a) to monitor internal audit activities;

b) to evaluate the operation of Galp Group's internal audit system;

c) to oversee the annual internal audit activity plan and to file periodic reporting on the activities undertaken;

d) to evaluate the results and conclusions obtained from the internal audit activities;

e) to appoint and dismiss the internal audit officer;

f) to issue appropriate opinions and recommendations.

The Audit Committee held four meetings in 2022 and detailed minutes of all the meetings were prepared. The Audit Committee supervised the execution of the annual internal audit activity plan, as well as the periodic reporting of the activity carried out by the Internal Audit Department, including the implementation of internal audit recommendations.

At the Board of Directors' meeting of 10 February 2023, the activity of the Audit Committee during 2022 was reported to the Board of Directors.

Risk Management Committee

The Risk Management Committee's purpose is to advise the Board of Directors on the oversight and monitoring of risk management activities at Galp Group, its main responsibilities being:

a) to monitor compliance with Galp's Risk Management Policy;

b) to monitor Galp's key risks, its level of effective exposure to risk and its potential evolution;

c) to monitor the effectiveness of Galp's key risk mitigation plans;

d) to evaluate the operation of Galp Group's internal control system and risk management;

e) to issue appropriate opinions and recommendations.

The Committee met five times in 2022 and minutes of the meetings were drawn up. The most relevant topics from Galp Group's risk perspective were addressed, namely:

a) *BP 2023-2033 and the Risk Appetite Statement* - the Committee analysed the BP 2023-2033 Risk Profile, including a stress test analysis of Carbon Intensity, and the recommendations on control measures;

b) *Russia Ukraine conflict* - assessed the conclusions of the risk analysis on the short-term impacts of the Russia-Ukraine conflict on Galp's operations, both at the level of each business (namely disruption of supply, price regulation, bankruptcy of counterparties) and at the corporate level (cyber-attacks and physical security);

c) *Country risk* - the Committee appraised and discussed the deep-dive analyses on some of the geographies where Galp operates, assessing the respective macroeconomic and socio-political contexts, in addition to Galp' operational and business aspects;

d) *Operational risk* - discussed the conclusions of the what-if analyses of various critical infrastructures of Galp, in terms of the main concerns raised by the operation of those infrastructures, impacts resulting from any disruption and mitigation measures identified, and monitored their implementation;

e) *Liquidity risk* - the Committee analysed and discussed the conclusions of the liquidity risk analysis;

f) *Hedging strategy* – the Committee monitored the Brent and refining margin hedging strategy approved by the Executive Committee and analysed the evolution of the Market to Market associated with the financial instruments used;

g) *Cyber Resilience Roadmap* – monitored and evaluated compliance with the Cybersecurity Roadmap 2020-2022, including the development of critical initiatives, and assessed the new Cybersecurity roadmap for the period 2023-2024; the Committee also analysed the impact of several internal and external cybersecurity incidents;

h) *Insurance Program* - the Committee assessed the status of the Insurance Program, namely coverage and limits currently in place;

i) *Internal Control System for Financial Reporting ("SCIRF")* - the developments of the SCIRF project were monitored, namely in terms of main indicators of execution and concerns raised in its implementation;

j) *Audit of the Risk Management Process* - debated the main findings of the audit carried out on the risk management process;

k) *Galp Risk Models* – monitored the implementation status of the recommendations proposed by the consultant Roland Berger regarding Galp's Risk Models for evaluation of large investment projects;

l) *Structure of Local Risk Officers (LRO)* – the Committee assessed the proposal for a new multi layered LRO structure;

m) *Main Investments projects* – monitored the main business units' investment projects.

The activity of the Risk Management Committee during 2022 was reported to the Board of Directors at its meeting of 10 February 2023.

Ethics and Conduct Committee

The Ethics and Conduct Committee is the independent and impartial internal forum, defined in its regulations as being responsible for:

a) monitoring the implementation of the Code of Ethics and Conduct and of the internal rules that expressly refer to and develop it;

b) accompanying and clarifying doubts as to the implementation of the Code of Ethics and Conduct and, in exceptional and duly justified cases, to validate exceptions regarding its application;

c) receiving and processing any information provided under the Irregularities Reporting Procedure in force at Galp and Galp Group companies related with alleged irregularities or infringement of the stipulations of the Code of Ethics and Conduct or of those rules that develop it or deal with the topics listed therein, in the fields of accounting, internal accounting controls, auditing, the fight against corruption and banking and financial crime;

d) fostering the training of the personnel in matters of ethics and conduct.

The Audit Board is the governing body responsible for overseeing the proper operation and application of the Code of Ethics and Conduct through the frequent and regular reporting of the Ethics and Conduct Committee.

In 2022, the Ethics and Conduct Committee held eight meetings and detailed minutes of the meetings have been prepared. These meetings dealt in particular with:

- monitoring of the training programme on Ethics and Compliance;
- follow up of the ethics annual plan, which has as main objective to reinforce i) the importance of compliance and respect for Galp's Code of Ethics and Conduct, ii) the existence and functions of the Ethics and Conduct Committee and iii) the communication on the existence of an Ethics helpline available to seek advice or report any breaches of the Code of Ethics and Conduct;
- follow up on alleged breaches of the Code of Ethics and Conduct reported to the Ethics and Conducts Committee.

In 2022, the Ethics and Conduct Committee received 65 reports which were investigated under the Reporting of Irregularities Internal Standard. From the reports received, 38 were related to moral harassment and discrimination in the workplace, 8 to a potential conflict of interests, 2 to safety at the workplace and 7 to misappropriation of assets. On 31 December 2022, 6 out of the 65 communications received led to the adoption of disciplinary measures by the Company, 11 were archived due to the lack of evidence of the facts described, 6 were archived due to evidence of compliance with the established in the Code of Ethics and Conduct, 6 required the adoption of measures by the Company in order to adapt the conduct to the standards established in the Code of Ethics and Conduct and 12 were still in progress.

In 2022, the Ethics and Conduct Committee took part in four meetings of the Audit Board, providing it with a full report.

Each semester, the Ethics and Conduct Committee sends a report to the Audit Board on the communications received, the procedures adopted and the proposed actions or measures, as well as an assessment of the implementation and performance of the Code of Ethics and Conduct.

Remuneration Committee

The Remuneration Committee has powers to determine the amount of remuneration paid to members of Galp's corporate bodies and to carry out an annual performance assessment

of the members of Galp's Board of Directors, in accordance with the mandate granted by the General Meeting.

For further details on the Remuneration Committee, please refer to paragraphs 24, 25 and 66 to 68 of this report.

III. Monitoring

(Audit Board, Audit Committee or General and Supervisory Board)

a) Composition

30. Details of the adopted supervisory body model.

In line with the adopted governance model, the Audit Board is the corporate body in charge of supervising the management of the Company.

Galp's supervision, as an issuer of shares admitted to trading on a regulated market, as regards the certification of the Company's accounts, also includes a Statutory Auditor with the functions provided for in Article 446 of the CSC, and who cannot be a member of the Audit Board, under the terms of Article 413, no. 1, paragraph b) of the CSC.

31. Composition of the Audit Board, the Audit Committee, the General and Supervisory Board or the Financial Affairs Committee, where applicable, stating the minimum and the maximum number of members, the term of office, the number of sitting members, the date of the first appointment and the end date of each member's term of office. The reader may be referred to the paragraph of the report where this information is already included, by virtue of paragraph 17.

The Audit Board consists of three permanent members and one alternate member elected for a four-year term by the General Meeting, which also elects its Chair, together with the members of the remaining corporate bodies.

The following table lists the members of the Audit Board who were elected at the General Meeting on 12 April 2019 for the 2019–2022 term. This information is available on Galp's website.

Name	Position	Date of the first appointment	Term end date
José Pereira Alves	Chair	12 April 2019	31 December 2022
Maria de Fátima Geada	Member	12 April 2019	31 December 2022
Pedro Antunes de Almeida	Member	23 November 2012	31 December 2022
Amável Calhau	Alternate	5 October 2006	31 December 2022

Given the Company's governance model and the support provided by several corporate departments to the Audit Board, in particular, the Risk Management and Internal Control and the Internal Audit Departments, which permanently ensure the identification, management, monitoring and mitigation of the risks to which Galp is subject, and taking into account these risks, Galp considers that the number of members of its Audit Board, which is the standard number adopted by most comparable Portuguese companies, is appropriate for the size and complexity of the Company and sufficient for it to perform its duties efficiently. In addition, the Audit Board may hire the services of experts to assist it.

32. Details of the members of the Audit Board, the Audit Committee, the General and Supervisory Board or the Financial Affairs Committee, where applicable, who are considered to be independent, pursuant to Article 414(5) of the CSC. The reader may be referred to the paragraph of the report where this information is already included, by virtue of paragraph 18.

Under Article 414(5) of the CSC, members of the Audit Board are considered independent if they are not associated with any specific interest group in the Company and are not in any situation that might affect their unbiased analysis or decision-making owing to:

a) being the holder or acting on behalf of a holder of qualifying shareholdings greater than or equal to 2% of the Company's share capital;

b) having been re-elected for more than two terms, consecutive or otherwise.

All the current effective members of the Audit Board are independent under the mentioned criteria.

33. Professional qualifications of each of the members of the Audit Board, the Audit Committee, the General and Supervisory Board or the Financial Affairs Committee, where applicable, and any other relevant work information, reference may be made to the paragraph of the report where this information is already included, by virtue of paragraph 21.

The members of the Audit Board have the appropriate professional skills and qualifications for their positions.

Each member's professional profile is presented in the Appendices to this report.

b) Functioning

34. Where to find the operating regulations of the Audit Board, the Audit Committee, the General and Supervisory Board or the Financial Affairs Committee, where applicable. The reader may be referred to the paragraph of the report where this information is already included, by virtue of paragraph 22.

The operating rules and powers of the Audit Board are defined in its Regulations, which were approved on 2 May 2019 and reviewed on 21 March 2022 are available on Galp's website at https://www.galp.com/corp/Portals/0/Recursos/Governance2019/docs/regulamento_fiscal_maio_2019_EN.PDF.

35. Number of meetings that have been held and attendance report for each member of the Audit Board, the Audit Committee, the General and Supervisory Board or the Financial Affairs Committee, where applicable. The reader may be referred to the paragraph of the report where this information is already included, by virtue of paragraph 23.

Under Article 10(2) of its Regulations, the Audit Board meets at least once every quarter and whenever the Chair convenes it, at his own initiative or at the request of the Chair of the Board of Directors, the CEO or the Statutory Auditor.

In 2022, the Audit Board held fourteen meetings and approved one resolution through vote cast by electronic communications. The attendance of the members of the Audit Board at the meetings held in 2022 was 97.62%. Minutes were drawn up of all the meetings and resolutions.

36. Availability of each member of the Audit Board, the Audit Committee, the General and Supervisory Board or the Financial Affairs Committee, where applicable, indicating any positions held simultaneously at other companies within and outside Galp Group and any other relevant activities carried on by the members of these bodies throughout the financial year, reference may be made to the paragraph of the report where this information is already included, by virtue of paragraph 26.

In general, the members of the Audit Board have a high level of availability for the performance of their duties.

Appendices to this report shows the positions held by the members of the Audit Board at other companies in 2022.

c) Powers and duties

37. Description of the procedures and criteria applicable to the supervisory body for the purpose of hiring additional services from the External Auditor.

In accordance with the legal framework for audit supervision approved by Law No. 148/2015, of 9 September, which transposed Directive 2014/56/EU of the European Parliament and of the Council, of 16 April 2014, the procurement of additional services by Galp or by companies in a controlling or group relationship with Galp from the External Auditor or from any entity in which the latter has a stake or which is part of the same network, requires the prior authorisation of the Audit Board, in accordance with the internal procedures approved by the Audit Board and set down in an internal standard.

This internal standard also establishes the non-audit services that cannot be provided by the External Auditor (prohibited services).

The Audit Board analyses the External Auditor and Statutory Auditor's compliance with independence requirements, the possibility of any services being provided by the External Auditor and Statutory Auditor and their compliance with the legal cap on fees, under the criteria, the selection process, the communication methodology and the inspection procedures in place to ensure the independence of the External Auditor and the Statutory Auditor.

The additional services provided by the External Auditor and Statutory Auditor in 2022 are described in paragraphs 46 and 47 of this report.

38. Other duties of the supervisory bodies and, where applicable, the Financial Affairs Committee.

Under the relevant legal framework, the By-laws and the Audit Board Regulations, this corporate body is responsible for monitoring the Company's activities and supervising the respective management, namely the processes of preparing and disclosing financial information. It has the power to present recommendations or proposals to ensure integrity and compliance with the law and the Company's By-laws.

In terms of specific monitoring competences and powers, the Audit Board:

(i) monitors the operation of the corporate governance system adopted by Galp and its compliance with the law and its By-laws, as well as any legislative and regulatory developments in the area of corporate governance, particularly recommendations and regulations;

(ii) receives notices of irregularities through the Ethics and Conduct Committee;

(iii) monitors, assesses and gives its view, within the powers conferred on the Audit Board, on the strategic lines and risk policy prior to their final approval by the Board of Directors;

(iv) issues an opinion on the work plans and resources allocated to internal control services, including risk management, compliance and audit.

Regarding the Audit Board's powers to oversee the audit of the Company's accounts, it is noted that under the terms of Article 8 of the Audit Board's Regulations, the Audit Board shall, specifically, verify the accuracy of the accounts and the accounting principles and valuation criteria adopted by the Company for the correct determination of its assets and results. In addition to other powers provided for by law and its Regulations, the Audit Board also issues an opinion on the annual report and the accounts.

Specifically, during 2022, the Audit Board monitored the functioning of the corporate governance system and its compliance with legal rules, regulations and By-laws, as well as legislative and regulatory developments in the area of corporate governance, having been present at all Board of Directors meetings in 2022.

Regarding risk management, the Audit Board is responsible for verifying the effectiveness of the risk management, internal control and internal audit systems, including all aspects related to the process of preparing and disclosing financial information and proposing any necessary amendments. Additionally, the Audit Board is also responsible for supervising the adoption by the Company of the principles and policies for identifying the main financial and operational risks involved in the Company's activity, in addition to the duties of supervising the actions aimed at controlling, monitoring and disclosing these risks.

In accordance with Audit Board's Regulations, the assessment and opinion on Galp's strategic guidelines and risk management policy is carried out by the Audit Board before its final approval by the Board of Directors. In 2022, the assessment by the Audit Board was held positively at the meeting held on 14 December, prior to the Board of Directors' meeting approving the statement of risk appetite, objectives and risk levels underlying the Budget and Plan 2023-2027/33 held on 16 December 2022.

In addition to other powers conferred by the law and the Regulations of the Audit Board, in its relations with other corporate bodies, the Audit Board has the power to:

(i) select and propose the Statutory Auditor to the General Meeting and propose his/her remuneration;

(ii) verify and monitor the Statutory Auditor's independence and verify the appropriateness and approval of any non-audit services;

(iii) hold regular meetings with the Statutory Auditor/External Auditor and appraise its work each year. It is the main intermediary with the Statutory Auditor/External Auditor and is the body which receives its reports;

(iv) propose the dismissal or termination of the service agreement with the Statutory Auditor to the General Meeting whenever there is just cause.

Under the Audit Board's Regulations, it is also responsible for ensuring that suitable conditions are established within the Company for the provision of the Statutory Auditor's services.

Each year, the Audit Board prepares a report on its supervisory activities.

The members of the Audit Board have access to the information that is strictly necessary for the performance of their duties and, in compliance with the applicable legal limits, particularly through access

to documents or the provision of information or clarification from employees of the Company, for appraising the performance, status and prospects of the Company and its development – including, in particular, the minutes, the supporting documents for decisions that have been made, the convening notices and the archives of the meetings of the Executive Committee and Board of Directors. It may also have access to any other documents or persons from whom clarification may be requested.

It can also engage experts who can assist its members in their assigned roles.

Under the Audit Board's Regulations, its members shall promptly inform its Chair of any facts that may constitute or give rise to a conflict between their own interests and the Company's interests.

In addition, on 26 October 2018, the Company approved internal regulations applicable to the members of the Audit Board, among others, which establish that any members in a conflict of interest must refrain from discussing, voting, making decisions, giving opinions, taking part in or exerting any influence over any decision-making process directly related to the conflict of interest, except to provide any necessary information or clarification.

IV. Statutory Auditor

39. Details of the Statutory Auditor and the Partner who represents it.

The General Meeting of 12 April 2019, at the recommendation of the Audit Board, approved the appointment, for the four-year term 2019-2022, of:

Ernst & Young Audit & Associados, SROC, S.A., registered with the *Ordem dos Revisores Oficiais de Contas* ("OROC") under No. 178 and registered with the CMVM under No. 20161480, represented by Rui Abel Serra Martins, registered with the OROC under No. 1119, for the position of Statutory Auditor, and Manuel Ladeiro de Carvalho Coelho da Mota, registered with the OROC under No. 1410, for the position of Alternate Statutory Auditor.

40. Indication of the number of years that the Statutory Auditor has consecutively carried out duties with the Company.

Galp's Statutory Auditor has held the position since 12 April 2019, consequently, for about 4 consecutive years.

41. Description of other services provided to the Company by the Statutory Auditor.

The other services provided to the Company by the Statutory Auditor are described in paragraphs 46 and 47 of this report.

V. External Auditor

42. Details of the External Auditor appointed under Article 8 and of the Partner who represents the External Auditor in carrying out these duties and their CMVM registration numbers.

On 31 December 2022, Galp Group's External Auditor was Ernst & Young Audit & Associados, SROC, S.A., registered at the CMVM under No. 20161480, represented by the firm's partner Rui Abel Serra Martins, registered with the OROC under No. 1119.

43. Number of consecutive years that the External Auditor and the Partner who represents the firm has carried out these duties at the Company and/or at the Group.

The current External Auditor and the partner who represents the firm began their work at Galp on 1 January 2019, consequently, for about 4 consecutive years.

44. Rotation policy and intervals for the External Auditor and the Partner who represents the firm in carrying out such duties.

The External Auditor rotation policy provides for the selection of the External Auditor and the partner of the Statutory Auditing Firm in question by the Audit Board at the limit up to the maximum period provided for by law through a prior consultation process with the main internationally renowned auditing firms.

As established in the Audit Board's Regulations, Galp's Statutory Auditor should be selected on the basis of a commercial assessment (overall price of the proposals) and technical appraisal based on the following criteria:

a) knowledge of Galp Group's businesses;

b) experience as an auditor/statutory auditor in companies listed in national and international markets;

c) methodological approach to the audit process of the accounts applicable to Galp;

d) job planning/assignment of personnel/communication with Galp (Audit Board, Accounting and Internal Audit);

e) curriculum vitae of those in charge and of the audit team assigned directly to the work (experience in Galp Group's business).

The current External Auditor was selected and approved by the Audit Board after a tender process held in accordance with the statutory rules and internal procedures.

45. Details of the body responsible for appraising the External Auditor and the frequency of such appraisals.

The Audit Board, which is the primary contact point of the External Auditor with the Company and the first recipient of information prepared by the External Auditor, appraises the activity, suitability and independence of the External Auditor each year, conducting a critical appraisal of its reports and any other relevant documentation and information produced by the External Auditor.

Each year in its annual activity report, the Audit Board presents its appraisal of the External Auditor.

The specific role of the Statutory Auditor in the legal audit and examination of accounts includes checking that the remuneration which has been paid to the members of the corporate bodies is in line with the remuneration policy and the Remuneration Committee's resolutions on such matters.

With regard to internal control mechanisms, the Statutory Auditor/External Auditor checks its operations and efficiency on an annual basis and reports any shortcomings and any suggested improvements for internal procedures both to the Audit Board.

46. Details of non-auditing services carried out by the External Auditor for the Company and/or companies in a control relationship with it, together with a statement regarding the internal procedures for approving the engagement of such services and a statement on the reasons for the engagement.

In 2022, the External Auditor and the entities belonging to the same network provided to the Company and the companies with which it has a control relationship the following non-audit services:

- limited review of the accounts of a subsidiary required under a concession contract;
- review of the physical quantities, underground occupancy rates and accounts of the Group's natural gas companies for regulatory purposes;
- review of financial ratios;
- verification of the conformity of the financial information reported in the so- called "Country-by-Country Report" with the audited financial statements;
- validation of the manpower rate applicable to the provision of services;
- review of recharge costs under a secondment agreement;
- validation of the fuel prices list for a public tender;
- issuance of Comfort Letter for update of EMTN Programme Base Prospectus;
- certification of relevant costs for Innovation Fund (European Commission);
- validation of the financial information to calculate the annual gross value added of Sines refinery;
- issuance of reports for Recovery and Resilience Plan (RRP) in connection with applications;
- verification of carbon emissions associated with energy products sold;

- validation of the "annual statement package", as required by DGPEM.

In addition to the non-audit services mentioned above, the External Auditor/ Statutory Auditor provided the following services in 2022, as required by law:

- validation of the natural gas acquisition costs and other costs, as required by the Energy Services Regulatory Authority;
- validation of the "annual statement package", as required by Ecoembes;
- validation of the "annual statement package", as required by SICBIOS-MITERD;
- validation of the "oil products annual statement package" and "LPG annual statement package", as required by CORES.

When engaging services from the External Auditor and Statutory Auditor, sufficient internal procedures are followed to safeguard the independence of the External Auditor and the Statutory Auditor stablished in internal standard, which defines, in accordance with the applicable law, the non-audit services that cannot be provided by the External Auditor and the Statutory Auditor.

47. Details of the annual remuneration paid by the Company and/or legal persons in control or group relationship with the Auditor and other natural or legal persons belonging to the same network, together with a percentage breakdown of the following services (for the purposes of this information, the concept of network is that of European Commission Recommendation No. C (2002) 1873, of 16 May 2002).

In 2022, the remuneration paid to the External Auditor and to other natural or legal persons belonging to the same network was the following:

By the Company		
Account review services	€ 385,250	24.3%
Reliability guarantee services	€ 8,400	0.5%
Tax advisory services	€ 0	0%
Non-account review services	€ 0	0%
By other Group's companies		
Account review services	€ 970,785	61.1%
Reliability guarantee services*	€ 224,409	14.1%
Tax advisory services	€ 0	0%
Non-account review services	€ 0	0%

In 2022, the non-audit services represented 37.01% of the average fees paid to the External Auditor in 2021, 2020 and 2019 for the financial audit services provided to Galp and entities under Galp's control in the same period, below the 70% limit established by Article 4(2) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 (European Audit Regulation).

C. Internal organisation

I. By-laws

48. Rules governing the amendment of the By-laws (Article 29-H(1)(h)).

Resolutions of the General Meeting on any amendments to the By-laws must be approved by a qualified majority of two-thirds of the votes cast (Article 12(4)(b) of the By-laws and Article 386(3) and (4) of the CSC).

II. Communication of irregularities

49. Means and policies for communicating irregularities occurring within the Company.

Galp has several mechanisms for detecting and preventing irregularities, which are regulated by, inter alia, its Internal Control Manual, as well as by its Code of Ethics and Conduct, Anti-corruption Policy and related regulations, Policies on the Prevention of Money Laundering and Terrorist Financing and Prevention of and Reaction to Harassment, and the internal procedure for verifying the integrity of third parties, all published on Galp's website at https://www.galp.com/corp/en/corporate-governance/documentation

Galp has a helpline available to report irregularities ("Open talk"), namely breaches to the Code of Ethics and Conduct and non-compliance with these or other standards. This helpline is managed by the Ethics and Conduct Committee, is confidential and can be anonymous.

The standard Whistleblowing – Ethics Line enables any interested party related to Galp – including employees, members of the

corporate bodies, shareholders, investors, customers, suppliers or business partners – to report to the Audit Board, through communication addressed to the Ethics and Conduct Committee, any knowledge or reasonable suspicion of irregularities, including, specifically within the scope of the above-mentioned mechanisms, breaches of the Code of Ethics and Conduct or of any standards that refer to it or which address the topics referred to therein.

The security of information received about irregularities and related records is ensured by Galp's internal rules, in accordance with the relevant legislation on data protection and information security.

Personal data under the standard Whistleblowing – Ethics Line are processed only in accordance with Article 19 of Law no. 93/2021 of 20 December, the General Data Protection Regulations, Law no. 58/2019 of 8 August and guidelines issued by the Data Protection Authority – Comissão Nacional de Proteção de Dados.

For confidentiality purposes, access to these reporting procedures is only granted to the Audit Board, the Ethics and Conduct Committee members and, on a strictly need-to-know basis, the Executive Committee members and the employees or external consultants specifically appointed to support the work of the Ethics and Conduct Committee.

The procedures and policies mentioned above apply to Galp and to all the companies in which Galp directly or indirectly has management control, in all the geographic regions where Galp Group operates.

Irregularities must be reported to the Ethics and Conduct Committee following the means available, as published on Galp's website at https://www.galp.com/corp/en/corporate-governance/ethics-and-conduct/opentalk.

III. Internal control and risks management

50. Individuals, boards or committees responsible for internal auditing and/or the implementation of internal control systems.

Galp's internal control system is based on the guidelines set out by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and it has adopted the five components of this model:

1. control environment;
2. risk assessment;
3. control activities;
4. information and communication;
5. monitoring activities.

The Internal Control Manual establishes the general principles and requirements of the internal control components, as well as the organisational model in place that shows the integrated and transversal management of internal control within Galp Group. This is defined as the set of processes carried out by the corporate bodies, specialised committees, internal auditor and Galp's employees, aiming to providing reasonable assurance of achieving Galp's objectives in terms of operations, reporting and compliance.

The Internal Audit Department regularly informs and alerts the Audit Committee and the Audit Board, at its regular meetings, about all relevant facts, identifying internal control improvement opportunities and promoting their implementation.

The Internal Audit Department reports hierarchically to the Audit Committee, functionally to the Audit Board and administratively to the Executive Committee, following the reporting lines recommended by the Institute of Internal Auditors (IIA). The Internal Audit Department defines an annual Audit Plan in order to assess Galp's risk management and internal control systems. The annual Audit Plan is validated by the Audit Committee and approved by the Audit Board, which monitors its execution.

The Internal Audit Department is compliant with IIA international standards and is periodically subject to external compliance assessments. Additionally, in accordance with the IIA guidelines, an annual quality review and continuous improvement programme are performed.

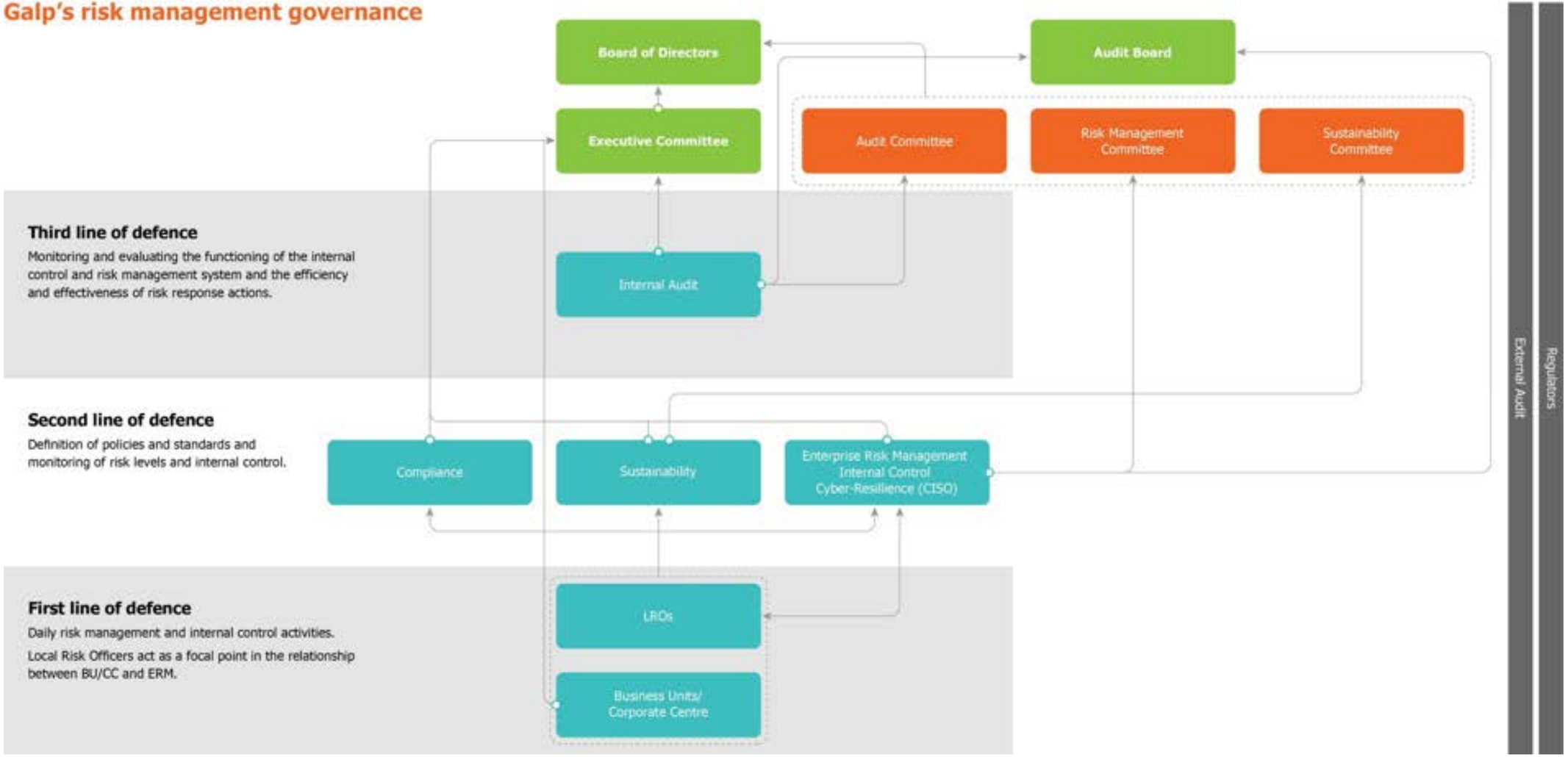
The External Auditor/Statutory Auditor, the corporate areas responsible for carrying out audits of environment, quality, safety, sustainability and for ethical and regulatory compliance and the Audit Board are also responsible for monitoring the effectiveness of the internal control system and assessing its functioning and procedures.

The implementation of internal control activities is the responsibility of the Group's business units' operational areas, corporate functions and Galp Group companies.

51. Explanation, even if by inclusion of an organisational structure, of the hierarchical and/or functional relationships with other corporate bodies or committees of the Company.

The organisational and governance structure for internal control and risk management is based on the three-lines-of-the defence model, as shown in the chart below.

Galp's risk management governance



The three-lines-of-defence approach ensures that:

- the first line of defence is responsible for the daily risk management and internal control activities. Those responsible for organisational unit risks and control functions, and the LRO must carry out their daily duties in line with the business strategy and the internal rules and procedures, including the Company's Risk Management Policy;

- the second line of defence is responsible for defining compliance, risk and internal control standards and for monitoring risk levels and implementation controls;

- the third line of defence oversees, monitors and evaluates the effectiveness of the risk management and internal control processes.

The Board of Directors, assisted by the specialised committees, defines the risk management strategy; approves the Risk Management Policy, the risk appetite underlying the Budget and Business Plan and supervises risk management; and monitors the activities of the Risk Management, Audit and Sustainability Committees and their recommendations.

The Executive Committee ensures the alignment of risk management with the defined strategy and business objectives; promotes a risk management culture and the Company's risk management commitment; establishes and ensures compliance with risk management regulations; defines risk management reporting lines, competencies and responsibilities; and validates the Top Risks, the Key Risk Indicators (KRI) and the treatment plans reported by the Risk Management and Internal Control Department.

The member of the Board of Directors and the Executive Committee responsible for risk management ensures that risk appetite is considered in decision-making, oversees and guides the risk assessment processes and respective response actions across the organisation, ensures that risk management guidelines defined by the Executive Committee are complied with and reflected in the internal risk management regulations and promotes and controls the implementation of risk-related recommendations issued by the Risk Management and Internal Control Department, the Executive Committee, the Board of Directors and the Audit Board.

The Risk Management Committee, made-up of three non-executive directors, is responsible for advising the Board of Directors on the oversight and monitoring Galp's main risks, assessing compliance with tolerance levels and the execution and effectiveness of mitigation actions, assessing Galp Group's internal control and risk management systems, issuing appropriate opinions and recommendations and assessing compliance with Galp's risk management policy.

The Audit Committee, made up of three non-executive directors, is responsible for advising the Board of Directors on the oversight and monitoring of internal audit activities within Galp Group, valuing the respective results and conclusions and issuing appropriate opinions and recommendations.

The Sustainability Committee, constituted by three non-executive members of the Board of Directors, is responsible for supporting the Board of Directors in the integration of sustainability principles, namely energy transition, social responsibility, human rights, safety and the environment (including climate-related topics), in the management process of Galp Group, promoting industry best practices in all its activities.

The Sustainability Committee, supported by the Risk Management Committee, is the board level committee responsible for climate-related risks.

The Audit Board is responsible for monitoring the effectiveness of the risk management, internal control and internal audit systems, as well as annually evaluating the functioning of the internal systems and procedures, thus contributing to the improvement of the internal control environment.

As part of its oversight role, the Audit Board monitors the work plans and resources assigned to the Internal Audit Department and the Compliance division of the Corporate Secretary, Compliance & DPO Department and receives periodic reports from these departments, including the auditing reports and the annual Compliance Plan, as well as information on reporting issues, the identification or settlement of conflicts of interest and the detection of potential illegalities. The Audit Board meets monthly with the Head of Internal Audit and quarterly with the Head of Corporate Secretary, Compliance & DPO Department. It also meets quarterly with the Head of Risk Management and Internal Control Department to discuss the Group's most important risk management issues and receive documentation and results of Risk Management Committee meetings.

The Audit Board also assesses the annual strategic guidelines and the risk management policy established by the Board of Directors.

The relationship model between the governing bodies, committees and areas responsible for implementing the internal control system favours the centralised risk management in the Risk Management and Internal Control Department. This department is responsible, among others, for:

- promoting risk management best practices to ensure a robust risk culture;
- proposing the risk management policy, standards and procedures and respective reviews;
- proposing annually the risk appetite statement to the Board of Directors, ensuring its consistency with the strategic guidelines reflected in the approved business plans;
- defining risk management support tools to be used by the organisational units, including risk measurement models and methodologies, and respective aggregation, keeping them updated in accordance with existing regulations;
- aggregating the organisational units' risks and identifying the Group´s Top Risks classified in the following categories: Strategy, Finance, Operations, Legal & Compliance, Information Technology and People;
- monitoring risk at the corporate level, issuing alerts when it exceeds the limits and tolerances defined for the KRIs;
- producing periodic information, on a quarterly basis, for the Executive Committee, the Risk Management Committee and the Audit Board, on the Top Risks, the evolution of KRIs and the status of the response plans;
- supporting the Executive Committee, the Risk Management Committee and the Audit Board, in risk matters that fall within their respective powers and within the framework of the functioning of these bodies.

Risk owners are responsible for identifying and understanding the risk environment of their organisational units; for carrying out the daily management of risk and opportunities; and for integrating risk information into their decision-making processes, ensuring compliance with risk management policies and procedures. They are also responsible for identifying, evaluating and quantifying the potential value of risk exposure; for defining KRI and proposing limits and tolerance thresholds for monitoring the evolution of the level of exposure to risk; and for defining the risk response measures.

LRO support organisational units in identifying, assessing and qualifying risks in the respective business units, and in defining KRIs and their respective limits and tolerance thresholds. They are also responsible for ensuring an integrated vision and the identification of the organisational units' Top Risks and for monitoring the risk exposure evolution, according to the defined KRI. In addition, they prepare and report information to the Risk Management & Internal Control Department on risk exposure in their organisational units, reporting incidents or imminent risks and ensuring that response measures are defined and implemented.

In order to be able to add distinctive value to the LRO function, allowing a broader set of objectives to be achieved, Galp defined in 2022 a multi-layered LRO structure that brings together LRO with different levels of seniority and positioned at different levels in the Company, carrying out distinct, but complementary activities.

52. Existence of other functional areas with risk control responsibilities.

In addition to those described above, the Sustainability division of the Strategy and Sustainability Department, the Compliance division of the Corporate Secretary, Compliance & DPO Department and the Cyber-Resilience division and the Internal Control division of the Risk Management and Internal Control Department are also involved in risk management and control.

The Sustainability division is responsible for the corporate management of sustainability risks (including those arising from climate change) and for establishing and proposing assessment and monitoring methodologies. These must be implemented together with the business units, thus ensuring the definition of an action plan to mitigate or eliminate these risks.

The Board of Directors, the Executive Committee and the Sustainability Committee are informed on a quarterly basis on Galp carbon performance against targets and are updated on the decarbonisation roadmap status or any key climate change related issues via a specialised report, prepared by the Strategy and Sustainability team, with the support of the Risk Management team, when needed.

Galp recognises the importance of a responsible leadership that integrates key climate and energy transition related challenges into its strategy. Therefore, the climate and energy transition related risks and opportunities – over the short, medium and long term - integrate the Company's strategic formulation process and investment planning. These are overseen by the Board of Directors and the Executive Committee, where the CEO is the designated member responsible for climate strategy.

The Internal Control division is responsible for promoting, coordinating and monitoring the implementation of a formal internal control system within Galp Group, namely for the internal controls of

financial reporting, as well as supervising and monitoring the mechanisms necessary for its effectiveness, and defining and promoting the annual cycle of relevant activities within the scope of the SCIRF, ensuring its internal consistency and coherence, in accordance with the COSO 2013 international reference framework. The identification of financial reporting risks is carried out with the business units, with the implementation of relevant controls to mitigate these risks, from the different levels of responsibility of the organisational structure.

The Compliance division establishes ethical and compliance controls, monitors the internal control system by conducting internal investigations, audits or risk assessments on ethics and compliance issues (such as bribery and corruption, money laundering and terrorist financing, conflicts of interest, political, trade and economic sanctions and other restrictive measures, compliance with financial and market regulations), as well as by carrying out due diligence on the same issues for relevant partners and transactions. Additionally, it provides training to Galp's employees on compliance matters and assesses the ethics and compliance performance in the various organisational units. It also develops special projects with the aim of consistently improving Galp's compliance with ethics and regulations.

The Cyber-Resilience division is responsible for defining and monitoring, through its data security team, policies, procedures and actions related to cybersecurity, in the fields of Information Technology (IT) and Operational Technology (OT) and including the universe of relevant Galp partners and suppliers, also ensuring the immediate disclosure of alerts and promoting a high maturity level of information security, in line with best practices.

Although not being part of the internal organisation, the External Auditor plays an important role in the control structure, analysing the accounting systems and the internal control system to the extent necessary to issue an opinion on the financial statements and making recommendations to the stakeholders, including the Executive Committee, the Board of Directors and the Audit Board.

Like the External Auditor, the regulatory bodies are not part of the organisation but have a significant control role, defining the operating rules and establishing compliance assessment controls, namely in Galp's regulated electricity and natural gas business.

53. Identification and description of the major types of risks (economic, financial and legal) to which the Company is exposed in the pursuit of its activity.

Galp has a Risk Taxonomy that is a dynamic support tool to support risk management, and which systematises Galp's main risks, organised into three levels: nature, risk and risk factor.

The assessment of risk exposure follows both a qualitative and quantitative methodology.

Qualitative analysis is based on the risk score that assesses the criticality of the risk. It is calculated by the multiplying the probability of occurrence by the impact in case of occurrence. The probability is rated on a scale of 1.5 (rare) to 5.5 (very likely), and impact on a scale of 1 (very low) to 5 (very high). The impact is assessed in eight dimensions – financial results, shareholder value, continuity of operations, environment, reputation, quality, people's health and safety, and human capital – according to the effects of risk materialisation.

Top Risks



The quantitative analysis is performed using the Expected Financial Impact (EFI) and allows risks to be prioritised according to their monetary impact. EFI is calculated by multiplying the financial impact of the risk (quantified in NPV or EBITDA) by probability.

The long-term nature of Galp's commercial operations means that many of the risks to which it is exposed may be considered permanent. However, the triggering factors for internal or external risks and opportunities may develop and evolve over time and may vary in probability, impact and detectability.

In addition to the main risks and opportunities inherent to Galp's activity, we identify below the emerging risks, defined as those that (i) currently do not have a significant impact on the Company and that are highly uncertain due to the fact that their evolution is fast and non-linear or both; (ii) or even if they have already started to impact the Company's business, they will continue to have an impact in the long term and may materially influence Galp's business model.

Appropriate mitigation measures are also identified below.

Strategy Risks

Climate Change | Emerging Risk

Inability to respond adequately and in a timely manner to climate change concerns could compromise Galp's long-term sustainability.

Risk factors	Mitigation measures
The increasing focus on climate change and the effects of the energy transition has created a landscape of risks and opportunities that evolves very rapidly in response to various stakeholders' actions. According to the TCFD, climate risks and opportunities should be classified as physical (either acute or chronic) and transitional (related to technological change, regulatory and legal changes, and in the market). The potential impact and likelihood of the effects of climate change on Galp depend on the specific components of the risk: *Physical risks* (sea level rise, tornadoes, drought, heavy rains, floods, water scarcity, rise of average temperature, etc.) may cause damage or interruption and delay of operations of Galp's physical assets, some of which are located in regions subject to such phenomena. *Transition risks* (*market*, *legal and regulatory and technological risks*) may profoundly affect the Oil & Gas sector due to changes in consumer behaviour, reducing demand for Oil & Gas and potentially affecting their prices; to the need for large investments in structural technological changes, namely electrification and hydrogen, to support the transition to a lower-carbon, energy efficient economic system; but also to the potential for anticipating losses in current assets' value, driving the creation of "stranded assets". Additionally, climate activism is gaining momentum, which adds to social unrest stemming from the energy crisis that the world is experiencing, becoming a growing risk for organisations, and forcing changes in their climate strategy or governance and adding to regulatory pressure. With public opinion, governments, investors and customer preferences to favour companies that contribute to a more sustainable economy and with investors and other stakeholders exerting increasing pressure to decarbonise, Galp's positioning is under scrutiny, and inaction or delayed action could have a material impact on its competitiveness, results, financial performance and reputation and ultimately may compromise its long-term sustainability.	Galp addresses climate risk through its strategy to purposefully and profitably accelerate the transition to net zero emissions by reshaping its portfolio (supported by the expansion of its renewable energy footprint, the development of biofuels and green hydrogen, among others), while focusing on the application of new technologies and best practices aimed at leveraging business transformation, adapting operations and increasing energy efficiency. Climate risk management is supported by a Governance structure involving the Board of Directors, the Executive Committee, and the Sustainability and the Risk Management Committees, and by a set of standards and policies related to quality, health, safety, security, environment and social issues. The risks and opportunities arising from climate change are addressed and incorporated into the strategic planning process, considering alternative scenarios and different time horizons. Additionally, conscious of the future potential changes in regulations, consumer and technological patterns and the risks associated with long-term business plans when evaluating new project developments, expansions or upgrades of existing assets, Galp analyses possible greenhouse gas (GHG) emissions along their value chain and considers an internal carbon price in the investment analysis that changes over time. Galp believes that responding to the evolving risk landscape requires a transparent transition report of its current performance, as well as the establishment of long-term ambitions (such as becoming a net-zero emissions Company by 2050), but also medium- term targets by 2030, namely: Reducing absolute GHG emissions from its operations (scope 1 and 2) by 40%; and Reducing carbon intensity (scopes 1,2 and 3) of the produced energy according to production-based approach by 40% and of its sales portfolio by 20% following a downstream sales-based approach. At the same time, Galp is committed to demonstrating resilience in adopting the Disclosure guidance of the TCFD.

Portfolio Performance and Valuation

The execution of Galp's strategy may be affected if the Company is unable to develop, maintain or efficiently manage a high-value portfolio.

Risk factors	Mitigation measures
The sustainability and growth of Galp's businesses depend on the ability to build and maintain a high-value portfolio. Galp is firmly committed to reshaping its portfolio by focusing on opportunities that ensure a portfolio capable of creating long-term sustainable value, taking advantage of the Company's existing competitive advantages, while diversifying and exploring adjacent synergies and opportunities aligned with market trends. A significant part of Galp's investments is focused on low- and no-carbon businesses, aligned with the Company's decarbonisation ambitions, however, achieving a value-driven low-carbon portfolio poses some challenges to Galp, namely the availability of the required expertise, regulatory constraints and technological issues, which may threaten the Company's decarbonisation at the pace the market demands. Maintaining an upstream portfolio of high-quality (low-carbon emissions) cash generation projects could be adversely affected, primarily by external factors, such as geopolitical, fiscal and regulatory risks. Additionally, the still significant weight of the Oil & Gas segment in Galp's portfolio may represent an added challenge for the Company in the face of energy transition and the new demand paradigm. High exposure to Iberia and Brazil, where Galp's main assets and operations are mostly concentrated, may create a risk of dependence on these countries, and vulnerability to political, regulatory or social factors affecting them. Pursuing its strategy, Galp may intend to carry out divestments, but if it fails to do so at acceptable prices or within the necessary time frame, this could result in increased pressure on its cash position and potential impairments. Failure to build a diversified and high-value portfolio could have a material adverse effect on Galp's competitiveness, results, and financial performance.	To ensure the Company´s sustainability and generate sustainable value for its stakeholders in the long term, Galp is committed to diversifying its portfolio towards renewable energies and new businesses, in line with the energy transition, which includes both the diversification of technologies and the move to new geographies, reducing the Company's global risk and providing new sources of value. At the same time, the Company is committed to transforming its established businesses – Industrial & Energy Management and Commercial - to adapt to new demand trends and become more sustainable and less carbon-intensive. For this purpose, Galp continually assesses new business opportunities that are evaluated from a risk-return perspective, through the modelling of critical variable scenarios, including carbon metrics. Additionally, Galp proactively constitutes the teams and defines the adequate governance structure to pursue its strategic options. To assess potential divestments in pursuit of its strategy, Galp continuously monitors market developments to take advantage of the best opportunities.

ESG Regulatory Compliance | Emerging Risk

Failure to comply with industry laws, regulations and ESG disclosure could have adverse effects on Galp's reputation and financial performance.

Risk factors	Mitigation measures
Within the enormous regulatory framework to which Galp is subject, there is a large scope of legislation relating to environmental, social and governance (ESG) issues, which are gaining prominence within the stakeholder community. An increasing number of ESG rating agencies, investor groups or climate initiatives assess companies' ESG performance, demanding commitments and actions and identifying "pain points" and making the assessment publicly available. Also, in terms of ESG, there are new legislative proposals and policy initiatives (e.g., EU Taxonomy, Corporate Sustainability Reporting Directive, Fit for 55) with an impact on Galp's activities. The increasing focus of investors on socio-environmental issues and growing expectations of society for an ethical, collaborative and solidarity-based stance are some inseparable issues of good corporate governance. The growing environmental activism, with the effect it has on stakeholders and society in general, gives more relevance to this agenda. This new paradigm requires increased attention to ESG issues by companies and imposes heightened reporting requirements on their ESG performance. Additionally, non-compliance with ESG requirements can also undermine the project financing, as well as the acquisition of insurance for Galp's operations. Galp either already acts or is preparing to act in accordance with all these standards, laws, and regulations. However, any lack of compliance with ESG laws and standards, or failure to respond to ESG topics may result in regulatory investigations, litigation and, ultimately, sanctions, having adverse effects on the Company's investment case and reputation.	The ESG issue is part of Galp's strategy and, in this context, the Company promotes several concrete and consistent actions in society, in terms of sustainability, governance, human rights, social solidarity, among others, in order to generate positive and lasting impacts. Galp continually assesses the impact of upcoming ESG regulations through its Sustainability teams and the Sustainability Committee, with Board oversight, to anticipate a response strategy to ensure compliance with any new rules and targets. Compliance with Galp Decarbonisation Roadmap framework and its targets are also subject to ongoing scrutiny. Just like it does in regard to compliance with other standards and policies, Galp will now conduct ESG compliance due diligences on its most relevant business partners, service providers and suppliers prior to engaging in transactions with them, in order to ensure that these entities also have adequate and effective policies and procedures on this topic.

Reputation and Image

An erosion of our reputation could have a material adverse effect on Galp's strategy due to greater difficulty in accessing capital and financial markets and attracting clients and employees.

Risk factors	Mitigation measures
Galp's reputation is an invaluable asset. Any incorrect behaviour, irregularity (real or alleged) or lack of compliance with either the regulatory framework that governs Galp's activity in its various businesses, or transversal standards and policies, failures in our corporate governance, or a lack of understanding of how Galp's operations affect neighbouring communities and the environment could damage the Company's reputation. Less appropriate behaviour by the Company, its employees, governing bodies, suppliers/service providers or counterparties may reflect on Galp. It is worth noting that, in the context of climate change and the energy transition, there is an even greater scrutiny of the Oil & Gas sector, and non-compliance with external frameworks, a delay or non-compliance with the Decarbonisation Roadmap communicated by Galp may have a significant impact on its reputation. Any risk associated with ESG dimensions will have unfavourable impacts on Galp's image, on attracting investment, and on the relationship with stakeholders. Many other factors, including those presented under several of the other risks, could negatively affect Galp's reputation and could have a material adverse impact on our results and financial performance.	The Company's corporate culture, embodied in its Corporate Social Responsibility Policy, is guided by high ethical values and social responsibility standards. To ensure compliance with best practices and legislation and to prevent irregular conduct or inappropriate behaviour, Galp has several policies and standards, namely a Code of Ethics and Conduct and a Corruption Prevention Policy, a Human Rights Policy, a Prevention of Money Laundering and Terrorism Financing standard and a Data Protection Policy, supported by a governance structure that involves the Compliance division and well-established reporting lines. Galp constantly monitors the ethical behaviour of its people, ensuring compliance with its values and those policies and standards, and permanently assesses the external environment to understand potential reputational risks. It maintains an ongoing dialogue with its main stakeholders, shareholders and investors, business partners, suppliers and customers to obtain more information about society's expectations of its business. Additionally, Galp has mitigation plans for the various risks that may affect the Company and have a potential impact on its reputation.

Economic Context

Galp's ability to respond adequately and in time to changes in the market is crucial for ensuring good financial performance and achieve strategic goals.

Risk factors	Mitigation measures
The Oil & Gas sector is particularly exposed to the economic context, with supply and demand very constrained by the macro environment, and to that extent, characterised by price volatility and occasional supply disruptions. Factors of diverse nature, ranging from operational, climatic (e.g., natural catastrophes), economic (e.g., periods of economic contraction/expansion), geopolitical (which also includes actions of the major oil and gas producing countries), commercial (e.g., increased competition), legal (e.g., new regulations), influence the dynamics of demand and supply in the Oil & Gas sector and impact on oil and gas prices. Disruptive situations, such as pandemics like COVID-19, growing concerns about climate change favouring lower GHG emissions energies, or political conflicts like the Russia-Ukraine war can exacerbate disruptions in the sector. The disruption of energy trade between Europe and Russia has pushed global gas markets to new highs, pushing up the price of oil and other commodities. In addition, shortages of agricultural commodities for renewable fuels and supply chain challenges for low-carbon technologies have impacted the progress of the energy transition. Galp's competitive position could be harmed if it is unable to respond adequately and in time to any adverse or disruptive situation and its activity and financial performance may be adversely affected.	Galp continually assesses the markets and the inherent economic, political, social, and environmental drivers to anticipate changes that could affect the Company's business model. The portfolio reshaping strategy for renewable energies and new businesses, and the development of internal skills will allow the Company to study, create and implement new and improved technical and technological solutions, enabling it to respond to new market challenges, ensuring a competitive position. Additionally, using scenario modelling, Galp carries out stress tests to evaluate the contribution of business integration and diversification to mitigate these risks, as well as to test the resilience of its strategy. Besides, Galp has a solid capital structure and important competitive advantages, namely a long-standing presence and strong operational experience in the industry and markets where it operates, in addition to being a reference operator in Iberia, factors that give the Company resilience when faced with negative fluctuations in market conditions.

Partnerships

In projects developed in partnership, Galp reduces its degree of control, but maintains exposure to risk.

Risk factors	Mitigation measures
Most of the projects developed by Galp in the various segments – Upstream, Renewables, Biofuels, Li-ion Battery value Chain and other business developments – rely on partnerships with other entities. The operations carried out in partnership allow Galp to take advantage of additional complementary abilities and resources, as well as benefit from adequate risk sharing, but it gives the Group less control over the execution, performance and operating costs of the projects. Additionally, Galp is exposed to the risks associated with partners, including financial, technical, operational, cyber and reputational risks, thus affecting the reliability or feasibility of the project execution, or even going beyond this scope. All these factors could compromise projects execution and may have a material adverse effect on Galp's reputation, results and financial performance and, ultimately, interfere in the execution of Galp's strategy.	For the mitigation of this risk, a rigorous selection of partners is critical. Galp performs a prior partner risk assessment involving various internal teams, namely the Procurement, Risk, Cyber and Compliance divisions, ensuring the selection of companies with high financial, technical and operational capacity, cyber resilience and ESG high standards. In addition, Galp also devotes great attention to the careful drafting of partnership agreements, with mitigation clauses. Moreover, Galp is actively involved in the execution of all its projects, maintaining direct contact with and influence over partners and monitoring their technical, financial, and compliance performance through multidisciplinary teams. In any case, these partners are mostly renowned international companies (as in the Upstream segment, for instance, where Galp is mainly non-operator), or companies that ensure alignment with Galp's standards in quality, social responsibility, health, safety, security and environment (HSSE), cyber and reputational criteria.

Innovation & Technology | Emerging Risk

Failure to identify and integrate technological developments could jeopardise Galp's competitive position.

Risk factors	Mitigation measures
Growing digital transformation constrains companies to restructure business models through business-intelligence and operational models supported by innovative technologies and data analytics to improve speed, enable deeper insights and raise performance management efficiency. The ongoing digital transformation is also visible in the Oil & Gas industry, which is exploring ways to digitise, automate and solve complex industry challenges (either in platforms and refineries associated with traditional businesses, or in energy production projects from renewable energies or other new businesses such as green hydrogen), and also transversal issues (e.g., development of new practices that accelerate the processing times and reduce manual work). Failure to adopt new and innovative technologies will contribute to less effective processes in the definition of strategic objectives, in the analysis and measurement of performance, in the reporting and review of performance, and may impair Galp's ability to make informed decisions and to incorporate lessons learned. There would be an underutilisation of real-time data collection between facilities and geographies if Galp were not able to use the Internet of Things (IoT); Galp would have lack of customer knowledge if it does not use Big Data & Analytics; less predictive and cognitive analytics without Artificial Intelligence (AI); and lower efficiency and higher probability of human-induced errors without Robotics and Automation (R&A). However, these new and innovative disruptive technologies bring increasing risks of cybercrime threats and risks around data privacy that companies have to deal with. The failure to identify and integrate new trends and technological innovations could affect Galp's efficiency and its competitive position, resulting in a material adverse effect on its results and financial performance. Failure to monitor the associated cyberthreat risks could also lead to very adverse effects.	To mitigate this risk, Galp has implemented and promotes, through a governance structure supported by a Data Office and a Business Transformation Office, a new corporate performance management focused on strengthening data analytical capabilities and leveraging business know-how and processes to accelerate business transformation and efficiency. In addition, Galp is committed to accelerating the development of data science skills with a view to capturing value from data and generating business impact and to promoting a culture of data and common literacy across the Company. To mitigate the risks of cybercrime leveraged by new technologies, Galp has been strengthening its Cyber-Security and Cyber-Resilience capabilities, which ensure the Identification, Protection, Detection and Response/Recovery of cyberthreats and risks to the Company.

New Project & Business Evaluation | Emerging Risk

Failure to develop capital-efficient investment strategy in renewable energy and new businesses aligned with energy transition could compromise Galp's sustainable growth.

Risk factors	Mitigation measures
Galp is committed to reshaping its business portfolio, focusing on opportunities in renewable energy (particularly solar PV and wind) and new businesses (e.g., battery value chain, bio-fuels and green hydrogen), in line with the energy transition, which captures synergies with other businesses, maximising value throughout the energy value chain. However, Galp's business diversification strategy may be compromised if the investment options do not meet the defined objectives and/or do not contribute to the fulfilment of Galp's Decarbonisation Roadmap. Some factors such as intense competition and/or competitive disadvantages; failure in the financial capacity to support the aspired portfolio; lack of the necessary skills; incorrect assumptions in the evaluation of the projects; technical/technological issues that hinder their execution; delays in execution that impair time to market; poorly defined market exposure strategy; inadequate contractual wording may affect the profitability of projects and/or compromise their contribution to Galp's portfolio reshaping strategy. If Galp is unable to develop its portfolio of renewable energy and obtain competitive returns in the development of these projects, this could have a material adverse effect on its results and financial performance.	Aiming to ensure a portfolio capable of creating long-term sustainable value, Galp continuously evaluates new investment options and carries out stress tests to assess all business opportunities from a risk/return balancing perspective. After the investment decision, the Company constantly monitors sanctioned projects to make the necessary adjustments. On the other hand, Galp is continuously developing its strengths, namely, the necessary expertise and governance structure that enables it to respond to the new business challenges; a capital structure and financing facilities that allow it to support the new investments; as well as synergies, namely between the Oil & Gas and renewables businesses.

Finance Risks

Price

Galp's assets and results are dependent on various market factors, including the price of oil products, natural gas, LNG, electricity and CO_2, as well as foreign exchange and interest rates.

Risk factors	Mitigation measures
The price of oil, oil products, natural gas, LNG and electricity varies according to supply and demand, both nationally and internationally. Factors such as macroeconomic, geopolitical and technological uncertainties, supply restrictions and operating circumstances may affect supply and demand for Galp's products and production costs. Changes in consumption patterns with greater demand for less carbon-intense solutions, natural disasters, and extreme situations, like the COVID-19 pandemic, may also affect the demand and supply of oil and gas, influencing the prices of these commodities. The Ukraine conflict is likely to have a continued inflationary impact on the costs of raw materials. Oil and Gas prices, in particular, have already soared due to the high dependence on imports from Russia, which supplies around 40% of Europe's gas. The supply and price of Vacuum Gas Oil (VGO), sourced mostly from Russia (c. 50% of world production) has also been affected by the conflict. The price of CO_2 is also determined by fluctuations resulting from the dynamics of supply and demand or by changes in national and international legislation. Exchange rate fluctuations affect the Company´s revenue and therefore the results and the cash flow generated. The value of the Company's assets and financial investments, especially those denominated in U.S. dollars and Brazilian real, is influenced by exchange risk in Galp's consolidated financial statements in euros. Interest rate volatility may affect Galp's financing costs and impact results. Adverse changes in key market parameters may have a material adverse effect on Galp's assets value, results and financial performance.	Galp's presence in the upstream and downstream (Oil & Gas & Power) businesses provides a partial natural hedge. Additionally, Galp maintains a diversified portfolio that mitigates the impact of price volatility and proactively, the resilience of new projects is assessed for a range of price and cost scenarios. Additionally, the risk of volatility in commodities prices is partially mitigated through instruments available on the exchange and over-the-counter (OTC) markets. The management of these risks is set out in a specific risk policy, including hedging strategies and exposure limits, and a Strategic Hedging Programme is annually defined/revised. Interest rate, foreign exchange rate and other financial risks are centrally managed through variable and fixed rate financial instruments and hedging derivatives. The management and mitigation of this risk ensures compliance with the defined risk profile, with periodic reports being drawn up on the evolution of risk factors and hedging strategies.

Liquidity & Insurance Management | Emerging Risk

Tightening conditions for financing and insurance coverage of Oil & Gas projects could compromise the execution of Galp's strategy.

Risk factors	Mitigation measures
To finance its investment plan, in addition to operating cash-flow, Galp uses other sources of external financing, namely bank loans and debt instruments, such as Euro Medium Term Note (EMTN) and Commercial Paper. Faced with growing pressure both on investors to reduce their investments in Oil & Gas companies and on commercial and investment banks to stop financing these companies, which has increased as a result of pressure by environmental activists, Galp could have greater difficulties in obtaining financing, hampering its ability to obtain the necessary funds to implement its strategy. In addition, due to increased macroeconomic uncertainty, there is a greater risk that companies' financial planning will prove ineffective. Moreover, insurers are showing less appetite for the Oil & Gas sector, avoiding quoting the inherent risks. This situation could have a material adverse effect on Galp's financial performance and on its ability to execute its strategy.	Galp addresses this risk through its strategy of accelerating the transition to low-carbon energy that enables it to comply with the requirements of ESG regulations and market demands. By diversifying its financing portfolio and expanding its pool of creditors, Galp has access to a wider range of flexible financing products and structures, ensuring access to sufficient debt and financing sources to meet foreseeable commitments. Galp also believes that it will be able to align its Insurance Programme with its business structure and risk appetite.

Operations Risks

Sourcing and Supply

Increased global supply chain challenges, with potential failures in supply, may have a major impact on Galp's operations and its financial performance.

Risk factors	Mitigation measures
Supply chain crises can be caused by many reasons, including natural disasters, pandemics, wars and energy crises. Following the impact of the Covid-19 pandemic, the Russia-Ukraine war caused a disruption in global supply chains, which triggered a domino effect, from raw material suppliers to transport and logistics. Ukraine and Russia are among the world's leading players in the supply of metals, hydrocarbons, minerals, energy and wheat, so prolonging the conflict could lead to, among others, shortages of raw materials and price increase; labour shortages; impacts on production capacity, with associated delays; demand volatility; constraints on capacity and logistics routes. In addition, there is the risk of an increase in cyber-attacks against global supply chains. With global-scale trade based online, the cascading effects of a cyber-attack on the supply chain could be significant. In particular, in the energy sector, in the face of restrictions on Russian gas imports, European companies have been forced to substitute natural gas with LNG, greatly increasing the demand and its price, which was further increased by unplanned outages at LNG facilities in the United States, Nigeria and Australia that have reduced available volumes. The unavailability of materials, equipment and labour for the execution of Galp's projects may compromise the execution of its strategy according to the planned schedule; the scarcity of LNG on the international markets and the increase in prices may compromise Galp's ability to meet its supply commitments to its clients under the planned conditions. These situations would potentially result in a material adverse effect on Galp’s operations, financial performance and reputation.	To mitigate the impact of the materialisation of this risk, Galp explores and identifies alternative supply sources, not only to find cheaper sources but also to guarantee supply. In addition, in order to minimise supply chain disruptions and ensure on-time and on-budget delivery, Galp defines contractual mechanisms in all supply contracts. Furthermore, Galp is working on reshaping supply chains and outsourcing strategies, anticipating medium- and long-term needs, identifying key raw materials and products, signing contracts with key suppliers, ensuring price predictability, to improve operational resilience.

Hazards & Catastrophic Loss

Galp's main operations are exposed to the risk of major events involving fatalities and/or significant damage to the plant, equipment or the environment.

Risk factors	Mitigation measures
The nature, technical complexity and diversity of Galp's operations – namely in the Upstream or in the Industrial processes – expose the Company to a wide spectrum of disruptive health, safety, security and environmental (HSSE) risks. Both Upstream and Industrial operations are carried out in extremely challenging environments, subject to the effects of natural disasters, criminal actions, social unrest, technical or safety failures. If a major accident materialises, this could result in injuries, loss of life, environmental damage, compromise operational reliability or facilities and disrupt business activities and continuity. Furthermore, even though Galp insures a part of its risk exposure with third-party insurance companies, a large-scale safety or environmental incident would have a high financial impact. This type of event would potentially result in a material adverse effect on Galp's reputation, on the value of the Group's assets, and its financial performance.	Several standards and a clear governance structure are set up to help manage HSSE risks and develop mitigation strategies to reduce the probability and impact of a potential major accident. Galp also provides regular training on these topics to its employees, aiming to raise awareness of the criticality of the topic, aiming to be the safest energy company in the world by 2025. Additionally, Galp continuously assesses, through internal teams and reinsurance experts, the safety performance of its operations, identifying and managing operational risks in the various stages of development of its projects, equipment, and assets, with the aim of preventing accidents, protecting people and preserving operational performance. Also, specific internal and external HSSE audits are regularly carried out. With the right implementation of this mechanisms, and the clear accountability of top management, Galp assumed it wants to be the safest energy company in the world by 2025. Galp has a Business Continuity Management System in place that speeds up the recovery of key activities and the supply of products in case of a major accident. Furthermore, Galp has an insurance programme covering, among others, material damage and civil liability, in order to minimise the impact of risks that may materialise.

Contractualisation and Customer Management

The inability to retain a client portfolio may impact Galp's competitive position and financial performance and jeopardise its sustainable growth.

Risk factors	Mitigation measures
Natural gas is acquired in international markets (namely from Russia, which used to supply around 40% of Europe's gas) and its price is based on international indexes (TTF and PVB for the Portuguese market). Recent ongoing global developments have pushed these indexes to record levels and the prolonged situation has forced energy suppliers to reflect these increases in the prices charged to consumers. To mitigate the increase in the natural gas bill payable by families, the Portuguese regulatory framework was changed, allowing consumers to return to the regulated gas market. In a scenario of uncertainty consumers tend to value more the price component in the acquisition and contracting of commodities, so the migration of customers to the regulated market may assume a significant volume, exposing the entities operating in the sector to situations of mismatch between their costs and revenues. The inability to reflect its real costs in the prices charged to clients or to retain its client portfolio may have a material adverse effect on Galp's competitive position and financial performance, and on its reputation and jeopardize its growth.	Aware of the importance of maintaining a sustainable customer base, Galp intends to ensure long-term customer loyalty by positioning itself as a customer-focused brand. With this goal, Galp defines a strategy based on key competitive advantages, namely an integrated, competitive and differentiated, client driven offer; strong capabilities on digital tools and data analytics; high service quality; and a valuable partnership network, enabling the development of an innovative approach to the customer.

Efficiency and Effectiveness

Failures in the efficiency and effectiveness of operations can jeopardise Galp's competitive positioning and compromise its long-term sustainability.

Risk factors	Mitigation measures
Galp believes that its long-term sustainability depends on its ability to strengthen its position as a global integrated energy Company that develops profitable and sustainable businesses, with the aim of creating value for its stakeholders, ensuring compliance with legal requirements and applicable regulations. The ability to efficiently operate assets and ensure adequate cost management is essential for Galp to reach a high level of productivity, maximising its production and commercial activities, and leverage its competitive performance. Repair and maintenance should be a focus of attention by the Company, as failures at this level can lead to limitations in the use of infrastructure, namely refineries, resulting in lower product quality or reduction/stoppages in production; in operational failures in industrial facilities or units, with impacts on safety, health, and the environment; and an increase in investment costs and expenses. These factors can affect Galp's operational and financial performance, as well as its reputation.	To achieve a high level of operating efficiency that enables it to leverage its competitive performance, Galp has implemented an Integrated Management System, which gathers and unifies management requirements in the areas of Quality, Environment and Energy, allowing it to identify and manage the risks and opportunities involved in the operation throughout the entire life cycle of projects, equipment and assets. Moreover, all the maintenance orders are included in production plan, to minimize loss of efficiency and disruptions. Additionally, and within the scope of Galp's insurance system, it transfers, among others, civil liability, business interruption and environmental liability to the insurance market, in order to mitigate the impact of this risk.

Business Continuity

The failure to react effectively to crisis situations or disruptions may jeopardise the continuity of operations and be damaging to Galp's reputation and shareholder value.

Risk factors	Mitigation measures
The nature, complexity, and diversity of Galp's operations expose the Company to a broad range of disruptive risks with potential impact on the continuity of its business. This risk category includes operating contingencies related to the characteristics of Galp's activities; climate risks, both acute physical risks (natural disasters such as earthquakes, hurricanes and floods) and chronic risks (successive drought and change of precipitation patterns); information system failures; security (civil disorder, war and terrorism); and cybersecurity risks. The risk of pandemics, such as COVID-19, may also adversely affect Galp, due to its broad macroeconomic effects, and due to the increased probability of occurrence of other risks such as cyber risks. These disruptive events may give rise to incidents that disrupt or threaten Galp's critical business processes and may have an impact on human resources, the environment, the value of assets, the revenues and, ultimately, the continuity of Galp's business and the achievement of its mission. Any disruptive business event, even if anticipated, may have unpredictable consequences, and it is, therefore, essential to ensure the ability to recover critical processes, with the necessary efficiency, to minimise negative impacts.	Disruptive risks factors are managed and mitigated, firstly, through the adoption of the best practices in terms of security and business continuity policies, as well as operating rules and procedures. Galp's Business Continuity Management System (BCMS) aims to enhance the Company's resilience in case of disruptions or crisis situations, facilitating the recovery of critical activities, and ensuring that the supply of products and services is restored to a minimum level within a pre-defined period of time after any disruption, minimising its effects. The framework of BCMS applied across the Group, comprises a Business Continuity Policy, a Business Continuity Management Standard and a Crisis Management Response Structure. Within the BCMS there are 19 Business Continuity Plans, including the Crisis Management Plan, the Crisis Communication Plan, the Technology Recovery Plan, and the Critical Supplies Business Continuity Plan, covering Galp's critical industrial sites in Portugal. The Crisis Management Plan is used to effectively respond to any crisis situation, including cyber-attacks on Galp's information systems (cyber incidents that can paralyze critical business processes) in addition to the Cyber Security Roadmap 2023-2024 (after completion of the one for the period 2020-2022). In 2022 Galp began an in-depth analysis of the assessment performed in 2021of climate-related risks, including acute and chronic physical risks. This assessment aims to further identify the variables with the highest impact on infrastructure and operations, with a view to defining a mitigation plan. Additionally, Galp has a wide range of insurance policies (essentially, civil liability, Business Interruption and environmental liability) that allow mitigating the impact of any major incident.

Project Execution & Management

Galp's organic growth and results are dependent on the execution of its main investment projects.

Risk factors	Mitigation measures
The execution of the projects in which Galp is involved is exposed to a range of risks (market, liquidity, political, legal, regulatory, technical, commercial, climate and others) that may compromise their execution within budget and deadlines, compliance with the defined specifications and their operational reliability; and ultimately the fulfilment of Galp's strategy. Additionally, if the assumptions or information used for the evaluation and sanctioning of projects prove to be wrong, the decisions taken may be incorrect. The execution of the projects also depends on the performance of third parties, including partners, suppliers, service providers and other contracted parties over which Galp has limited control, and which may bring additional risks to the execution of the project, namely financial, compliance and cyber risks. Any event that prevents the execution of the best projects under the best technical and financial conditions could impact the value of Galp's assets and results.	At Galp, a project's final investment decision is based on feasibility studies, carried out by multidisciplinary teams, including an integrated assessment of the main risks that may impact execution and mitigation measures to protect the future execution of the project. The project execution is continuously monitored, enabling the identification of risks that may cause deviations from the initial planning, and the implementation of corrective measures, if needed. Furthermore, as a result of the analysis process carried out by the consortium entities, Galp establishes partnerships with sector-leading companies, with extensive project knowledge and experience, which helps to mitigate the risk of project execution underperformance. Galp develops a careful selection and contracting process for partners, suppliers, service providers and other third parties, which combines operational, cybersecurity, compliance, HSSE and sustainability criteria, thus mitigating the risk of project execution. A significant part of the remaining risk is transferred, through a comprehensive set of insurance policies (essentially regarding property damage, third-party liability and the environment), to insurance companies, mitigating the impact of major accidents/claims.

Legal and Compliance Risks

Legal & Regulations

Legal and regulatory changes may alter the business context in which Galp operates.

Risk factors	Mitigation measures
Galp is subject to a wide range of international laws and standards or those of the various countries in which it operates, whether industry-specific, or transversal (e.g., competition laws, data protection laws, anti-bribery, tax-evasion, and anti-money laundering laws). Part of Galp's activity (namely in the Upstream, Energy Management and Downstream business) is carried out in emerging, or developing economies, with a relatively unstable legal and regulatory framework, which can lead to legislative and regulatory changes that Galp is required to comply with and may alter the business context in which the Company operates. The Company's downstream and renewables activities in Iberia are also subject to political, legislative and regulatory risks, particularly with regard to regulatory and competition laws issues. Legal risks associated with the potential breach of contract by Galp's counterparties within the scope of the various projects and transactions in progress are also transversal to Galp's activities. A change in legal frameworks or any misbehaviour, irregularity (actual or alleged) or lack of compliance with those frameworks by the Company, its employees, governing bodies, suppliers/service providers or counterparties may have a negative impact on Galp's activity, adversely affecting its results, financial performance and reputation.	Galp proactively monitors the international and national legislative framework and the jurisdictions where it operates, ensuring that it is always in compliance with the laws in force in these countries. The risk of the legal and regulatory framework is proactively managed by Galp as part of the investment assessment process. An investment decision is reviewed by multidisciplinary teams within the Company, namely the Legal Department, which also provides active legal advice in the negotiation process, ensuring appropriate management of the actual and potential risks. This risk is continuously, by the same multidisciplinary teams, during the entire operation phase of the assets, in order to assess any changes in law or regulations in the country where the asset is located, and to recurrently evaluate legal and contractual mechanisms that allow avoiding and/or mitigating such risks. Impacts are assessed and decisions are taken to protect Galp and its stakeholders' interests.

Sanctions

Non-compliance with economic and financial sanctions imposed to third parties could have a material adverse impact on Galp's reputation and financial performance.

Risk factors	Mitigation measures
In the current geopolitical context, as international tension escalates, the risk of sanctions is increasing, with economic and financial sanctions constituting mechanisms chosen by supranational institutions and governments to pressure, influence and punish countries, people or companies. In the context of the Russia-Ukraine conflict, the European Union, the United States and other countries have instituted sanctions against Russia, targeting Russian individuals, companies and leaders. The economic and financial sanctions were joined by some private companies that limited or cancelled their operations in or with Russian counterparts. These sanctions create a relevant regulatory risk for companies, as they may be punished for transacting directly or indirectly with sanctioned entities. On the other hand, from a reputational perspective, the greater public scrutiny of relationships with persons, companies and countries subject to sanctions increases the reputational risk associated with non-compliance. Additionally, from an operational perspective, the tightening of sanctions may also have a negative effect on companies operating globally by imposing restrictions on the operations they may have in sanctioned geographies or with sanctioned companies. Non-compliance with sanctions imposed by supranational or governmental entities would constitute a high risk with negative impact on Galp's reputation and financial performance.	Galp respects the sanctioning decisions imposed by national or supra-national entities against third parties. In the context of the Russia-Ukraine conflict, the Company has adhered to the sanctions imposed by the EU against Russia, and was the first Oil & Gas company to decide to suspend all new purchases of oil products, both from Russian companies and companies based in Russia. In addition, in the ship and aircraft supply business, it has strengthened its Compliance programme, including a number of additional requirements, namely submission of integrity checks and exclusive payment in euros. Prior to establishing of any relationship, Galp verifies all information about third parties and their shareholders, including any relationships with sanctioned third parties. Furthermore, it has included in all service subcontracting contracts a compliance clause that provides for termination if the contractual relationship or its execution is deemed to violate the economic and financial sanctions regime.

Information Technology Risks

Cyber security | Emerging Risk

Guaranteeing Galp's cyber and digital resilience is essential, given that a potential breach of digital security or failure of digital infrastructure may impair the availability of our services and operations, increase costs and impact Galp's reputation.

Risk factors	Mitigation measures
Most of Galp's processes rely heavily on digital systems and data. Any breach in the security of those systems, whether accidental (due to network, hardware or software failures), or resulting from intentional actions (cybercrime), or negligence (internal or due to service providers), can have extremely negative impacts for Galp, its customers and suppliers. There has been an exponential increase, both in volume and in sophistication, in Cybercrime in recent years, with an emphasis on criminal activities aimed at organisations that exploit weaknesses in their technology, people, and processes, with the objective of stealing sensitive data and/or halting operations to subsequently demand large financial bailouts. The Russia-Ukraine conflict exacerbated this trend, triggering an increase in cyber-attacks on energy infrastructure in several European countries, with serious consequences. Breaches or disruptions of critical digital systems may compromise the normal development of Galp's activities and, if not detected early and responded to effectively, can cause disruptions, or affect the quality of its operations; damage its reputation by the eventual loss, violation, misuse or abuse of personal and/or confidential data; cause loss of life, damage to the environment or to Company assets; and/or result in legal or regulatory non-compliance, with possible fines or any other type of penalties. All of these scenarios can have a material adverse effect on Galp's reputation, results and financial performance.	Galp mitigates this risk through its Cybersecurity and Cyber Resilience Capacities, which ensures the Identification, Protection, Detection and Response/Recovery of cyber threats and risks to the Company (affecting its technology, people and processes), in all Group companies and everywhere it operates. To identify cyber risks, a set of technical and procedural measures has been implemented with the aim of ensuring visibility of possible weaknesses in Galp's digital systems and those of its service providers, as well as their follow-up until mitigation. Regular assessments are carried out, either to simulate external attacks or to validate the adequacy of measures against Galp's policies. A set of Protection and Detection measures and mechanisms, considered appropriate to the type of Galp's cyber threats, has been implemented in order to guarantee the protection of our technology, people and processes, continually adapting and adjusting these measures. Galp assesses the capabilities of its suppliers/partners when carrying out market consultation/contracting, through a Third Party Risk Management mechanism, identifying mitigation measures and monitoring their implementation. In terms of response, Galp, through its CSIRT (Cyber Security Incident Response Team), ensures a 24/7 response capability to cyber incidents, thus ensuring its resilience through coordinating the response to incidents that affect the organisation, and the identification and monitoring of lessons learned, as a way of continuously improving the organisation's cyber security. Galp continues to implement improvements identified during the global and holistic Cybersecurity maturity assessment developed in 2022, and has now reinforced and expanded this roadmap until 2024. The cyber risks affecting Galp's People are also a key concern. In response to the COVID-19 pandemic, several initiatives were launched to raise awareness among employees to the cyber threats that emerged in this context, as well as public alerts to customers and society in general, regarding situations in which cyber criminals tried to take advantage of Galp's reputation for carrying out cyber fraud attempts.

People Risks

Talent Attraction & Retention

Galp's ability to attract, retain and manage talent is fundamental to ensure the achievement of its strategic objectives.

Risk factors	Mitigation measures
Attracting, retaining, and managing skilled talent is becoming a concern for most organisations. Since the emergence of COVID-19, the employment landscape has changed significantly. Many companies that stopped hiring during the peak of the pandemic are now competing to recruit and retain talent. However, high employee turnover rates are causing disruption on organisations, with increased levels of competition to secure talent. On the other hand, with the hybrid model of the post-pandemic, companies are faced with the need to find ways to maintain employee engagement and productivity, avoiding failures in talent management, while trying to ensure the company culture is maintained. Additionally, companies are confronted with growing aspirations of employees for a better work-life balance; for a more transparent and flexible working environment; for better well-being in the workplace; in addition to more competitive benefits packages (salary, flexible benefits, learning experiences, career management, etc.). If Galp is unable to implement an adequate people attraction, retention and performance management process, it may run the risk of losing talent, which could prevent it from properly executing its strategy, impacting results, financial performance and reputation.	Galp has put the well-being topic at the top of the agenda, aiming to ensure employee engagement and productivity, while maintaining the Company's competitiveness as an employer. Aware that remote work blurs the boundary between professional and personal life, Galp is committed to building a culture of holistic well-being, extending its scope beyond physical dimension to also include the emotional, financial, social and career dimensions. Additionally, Galp built up a new performance management model, focused on the development of people and the alignment of their objectives with the Company's goals, carrying out employee satisfaction assessments and defining improvement plans, as well as career monitoring plans. The new strategy, based on a new organisational structure, aims to attract and retain the talent needed to drive the development of Galp's business model.

54. Description of the procedure for the identification, assessment, monitoring, control and management of risks

Galp is an integrated energy operator present in several geographies and is exposed to internal/external factors that bring uncertainty to its performance and the achievement of its strategic objectives.

The Risk Management Policy approved by the Board of Directors establishes objectives, procedures and responsibilities, which enable Galp to ensure a solid risk management structure.

Based on the guidelines established in the Risk Management Policy, Galp identifies, assesses and manages the risks and opportunities inherent to its strategy, including emerging risks and opportunities.

Galp's risk management approach is based on three general macro-activities as shown in the diagram below.



Identify and assess risks:

In its strategic planning process, Galp identifies the key risks and opportunities – classified by nature: strategy, finance, operations, legal and compliance, information technology and people – and incorporates them into its business models to provide a set of future alternative scenarios that ensure the construction of a more resilient portfolio.

Climate-related risks are identified and assessed for all business units and geographies on an annual basis using scenario-based modelling. These have been identified as strategic risks for the Company and are closely evaluated and monitored and their impact in its operations and value at risk is quantified regularly 2021 onwards.

This analysis involved an alignment of Galp's corporate risk and opportunities dictionary with the categories recommended by the TCFD, the definition of a complete scenario framework considering physical and transition scenarios, with sufficient diversification between them and considering a well-bellow 2°C scenario. The main physical and commercial variables were estimated for each scenario, followed by the evaluation of risk parameters by scenario and time horizon. Finally, the expected loss and the climate value at risk were calculated and disaggregated at the level of the different businesses and consolidated at the group level, considering the existing correlation between the different risks, opportunities and geographies.

The analysis is performed on short, medium and long-term time horizons to ensure these risks are captured and assessed on a time scale compatible with the one of climatic evolution and long-term Company strategy.

The identification and assessment of climate risks aims to test the resilience of the Company's strategy to different climate scenarios and integrate the most relevant associated risks in the risk management framework.

The Risk Management Policy establishes Galp's commitment to managing its inherent risk exposure in line with the Company's Risk Appetite, thus ensuring compliance with legislative, regulatory and ethical conduct requirements.

The Board of Directors approves, on an annual basis, a Risk Appetite Statement, which is reviewed each year to incorporate any changes in strategy and context. The definition of the risk appetite provides the performance boundaries around the organisation's strategic objectives and helps leaders to make informed decisions and appropriate trade-offs.

At the Board of Directors' meeting on 16 December 2022, the Board approved the Risk Appetite Statement regarding the risk underlying the 2023-2033 Budget and Business Plan proposed by the Risk Management & Internal Control Department.

Additionally, the Risk Management and Internal Control Department stresses the main risks that can impact the various business models underlying the Budget and Business Plan process and obtaining a holistic view of risk at Galp level.

For the 2023-2033 Budget and Business Plan, the Risk Management and Internal Control Department presented this analysis together with the Risk Appetite Statement to the Executive Committee, the Risk Management Committee, the Board of Directors and the Audit Board.

This activity allows an overview of the portfolio from a risk-return perspective.

Every quarter, the Risk Management and Internal Control Department, based on the impact/probability matrices of the organisational units, reassesses Galp's overall risk matrix and the main mitigation measures and reports them to the Executive Committee, the Risk Management Committee and the Audit Board. This enables awareness of the main risks and opportunities by means of a top-down and bottom-up assessment.

Monitor, control and report risks:

The Risk Management and Internal Control Department, together with the LRO, continuously monitors the risks and reports their progress to the Risk Management Committee on a quarterly basis.

Mitigation actions to such risks are established whenever necessary and, on a monthly basis, the Risk Management and Internal Control Department checks on their implementation; quarterly, reports their status to the Executive Committee, the Risk Management Committee and to the Audit Board.

Galp classifies risks by response categories defined to ensure that risks are within the guidelines issued by the Board of Directors or the Executive Committee in terms of risk limits and tolerances, depending on whether it is decided to avoid, transfer, reduce or accept the risk.

Supervise, audit and review:

Galp's Risk Management Committee and Audit Board oversee the risk management process.

The information reported each quarter by the Risk Management and Internal Control Department to the Risk Management Committee (reassessment of risk matrix and status of mitigation actions) allows this Committee to supervise, audit and realign the risk management process.

The main decisions and activities performed by the Risk Management Committee are reported quarterly to the Audit Board.

The Internal Audit Department conducts an annual audit of the risk management process and makes recommendations whenever it considers that improvements are necessary.

55. Core details of the internal control and risk management systems implemented in the Company for the financial information reporting procedure (Article 29(H)(1)(l)).

Galp has drafted and implemented rules and procedures that are applicable to the control activities for preparing and reporting financial information. It prepares its accounts in compliance with the IFRS accounting standards approved by the European Union. In order to deal with any situations that are either not covered or are insufficiently covered in the IAS/IFRS standards or SIC/IFRIC interpretations, Galp has an accounting manual which follows best market practices and which is applied internally as a complement to IFRS rules.

Recognising the technological dependence of these areas, Galp has characterised the control activities for financial reporting in relation to the use of support technologies (application/information system) and identified the control activities for those technologies.

The documents that disclose financial information to capital markets are prepared by the Investor Relations Department based on the information provided by the Accounting and Tax Department and the Planning and Performance Department. In relation to the half-yearly and annual accounts, the documents are sent to the Board of Directors and the Audit Board for approval before they are disclosed.

During 2022, Galp strengthened its control environment through the implementation of rigorous action plans that significantly increased the number of effective controls in all processes (business and IT) within this scope, thus maintaining its reference position as an entity oriented to preserve the reliability of financial reporting.

In 2018, Galp developed and implemented an information system for monitoring the registration of insiders and people with access to such information (permanent and occasional insiders), including financial information, which meets the requirements arising from the recent European legislative reform in this area (Market Abuse Regulations).

IV Investor assistance

56 Department responsible for investor assistance, composition, functions, the information made available by this department, and its contact details.

The area responsible for supporting investors is the Investor Relations Department.

Composition

Director: Otelo Ruivo.

Team: João G. Pereira, Teresa Toscano, Tommaso Fornaciari and César Teixeira.

Main duties

The Investor Relations Department performs all the duties of the investor support office. This department reports directly to the Chief Financial Officer and its duties are to prepare, manage and coordinate all the activities that are required to achieve Galp's objectives for capital market relations, particularly with shareholders, institutional investors and financial analysts.

The Investor Relations Department is responsible for ensuring that the Company's communications with capital markets result is an integrated and consistent perception of Galp's strategy and operations, thereby providing investors with sufficient and up-to-date information to make informed decisions. To this end, the Investor Relations Department produces and provides relevant, clear and accurate information about Galp to the market and does so in a regular, transparent and timely manner, with a view to information symmetry.

The Investor Relations Department is also responsible for fulfilling statutory reporting obligations to the regulatory and market authorities, which includes drawing up reports disclosing Galp's results and the Group's activities, drafting and disclosing communications on inside information, providing the information requested by investors, financial analysts and other capital market participants, as well as providing support to the Executive Committee in aspects relating to Galp's status as an issuer of shares admitted to trading on a regulated market.

The Investor Relations Department monitors changes in the share prices of Galp and peer companies. It supports the management team by means of direct and regular contact with national and foreign financial analysts and institutional investors, either at conferences and collective presentations aimed at investors or in bilateral meetings.

Disclosed information

Galp's capital market communication policy aims to provide all the relevant information to allow reasoned judgements to be made about the evolution of the Company's activity, its expected and achieved results and the various risks and opportunities that may affect its activity.

With this in mind, Galp fosters transparent and consistent communication based on explanations of the criteria used in the provision of the information and clarification of the reasons for any amendments to it, in order to facilitate the comparison of the information provided in different reporting periods.

Strategy execution

The website provides information on the Company's activities and strategy, including information for capital markets and other stakeholders, including up-to-date information about strategic execution and future expectations.

Corporate governance

The website provides information on the Company's corporate governance, in compliance with the rules in force in the Portuguese market and in accordance with practices adopted by Galp.

Results

The Company discloses its results on a quarterly basis on dates priorly announced and included in its financial calendar.

The information disclosed to the market also includes a summary of the operating information for each quarter - the Trading Update - which is usually issued two weeks before the announcement of the quarterly results.

The quarterly results report and supporting documents are usually released before the market opens on the previously announced date. This is followed by a presentation where the Company management team covers the main points of the reported results and holds a Q&A session. In the following days, other supporting documents are also published, including an editable table of the results and the audio recordings and transcripts of the conference calls.

2022 corporate events calendar

Event	Date
4th Quarter 2021 Trading Update	02-02-2022
4th Quarter 2021 Results and Short-Term Update	21-02-2022
Annual Report & Accounts 2021 (Audited)	29-03-2022
1st Quarter 2022 Trading Update	13-04-2022
Annual General Meeting	29-04-2022
1st Quarter 2022 Results	03-05-2022
2nd Quarter 2022 Trading Update	13-07-2022
2nd Quarter 2022 Results	25-07-2022
3rd Quarter 2022 Trading Update	12-10-2022
3rd Quarter 2022 Results	24-10-2022

2023 corporate events calendar(*)

Event	Date
4th Quarter 2022 Trading Update	30-01-2023
4th Quarter 2022 Results and Outlook	13-02-2023
Annual Report & Accounts 2022 (Audited)	03-04-2023
1st Quarter 2023 Trading Update	17-04-2023
Annual General Meeting	03-05-2023
1st Quarter 2023 Results	05-05-2023
2nd Quarter 2023 Trading Update	17-07-2023
2nd Quarter 2023 Results	31-07-2023
3rd Quarter 2023 Trading Update	16-10-2023
3rd Quarter 2023 Results	30-10-2023

(*) dates subject to change.

Consensus

Galp publishes its quarterly, medium and long-term results as estimated by the analysts who cover the Company's share and discloses a summary of their recommendations on the share price.

Galp shares

The website includes a tab on Galp's share price historical info, comparisons with the evolution of the PSI-20 and peer companies share prices. In addition, this tab of the website contains information about the Company's shareholding structure, including a description of the qualifying holdings and detailed past information about the payment of dividends.

Communication to the market

All the relevant information is disclosed preferably before the opening or after the closing of Euronext Lisbon daily market session, via CMVM's information disclosure system.

In order to facilitate access, the information is also provided, quickly and at no cost, to a non-discriminatory database. It is also sent by e-mail to all investors and other interested parties who have previously requested it.

The database currently includes over 2,200 contacts. The relevant information is disclosed simultaneously on the "Investors" tab of Galp's website at https://www.galp.com/corp/en/investors

Contacts

The Company holds videoconferences to announce its quarterly results and to provide strategy execution updates on the dates the results are released.

Galp fosters a close relationship with the financial community in order to keep it informed, on a regular and consistent basis, of the Company's strategy and its implementation. This is done by the Investor Relations Department and, where appropriate, the management team, proactively and reactively, using various communication channels such as e-mail, telephone and video, among others, as well as holding and participating actively in meetings and conferences with institutional investors and analysts.

In 2022, Galp participated in 15 conferences and 11 roadshows. In total, including ad-hoc meetings and conference calls, the Investor Relations Department participated in more than 175 meetings with institutional investors, covering approximately 180 financial institutions in Europe, North America, Latin America and Asia. Over 30% of these meetings were attended by at least one member of the Executive Committee, underlining the high level of the management team's commitment to communicating the Company's strategy and its implementation to capital markets. Finally, the Investor Relations Department hosts other recurrent interactions with other market agents, such as sell-side analysts, retail investors, regulators and other relevant stakeholders.

The Investor Relations team may be contacted through the email address investor.relations@galp.com and telephone +351 217 240 866.

57. Market liaison officer.

Galp's representative for market relations is Otelo Ruivo, Head of Investor Relations Department.

58. Information on the extent of and deadlines for replying to requests for information received throughout the year or pending from previous years.

In order to foster a close relationship with the capital markets community, the Investor Relations Department replies to information requests received by telephone or email.

Replies and clarification are provided as quickly as possible, but the response time depends on the nature and complexity of the issues in question. The transparency, symmetry and consistency of the available market information must be assured at all times.

V. Website

59. Address(es).

Galp publishes information on its website at https://www.galp.com/corp/en/.

60. Where to find information about the company, its status as an issuer of shares admitted to trading on a regulated market, registered office and other details referred to in Article 171 of the CSC.

The information listed in Article 171 of the CSC can be found on Galp's website at https://www.galp.com/corp/en/footer/contacts.

61. Where to find the By-laws and regulations of the boards and/or committees.

The By-laws of the Company and the regulations of the corporate bodies and committees establish their duties, powers and responsibilities, the chairmanship, the frequency of their meetings, their functioning and the duties of their members. These are available on the Company's website, as follows:

- By-laws: https://www.galp.com/corp/Portals/0/Recursos/Governo-Societario/SharedResources/Documentos/EN/Estatutos_EN_rev%20101220 18_1.pdf
- Board of Directors' Regulations: https://www.galp.com/corp/Portals/0/Recursos/0_Governance_2022/regulamento_CA_2022_EN_18022022.pdf
- Audit Board's Regulations: https://www.galp.com/corp/Portals/0/Recursos/Governance2019/docs/regu lamento_fiscal_maio_2019_EN.PDF
- Executive Committee's Regulations: https://www.galp.com/corp/Portals/0/Recursos/0_Governance_2022/regulamento_CE_2022_EN_18022022.pdf
- Audit Committee's Regulations: https://www.galp.com/corp/Portals/0/Recursos/Governance2019/docs/Regulamento_Comissao_Auditoria_052019_EN.pdf
- Sustainability Committee's Regulations: https://www.galp.com/corp/Portals/0/Recursos/Governance2019/docs/Regulamento%20Comissao%20Sustentabilidade_E1.pdf
- Risk Management Committee's Regulations: https://www.galp.com/corp/Portals/0/Recursos/Governance2019/docs/Regulamento%20Comissao%20Gestao%20de%20Risco_E1.pdf
- Ethics and Conduct Committee Regulations: https://www.galp.com/corp/Portals/0/Recursos/Governance2019/Comiss%C3%B5es/comiss%C3%A3o%20de%20%C3%A9tica%20e%20conduta/Regulations-Ethics%20Conduct%20Committee.pdf
- Remuneration Committee Regulations: https://www.galp.com/corp/Portals/0/Recursos/Governo-Societario/SharedResources/Documentos/EN/Regulamento%20Comissao%20de%20Remuneracoes_EN_2019.pdf

62. Where to find information on the names of members of the corporate bodies, the market liaison officer, the Investor Assistance Office or equivalent structure, their functions and contact details.

The information about the members of the corporate bodies is available on Galp's website at https://www.galp.com/corp/en/corporate-governance/governing-model-bodies

The information about the Investor Relations Department is available on Galp's website at https://www.galp.com/corp/en/investors/investor-support/investor-relations- team

In addition, the number of meetings held in 2022 by the corporate bodies and committees is available on Galp's website under the tab for each corporate body and committee.

63 Where to find the financial statements, which must be accessible for at least five years, and the half- yearly calendar of company events that is published at the beginning of every six-month period, including, among others, meetings of the General Meeting of Shareholders, disclosure of annual, half-yearly and, where applicable, quarterly accounts.

The financial statements are available for at least ten years on Galp's website at https://www.galp.com/corp/en/investors/reports-and-presentations/reports-

The calendar of corporate events is available on Galp's website at https://www.galp.com/corp/en/investors/investor-support/investor-calendar

64 Where to find the notice convening the General Meeting and all the related preparatory and subsequent information.

The notice convening the General Meeting and all the related preparatory and subsequent information are available on Galp's website at https://www.galp.com/corp/en/investors/information-to-shareholders/general-shareholders-meetings

65. Where to find the past resolutions of the meetings of the Company's General Meeting, the percentage of share capital represented and the voting results for the previous three years.

The record of the resolutions passed at the meetings of the General Meeting, the percentage of share capital represented and the voting results since 2007 can all be found on Galp's website at https://www.galp.com/corp/en/investors/information-to-shareholders/general-shareholders-meetings

D. Remuneration

I. Power to set remuneration

66. Details of the power to set the remuneration of the corporate bodies, the members of the Executive Committee or the Chief Executive Officer and the officers of the Company.

The Remuneration Committee is the corporate body responsible for setting the amounts of remuneration payable to the members of Galp's corporate bodies and its Executive Committee, on the basis of the remuneration policy in force, approved by the General Meeting on 29 April 2022. The Remuneration Committee comprises three shareholders elected at the General Meeting who are not members of the Board of Directors or the Audit Board, pursuant to Article 8 of the By-laws, which states that those positions are incompatible.

For the purposes of Article 29-R(3) of the CVM, the only persons who are classified as senior executives of Galp are the members of the Board of Directors and of the Audit Board.

II. Remuneration Committee

67. Composition of the Remuneration Committee, including details of any natural or legal persons that have been recruited to provide services to it and a statement on the independence of each member and advisor.

Galp's current Remuneration Committee was elected for the 2019-2022 term at the General Meeting of 12 April 2019 and has the following members:

- Amorim Energia B.V. (Chair);
- Jorge Armindo Carvalho Teixeira;
- Joaquim Alberto Hierro Lopes.

Joaquim Alberto Hierro Lopes was present at the 2022 Annual General Meeting in order to provide information and clarifications to shareholders on remuneration matters.

The fact that the non-executive directors Paula Amorim, Marta Amorim, Francisco Teixeira Rêgo, Rui Paulo Gonçalves and Jorge Seabra are members of Amorim Energia's Board of Directors does not affect the independence of Amorim Energia as member of the Remuneration Committee, since these members, individually or together, do not have the complete autonomy to make the decisions of the Board of Directors of Amorim Energia.

The Remuneration Committee Regulations set down an obligation for its members to promptly inform that body of any facts that may

constitute or give rise to a conflict of interest between the interests of the member in question and the Company's interests.

In addition, the Company approved internal regulations which are applicable, among others, to the members of the Remuneration Committee and which establish that members who have been identified as being in a conflict of interest must refrain from discussing, voting, making decisions, giving opinions, taking part in or exerting any influence on any decision-making process directly related to this conflict of interest, except for providing any necessary information or clarifications.

In 2022, the Remuneration Committee held three meetings and minutes were drawn up of these meetings.

In 2022, the Remuneration Committee did not engage any consultancy services, despite having that possibility when it considers it necessary, under Article 6 (3) of its Regulations and subject to the applicable conditions.

68. The Remuneration Committee members' knowledge and experience of remuneration policy issues.

The members of the Remuneration Committee are familiar with remuneration policy matters owing to their academic background and extensive corporate experience. They are therefore considered suitable for discussing and deciding on all the matters that fall within the remit of the Remuneration Committee, as evidenced by their biographical data in the Appendices to this report.

Specifically, Remuneration Committee member Jorge Armindo Carvalho Teixeira has a long professional record that includes working in listed companies and holding management positions, including as chair, which has granted him the appropriate knowledge about remuneration issues for corporate bodies in this type of company.

III. Remuneration structure

69. Description of the remuneration policy for the Board of Directors and Audit Board provided for in Article 26-A.

The Remuneration Policy of the corporate bodies was submitted by the Remuneration Committee and approved by the General Meeting on 29 April 2022, outlining the processes for setting and implementing Galp's remuneration policy for 2022, as well as its general objectives and principles, in accordance with Law No. 50/2020, of 25 August, CVM and CMVM Regulation No. 4/2013 – which also takes into account the IPCG Corporate Governance Code. This policy is available on Galp's website at: https://www.galp.com/corp/Portals/0/Recursos/0_Governance_2022/Galp_Remuneration_policy_of_members_of_the_corporate_bodies_2022.pdf

The 2022 Remuneration Policy for executive directors maintains the principles of the 2021 remuneration policy.

Galp is now required under Article 26-E of the CVM to produce specific information on the remuneration structure of the members of the Company´s corporate bodies. Galp approved its first remuneration policy under the terms of Article 26-B of the CVM in 2021 hence remunerations paid in 2022 and herein reported should be analysed in this context.

The remuneration policy, as per article 26-B of the CVM, was approved in the Annual General Meeting of 2022, with a clear majority of 95.99% of the issued votes. Hence, shareholders were generally satisfied with the terms of the remuneration policy. A brief description of Galp's Remuneration Policy in 2022 is provided below.

Board of Directors

Non-executive directors – fixed monthly sum set by the Remuneration Committee in line with standard market practices and paid twelve times a year. This may be different in the case of the Chair of the Board of Directors in recognition of his/ her special duties to represent the Company and in the case of the non-executive directors who have special supervisory and monitoring duties or integrate specialised committees.

The remuneration of the non-executive directors does not include any amounts based on the performance or value of the Company.

Executive directors – the remuneration of the executive directors in 2022 included two components:

Fixed remuneration – monthly amount, paid fourteen times a year, set by the Remuneration Committee, taking into account the nature of the assigned duties and responsibilities and market practices for equivalent positions in comparable domestic and international companies.

Variable remuneration – dependent upon the achievement of certain economic, financial, operational and sustainability goals with a view of creating a competitive remuneration framework and implementing a system of rewards that ensures the alignment of the interest of the

executive management with the interests of the Company and their respective stakeholders, from a long-term economic and financial sustainability perspective and which in turn is divided into:

a) *Annual variable remuneration* – the maximum potential cap represents 50% of the total variable remuneration, with the amount being set in line with the following indicators:

- Cash Flow From Operations (CFFO), weighted at 75%;
- Energy Production Growth, weighted at 10%;
- Total Recordable Injury Rate (TRIR), weighted at 10%;
- Carbon Intensity Index (CII), weighted at 5%.

b) *Three-yearly variable remuneration* – the maximum potential cap represents 50% of the total variable remuneration, with the amount being set in line with the following indicators:

- Cash Flow From Operations (CFFO), weighted at 55%;
- Total Shareholder Return (TSR) Galp vs. Peer Group comprising Total, Repsol, OMV and ENI, together with the PSI 20TR Index and the SXEGR Index – which are considered references in the national and European energy market, respectively – weighted at 25%;
- Return on Average Capital Employed (ROACE), weighted at 20%.

This policy contributes to the achievement of the Company's strategy by defining assessment criteria (indicators defined by the Remuneration Committee) aligned with the Company's strategic goals, as detailed below:

- Cash Flow from Operations (annual and multi-year); Energy Production Growth (annual); ROACE (multi-year); TSR vs. Peer Group (multi-year):

  Indicators' targets based on Business Plan: to scale-up Galp's renewables business, to deliver growth from upstream assets and accelerate the transformation of industrial and commercial activities, both underpinning a balanced capital allocation framework to enhance its portfolio and deliver a competitive shareholder return.

- Carbon Intensity Index (annual); Total Recordable Injury Rate (annual):

  Indicators linked to the Internal Sustainability Strategic Plan and external commitments to accelerate Galp's decarbonisation path and to increase security awareness, ensuring a low risk level and the safety of people, the environment and assets.

The above-mentioned indicators contribute in 65% to the definition of the annual and three-year variable remuneration applicable. The remaining 35% of each of the components of the variable remuneration alluded to the result of qualitative assessment by the Remuneration Committee of the activity performed by the executive directors yearly or during the relevant three-year period, as the case may be, taking into consideration a holistic perspective not only of the results achieved, but also the context in which they were achieved

The amount of annual variable remuneration for each year is determined by the Remuneration Committee in accordance with the achievement of specific previously defined goals, with the maximum potential cap of 60% of the total annual fixed remuneration for each variable remuneration component. This is in line with the generally recognised practice in the Portuguese market and internationally and is considered to represent a reasonable proportion between the variable annual fixed remuneration components.

In addition to the remuneration, benefits and conditions applicable to the other executive directors, the remuneration of the CEO also includes a long-term incentive through the right to Galp shares, attributable after three years, as mentioned in paragraph 73 of this report.

The remuneration structure of the executive directors is as follows:



*Only applicable to the CEO.

Other benefits

The executive directors are entitled to a retirement savings plan or other similar financial product paid by Galp.

Each executive member of the Board of Directors also receives the fringe benefits available at Galp for the corresponding position, in accordance with the Company's terms and conditions, including the use of a vehicle and paid health, life and occupational accident insurances, more fully detailed in the Remuneration Policy.

For executive directors whose permanent residence is outside the area where the Company is based, the Remuneration Committee sets a housing allowance.

In the case of a court ruling against one or more members of the Executive Committee for unlawful action which results or has resulted in a restatement or impairment of the financial statements in terms detrimental to the Company, the Remuneration Committee may ask the Board of Directors to adopt the adequate measures to clawback the variable remuneration paid to the member or members in question that it deems appropriate for the period of the said unlawful action.

Without prejudice to the information contained in paragraph 77 below related to amounts paid to directors as compensation for early termination from office, there were no divergent situations from the rules for implementing the remuneration policy.

Audit Board

The remuneration of the members of the Audit Board consists of a fixed monthly sum paid twelve times a year, with the Chair of the Audit Board receiving higher remuneration by virtue of the special duties performed in that office.

The remuneration of the Audit Board members does not include a variable component.

Statutory Auditor

The Statutory Auditor is remunerated for the review and legal certification of the Company's accounts in the amount established by contract in accordance with market conditions.

Board of the General Meeting

The remuneration of the members of the Board of the General Meeting is a fixed annual sum set by the Remuneration Committee, which is different for the Chair, Vice-Chair and the Secretary. It is based on the Company's financial position and market practices.

70. Information on how remuneration is structured so as to enable the interests of the members of the Board of Directors to be aligned with the Company's long-term objectives, as well as information on how it is based on the performance appraisal and how it discourages excessive risk-taking.

In order to achieve greater alignment between the activities of the directors and the Company's long-term objectives, a policy for establishing multi-annual goals was introduced in 2012, reinforced in 2019 and maintained in 2020, 2021 and 2022.

According to the remuneration policy described in paragraph 69 of this report, the variable remuneration of directors holding executive positions includes both annual and three-year variable components, with the same weighting (each with a maximum potential cap of 60% of the total annual fixed remuneration). This weighting is based on the performance appraisal conducted by the Remuneration Committee using specific, measurable and pre-defined criteria which, together, take into account the Company's sustainability and growth indicators and the wealth that has been created for shareholders in a sustained manner over the short, medium and long term, with a three-year time lag in relation to the year in question in the case of the multi-annual component, under the terms of the 2022 Remuneration Policy described above.

Accordingly, the use of qualitative criteria oriented towards a strategic medium-term perspective in the development of the Company, the three-year period used for setting the multi-annual variable remuneration amount and the existence of a cap on variable remuneration are all key elements in fostering management that is aligned with the medium and long-term interests of the Company and its shareholders.

Executive directors may not enter into contracts, either with the Company or with third parties, which have the effect of mitigating the risk inherent to the variable remuneration set for them by the Company.

In addition, the remuneration of the CEO includes a long-term incentive through the right to Galp shares, attributable after three years.

Taking into consideration the remuneration structure described above, particularly the balance between fixed and variable remuneration, the existence of both annual and three-year variable remuneration and the criteria for determining the variable remuneration, Galp considers that its remuneration mechanism permits an alignment between the interests of the Company and those of its executive directors by incentivising long-term sustainable growth and avoiding short-termism as well as excessive risk taking.

The table hereunder provides the annual change in the remuneration of directors, Company performance and average remuneration of employees during the last five financial years as referred in the Article 26-G(2)(c) of the CVM:

Annual Variation	2018 vs 2017	2019 vs 2018	2020 vs 2021	2021 vs 2020	2022 vs 2021
Executive Directors					
Filipe Silva	1.2%	-0.7%	4.6%	-16.9%	12.1%
Thore E. Kristiansen	1.1%	0.3%	4.1%	-16.2%	15.6%
Teresa Abecasis	-	-	-	-	147.1%
Georgios Papadimitriou[1]	-	-	-	-	-
Non-Executive Directors					
Paula Amorim[2]	-	-	-	-	-
Miguel Athayde Marques	17.8%	15.4%	5.2%	0.0%	0.0%
Marta Amorim	0.0%	10.3%	-9.3%	0.0%	0.0%
Francisco Teixeira Rêgo	-	10.3%	-9.3%	0.0%	0.0%
Jorge Seabra	0.0%	71.9%	16.3%	0.0%	0.0%
Rui Paulo Gonçalves	0.0%	71.9%	16.3%	0.0%	0.0%
Diogo Tavares	0.0%	71.9%	16.3%	0.0%	0.0%
Luís Todo Bom	0.0%	82.2%	17.6%	0.0%	0.0%
Carlos Pinto	-	-	39.0%	0.0%	0.0%
Edmar de Almeida	-	-	39.0%	0.0%	0.0%
Cristina Fonseca[3]	-	-	39.0%	204.0%	-61.2%
Adolfo Mesquita Nunes	-	-	158.9%	-6.0%	0.0%
Javier Cavada Camino	-	-	-	-	2380.0%
Cláudia Almeida e Silva[4]	-	-	-	-	-
Ex-Executive Directors					
Andy Brown	-	-	-	-	47.2%
Carlos Gomes da Silva[5]	3.0%	1.3%	5.0%	120.4%	-99.0%
Carlos Costa Pina[5]	1.2%	-0.7%	4.6%	-16.9%	77.2%
José Carlos Silva[5]	0.9%	-5.3%	6.1%	55.9%	-93.4%
Sofia Tenreiro[5]	-	-	80.2%	34.3%	-40.9%
Susana Quintana-Plaza[5]	-	-	58.3%	32.1%	-42.7%
Company Performance					
Cash Flow from Operations	Not Applicable ("N/A")	+19% YoY	-46% YoY	+73% YoY	2.4% YoY
Energy Production Growth	N/A	+14% YoY	+10% YoY	+2.6% YoY	-2.9% YoY

Annual Variation	2018 vs 2017	2019 vs 2018	2020 vs 2021	2021 vs 2020	2022 vs 2021
Total Recordable Injury Rate	N/A	-39% vs. avg. 5 year	-57% vs. avg. 5 year	-12% vs. avg. 5 year	N/A
Lost Time Injury Frequency Rate	N/A	N/A	N/A	N/A	20.1% vs. avg. 5 year
Carbon Intensity Index	N/A	-0.1% YoY	-0.3% YoY	-1.4% YoY	0.6% YoY
TSR Galp vs. Peer Group	-5,5 p.p	N/A	N/A	-13 p.p.	-10.1 p.p.
3Y CFFO vs. 2018	N/A	N/A	N/A	-17% vs. 3Y CFFO	-33% vs. 3Y CFFO
3Y ROACE vs. 2018	N/A	N/A	N/A	-7 p.p.	-7.28 p.p.
EBITDA RC	+5% vs. Target	N/A	N/A	N/A	N/A
GVA	+224% vs. Target	N/A	N/A	N/A	N/A
Average remuneration on a full-time equivalent basis of employees					
Employees of the Company[6]	N/A	N/A	N/A	N/A	N/A
Employees of the Group	1.5%	1.7%	-0.8%	3.8%	6.0%

[1] Georgios Papadimitriou only joined the Board of Directors on 1 January 2022.
[2] Paula Amorim never received any remuneration.
[3] Cristina Fonseca was absent on maternity leave between November 2021 and March 2022 (during this period, the remuneration was paid by Social Security).
[4] Cláudia Almeida e Silva only joined the Board of Directors on 29 April 2022.
[5] Please refer to the information in the table included in paragraph 77 hereunder.
[6] The Company does not have employees.

71. Reference, where applicable, to any variable remuneration component and information regarding any impact of the performance appraisal on this component.

The total variable remuneration for each year is set by the Remuneration Committee based on the fulfilment of pre-defined indicators.

The above-mentioned indicators contribute 65% of the applicable annual and three-year variable remuneration.

The remaining 35% of each variable remuneration component results from the Remuneration Committee's qualitative appraisal of the executive directors' annual activity or over the relevant three-year period, as the case may be, within the context of appropriate carbon-intensity management.

In order to ensure consistency between the release of cash flow and the total variable remuneration paid, this is dependent on Galp's cash flow from operations. Thus, if Galp's cash flow from operations is lower than 80% of the targets for the respective year, no variable remuneration will be paid.

The three-year variable remuneration represents a potential cap of 50% of the total variable remuneration, which is in line with generally recognised practices in the national market and with the applicable framework for banking institutions laid down in Annex II(1)(n) of Directive 2011/61/EU, of the European Parliament and of the Council, of 8 June 2011, which sets a minimum amount of 40% for deferred variable remuneration. The remuneration of the CEO also includes a long-term incentive as mentioned in paragraph 73.

The determination of the annual and the three-year variable remuneration may consider adjustments that are reasonable regarding exogenous factors and unforeseen economic decisions, as well as those necessary to ensure comparability, that is appropriate to encourage management objectives, as previously defined by the Remuneration Committee.

Considering the context of a sharp decrease in demand and a lower, and more volatile, commodity macro environment in 2022, a calibrator was applied to the CFFO 80% requirement mentioned above.

In 2022, no variable remuneration has been reclaimed under the clawback provision provided for in the remuneration policy (Article 26-G(2)(b) of the CVM), as described in paragraph 69 of this report.

72. Deferred payment of the variable remuneration component and the relevant deferral period.

In order to best stimulate the alignment of the executive directors' practices with the Company's long-term sustainable interests, a multi-annual objective policy was introduced in 2012 to come into force in 2013. This policy defers, for a period of three years, a significant portion of the variable remuneration payment, which remains associated with and dependent on the performance of the Company during this period and is in line with Recommendation V.2.8. of the IPCG Corporate Governance Code, which also recommends a payment deferral of at least three years.

Each year, objectives are set for the following three-year period, with the three-year appraisal being made at the end of such period. The first three-year period for which multi-annual objectives were set was 2013–2015. In 2022, the 2019–2021 three-year period was assessed, and no remuneration was attributed or paid.

The three-yearly variable remuneration is set annually by the Remuneration Committee, which establishes a provisional amount based on an assessment of each year of the three-year period. However, the actual deferred amount of the three-year variable remuneration depends on: (I) the fulfilment of the overall objectives for the three-year period in question; and (II) a qualitative appraisal conducted by the Remuneration Committee, which means that the provisional amounts set in the first year of the three-year period may be reduced or increased at the end of the three-year period in question, as a result of the appraisal.

73. Criteria on which the allocation of variable remuneration in shares is based, as well as the criteria for the executive directors to keep these shares and for entering into contracts in respect of these shares, including hedging or risk transfer contracts, the corresponding limit and the proportional relationship to the total annual remuneration.

The remuneration of the CEO includes a long-term incentive through the right to receive for free an amount of Galp shares, attributable after three years.

In 2022, no shares have been attributed.

Please see below a summary of the conditions to the exercise of the right to receive shares in the future.

The number of shares provisionally allocated in each year will be calculated based on the average price of Galp shares in Euronext Lisbon during ten business days following the announcement to the market of the results of the preceding tax year, with the overall nominal value of these shares being equivalent to 60% of the gross annual fixed remuneration of the CEO.

The number of shares effectively attributed, at the end of the three-year period, will be calculated by multiplying the number of provisional shares attributed by a performance factor, graded from 0 to 2.25, based on the following three categories, all with the same relative weight:

(I) Total Shareholder Return (TSR);

(II) Peer ranking in terms of TSR and growth of Cash Flow From Operations, using EDP, Repsol, OMV, ENI and Total as a Peer Group;

(III) the reduction of the CO_2 intensity in the products sold.

Performance is evaluated, regarding the first category, by applying a compound formula that considers the variation of Galp's share price and the value of dividends distributed per share over the three reference years. The evaluation of the second category, in turn, is carried out by comparing the performance of the Company in the two sub-indicators with the aforementioned Peer Group.

Finally, the assessment of the third category is made by reference to the CO_2 intensity reduction goals in force.

If the TSR is negative at the end of the three-year period, the long-term incentive will not be due. The value of the long-term incentive that is calculated may be liquidated through the delivery of shares or in cash, being, in any case, increased by an amount equivalent to the dividends distributed, by reference to the three years in question, corresponding to the number of shares effectively allocated.

In addition to the long-term incentive of the CEO, Galp's Remuneration Policy in 2022 sets out that the payment of variable remuneration to the remaining executive directors may be partially carried out through shares or stock options plans, or other payment methods, to be approved in internal regulations by the Remuneration Committee, which in the first case must establish, inter alia, the number of shares or stock options granted and the main conditions for the exercise of the respective rights, including the price and date of that exercise and any change in those conditions.

No plans have been approved until this moment and therefore no remuneration in shares is for the moment applicable to other executive directors.

74. Criteria on which the allocation of variable remuneration in options is based and the details of the deferral period and price at which these are exercised.

Galp currently has no system for allocating variable remuneration in options or other financial instruments directly or indirectly depending on its value.

75 Key factors and grounds for any annual bonus scheme and any other non-pecuniary benefits.

Galp has no established annual bonus scheme apart from the variable remuneration described above.

Executive directors are entitled to the use of a car and to health, life and occupational accident insurances, as also described above.

76 Key characteristics of supplementary pension or early retirement schemes for directors and the date on which the individual schemes were approved by the General Meeting.

The Remuneration Committee, under Article 8 of the By-laws, has the power to approve the pension or additional pension that is attributed to the executive directors and paid by the Company.

The 2022 Remuneration Policy approved by the General Meeting and described in paragraph 69 of this report provides for a savings retirement product or other similar financial product to be attributed through a payment to be made by Galp.

This savings plan entails no future costs for Galp as it consists only of an amount to be attributed for financial investment for so long as the members of the Executive Committee hold office and it does not fall within Article 402(1) of the CSC.

IV. Remuneration disclosure

77. Details of the amount of annual remuneration earned, in total and individually, by the members of the Board of Directors and paid by the Company, including fixed and variable remuneration and, as regards the latter, the different components that gave rise to the same.

This paragraph refers to article 26-G(2)(a) of the CVM and includes all remuneration awarded and due to the members of the Board of Directors and paid by the Company in 2022, as per the table below:

The table below shows the itemised gross individual remuneration paid during 2022 to each member of the Board of Directors:

Executive Directors — EUR[1]

Name	Position	Gross fixed remuneration	Gross variable annual remuneration (2021)[2]	Gross variable multiannual (triennium 2019-2021)[3]	Gross Retirement Savings Plan	Others[4]	Gross total remuneration	Proportion of fixed and variable remuneration (FR/VR)[1]
Current Executive Directors								
FILIPE SILVA[5]	Executive Director	420,000	157,500		105,000	0	682,500	77% / 23%
THORE E. KRISTIANSEN	Executive Director	490,000	183,750		122,500	134,307	930,557	80% / 20%
TERESA ABECASIS	Executive Director	420,000	65,625		105,000	0	590,625	89% / 11%
GEORGIOS PAPADIMITRIOU	Executive Director	417,273	0		104,318	128,202	649,793	100% / 0%
Ex-Executive Directors								
ANDY BROWN[6]	Ex-CEO	980,000	367,500		262,500	210,000	1,820,000	80% / 20%
CARLOS GOMES DA SILVA	Ex-CEO	0	0		0	42,849	42,849	100% / 0%
CARLOS COSTA PINA	Ex-Executive Director	34,839	157,500		19,194	867,367	1,078,900	9% / 91%
CARLOS SILVA	Ex-Executive Director	0	91,875		0	0	91,875	0% / 100%
SOFIA TENREIRO	Ex-Executive Director	0	91,875		0	450,000	541,875	0% / 100%
SUSANA QUINTANA-PLAZA	Ex-Executive Director	0	91,875		0	487,862	579,737	0% / 100%
Total		**2,762,112**	**1,207,500**	**0**	**718,512**	**2,320,587**	**7,008,711**	**N/A**

[1] Rounded figures.
[2] Corresponds to the gross variable remuneration related to the previous year.
[3] Corresponds to the gross variable remuneration related to the previous triennium.
[4] Under "Others" are included benefits such as house allowance, car and insurance paid to executive directors and, in the case of Carlos Costa Pina, Sofia Tenreiro and Susana Quintana-Plaza, severance amounts.
[5] Filipe Silva performed his functions as executive director and CFO until 31 December 2022. Following Andy Brown's resignation, with effects from 31 December 2022, Filipe Silva was appointed CEO by the Board of Directors with effects from 1 January 2023, accumulating temporarily with the position of CFO.
[6] Andy Brown resigned as CEO with effects from 31 December 2022.

Non-Executive Directors		EUR[1]
Name	Position	Gross fixed remuneration
PAULA AMORIM[2]	Non-Executive Chairman	0
MIGUEL ATHAYDE MARQUES	Non-Executive Director	102,000
MARTA AMORIM	Non-Executive Director	42,000
FRANCISCO TEIXEIRA RÊGO	Non-Executive Director	42,000
JORGE SEABRA	Non-Executive Director	84,000
RUI PAULO GONÇALVES	Non-Executive Director	84,000
DIOGO TAVARES	Non-Executive Director	84,000
LUÍS TODO BOM	Non-Executive Director	90,000
CARLOS PINTO	Non-Executive Director	84,000
EDMAR DE ALMEIDA	Non-Executive Director	84,000
CRISTINA FONSECA[3]	Non-Executive Director	56,538
ADOLFO MESQUITA NUNES	Non-Executive Director	84,000
JAVIER CAVADA CAMINO	Non-Executive Director	84,000
CLÁUDIA ALMEIDA E SILVA[4]	Non-Executive Director	32,267
Total		**952,805**

[1] Rounded figures.
[2] The Chair of the Board of Directors donated the full amount of her remuneration to the Galp Foundation.
[3] Cristina Fonseca was absent on maternity leave between November 2021 and March 2022 and, during this period, the remuneration was paid by Social Security.
[4] Cláudia Almeida e Silva was appointed in the General Meeting of 29 April 2022.

78. Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship or under common control.

The remuneration of Galp directors includes all the remuneration owed in respect of their positions on management bodies of Galp Group companies, taking into account the definition of group as provided for in Article 2(1)(g) of Decree-Law No. 158/2019, of 13 July. Accordingly, no amounts were paid in this respect by companies in a control or group relationship or under common control.

79. Remuneration paid in the form of profit-sharing and/or bonus payments and the reasons why bonuses and/or profit-sharing were awarded.

Galp has no other remuneration system for its directors in the form of profit-sharing and/or payments of bonuses.

80. Severance paid or owed to former executive directors in respect of the termination of their duties during the financial year.

The Remuneration Policy makes no provision for an indemnity or severance pay to be awarded to directors for termination of their duties, without prejudice to the laws in force on this matter and, therefore, no director may claim a larger amount of compensation or indemnity than that resulting from the provisions of the law.

The Remuneration Policy and the resolutions of the Remuneration Committee are the appropriate and necessary legal instruments for determining the non- claimable nature of such amounts.

81 Details of the annual remuneration earned, in total and individually, by the members of the Company's supervisory body, for the purposes of Law 50/2020, of 25 August.

The aggregate remuneration paid to the members of the Audit Board in 2022, as per the terms set by the Remuneration Committee, was € 144,000.00.

The individual remuneration amounts paid in 2022 to the current members of the Audit Board were as follows:

Name/Position	Gross fixed remuneration (EUR)
José Pereira Alves (Chair)	60,000
Maria de Fátima Geada (Member)	42,000
Pedro Antunes de Almeida (Member)	42,000

As provided for in Article 26-G(2)(b) of the CVM, the table below provides the annual variation in the remuneration of the members of the Audit Board, Company's performance and average remuneration of employees during the last five financial years.

Annual Variation	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021
Remuneration of the Members of the Audit Board					
José Pereira Alves	-	-	39.0%	0.0%	0.0%
Pedro Antunes de Almeida	0.0%	48.0%	12.6%	0.0%	0.0%
Maria de Fátima Geada	-	-	39.0%	0.0%	0.0%
Company Performance					
Cash Flow from Operations	N/A	+19% YoY	-46% YoY	+73% YoY	2.4% YoY
Energy Production Growth	N/A	+14% YoY	+10% YoY	+2.6% YoY	-2.9% YoY
Total Recordable Injury Rate	N/A	-39% vs. avg. 5 year	-57% vs. avg. 5 year	-12% vs. avg. 5 year	N/A
Lost Time Injury Frequency Rate	N/A	N/A	N/A	N/A	20.1% vs. avg. 5 year
Carbon Intensity Index	N/A	-0.1% YoY	-0.3% YoY	-1.4% YoY	0.6% YoY
TSR Galp vs Peer Group	-5.5 p.p	N/A	N/A	-13 p.p.	-10.1 p.p.
3Y CFFO vs. 2018	N/A	N/A	N/A	-17% vs. 3Y CFFO	-33% vs. 3Y CFFO
3Y ROACE vs. 2018	N/A	N/A	N/A	-7 p.p.	-7.28 p.p.
EBITDA RC	+5% vs. Target	N/A	N/A	N/A	N/A
GVA	+224% vs. Target	N/A	N/A	N/A	N/A
Average remuneration on a full-time equivalent basis of employees					
Employees of the Company[1]	N/A	N/A	N/A	N/A	N/A
Employees of the Group	1.5%	1.7%	-0.8%	3.8%	6.0%

[1] The Company does not have employees.

82. Details of the remuneration of the Chair of the General Meeting in the year of reference.

In 2022, the Chair of the Board of the General Meeting received € 3,000.00 in remuneration.

V. Agreements with implications for remuneration

83. Any established contractual limits on the indemnity payable for the unfair dismissal of directors and its relationship with the variable component of the remuneration.

Galp has no agreements in place that provide for payments in the event of the unfair dismissal of a director. The amounts due are determined by the applicable statutory provisions, but no remuneration is paid in respect of the variable component (excluding CEO's long-term incentive) if the cash flow from operations of Galp Group is below 80% of the annual target.

For details on the severance amounts paid in 2022, please refer to paragraphs 77 and 80.

84. Reference to the existence and description, with details of the sums involved, of agreements between the Company and the members of the Board of Directors and senior managers, within the meaning of Article 29-R(1), which make provision for severance pay in the event of resignation, unfair dismissal or termination of employment following a takeover bid (Article 29-H(1)(k)).

Galp is not a party to any agreement with the members of the Board of Directors or senior managers, within the meaning of Article 29-R(1) of the CVM, which provides for a future severance pay in the event of resignation, unfair dismissal or termination of the employment relationship following a takeover bid.

VI. Share and/or stock option plans

85. Details of the plan and the beneficiaries.

Galp has no stock option plans.

86. Characteristics of the plan (eligibility, non-transferability of share clauses, criteria for share pricing and exercising the price options, a period during which the options may be exercised, characteristics of the shares or options to be awarded and the existence of incentives to purchase shares and/or exercise options).

As mentioned, Galp has no stock option plans.

With reference to the above-mentioned mechanism applicable to the CEO for partial payment of the long-term incentive through shares of the Company: the shares will be received (and can only be transferred) at the end of the three-year plan and after the performance evaluation.

In addition to the long-term incentive of the CEO, the payment of the remaining variable remuneration may be partially carried out through shares or stock options plans, or other payment methods, to be approved in internal regulations by the Remuneration Committee, which in the first case must establish, inter alia, the number of shares or stock options granted, and the main conditions for the exercise of the respective rights, including the price and date of that exercise and any change in those conditions. However, no plan has been approved yet.

87. Stock option plans for the Company's employees and staff.

Galp has no share option plans.

88. Control mechanisms envisaged for a possible employee-shareholder system since voting rights are not directly exercised by these employees (Article 29-H(1)(e)).

Galp has no employee-shareholder system.

E. Transactions with related parties

I. Control mechanisms and procedures

89. Mechanisms implemented by the Company for the purpose of controlling related-party transactions (to this end, reference is made to the IAS 24 concept).

In order to safeguard Galp Group's interests in situations involving potential conflicts of interest, Galp has adopted internal rules for controlling transactions between Galp (or its subsidiaries or other companies which are under its management control, i.e., "Galp Group entities") and related parties in order to comply with the relevant laws and accounting standards, in particular IAS 24, Law No. 50/2020, of 25 August and Law No. 99-A/2021, of 31 December.

This internal standard impose the following principles:

(I) any contractual commitment and any legal act between any Galp Group entities and any related party must be carried out within the current activity of the Galp Group entity concerned and at arm's length;

(II) the execution by any Galp Group entities and a related party of any relevant transactions (as described below) requires the approval of the Executive Committee or the Board of Directors and the prior opinion of the Audit Board (see paragraph 91 below for further details about the applicable procedure);

(III) all other transactions with related parties are verified afterwards and periodically by the Audit Board.

To this end, relevant transactions include, in particular: (I) financial investments, funding, shareholder's loans, providing guarantees, the acquisition, sale, marketing or supply of products and services, as well as the acquisition, sale, marketing or supply of energy products and/or related products and services other similar transactions with a financial value exceeding €10 million (with certain exceptions); (II) acquisition or disposal of shareholdings or other assets; (III) transactions not carried out in the ordinary course of business of the Galp Group entity concerned or under normal market conditions; and (IV) any other transactions with a high risk of conflict of interest.

90. Details of transactions that were subject to control during the reference year.

In 2022 there were no related-party transactions subject to the previous control of the Audit Board.

91. Description of the procedures and criteria applicable to the Audit Board when it provides a preliminary assessment of the transactions to be carried out between the Company and the holders of qualifying holdings or entities in any relationship with them, pursuant to Article 20.

For Galp to engage in transactions with related parties, as defined by IAS 24, it requires the prior opinion of the Audit Board, in accordance with the law and internal standard entitled "Galp Group Transactions with Related Parties", in order to safeguard Galp Group's interest in potential conflict-of-interest situations, without prejudice to compliance with the law. This internal standard is available at: https://www.galp.com/corp/Portals/0/Recursos/Governo-Societario/SharedResources/Documentos/EN/NT-026%20Galp%20Group%20Related%20Parties%20Transactions.pdf

The Company Secretary is required to submit the proposal for any relevant related-party transaction to the Audit Board for its prior opinion, together with the supporting information, including, in particular, its financial value, the contractual formation procedures that are to be adopted and a demonstration that the transaction conditions are in line with the current activity of the Galp Group entity concerned and normal market conditions, and, in the case of transactions that are not carried out in the ordinary course of business of the Galp Group entity concerned and/or that are not carried out under normal market conditions, this must be stated and grounds must be included as to the fair and reasonable nature of the transaction from the point of view of the Company and the unrelated shareholders, including minority shareholders.

The Audit Board must issue a prior opinion within five business days.

In urgent and unusual cases, approved in advance and duly justified in accordance with the applicable approval rules, when it is not feasible or possible to obtain the favourable prior opinion of the Audit Board without a loss of significant value in the relevant transaction for Galp Group, the opinion must be requested immediately afterwards, with the exception of transactions not carried out in the current activity of the Galp Group entity concerned or under normal market conditions.

If the Audit Board issues a negative prior opinion, the Board of Directors of the relevant Group company may decide to go forward with the transaction, on the grounds that it is in pursuit of the corporate interests of Galp or of the Galp Group entity (with the exception of the transactions that are not carried out in the ordinary course of business of the Galp Group entity concerned or under normal market conditions), and such negative opinion should be disclosed, where applicable.

Related-party transactions that are not subject to prior opinion are communicated to the Audit Board on a six-monthly basis, in order to confirm that they were carried out in the ordinary course of business of the relevant Galp Group entity and under normal market conditions, with the related parties not taking part in the relevant verification.

II. Transaction data

92. Where to find the financial statements, including information on transactions with related parties, in accordance with IAS 24 or, alternatively, reproduction of this information.

Information on any related-party transactions, in accordance with IAS 24, is available in Note 29 to the Consolidated Accounts.

Corporate governance assessment

I. Identification of the Corporate Governance Code adopted

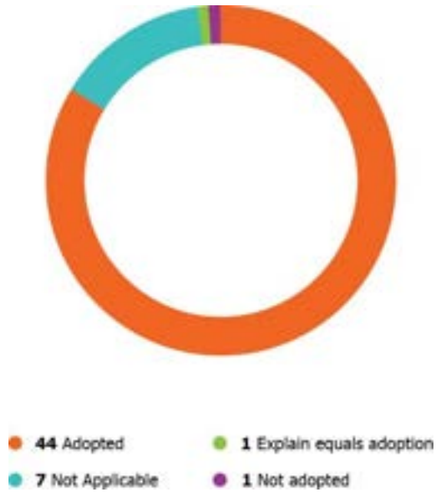
For the purposes of Article 2 of CMVM Regulations No. 4/2013, Galp voluntarily decided to follow the IPCG Corporate Governance Code, as approved in 2018 and reviewed in 2020 and available on its website at Códigos de Governo (cgov.pt).

II. Analysis of compliance with the adopted Corporate Governance Code

The Company has adopted 44 of 45 applicable recommendations of the IPCG Corporate Governance Code.

The justification for the adoption of each recommendation (or sub-recommendation, if split) and the reference to the paragraph or paragraphs of the chapter in this report where the matter is addressed (Paragraph) are given in the table below, including an explanation as to why a certain recommendation was not adopted or is not applicable, as well as an indication of any alternative mechanism selected by the Company to pursue the same objective as the relevant recommendation (*explain* is equivalent to *comply*).

The classifications highlighted below already take into account the assessment conducted by the Oversight and Monitoring Executive Committee of Galp's Governance Report for 2021.



IPCG Recommendation	Comply or explain	Relevant paragraph of this report
Chapter I General provisions		
I.1. Company's relationship with investors and disclosure		
I.1.1. The Company should establish mechanisms to properly and thoroughly ensure the timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts, and to the markets in general.	Adopted.	Paragraphs 38, 56 and 59 to 65
I.2. Diversity in the composition and functioning of the company's governing bodies		
I.2.1. Companies should establish standards and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity, which may contribute to a better performance of the governing body and to the balance of its composition.	Adopted.	Paragraph 19
I.2.2. The company's managing and supervisory boards, as well as their committees, should have internal regulations — namely regulating the performance of their duties, their chairmanship, periodicity of meetings, their functioning and the duties of their members —, disclosed in full on the company's website. Minutes of the meetings of each of these bodies should be drawn up.	Adopted.	Paragraphs 22, 23, 27, 29, 34, 35, 61 and 67
I.2.3. The composition and the number of annual meetings of the managing and supervisory bodies, as well as of their committees, should be disclosed on the company's website.	Adopted.	Paragraph 62
I.2.4. A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and treatment of those irregularities, with the safeguarding of the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality is requested.	Adopted.	Paragraph 49
I.3. Relationships between the corporate bodies		
I.3.1. The bylaws, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing and supervisory boards are provided with access to all the information and company's collaborators, in order to appraise the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the managing board, without impairing the access to any other documents or people that may be requested for information.	Adopted.	Paragraphs 15 and 38
I.3.2. Each of the company's boards and committees should ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary for the exercise of the competences, determined by law and the bylaws, of each of the remaining boards and committees.	Adopted.	Paragraphs 15,29 and 38
I.4. Conflicts of interest		
I.4.1. The members of the managing and supervisory boards and the internal committees are bound, by internal regulations or equivalent, to inform the respective board or committee whenever there are facts that may constitute or give rise to a conflict between their interests and the company's interest.	Adopted.	Paragraphs 26, 38 and 67

IPCG Recommendation	Comply or explain	Relevant paragraph of this report
I.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.	Adopted.	Paragraphs 26, 38 and 67
I.5. Related-party transactions		
I.5.1. The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying transactions with related parties.	Adopted.	Paragraphs 89 and 91
I.5.2. The managing body should report to the supervisory body the results of the internal procedure for verifying transactions with related parties, including the transactions under analysis, at least every six months.	Not Applicable.[1]	
Chapter II Shareholders and General Meetings		
II.1. The company should not set an excessively high number of shares to confer voting rights, and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote.	Adopted.[2]	Paragraphs 5 and 12
II.2. The company should not adopt mechanisms that make decision making by its shareholders (resolutions) more difficult, specifically, by setting a quorum higher than that established by law.	Explain, equivalent to adoption. The statutory provisions requiring approval by two-thirds of the votes are not intended to make it more difficult for shareholders to take decisions, nor is this an anti-takeover defence mechanism that harms the market for control (which in Galp is not limited). The purpose is to ensure adequate representation of shareholders, particularly minority shareholders, when approving resolutions on issues of strategic importance to the Company and on fundamental matters of Galp, which characterise its essence, and to avoid the classic problem of agency. This mechanism was therefore created with the main goal of protecting the Company itself, ensuring its stability, as well as the minority shareholders in nuclear matters for Galp. It should also be noted that the application of a quorum for a resolution of two thirds on a second call is only required for issues which, as they are strategic and of the utmost importance to the Company, the law itself requires for resolutions on the same matter on the first notice.	Paragraph 14
II.3. The company should implement adequate means for the remote participation by shareholders in the general meeting, which should be proportionate to its size.	Adopted.	Paragraph 12
II.4. The company should also implement adequate means for the exercise of remote voting, including by correspondence and telematic means.	Adopted.	Paragraph 12
II.5. The bylaws, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this rule will be subject to a shareholder resolution — without increased quorum in comparison to the legally established — and in that resolution, all votes cast will be counted without observation of the imposed limits.	Not applicable. Galp's statutes do not provide for such a limitation.	Paragraph 13

[1] In accordance with paragraph 7) of Note no. 3 on Interpretation of the IPCG Corporate Governance Code.

[2] The second sub-recommendation is not applicable, since Galp complies with the first sub-recommendation by adopting the "one share, one vote" principle.

IPCG Recommendation	Comply or explain	Relevant paragraph of this report
II.6. The company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body.	Adopted.	Paragraph 4
Chapter III Non-Executive management and supervision		
III.1. Without prejudice to the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator from amongst them, namely, to: (i) act, when necessary, as an interlocutor with the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1.	Adopted.	Paragraph 18
III.2. The number of non-executive members in the managing body, as well as the number of members of the supervisory body and the number of the members of the committee for financial matters, should be suitable for the size of the company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed. The formation of such suitability judgment should be included in the corporate governance report.	Adopted.[3]	Paragraphs 18 and 31
III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.	Adopted.	Paragraph 18
III.4. Each company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to: i. having carried out functions in any of the company's bodies for more than twelve years, either on a consecutive or non-consecutive basis; ii. having been a prior staff member of the company or of a company which is considered to be in a controlling or group relationship with the company in the last three years; iii. having, in the last three years, provided services or established a significant business relationship with the company or a company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person; iv. having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship other than the remuneration resulting from the exercise of a director's duties; v. having lived in a non-marital partnership or having been the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons who are direct or indirect holders of qualifying holdings; or vi. having been a qualified holder or representative of a shareholder of a qualifying holding.	Adopted.	Paragraph 18
III.5. The provisions of paragraph (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the termination of his/her functions in any of the company's bodies and the new appointment, a period of three years has elapsed (cooling-off period).	Not applicable. There are no directors under these conditions.	

[3] It should be noted that the part of this recommendation referring to the financial matters committee is not applicable, since the issuer has not adopted the Germanic structure, in accordance with article 278(1)(c) and (4) of the CSC, and therefore does not have a financial matters committee.

IPCG Recommendation	Comply or explain	Relevant paragraph of this report
III.6. The supervisory body, in observance of the powers conferred to it by law, should assess and give its opinion on the strategic lines and the risk policy prior to its final approval by the management body.	Adopted.	Paragraph 38
III.7. Companies should have specialised committees, separately or cumulatively, on matters related to corporate governance, appointments and performance assessment. In the event that the remuneration committee provided for in article 399 of the CSC has been created and should this not be prohibited by law, this recommendation may be fulfilled by conferring competence on such committee in the aforementioned matters.	Not adopted, as to the corporate governance committee.[4]	Paragraphs 16, 24, 27, 38, 69 and 70
	Not adopted, as to the appointments and performance assessment committee.[5]	
	Adopted, as to the remuneration committee. The Remuneration Committee, elected under the terms of Article 399 of the CSC, is the competent body to carry out the performance evaluation under the terms of the Remuneration Committee Regulations.	
	The Audit Board is responsible for monitor the functioning of the corporate governance system adopted by Galp and the compliance with legal and statutory provisions, as well as legal and regulatory development on the corporate governance field, namely recommendations and regulations.	
Chapter IV Executive management		
IV.1. The managing body should approve, by internal regulations or equivalent, the rules regarding the action of the executive directors applicable to their performance of executive functions in entities outside of the group.	Adopted.	Paragraph 26
IV.2. The managing body should ensure that the company acts consistently with its objects and does not delegate powers, namely, in regard to: i) the definition of the strategy and main policies of the company; ii) the organisation and coordination of the business structure; iii) matters that should be considered strategic in virtue of the amounts involved, the risk or special characteristics.	Adopted.	Paragraph 29
IV.3. In the annual report, the managing body explains in what terms the strategy and the main policies defined seek to ensure the long-term success of the company and what the main contributions are resulting therein for the community at large.	Adopted.	Attachment to the Annual Management Report on Non- financial Reporting

[4] As per CEAM assessment on the prior corporate governance report.
[5] As per CEAM assessment on the prior corporate governance report.

IPCG Recommendation	Comply or explain	Relevant paragraph of this report
Chapter V Evaluation of performance, remuneration and appointment		
V.1. Annual evaluation of performance		
V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and executive directors, taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees.	Adopted.	Paragraph 24
V.2. Remuneration		
V.2.1. The company should create a remuneration committee, the composition of which should ensure its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the CSC.	Adopted.	Paragraphs 66 and 67
V.2.2. The remuneration should be set by the remuneration committee or the general meeting, on a proposal from that committee.	Adopted.	Paragraph 66
V.2.3. For each term of office, the remuneration committee or the general meeting, on a proposal from that committee, should also approve the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report.	Adopted.	Paragraphs 76 and 83
V.2.4. In order to provide information or clarifications to shareholders, the chair or, in case of his/her impediment, another member of the remuneration committee should be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the company's boards and committees or, if such presence has been requested by the shareholders.	Adopted.	Paragraph 67
V.2.5. Within the company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the company, of necessary or convenient consulting services to carry out the committee's duties.	Adopted.	Paragraph 67
V.2.6. The remuneration committee should ensure that those services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorisation of the committee.	Adopted.	Paragraph 67
V.2.7. Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.	Adopted.	Paragraphs 69 to 71
V.2.8. A significant part of the variable component should be partially deferred in time, for a period of no less than three years, being necessarily connected to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulations.	Adopted.	Paragraph 72

IPCG Recommendation	Comply or explain	Relevant paragraph of this report
V.2.9. When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.	Not applicable. Currently, the variable remuneration does not include the granting of options or other instruments that are directly or indirectly dependent on the value of the shares.	Paragraphs 73 and 74
V.2.10. The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.	Adopted.	Paragraph 69
V.3. Appointments		
V.3.1. The company should, in terms that it considers suitable, but in a demonstrable form, promote that proposals for the appointment of the members of the company's governing bodies be accompanied by a justification in regard to the suitability of the profile, the skills and the curriculum vitae to the duties to be carried out.	Adopted.	Paragraphs 16 and 19
V.3.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee unless this is not justified by the company's size.	Not applicable. With regard to the appointment of managers, pursuant to Article 29R(1) of the CVM (in line with which this recommendation should read), the only persons who are classified as Galp's managers are the members of the Board of Directors and the Audit Board (and who are therefore assessed by the Remuneration Committee). Thus, there are no executive officers in the light of the definition of the Glossary of the IPCG Corporate Governance Code.	
V.3.3. This nomination committee includes a majority of non-executive independent members.	Not applicable. Referring to the same committee as set out in recommendation V.3.2, this recommendation is also considered not to apply. In addition, the Board of Directors has not appointed any committee to deal with issues related to the appointment of its members or members of other corporate bodies of the Company and, therefore, even if the Recommendation also referred to the committee provided for in Recommendation III.7, it would not be applicable either.	
V.3.4. The nomination committee should make its terms of reference available and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including gender diversity.	Not applicable. Referring to the same committee as set out in recommendation V.3.2 (as confirmed by paragraph 20) of interpretative note No 3), this recommendation is also considered not applicable.	
Chapter VI Internal control		
VI.1. The managing body should debate and approve the company's strategic plan and risk policy, which should include the establishment of limits on risk-taking.	Adopted.	Paragraph 51

IPCG Recommendation	Comply or explain	Relevant paragraph of this report
VI.2. The supervisory board should be internally organised, implementing mechanisms and procedures of periodic control that seek to guarantee that risks that are effectively incurred by the company are consistent with the company's objectives, as set by the managing body.	Adopted.	Paragraph 38 and 51
VI.3. The internal control systems, comprising the functions of risk management, compliance and internal audit should be structured in terms adequate to the size of the company and the complexity of the inherent risks of the company's activity. The supervisory body should evaluate them and, within its competence to supervise the effectiveness of this system, propose adjustments where they are deemed to be necessary.	Adopted.	Paragraph 51, 52 and 54
VI.4. The supervisory body should provide its view on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance and internal audit functions, and may propose the adjustments deemed to be necessary.	Adopted.	Paragraph 38
VI.5. The supervisory body should be the recipient of the reports prepared by the internal control services, including the risk management functions, compliance and internal audit, at least regarding matters related to the approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities.	Adopted.	Paragraph 38 and 51
VI.6. Based on its risk policy, the company should establish a risk management function, identifying (i) the main risks it is subject to in carrying out its activity, (ii) the probability of occurrence of those risks and their respective impact, (iii) the devices and measures to adopt towards their mitigation and (iv) the monitoring procedures, aiming at their accompaniment.	Adopted.	Paragraph 51, 52 to 54
VI.7. The company should establish procedures for the supervision, periodic evaluation, and adjustment of the internal control system, including an annual evaluation of the level of internal compliance and the performance of that system, as well as the perspectives for amendments of the risk structure previously defined.	Adopted.	Paragraph 38, 51, 52 and 54
Chapter VII Financial information		
VII.1. Financial information		
VII.1.1. The supervisory body's internal regulations should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the managing body, including suitable accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form.	Adopted.	Paragraph 38
VII.2. Statutory audit of accounts and supervision		
VII.2.1. By internal regulations, the supervisory body should define, according to the applicable legal regime, the monitoring procedures aimed at ensuring the independence of the statutory audit.	Adopted.	Paragraphs 38, 44 to 46
VII.2.2. The supervisory body should be the main interlocutor with the statutory auditor in the company and the first recipient of the respective reports, having the powers, namely, to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company.	Adopted.	Paragraph 38
VII.2.3. The supervisory body should annually assess the services provided by the statutory auditor, their independence and their suitability in carrying out their functions and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.	Adopted.	Paragraph 38

Biographies and positions held in other companies by the members of the management and supervisory bodies and the members of the Remuneration Committee

Board of Directors



Chairperson of the Board of Directors | Paula Amorim

Born in Oporto, Paula Amorim has been a member of Galp's Board of Directors since April 2012, Vice-Chairperson from 2015 to 2016 and Chairperson since October 2016. She is also Chairperson of Galp´s Audit Committee since April 2019.

Representing the fourth generation of the largest Portuguese family business group, with 150 years of history, Paula Amorim is the Vice-Chairperson of Amorim Investimentos e Participações, SGPS, SA, which includes in its portfolio Corticeira Amorim, the world's largest cork producer.

As the natural successor to the Américo Amorim Group, Paula Amorim is a shareholder in the Group's family holding company, Amorim Holding II, SGPS, S.A. Having joined the Américo Amorim Group in 1992, when she was only 19 years old, and since then has held various management and administration positions.

In 2005, Paula Amorim founded her own company, Amorim Fashion. Five years later she founded the Amorim Luxury Group.

Her experience in the fashion industry was a determinant factor to make the family group a major investor in Tom Ford International (TFI), where she is a member of the Board of Directors.

In November 2018 she acquired assets of the Herdade da Comporta Fund, marking a new and important step in her strategy of growth and positioning as a Portuguese brand of high international quality in the Hotel, Restaurant and Lifestyle sector – JNcQUOI.

Paula Amorim studied Real Estate Management at the Escola Superior de Atividades Imobiliárias.

Positions held at other companies as of 31 December 2022:

Company	Position
In the Américo Amorim Group	
Portugal	
Amorim Holding II, SGPS, S.A.	Member of the Board of Directors
Projeto Inverso, SGPS, S.A.	Chairperson of the Board of Directors
Amorim Negócios, SGPS, S.A.	Chairperson of the Board of Directors
Amorim Investimentos Energéticos, SGPS, S.A.	Vice-Chairperson of the Board of Directors
AMOFIX INVESTIMENTOS, S.A.	Member of the Board of Directors
GAIVINA – Empreendimentos Turísticos e Imobiliários, S.A.	Vice-Chairperson of the Board of Directors
Dreaming FIX, Lda.	Manager
Netherlands	
Amorim Energia, B.V.	Director
Power Oil & Gas Investments, B.V.	Director
USA	
Amorim/TFI, Inc.	Chairperson of the Board of Directors
Tom Ford International, LLC.	Member of the Board of Directors
UK	
Platforme International Limited, Inc.	Member of the Board of Directors
In the Amorim Group	
AMORIM – Investimentos e Participações, SGPS, S.A.	Vice-Chairperson of the Board of Directors
In the Amorim Luxury Group	
Amorim Luxury, S.A.	Sole Director
Amorim Fashion, S.A.	Sole Director
Amorim Guedes de Sousa, S.A.	Chairperson of the Board of Directors
Amorim Guedes de Sousa II, Lda.	Manager
Amorim Guedes de Sousa III, Lda.	Manager
AP – Amorim Prime, Sociedade de Investimentos, Lda.	Manager
Amorim Luxury Comporta, S.A.	Sole Director
Others	
Fundação GALP	Chairperson of the Board of Directors
STOCKPRICE, SGPS, S.A.	Chairperson of the Board of Directors
Alqueva Verde, S.A.	Chairperson of the Board of Directors
AMORIM E ALEGRE - Sociedade Imobiliária, S.A.	Director
Sociedade Agroflorestal do Panasquinho, Lda.	Manager



Vice-Chairman and Lead Independent Director | Miguel Athayde Marques

Miguel Athayde Marques was born in Lisbon, Portugal, on 29 April 1955. He has been an independent member of Galp's Board of Directors since November 2012 and Vice- Chairman since October 2016. He also has been Chairman of Galp's Sustainability Committee and a member of Galp's Risk Management Committee since 12 April 2019. In addition, he is the Lead Independent Director of Galp's Board of Directors.

Miguel Athayde Marques is Vice-Rector (Vice-Chancellor) of Universidade Católica Portuguesa since October 2016, and Professor at the Faculty of Economics and Management (Católica Lisbon School of Business & Economics), responsible for the areas of Corporate Governance, and International Business. He is also a member of the Board of Trustees of Universidade Católica Portuguesa.

He is a non-executive independent director of Brisa, Concessão Rodoviária, S.A.. In addition, he is the Chairman of the Board of AEM – Portuguese Issuers Association.

He has held various roles in corporate governing bodies such as Chairman of the General and Supervisory Board of Hugin S.A.S. (Oslo, Norway), Chairman of the Audit Board of Caixa BI, S.A., and Member of the Monitoring Committee of Novo Banco, S.A.

Before joining Galp he was Chairman and CEO of the Board of Euronext Lisbon S.A. (the Portuguese Stock Exchange) and Interbolsa, S.A., and Executive Board Member of Euronext N.V. (Amsterdam), between January 2005 and June 2010. During this period, he was non-executive Director of Euronext Amsterdam, Euronext Brussels, and Euronext Paris.

Between April 2007 and June 2010, he was a member of the Management Committee of the New York Stock Exchange - NYSE Euronext.

Prior to having responsibilities in capital markets, Miguel Athayde Marques was Executive Board Member of Caixa Geral de Depósitos, S.A. (direct responsibilities: international owned-banks, e-banking, means of payment and marketing) and of Jerónimo Martins, S.A. (direct responsibilities: international expansion and specialised retail). Before that, he was Executive Chairman of the Board of ICEP - Investimentos, Comércio e Turismo de Portugal (trade, investment and tourism).

Miguel Athayde Marques holds a degree, with distinction, in Business Administration and Management from Universidade Católica Portuguesa, in Lisbon, and a Doctorate (Ph.D) in Business Management from the University of Glasgow, School of Financial Studies, United Kingdom.

He has taught in several business schools, in MBA and Executive programmes, and he was one of the first Europeans to teach at CEIBS Business School (Beijing, Shanghai).

Positions held at other entities as of 31 December 2022:

Entity	Position
Universidade Católica Portuguesa	Vice-Rector
Universidade Católica Portuguesa, Católica Lisbon School of Business & Economics	Professor
Universidade Católica Portuguesa	Member of the Board of Trustees
Brisa, Concessão Rodoviária, S.A.	Non-executive independent director
AEM – Portuguese Issuers Association	Chairman of the Board



CEO, CFO and Vice-Chairman | Filipe Crisóstomo Silva

Filipe Silva was born in Lisbon, Portugal, on 4 July 1964. He is Vice-Chairman of the Board of Directors and Chief Executive Officer (CEO) since 1 January 2023. He has been a member of the Board of Directors and Chief Financial Officer (CFO) of Galp since July 2012.

He has been responsible for the following areas of the corporate centre: Finance & M&A, Accounting & Tax, Planning & Performance, Investor Relations, IT & Digital, Business Transformation Office, Data Office, Procurement & Contracting, Risk Management & Internal Control and Internal Audit.

Since 1 January 2023 he has also been responsible for the following areas: People, Organisation & Health, Energy Management, Matosinhos Future Project, Strategy & Sustainability, Communications & Corporate Social Responsibility, Safety, Corporate Secretary, Compliance & DPO, External Relations & Regulation and Legal.

Since 1999 and before joining Galp, he was responsible for the investment banking areas of Deutsche Bank in Portugal, and since 2008, he was also the CEO of Deutsche Bank in Portugal.

Filipe is a graduate in economics and financial management and holds a Masters' Degree in Financial Management, both from the Catholic University of America, Washington D.C.

Management positions held at other companies of Galp Group as of 31 December 2022:

Company	Position
Galp Bios, S.A.	Member of the Board of Directors
Galp Energia Brasil, S.A.	Member of the Board of Directors
GALP ENERGIA E&P B.V.	Member of the Board of Directors
Galp Energia, S.A.	Chairman of the Board of Directors
Galp New Energies, S.A.	Member of the Board of Directors
GALP SINOPEC BRAZIL SERVICES B.V.	Member of the Board of Directors
Galp STP Unipessoal, Limitada	Manager
Galp West Africa, S.A.	Member of the Board of Directors
Petrogal Brasil, S.A.	Member of the Board of Directors
Petrogal, S.A.	Member of the Board of Directors
PETROGAL, S.A. Sucursal en España	Member of the Board of Directors

Positions held at other entities as of 31 December 2022:

Entity	Position
ISPG – Institute of Oil and Gas, Association for Research and Advanced Training	Member of the Board of Directors
Fundação GALP	Member of the Board of Directors



Director (COO) | Thore E. Kristiansen

Thore E Kristiansen was born in Stavanger, Norway, on 4 July 1961. He has been a member of Galp's Board of Directors and Executive Committee since October 2014, responsible for Galp's Production & Operations business.

In July 2021, Thore became COO of a newly formed business unit in Galp called Production & Operations, which combines Galp's Upstream, Refining, Logistics, Project Management, and green Hydrogen.

Before Galp, he was with Statoil for more than 25 years, serving in a wide range of key international leadership positions from the distribution of oil products, trading, and business negotiation in Norway, the UK, Denmark, and Germany, to Exploration and Production, with a special focus on Norway, Sub-Saharan Africa, and South America, where he was responsible for Statoil´s Development & Production activities in South America and Sub-Saharan Africa. Among his responsibilities was President of Statoil Brazil, which operated the biggest oil production field outside of Norway. He also worked on corporate functions, particularly in finance, where he was the Vice President and Head of Corporate M&A and Investor Relations (Head of US Investor Relations). He was also the CEO of Statoil Germany and Statoil Venezuela.

Thore E. Kristiansen holds a degree in Management from the Norwegian School of Management and a Master of Science degree in Petroleum Engineering from the University of Stavanger, Norway.

Management positions held at other companies of Galp Group as of 31 December 2022:

Company	Position
Galp Energia Brasil, S.A.	Member of the Board of Directors
Galp Gás Natural, S.A.	Chairman of the Board of Directors
GALP SINOPEC BRAZIL SERVICES B.V.	Chairman of the Board of Directors
Galp STP Unipessoal, Limitada	Director
Galp West Africa, S.A.	Chairman of the Board of Directors
Petrogal Brasil, S.A.	Chairman of the Board of Directors
Petrogal, S.A.	Chairman of the Board of Directors
PETROGAL, S.A. Sucursal en España	Chairman of the Board of Directors

Positions held at other entities as of 31 December 2022:

Entity	Position
ISPG – Institute of Oil and Gas, Association for Research and Advanced Training	Member of the Scientific and Technological Council



Director (COO) | Teresa Abecasis

Teresa Abecasis was born on January 23, 1978.

She has been an executive member of Galp's Board of Directors and member of the Executive Committee since July 2021, responsible for Galp's Commercial business. She is currently also responsible for Spaces & Mobility of Galp Group.

Teresa Abecasis was the Corporate Head of People at Galp between May 2020 and July 2021, and a member of the Ethics and Conduct Committee.

Before joining Galp, Teresa worked as a Partner at the strategic consulting firm Boston Consulting Group, specializing in the areas of energy and retail. The projects in which she was mostly involved are related to strategy and organisation.

Between 2012 and 2017, Teresa worked for Grupo Sovena, assuming between 2012 and 2014 the functions of Head of Procurement Services and between 2014 and 2017 Head of Operations and Commodities.

Between 2007 and 2012, Teresa worked in the Portuguese office of the pharmaceutical multinational Sanofi Pasteur MSD as Head of Finance and Business Management.

Teresa started her career in BCG in 1999 as an Associate Consultant and worked there until December 2006.

She has a degree in Economics from Nova Business School and holds an MBA from INSEAD.

Management positions held at other companies of Galp Group as of 31 December 2022:

Company	Position
EI GALP, SA	Chairperson of the Board of Directors
GALP ENERGIA ESPAÑA, S.A., Unipersonal	Chairperson of the Board of Directors
Galp Energía Independiente, S.L.U.	Chairperson of the Board of Directors
Galp Energia, S.A.	Member of the Board of Directors
Galp Marketing International, S.A.	Chairperson of the Board of Directors
GOWITHFLOW, S.A.	Chairperson of the Board of Directors
Petrogal, S.A.	Member of the Board of Directors
PETROGAL, S.A. Sucursal en España	Member of the Board of Directors

Positions held at other entities as of 31 December 2022:

Entity	Position
Apetro – Associação Portuguesa de Empresas Petrolíferas	Chairperson of the Board of Directors



Director (COO) | Georgios Papadimitriou

Georgios Papadimitriou was born in Athens on October 2, 1972.

He is an executive member of Galp´s Board of Directors and a member of the Executive Committee since January 1, 2022, responsible for Renewables and New Business (including Battery Value Chain) and Innovation.

Before joining Galp, Georgios worked for Enel for 13 years in various roles, namely Head of Europe Regulatory Affairs for Enel Green Power (EGP), Head of EGP in France, Head of EGP Business Development in Europe and in Latin America, Head of EGP Europe and most recently, Head of EGP in North America.

Earlier in his career, Georgios worked exclusively in the energy sector at an international level, for Scottish Power (Scotland), Fortum (England), Nuon (Netherlands), Gazprom (Greece) and ContourGlobal (Greece) in a variety of roles and assignments ranging from risk management, plant commercial management, business development and electricity trading.

Georgios holds a MA in Economics from the American College of Greece and a MSc in Operational Research from the University of Strathclyde.

Management positions held at other companies of Galp Group as of 31 December 2022:

Company	Position
AURORA LITH, S.A.	Member of the Board of Directors
Galp Bios, S.A.	Chairman of the Board of Directors
Galp Energia Brasil, S.A.	Chairman of the Board of Directors
Galp New Energies, S.A.	Chairman of the Board of Directors
TITAN 2020, S.A.	Chairman of the Board of Directors

Georgios did not hold any position at other entities as of 31 December 2022.



Director | Marta Amorim

Marta Amorim was born in Espinho, Portugal, on 29 April 1972. She has been a non-executive member of Galp's Board of Directors since October 2016.

Marta Amorim currently serves as Chairperson of the Américo Amorim Group and is a member of the Board of Directors of Amorim Energia B.V.

Marta Amorim holds a degree in Business Administration and Management from Universidade Católica Portuguesa and has several years of experience in the banking sector, namely at Banco Nacional de Crédito (currently named Banco Santander Totta, S.A).

Positions held at other companies as of 31 December 2022:

Company	Position
In the Américo Amorim Group	
Portugal	
Amorim Holding II, SGPS, S.A.	Chairperson of the Board of Directors
Amorim Holding Financeira, SGPS, S.A.	Chairperson of the Board of Directors
Solfim SGPS, S.A.	Chairperson of the Board of Directors
Projeto Inverso, SGPS, S.A.	Member of the Board of Directors
Amorim Negócios, SGPS, S.A.	Vice-Chairperson of the Board of Directors
Amorim Investimentos Energéticos, SGPS, S.A.	Vice-Chairperson of the Board of Directors
Amofix Investimentos, S.A.	Chairperson of the Board of Directors
Dreaming FIX, Lda.	Manager
Financimgest – Sociedade de Consultoria de Gestão de Créditos, S.A.	Chairperson of the Board of Directors
Sotomar – Empreendimentos Industriais e Imobiliários, S.A.	Chairperson of the Board of Directors
Gaivina – Empreendimentos Turísticos e Imobiliários, S.A.	Chairperson of the Board of Directors
Amorim Energia, B.V.	Director
Power Oil & Gas Investments, B.V.	Director
Amorim Aliança, B.V.	Director
Praia do Forte, B.V.	Director
Oil Investments, B.V.	Director
Amorim/TFI, Inc.	Director
Banco Luso-Brasileiro, S.A.	Chairperson of the Board of Directors
AGS Moçambique, S.A.	Chairperson of the Board of Directors
Other	
A.P.I. – Amorim Participações Internacionais, S.A.	Chairperson of the Board of Directors
Paisagem do Alqueva, S.A.	Chairperson of the Board of Directors
S.S.A. – Sociedade de Serviços Agrícolas, S.A.	Sole Director
Imobis – Empreendimentos Imobiliários Amorim, S.A.	Chairperson of the Board of Directors
Mosteiro de Grijó – Empreendimentos Turísticos, S.A.	Chairperson of the Board of Directors
Casa Das Heras – Empreendimentos Turísticos, S.A.	Chairperson of the Board of Directors
Grents, Lda	Manager



Director | Luís Todo Bom

Luís Todo Bom was born in Luanda, Angola, on 1 May 1948. He has been an independent non-executive member of Galp's Board of Directors since November 2012. He also has been Chaiman of Galp´s Risk Management Committee and a member of Galp's Audit Committee since 12 April 2019.

He is non-executive director of Onyria Internacional (Onyria group). He has been member of the Advisory and Strategy Board of HotiStar Hotel Group since 2019.

He is a guest professor at ISCTE Executive Education and was a guest associate professor at ISCTE between 1982 and March 2017.

Before joining Galp, he was non-executive director of Taguspark between 2010 and 2012, non-executive Director of Chamartín Imobiliária, SGPS, S.A. between 2007 and 2009, non-executive director of Companhia de Seguros Sagres, S.A., between 2003 and 2009, non-executive director of Portugal Telecom International, Portugal Telecom Brazil and Semapa, SGOS, between 2003 and 2006 and non-executive director of Amorim Imobiliária, SGPS, S.A., between 2002 and 2007. He was Chairman of the Board of AITECOEIRAS between 2008 and 2012 and a member of the MRG Group's Strategy Board between 2009 and 2012. He was Inspector-General and Chairman of the Advisory Board of the Portugal Telecom group and also a non-executive director of Inotec Angola – Ambiente, Energia e Comunicações, S.A..

Luís Todo Bom has a degree in Chemical-Industrial Engineering from the Instituto Superior Técnico and an MBA from the Universidade Nova de Lisboa/Wharton School of Pennsylvania. He attended the Stanford Executive Programme and the Executive Programme on Strategy and Organisation at Stanford University. He also attended the Doctor of Business Administration (DBA) Programme at the University of Cranfield and ISCTE.

Positions held at other entities as of 31 December 2022:

Entity	Position
Terfran – Investimentos e Serviços, Lda.	Managing-Partner
Angopartners Investments Consulting, Lda.	Managing-Partner
Belgrove – investimentos imobiliários, Lda	Managing-Partner
Onyria Internacional, S.A. (Onyria group)	Non-Executive Director
HotiStar Hotel Group	Member of the Advisory and Strategy Board
ISCTE Executive Education	Guest professor



Director | Jorge Seabra

Jorge Seabra de Freitas was born in Oporto, Portugal on 27 February 1960. He has been a non-executive member of Galp's Board of Directors since November 2012. He is also a member of Galp´s Audit Committee since 12 April 2019.

He is the director of Amorim Holding II since August 2011 and he was Chairman of the Board of Directors of Coelima Indústrias Têxteis, S.A., between January 1992 and May 2011.

Jorge Seabra holds a degree in Economics from the Porto School of Economics. He attended the International Executive and Competitive Strategy Programme, both from INSEAD.

Positions held at other companies as of 31 December 2022:

Company	Position
In the Américo Amorim Group	
Amorim Energia, B.V.	Director
Amorim Holding II, SGPS, S.A.	Member of the Board of Directors
Amorim Investimentos Energéticos, SGPS, S.A.	Member of the Board of Directors
Solfim SGPS, S.A	Member of the Board of Directors
Amorim Holding Financeira, SGPS, S.A.	Member of the Board of Directors
Amorim Negócios, SGPS, S.A.	Member of the Board of Directors
Projeto Inverso, SGPS, S.A	Member of the Board of Directors
Financimgest – Sociedade de Consultoria de Gestão de Créditos, S.A.	Member of the Board of Directors
Sotomar – Empreendimentos Industriais e Imobiliários, S.A.	Member of the Board of Directors
Gestimóvel, S.A.	Chairman of the Board of Directors
CS01, S.A.	Chairman of the Board of Directors
Gesfer, S.A.	Chairman of the Board of Directors
Triologia, S.A.	Chairman of the Board of Directors
AGS – Moçambique, S.A.	Member of the Board of Directors
Wanzafarms, S.A.	Chairman of the Board of Directors
Thirdway Africa RDC	Director
Amorim Aliança B.V.	Director
Power Oil & Gas Investments B.V.	Director
Praia do Forte B.V.	Director
Oil Investments B.V.	Director
Amorim/TFI, INC.	Director
Banco Luso-Brasileiro, S.A.	Adviser



Director | Francisco Teixeira Rêgo

Francisco Teixeira Rêgo was born in Oporto, Portugal, on 9 July 1972. He has been a non-executive member of the Board of Directors since April 2015.

He has been a Director of Amorim Holding II and other companies in the Américo Amorim Group since 2004. From 2002 to 2004, he worked in the Commercial Department of SODESA, S.A., an electricity trading company. From 1997 to 2002, he was at ECOCICLO, an Energy Engineering, Audit and Consulting company.

Francisco Teixeira Rêgo graduated in Mechanical Engineering at the School of Engineering of Porto University and completed an Advanced Postgraduate course in Quantitative Management Methods at the School of Management from Porto University.

Positions held at other entities as of 31 December 2022:

Entity	Position
In the Américo Amorim Group	
Amorim Holding II – SGPS, S.A.	Vice-Chairman of the Board of Directors
Amorim Holding Financeira, SGPS, S.A.	Vice-Chairman of the Board of Directors
Solfim, SGPS, S.A.	Vice-Chairman of the Board of Directors
Amorim Negócios – SGPS, S.A.	Director
Projeto Inverso, SGPS, S.A.	Director
Amorim Investimentos Energéticos, SGPS, S.A.	Director
AMOFIX Investimentos, S.A.	Director
Financimgest – Sociedade de Consultoria e Gestão de Créditos, S.A.	Director
Gaivina, Empreendimentos Turísticos e Imobiliários, S.A.	Director
SOTOMAR – Empreendimentos Industriais e Imobiliários, S.A.	Director
SF Plus, S.A.	Chairman of the Board of Directors
AGS – Moçambique, S.A.	Director
Amorim Aliança, B.V.	Director
Amorim Energia, B.V.	Director
Praia do Forte, B.V.	Director
Oil Investments, B.V.	Director
Banco Luso-Brasileiro, S.A.	Alternate of the Chairman of the Board of Directors
Others	
Vintage Prime – SGPS, S.A.	Director
Mercado Prime, SGPS, S.A.	Director
Mercado Urbano, Gestão Imobiliária, S.A.	Director
Herdade Aldeia de Cima do Mendro – Soc. Comercial, Agrícola e Turística, Lda.	Manager
Folha da Fonte – Agropecuária, Lda	Manager
Amorim Negócios II, SGPS, S.A.	Director
Luynes – Investimentos, S.A.	Vice-Chairman
Época Global, SGPS, S.A.	Director
FRGALB – INVESTMENTS, S.A.	Chairman of the Board of Directors
Moreira, Gomes & Costas, S.A.	Chairman of the Board of Directors
Agência de Viagens Sandinense, Lda.	Manager
ANTROP – Associação Nacional de Transportadores Rodoviários de Pesados de Passageiros	Vice-Chairman of the Audit Board



Director | Rui Paulo Gonçalves

Rui Paulo Gonçalves was born in Oporto, Portugal, on 30 May 1967. He has been a non-executive member of Galp's Board of Directors since May 2008. He also has been a member of Galp´s Risk Management Committee since 12 April 2019.

He has been the Director and General Manager of Amorim – Investimentos Energéticos, SGPS, S.A. since December 2007. He is still the Chairman of the Board of the General Meeting of Amorim Holding II, SGPS, S.A.

Before joining Galp, he practised law in Oporto and was Visiting Lecturer at the Portuguese Institute of Administration and Marketing on the degree course and various post-graduate courses between 2004 and 2007. He was legal adviser to the Unicer Group from 2002 and 2007 and, at the same time, the Deputy Director of the legal office of the same group.

Rui Paulo Gonçalves has a post-graduate degree in Management for law graduates from the School of Economic and Business Sciences of Universidade Católica and a Degree in Law from the Law School of the same university.

Positions held at other companies as of 31 December 2022:

Company	Position
In the Américo Amorim Group	
Amorim Investimentos Energéticos, SGPS, S.A.	Director and General Manager
Amorim Energia, B.V.	Director
Amorim Holding II, SGPS, S.A.	Chairman of the Board of the General Meeting



Director | Carlos Pinto

Carlos Pinto was born on 14 April 1978. He has been a non-executive member of Galp's Board of Directors since 12 April 2019.

Since 2017, and until May 8th, 2019, he has held the position of Executive Director at Sonangol, E.P. Held the position of Deputy Coordinator of the Working Group for the Revision of Petroleum Legislation in Angola, in 2017. He was Legal Advisor at Total Angola from 2004 to 2014, having held different positions and assignments at Total S.A. in France in 2012 and in 2009 at Total E&P USA. He is a Professor at the Faculty of Law of Universidade Agostinho Neto since 2009.

He has been a member of the AIPN, the Association of Petroleum Negotiators, since 2013.

Carlos Pinto holds a degree in Law from the Faculty of Law of the University of Lisbon and a Master's Degree in Business Law by the Faculty of Law of the University of Coimbra and Facutly of Law of Agostinho Neto University.

Positions held at other entities as of 31 December 2022:

Entity	Position
Faculdade de Direito da Universidade Agostinho Neto	Assistant Professor
P&P Sociedade de Advogados, R.L.	Partner



Director | Diogo Mendonça Tavares

Diogo Tavares was born in Montijo, Portugal, on 31 October 1945. He was a non-executive member of Galp's Board of Directors between 2006 and 2008. He has been a member of Galp's Board of Directors since April 2012. He has also been a member of Galp´s Sustainability Committee since 12 April 2019.

Before joining Galp, he was Advisor to the Chairman of Amorim Holding II, SGPS, S.A. between 2006 and 2011, and the Director of the same Entity between 2011 and 2013, and also the non-executive director at Galp, S.A. between 2006 and 2008. He was President of UNIRISCO, the first venture capital Entity in Portugal and his other positions included, Vice-Chairman of IAPMEI, Vice-Chairman of the Tourism Institute of Portugal, Director of IFADAP, Chairman of IPE-CAPITAL, Vice-Chairman of ICEP and Chairman of Urbimeta, S.A. Sociedade Imobiliária.

Diogo Tavares holds a degree in Mechanical Engineering from the Instituto Superior Técnico and is a graduate of the Advanced Business Management Programme (IAESE/Harvard Business School).

Diogo Tavares did not hold any position at other entities as of 31 December 2022.



Director | Edmar de Almeida

Edmar Almeida was born on 18 February 1969. He has been an independent non-executive member of Galp's Board of Directors since 12 April 2019.

He is Professor at the Energy Institute of the Catholic University of Rio de Janeiro – PUC-Rio and at the Institute of Economics of the Federal University of Rio de Janeiro (in leave period). Currently, he is also a Board member at International Association of Energy Economics. He has held other roles as Vice-President for Academic Affairs of the International Association for Energy Economics between 2008 and 2012, President of the Brazilian Association for Energy Studies - AB3E between 2012 and 2014 and Secretary of the Latin American Association for Energy Economics - ALADEE between 2013 and 2017. Professor Edmar was also a member of the Energy Council of the Commercial Association of Rio de Janeiro - ACRJ between 2016 and 2017 and Director of Research of the Institute of Economics between 2011 and 2015.

Edmar Almeida holds a bachelor's degree in Economics from the Federal University of Minas Gerais (UFMG), a Sciences Master's Degree in Industrial Economics from the Institute of Economics of the Federal University of Rio de Janeiro (UFRJ) and a PhD in Applied Economics from the Institute for Energy Policy and Economics (IEPE) of Grenoble II, France.

Positions held at other entities as of 31 December 2022:

Entity	Position
Energy Institute – Catholic University of Rio de Janeiro	Professor
International Association of Energy Economics	Member of the Board



Director | Cristina Fonseca

Cristina Fonseca has been an independent non-executive member of Galp's Board of Directors and member of Galp´s Sustainability Committee since 12 April 2019.

She started her professional career as an entrepreneur, having co-founded Talkdesk in 2011, the first cloud native Call Center solution which raised $500M from top global investors.

Cristina is currently investor and board member of several companies as part of the founding team of Indico Capital Partners, the leading venture capital tech and sustainability focused firm, based Portugal. Indico Capital Partners focuses on technology and ocean related companies, targeting investments at Pre-Seed to Series B level. Founded in 2017, the team at Indico were previously behind the majority of the Portuguese global tech success stories, including 6 unicorns, as investors and entrepreneurs.

In 2018, Cristina co-founded Cleverly.ai, an Artificial Intelligence automation startup that got acquired in 2021 by Zendesk, Inc the global leader in customer service software. As a Vice President of Product Cristina is currently responsible for its AI strategy.

Appointed as a Young Global Leader by the World Economic Forum in 2021, she holds a degree in Computer Engineering and Telecommunications from Instituto Superior Técnico (Lisbon). Cristina is also a member of the Singularity University Portugal and a member of the General Council of the University of Lisbon.

Positions held at other companies as of 31 December 2022:

Entity	Position
Indico Capital Partners	General Partner
Zendesk, Inc	Vice President, Product
Singularity University Portugal	Member
University of Lisbon	Member of the General Council



Director | Adolfo Mesquita Nunes

Adolfo Mesquita Nunes was born on 29 November 1977. He has been an independent non-executive member of Galp's Board of Directors since 12 April 2019 and Chairman of the Ethics and Conduct Committee since November 2019.

He is a Partner at Gama Glória Law Firm. Visiting Assistant Professor at Nova SBE. Public Law Arbitrator at CAAD – Centro de Arbitragem Administrativa.

Prior to this, he joined the XIX and XX governments as Secretary of State for Tourism between February 2013 and November 2015, having also been a member of the Portuguese Parliament from June 2011 to February 2013.

He started as a Trainee Lawyer in September 2000 at the Law Firm Morais Leitão, J. Galvão Teles e Associados. Between April 2005 and June 2011, he was a Senior Associate at Law Firm Morais Leitão, Galvão Teles, Soares da Silva e Associados. Between June of 2002 and August 2003, he held the position of adviser to the councilman of the Municipality of Lisbon Pedro Feist.

He holds a degree in Law from the Faculdade de Direito da Universidade Católica Portuguesa and a Master's Degree in Law and Political Sciences from the Faculdade de Direito da Universidade de Lisboa.

Positions held at other entities as of 31 December 2022:

Entity	Position
Gama Glória Law Firm	Partner



Director | Dr. Javier Cavada Camino

Javier Cavada Camino was born in Spain on 10 November 1975.

He has been an independent non-executive member of Galp's Board of Directors since 17 December 2021.

He is President and CEO of Mitsubishi Power in Europe, Middle East and Africa, Chairman of the Board of Directors of Gazelle Wind Power, Chairman of the Board of JC Navalips, and a member of the Board of Directors of Highview Power and the UK's Bagnall Energy.

Javier Cavada Camino holds a degree in Mechanical Engineering from the University of Cantabria in 1998, an MBA in Business Management from the Instituto de la Calidad in 2005, a scientific master's degree in Industrial Engineering from the University of Cantabria in 2010 and a scientific master's degree in International Management from the University of Liverpool in the same year. He has also a PhD in Industrial Engineering from the University of Cantabria since 2012.

Positions held at other entities as of 31 December 2022:

Entity	Position
Mitsubishi Power Europe, Mitsubishi Power Middle East and Mitsubishi Power Africa	President and CEO
Gazelle Wind Power	Chairman of the Board of Directors
JC Navalips	Chairman of the Board of Directors
Highview Power	Member of the Board of Directors
Bagnall Energy	Member of the Board of Directors



Director | Cláudia Almeida e Silva

Cláudia Almeida e Silva was born on September 24, 1973.

Cláudia Almeida e Silva is an independent non-executive member of Galp's Board of Directors since April 29, 2022.

Before joining Galp, Cláudia assumed several functions in the FNAC DARTY Group for 9 years, namely as store director, editorial products director and, in 2008, assumed the direction of the operation of FNAC Portugal as CEO. As member of the executive committee of the group, she assumed the responsibility of Coordination of FNAC Spain and, subsequently, FNAC Brasil.

Previously, Cláudia worked in the retail sector, namely for Conforama Portugal (PPR-Pinault Printemps Redoute Group), assuming the functions of Marketing Director and Commercial Director. She also worked in business consultancy area in PwC Consulting, both in Coopers&Lybrand and PricewaterhouseCoopers, in particular focus on Corporate Finance, ECR and CRM areas, as well as in the marketing and advertising sector.

Cláudia has a degree in Business Administration from Católica Lisbon School of Business and Economics and holds a Post Degree in General Management Consulting from INDEG/ISCTE. Cláudia attended the UNext at INSEAD/PPR University, the Uknow Finance at PPR University, the Executive Program Managing for Value at IMD International Institute for Management, the PADE – Advanced Management Program at AESE/IESE, the Executive Leadership Program at THINK School of Creative Leadership and the Advanced Management Program at Kellogg School of Management and Católica Lisbon School of Business and Economics.

Positions held at other entities as of 31 December 2022:

Entity	Position
Singularity Capital	Managing Partner
Praça Hub	Founder and CEO
Start Up Lisbon	Mentor
Católica Lisbon School of Business and Economics	Executive in Residence
Carrefour Group	Independent Member of the Board of Directors and Member of the Audit Committee and RSE Committee
Carrefour Brasil – Atacadão SA	Independent Member of the Board of Directors and Member of the Audit Committee
Adeo Group – Leroy Merlin Portugal	Advisor of the *Conseil de Surveillance Committee*
Carrefour Foundation	Member of the Board of Directors

Audit Board



Chairman | José Pereira Alves

José Pereira Alves was born on 29 September 1960. He is Chairman of Galp's Audit Board since 12 April 2019.

He is Chairman of the Audit Board of Sierragest - Gestão de Fundos, SGOIC, S.A. since February 2017, Chairman of the Audit Board of The Fladgate Partnership, S.A. since October 2018, Chairman of the Audit Board of NOS, SGPS, S.A. since May 2019 and Chairman of the Audit Board and non-executive Director of Corticeira Amorim, SGPS, S.A. since April 2021.

Throughout his career as an auditor and consultant, he was involved in company projects in several fields, including as the technician responsible for carrying out work on audits at Texaco (Angola), Cabinda Gulf Oil Company (CABGOC) and Electra (Cabo Verde), all in the energy sector. He remained at PwC for 32 years having left it on 30 June 2016. He held the position of Territory Senior Partner (President) from July 1, 2011 to June 30, 2015. At PwC he was responsible for more than 22 years for the coordination of auditing and statutory auditing of several groups, namely Amorim, RAR, Salvador Caetano, Nors, Ibersol, TAP, CTT, Semapa and Jerónimo Martins, among others.

He holds a degree in Economics from the University of Porto (FEP) and he is Statutory Auditor since 1990.

Positions held at other entities as of 31 December 2022:

Entity	Position
Galp Foundation	Chairman of the Audit Board
Sierragest – Gestão de Fundos, SGOIC, S.A.	Chairman of the Audit Board
The Fladgate Partnership, S.A.	Chairman of the Audit Board
NOS, SGPS, S.A.	Chairman of the Audit Board
Corticeira Amorim, SGPS, S.A.	Chairman of the Audit Board



Member | Maria de Fátima Geada

Maria Fátima Castanheira Cortês Damásio Geada was born on 2 November 1960. She is a member of Galp's Audit Board since 12 April 2019.

She also holds the position of Chairman of the Board of Directors of the Portuguese Institute of Internal Audit, Member of the Audit Board of several entities of the Group TAP Air Portugal and is a member of the IIA Global Council.

She was appointed Chairman of the Audit Board of Cateringpor between 1997 and 2020, member of the Audit Board of PGA – Portugália Airlines (until 2018) and member of the Audit Board of LF Portugal (until 2018). She also held the position of member of the Assembly of Representatives of the Order of Economists. She was also Chief Internal Audit Officer of Group TAP Portugal until April 2021. In 2014, she was a member of the Strategic Council of ISCAC – Coimbra Business School. Between 1993 and 1996 she served as Deputy Director General of the Maintenance and Engineering Department of TAP Air Portugal and between 1994 and 2003 she was Administrator of an Integrated Health Care Company. She is a University Professor, having held, throughout her career of more than thirty years as academic, the positions of Director of the Management Course, of the Accounting and Auditing Course and of President of the Scientific Council and Pedagogical Council in several institutions. She also acts as Coordinator/Professor of the Financial Management Curricular Unit and Coordinator of the Post-Graduation in Audit, Risk and Cyber-security of IDEFE and Director of the MBA Lisboa Atlântico – UAL and is presently Lecturer in several business schools.

She holds a degree in Economics from ISEG, a Master in Quantitative Methods applied to Economics and Business Management and a PhD in Economics "Keynesianos versus Monetaristas" from Universidade Técnica of Lisbon. She has a Postgraduate Degree in Auditing. She is certified by IIA – EUA CRMA in Certified Risk Management Assurance.

Positions held at other entities as of 31 December 2022:

Entity	Position
Galp Foundation	Member of the Audit Board
Portuguese Institute of Internal Audit	Chairman of the Board
TAP, SGPS, S.A.	Member of the Audit Board
ISCAC	Member of the Strategic Council



Member | Pedro Antunes de Almeida

Pedro Antunes de Almeida was born in Lisbon, Portugal, on 31 December 1949. He has been member of Galp's Audit Board since November 2012.

From 2006 to 2015, Pedro Antunes de Almeida was Consultant for Economic and Business Affairs to the President of the Portuguese Republic.

As an independent business consultant in the tourism industry, he was Chairman of the Board of Directors of ICEP, Chairman of the Executive Committee of ENATUR – Pousadas de Portugal, Secretary of State for Tourism (XV Government) and Ambassador of Portugal to the World Tourism Organisation. Between 2011 and 2012, he was Secretary of Galp's Board of the General Meeting.

Pedro Antunes de Almeida has a degree in Economics and Sociology from Universidade Nova de Lisboa, with a post- graduate qualification in European Economic Studies, from Universidade Católica Portuguesa, a course on Public Relations, Marketing and Publicity, from the Graduate School of Media, Lisbon, and the Course for National Defense Auditors from the National Defense Institute.

Positions held at other entities as of 31 December 2022:

Entity	Position
Galp Foundation	Member of the Audit Board
Fidelidade Seguros	Chairman of the Audit Board
Grupo NAU Hotels & Resorts	Non-executive Chairman of the Board of Directors

Alternate | Amável Calhau

Amável Alberto Freixo Calhau was born in Setúbal, Portugal, on 20 November 1946. He has been a Deputy Member of Galp's Audit Board since 5 October 2006.

He is a Statutory Auditor and has been a Managing Partner of Amável Calhau & Associados, SROC, Lda. since 1981. He was an accountant and auditor for an auditing entity between 1970 and 1979 and has been an individual Statutory Auditor since 1980.

He has been a Statutory Auditor in dozens of companies in various sectors since 1981, including: from 1991 to 2012, Statutory Auditor for the Portuguese Securities Market; from 2006 to 2014, Statutory Auditor for the Banco de Portugal Audit Committee, and from 2008 to 2012, Statutory Auditor for Agência de Gestão da Tesouraria e da Dívida Pública – IGCP, E.P.E Audit Committee.

Amável Alberto Freixo Calhau is an accounting expert from the Army Pupils'Military Institute.

Positions held at other entities as of 31 December 2022:

Entity	Position
Galp Foundation	Alternate member of the Audit Board
Galp Gás Natural Distribuição, S.A.	Alternate member of the Audit Board
Other Companies	Member of the Audit Board

Remuneration Committee

Chairman | Amorim Energia B.V.

Amorim Energia B.V., with registered offices at Postbus 23393, 1100DW Amsterdam, registered with Netherlands Chamber of Commerce under CCI number 33256360, with the share capital of € 18,200.00, holds 276.472.161 shares issued by Galp Energia, SGPS, S.A., corresponding to 33.92% of its share capital and is based in the Netherlands.

Member | Jorge Armindo Carvalho Teixeira

Jorge Armindo de Carvalho Teixeira is a member of the Board of Directors (CEO) of Amorim Turismo, SGSP, S.A. and its affiliates.

He began his professional career in 1976 as an Assistant Lecturer in the Porto Faculty of Economics, teaching Business Management and International Financial Management until 1992. In 1982, he joined what is now the Amorim Group as Chief Financial Officer and, in 1987, was appointed Vice-Chairman of the Group, a position he held until 2000. In 1997, at the invitation of the Government, he was appointed Chairman of Portucel – Empresa de Celulose e Papel de Portugal, SGPS, S.A. and he also took the chair of all companies in which Portucel, SGPS, S.A. had investments until its privatisation.

Jorge Armindo de Carvalho Teixeira has a degree in Economics from the Faculty of Economics of Universidade do Porto.

Jorge Armindo de Carvalho Teixeira holds 11.054shares issued by Galp Energia, SGPS, S.A. and does not hold any bonds issued by Galp Energia, SGPS, S.A.

Positions held at other entities as of 31 December 2022:

Entity	Position
Amorim Turismo, SGPS, S.A.	Member of the Board of Directors (CEO)
Amorim – Entertainment e Gaming Internacional, SGPS, S.A.	Member of the Board of Directors (CEO)
SFP - Sociedade Figueira Praia, S.A.	Member of the Board of Directors
SFP Online	Member of the Board of Directors
Estoril Sol, SGPS, S.A.	Member of the Board of Directors
Fundição do Alto da Lixa, S.A.	Chairman of the Board of Directors (PCA)
Caetano Coatings, S.A.	Member of the Board of Directors
Caetano Coatings Internacional, S.A.	Chairman of the Board of Directors (PCA)
Iberpartners – Gestão e Reestruturação de Empresas, S.A.	Chairman of the Board of Directors (PCA)
Iberpartners Cafés, SGPS, S.A.	Chairman of the Board of Directors (PCA)
Newcoffee - Indústria Torrefatora de Cafés, S.A.	Member of the Board of Directors
Fozpatrimónio, S.A.	Member of the Board of Directors
APC – Associação Portuguesa de Casinos	Vice-Chairman
CTP – Confederação do Turismo Português	Vice-Chairman of the Directive Board

Member | Joaquim Alberto Hierro Lopes

Joaquim Alberto Hierro Lopes is a shareholder and managing partner at GED Partners and, at the same time, a member of the Board of Directors of the Management Companies of the Funds GED V España, GED VI, GED Eastern Fund II, GED Sur and Conexo Ventures (CEO) and of the Board of Directors of several GED Fund subsidiaries, including Iconsa Engineering, in Spain and Serlima Services S.A., in Portugal. He is the Chairman of the Board of Directors of ISAG European Business School (Graduate School of Administration and Management).

Before joining Galp, he was an executive director at Norpedip/PME Capital – Sociedade Portuguesa de Capital de Risco (now Portugal Ventures), Chairman and Board Member of several companies, including FiberSensing, Altitude Software, Payshop, Cabelte, Bluepharma, TV Tel Grande Porto, Fibroplac., and participated in the launch and management of various investment funds.

Between 2007 and 2014, he was a member of the Audit Board of Corticeira Amorim SGPS, S.A.

Between 1990 and 2010 he was professor of Financial Mathematics and Management Accounting at ISAG - Instituto Superior de Administração e Gestão.

Joaquim Alberto Hierro Lopes completed a degree in Accounting and Administration at Porto Accounting and Business School, as well as in Mathematics from the Faculty of Sciences of the Universidade do Porto, and he completed a MBA at Porto Business School. He has a Master's Degree in Business Administration, from the Universidade do Porto.

Joaquim Alberto Hierro Lopes holds 10 shares issued by Galp Energia, SGPS, S.A. and does not hold any bonds issued by Galp Energia, SGPS, S.A.

Positions held at other entities as of 31 December 2022:

Entity	Position
GED Partners, SL	Member of the Board of Directors
Capital Promoción Empresarial del Sur, S.A..	Member of the Board of Directors
GED Capital Development, S.A.	Member of the Board of Directors
GED Iberian Private Equity, S.A..	Member of the Board of Directors
GED Ventures Portugal, SCR, S.A.	Chairman of the Executive Committee
Fundo GED Tech Seed, FCR	Managing Partner
Fundo Conexo Ventures	Managing Partner
Fundo GED Sur	Managing Partner
Fundo GED Eastern Fund II	Member of the Investments Committee
Fundo GED V Espanha	Member of the Investments Committee
Fundo GED VI Espanha	Member of the Investments Committee
Serlima Services, S.A.	Member of the Board of Directors
ISAG – European Business School	Chairman of the Directive Board
Fundação Consuelo Vieira da Costa	Chairman of the Audit Board



consolidated and individual financial statements

galp Book IV

Consolidated statement of financial position

Galp Energia, SGPS, S.A.

Consolidated statement of financial position as at 31 December 2022 and 31 December 2021

(Amounts stated in million Euros – €m)

Assets	Notes	2022	2021
Non-current assets:			
Tangible assets	5	5,700	5,169
Intangible assets	6	672	645
Goodwill	8	70	85
Right-of-use of assets	7	1,116	1,079
Investments in associates and joint ventures	9	417	389
Deferred tax assets	16	559	485
Other receivables	11	263	293
Other financial assets	12	256	560
Total non-current assets:		**9,055**	**8,703**
Current assets:			
Inventories	10	1,361	1,007
Other financial assets	12	339	992
Trade receivables	11	1,464	1,243
Other receivables	11	942	885
Current income tax receivable	16	3	139
Cash and cash equivalents	13	2,432	1,942
Non-current assets classified held for sale	2.2.3	500	0
Total current assets:		**7,041**	**6,208**
Total assets:		**16,096**	**14,912**

Equity and Liabilities	Notes	2022	2021
Equity:			
Share capital and share premium		897	911
Own shares		0	0
Reserves		1,562	1,327
Retained earnings		1,701	813
Total equity attributable to shareholders:		**4,161**	**3,052**
Non-controlling interests	23	956	918
Total equity:		**5,117**	**3,970**
Liabilities:			
Non-current liabilities:			
Financial debt	14	3,187	2,995
Lease liabilities	7	1,095	1,015
Other payables	15	99	95
Post-employment and other employee benefit liabilities	17	252	300
Deferred tax liabilities	16	555	653
Other financial instruments	19	48	136
Provisions	18	1,430	1,209
Total non-current liabilities:		**6,666**	**6,403**
Current liabilities:			
Financial debt	14	800	1,305
Lease liabilities	7	182	164
Trade payables	15	1,005	811
Other payables	15	1,505	1,190
Other financial instruments	19	373	1,069
Current income tax payable	16	361	0
Liabilities directly associated with non-current assets classified as held for sale	2.2.3	87	0
Total current liabilities:		**4,314**	**4,539**
Total liabilities:		**10,979**	**10,942**
Total equity and liabilities:		**16,096**	**14,912**

The accompanying notes form an integral part of the consolidated statement of financial position and must be read in conjunction.

Consolidated income statement and consolidated statement of comprehensive income

Galp Energia, SGPS, S.A.

Consolidated income statement and consolidated statement of comprehensive income for the years ended 31 December 2022 and 31 December 2021

(Amounts stated in million Euros – €m)

	Notes	2022	2021
Sales	**24**	26,485	15,618
Services rendered	**24**	355	499
Other operating income	**24**	321	324
Financial income	**27**	877	27
Earnings from associates and joint ventures	**9**	152	83
Total revenues and income:		**28,189**	**16,552**
Cost of sales	**25**	(20,920)	(11,752)
Supplies and external services	**25**	(1,888)	(1,563)
Employee costs	**26**	(370)	(310)
Amortisation, depreciation and impairment losses on fixed assets	**25**	(1,380)	(961)
Provisions and impairment losses on other receivables	**25**	(133)	(74)
Other operating costs	**25**	(88)	(111)
Financial expenses	**27**	(164)	(937)
Total costs and expenses:		**(24,943)**	**(15,709)**
(Loss)/Profit before taxes and other contributions:		**3,246**	**843**
Taxes and SPT	**16**	(1,434)	(652)
Energy sector extraordinary contribution	**16**	(34)	(41)
Windfall tax	**16**	(53)	0
Consolidated net (loss) income for the year		**1,726**	**150**
(Loss)/Income attributable to:			
Galp Energia, SGPS, S.A. Shareholders		**1,475**	**4**
Non-controlling interests	**23**	251	146
Basic (loss) Earnings per share (in Euros)		**1.81**	**0.00**
Diluted (loss) Earnings per share (in Euros)		**1.81**	**0.00**
Consolidated net (loss) income for the year		**1,726**	**150**
Items which will not be recycled in the future through net income:			
Remeasurements	**17**	(30)	33
Income taxes related to remeasurements	**17**	0	(8)
Items which may be recycled in the future through net income:			
Currency translation adjustments		299	417
Hedging reserves	**19**	(13)	28
Income taxes related to the above items	**16**	3	(7)
Subtotal of other comprehensive (loss) income		**258**	**464**
Total comprehensive (loss) income for the year, attributable to:		**1,983**	**614**
Galp Energia, SGPS, S.A. Shareholders		**1,680**	**389**
Non-controlling interests		**304**	**225**

The accompanying notes form an integral part of the consolidated income statement and consolidated statement of comprehensive income.

Consolidated statement of changes in equity

Galp Energia, SGPS, S.A

Consolidated statement of changes in equity for the years ended 31 December 2022 and 31 December 2021

(Amounts stated in million Euros – €m)

	Notes	Share Capital and Share Premium		Reserves							
		Share Capital	Share Premium	Own shares	CTR(*)	Hedging Reserves	Other Reserves	Retained earnings	Sub-Total	NCI(**)	Total
As at 1 January 2021		**829**	**82**	**0**	**(570)**	**3**	**1,535**	**1,281**	**3,160**	**940**	**4,100**
Consolidated net income for the year		0	0	0	0	0	0	4	4	146	150
Other gains and losses recognized in equity		0	0	0	338	21	0	26	385	79	464
Comprehensive income for the year		**0**	**0**	**0**	**338**	**21**	**0**	**30**	**389**	**225**	**614**
Dividends distributed		0	0	0	0	0	0	(498)	(498)	(199)	(697)
Increase/decrease in capital reserves		0	0	0	0	0	0	0	0	(47)	(47)
As at 31 December 2021		**829**	**82**	**0**	**(232)**	**24**	**1,535**	**813**	**3,052**	**918**	**3,970**
Balance as at 1 January 2022		**829**	**82**	**0**	**(232)**	**24**	**1,535**	**813**	**3,052**	**918**	**3,970**
Consolidated net (loss) income for the year		0	0	0	0	0	0	1,475	1,475	251	1,726
Other gains and losses recognized in equity		0	0	0	245	(10)	0	(31)	205	53	258
Comprehensive income for the year		**0**	**0**	**0**	**245**	**(10)**	**0**	**1,444**	**1,680**	**304**	**1,983**
Dividends distributed	22, 23	0	0	0	0	0	0	(420)	(420)	(266)	(686)
Repurchase of shares		0	0	(150)	0	0	0	0	(150)	0	(150)
Cancelling of shares		(14)	0	150	0	0	0	(136)	0	0	0
Decrease in capital reserves		0	0	0	0	0	0	0	0	0	0
Cumulative income as at 31 December 2022 – CTR with Non current Asset classified as held for sale		**0**	**0**	**0**	**160**	**0**	**0**	**0**	**160**	**0**	**160**
Cumulative loss at 31 December 2022 – Other CTR's		**0**	**0**	**0**	**(147)**	**0**	**0**	**0**	**(147)**	**0**	**(147)**
Balance as at 31 December 2022		**815**	**82**	**0**	**13**	**14**	**1,535**	**1,701**	**4,161**	**956**	**5,117**

The accompanying notes form an integral part of the consolidated statement of changes in equity and must be read in conjunction.
(*) Currency Translation Reserves
(**) Non-controlling Interests

Consolidated statement of cash flows

Galp Energia, SGPS, S.A.

Consolidated statement of cash flow for the years ended 31 December 2022 and 31 December 2021

(Amounts stated in million Euros - €m)

	Notes	2022	2021
Income/(Loss) before taxation for the period		**3,246**	**843**
Adjustments for:			
Amortisation, depreciation and impairment losses on fixed assets	25	1,380	961
Provisions		124	67
Adjustments to net realisable value of inventories	25	70	30
Mark-to-market of derivatives	27	(806)	832
Other financial costs/income	24;25	93	78
Underlifting and/or Overlifting	24;25	(55)	44
Share of profit/(loss) of joint ventures and associates	9	(152)	(83)
Others		(13)	14
Increase / decrease in assets and liabilities:			
(Increase) in inventories		(473)	(329)
(Increase)/decrease in current receivables		(221)	(602)
(Decrease)/increase in current payables		225	111
(Increase)/decrease in other receivables, net		714	(443)
Dividends from associates and joint ventures	9	26	132
Taxes paid	16	(1,087)	(602)
Cash flow from operating activities		**3,071**	**1,052**
Capital expenditure in tangible and intangible assets	5;6	(1,078)	(779)
Investments in associates and joint ventures, net	9	(48)	423
Other investment cash outflows, net	2.2.1	(140)	(104)
Cash flow from investing activities		**(1,266)**	**(460)**
Loans obtained	14	4,297	6,869
Loans repaid	14	(4,483)	(6,465)
Interest paid		(39)	(61)
Leases repaid	7	(132)	(115)
Interest on leases paid	7	(85)	(76)
Change in non-controlling interest		0	14
Dividends paid to Galp shareholders	22	(420)	(498)
Dividends paid to non-controlling interests	22;23	(245)	(198)
Acquisition of own stocks	22	(150)	0
Cash flow from financing activities		**(1,257)**	**(530)**
(Decrease)/increase in cash and cash equivalents		547	62
Currency translation differences in cash and cash equivalents		62	75
Cash and cash equivalents at the beginning of the period	13	1,812	1,675
Cash and cash equivalents at the end of the period	**13**	**2,421**	**1,812**

The accompanying notes form an integral part of the condensed consolidated statement of Cash Flow and should be read in conjunction.

Notes to the consolidated financial statements as of 31 December 2022

Galp Energia SGPS, S.A. (the Company) is the parent company of Galp Group.

The Company has its Head Office in Rua Tomás da Fonseca in Lisbon, Portugal and is listed on Euronext Lisbon.

The Group develops its activities in the energy sector, namely electricity from renewable sources, exploration, production and commercialization of hydrocarbons (oil & natural gas), refining and distribution of lubricants, gas, gasoline, diesel, fuel oil, jet fuel, asphalts and others and the acquisition and wholesale distribution of natural gas.

1. Basis of preparation

The consolidated financial statements of Galp Energia SGPS, S.A. and its subsidiaries (collectively referred to herein as Galp or the Galp Group) have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU).

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, financial assets at fair value through comprehensive income and financial assets at fair value through profit or loss.

The significant accounting policies set out below have been applied consistently to the preparation of the consolidated financial statements for the years presented.

The consolidated financial statements are presented in Euros, and all the values are rounded to the nearest million Euros, except where otherwise indicated. Therefore, the subtotals and totals of the tables presented in these consolidated financial statements and accompanying notes may not equal the sum of the amounts presented, due to rounding.

2. Significant accounting policies, judgments, estimates and changes

2.1 Significant accounting policies, judgments and estimates

Accounting policies

Galp's significant accounting policies are disclosed in the related notes within these consolidated financial statements.

Applying materiality

The consolidated financial statements are the result of the aggregation of a large number of transactions by nature. When they are aggregated, the transactions are presented in classes of similar items. If a line item is not individually material, it is aggregated with other items of a similar nature in the consolidated financial statements, or in the notes thereto. Management makes the specific disclosures required by the IFRS unless the information is considered immaterial to the economic decision-making of the users of these financial statements or is otherwise not applicable.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the parent company Galp Energia SGPS, S.A. and the entities under its control. Control exists where Galp has effective power over an entity and is exposed to variable returns arising from its involvement with the entity. Where necessary, adjustments are made to bring the financial statements of the subsidiaries in line with the Group's accounting policies. All intragroup transactions, balances, income and expenses are eliminated in full upon consolidation. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition up to the effective date of disposal. Non-controlling interests represent the equity in subsidiaries that is not attributable, directly or indirectly, to Galp's shareholders.

Translation of foreign currencies

Functional currency

Items included in the financial statements of Galp Group entities are measured using the currency of the primary economic environment in which the subsidiary operates (the functional currency). The presentation currency of the consolidated group is the Euro, which is the functional currency of the parent.

Translation of transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing as of the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities, are recognized in the income statement.

Translation of Group companies

Upon consolidation, the assets and liabilities of non-Euro entities are translated into Euros at the year-end rates of exchange, while their statements of income, other comprehensive income and cash flow are translated at the annual average rates. The resulting translation differences are recognized as currency translation differences within other comprehensive income.

The following exchange differences are recognized in other comprehensive income: (i) Foreign subsidiaries' statements of comprehensive income are translated at the historical average of the year-end exchange rates; (ii) Loans granted by shareholders to subsidiaries in currencies other than the parent's functional currency that have no stipulated repayment terms are treated as net hedges on the investments in these foreign subsidiaries. This means that the foreign exchange differences arising from these loans that have not been eliminated upon consolidation are reclassified in the income statement from shareholders' equity to the line item "Currency translation reserves".

Key accounting estimates and judgments

Inherent in the application of the accounting policies used for the preparation of these consolidated financial statements is the need for Galp's management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. The actual amounts could differ from the estimates and assumptions used.

Accounting judgments and estimates which could have a significant impact on the results of the group are described in the Notes to the financial statements alongside the significant accounting policies. Those areas requiring the most significant judgment and the use of estimates when preparing these consolidated financial statements are: (i) Accounting for interests in other entities (Note 9 and 31); (ii) Accounting for oil and natural gas properties, including the estimation of reserves (Note 5); (iii) Recoverability of the carrying value of assets (Notes 5,6,8 and 9); (iv) Provisions and contingencies (Note 18); (v) Pensions and other post-employment benefits (Note 17); (vi) Income taxes (Note 16); (vii) Leases (Note 7); (viii) Fair value measurements of financial instruments (Note 20). Where an estimate carries a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities within the next financial year, this is specifically stated within the respective note.

Energy transition

Energy transition refers to the gradual shift from fossil-based energy production and consumption to renewable energy sources such as wind, solar and hydropower, as well as lithium-ion batteries, hydrogen and biofuels.

While energy consumption is expected to continue rising, the higher penetration of renewable energy sources into the energy supply mix, the increasing electrification in transport, manufacturing and buildings, and the subsequent needs of improved energy storage, new mobility solutions and energy efficient technologies are all important drivers and challenges of the energy transition.

Galp aims to play an important role in the energy transition, adapting its business portfolio to accompany the shifting paradigm in energy sources, while taking advantage, as much as possible, of synergies with existing businesses and distribution networks. The Group has already taken in recent years significant steps to diversify its asset base with a view to mitigate the carbon footprint of fossil fuel related business areas and remains committed to the investment in alternative energy sources and to the development of innovative solutions that will contribute to a low-carbon economy.

The revised long-term objectives and pathway towards carbon emissions reduction is expected to be met primarily by the execution of the main strategic guidelines announced by the Company, namely:

- Reduction of 40% of absolute emissions from operations (Scope 1 and 2 emissions) in 2030;
- Reduction of 40% of the production carbon intensity in 2030;
- Reduction of 20% of all downstream sales carbon intensity in 2030.

(all reductions refer to 2017 as a baseline year, the year where Galp announced the diversification of its portfolio beyond Oil & Gas and

that will be considered the base year for any analysis of carbon intensity evolution in the future)

These targets are part of Galp's ambition to reach Net Zero Emissions (scopes 1, 2 and 3) by 2050.

This note describes how Galp has considered climate-related impacts in some key areas of the financial statements and how this translates into the valuation of assets and measurement of liabilities as Galp progresses in the energy transition.

The Significant accounting policies, judgements and estimates section above provides the specific reference to the notes where the relevant uncertainties, including those that have the potential to have a material effect on the Consolidated Balance Sheet in the next 12 months, are described.

This note describes the key areas of climate impacts that potentially have short- and longer-term effects on amounts recognized in the Consolidated Balance Sheet at December 31, 2022. Where relevant, this note contains references to other notes to the Consolidated Financial Statements and aims to provide an overarching summary.

Financial planning and assumptions

Group's decarbonization ambitions (see above) are embedded in Galp's business plan. Galp will continue to revise its business plan, price outlooks and assumptions as it moves towards net-zero emissions by 2050.

The financial plan includes expected cost for evolving carbon regulations based on a forecast of Galp's equity share of emissions from operated and non-operated assets also considering the estimated impact of free allowances. Carbon cost estimates range around €120 per tonne of GHG emissions in 2030 (nominal terms).

Potential accounting impact of energy transition

Changes in commodity prices and potential impairments

As noted, in accordance with IFRS, Galp's financial statements are based on reasonable and supportable assumptions that represent management's current best estimate of the range of economic conditions that may exist in the foreseeable future.

Energy transition is expected to bring volatility and there is large uncertainty as to how commodity prices will develop over the next decades. External climate price scenarios differ with some presenting a structural lower price during the transition period, while other price lines see structural higher commodity prices as a result of changes in both supply and demand.

Refer to note 5 for Galp's best estimate for future oil and gas prices and related sensitivities. If different price outlooks from external and often normative climate change scenarios were used, this may impact the recoverability of certain assets recognized in the Consolidated Balance Sheet as at December 31, 2022. These external scenarios are not representative of management price estimates.

Change of portfolio

Galp's strategy for the energy transition may also result in new asset investments and/or divestments, which will impact the balance sheet and the Group's future results. Portfolio changes in previous years include the closure of the Matosinhos refinery and the acquisition of Titan 2020, S.A. (ex- Zero E Euro Assets, S.A.) a large solar PV player. During 2022, the Group continued to execute its investment proposition combining growth and, at the same time, drive its gradual transformation from grey-to-green: (i) on Upstream – decided to divest from its mature Upstream asset in Angola (Note 2.2.3), focusing on its lowest carbon intensity assets; (ii) on Renewables and new business, the Group continued to expand its pipeline of new projects and took full control of Titan solar assets (Note 2.2.1) and progressing on battery value chain for the Lithium processing facility in Portugal though a joint venture with Northvolt; (iii) on Industrial, continue to transform its asset base by progressing to sanction key projects such as HVO and Green Hydrogen to decarbonize Sines; (iv) on Commercial – transforming business towards increased non-fuel services and convenience offer, and new low-carbon contributors such as EV charging points and decentralized solar energy.

Earlier than expected termination of abandonment provisions

Energy transition may lead to earlier than planned decommissioning and restoration commitments. Galp has recognized in its accounts abandonment provisions for all assets where the abandonment commitments are material, except for Sines refinery industrial complex. The Sines industrial complex is the only refinery in Portugal and will likely play a major role in the energy transition, for the production of new low CO_2 products, biofuels and Hydrogen.

Climate changes

As with the Energy Transition, Galp has been working in the assessment of the potential impact of climate change risks in its activities. This analysis has the double objective of valuing the

resilience of Galp's strategy under different scenarios while at the same time identify relevant opportunities and threats.

Galp integrated the TCFD recommendations in the identification of climate change related risks. A set of physical and market variables were collected in order to estimate the impact of climate change risks in Galp's operations and value at risk.

Potential Accounting Impact of Climate Change

Physical risks of assets due to weather catastrophes

Galp is in the process of conducting multiple studies aimed at expanding the understanding of physical risks. These studies will allow a better understanding of the resilience of Galp's physical assets in the short to medium term given the estimated pace of climate change.

Galp has several core assets near the coastline and holds interests in joint operations in deep waters with Floating Production and Offloading Vessels (FPSO). These core assets, as well as other Galp assets, are covered by insurance.

Change of commodity and CO_2 prices

Climate change may affect the supply and demand of energy both at a local and a global level which, in turn, may have an impact on the financial statements of Galp Group through variables such as CO2 prices or the price and quantities traded of commodities in general. Such risks are closely monitored and are be appropriately reflected in the financial statements when and if they occur.

2.2 Significant changes during the year

2.2.1 Full acquisition of Group Titan

During 2022, Galp acquired 25% of Group Titan for €140m from Cobra (ACS Group). Prior to this acquisition Galp had already acquired in 2020 a stake of 75% held in joint venture Titan for €326m. With this latter acquisition, Galp will hold 100% of Group Titan obtaining complete control. In accordance with IFRS 3 Business Combination, the first 75% had to be revalued at its fair value. Following the acquisition of the remaining 25% no material adjustments were required to the valuation of the previously recorded adjustments.

2.2.2 Windfall tax

The European union has approved guidelines for a special extraordinary tax targeting energy firms. This tax would be applied on the excess taxable profits of energy firms operating in the crude oil, natural gas, coal and refinery sectors. Portugal and Spain have adopted their own respective tax measures in this regard, to be applicable nationwide. Portugal has extended this tax to the consumer goods retail sector and Spain has broaden the concept of the application to the energy firms. Galp estimates, at 31 December 2022, a tax liability of €53 m recognized as a Provision.

2.2.3 Non-current assets and liabilities classified as held for sale

On 16 December 2022, the Board of Directors decided to proceed with the divestment of the Angolan upstream assets, through the sale of Galp Energia Overseas Block 32 BV and Galp Energia Overseas Block 14 BV. The Board considered that the criteria to be classified as Non-current assets held for sale at that date for the following reasons: (i) the assets are available for immediate sale and can be sold to the buyer in its current condition; (ii) the actions to complete the sale were initiated and are expected to be completed within one year from the date of initial classification; (iii) a potential buyer has been identified and negotiations as at the reporting date are at an advanced stage.

The respective assets and liabilities of the upstream entities in Angola are classified as 'Non-current assets held for sale' and 'Liabilities directly associated with non-current assets classified as held for sale', presented separately, as current, in the consolidated financial statements as at December 31, 2022.

The assets, liabilities and cumulative translation reserve in equity that comprise the values shown in the Primary statements are as following:

Unit: €m

	2022
Non-current assets held for sale	**500**
Intangible assets	6
Tangible assets	459
Right-of-use assets	1
Other receivables	34
Liabilities directly associated with non-current assets held for sale	**(87)**
Deferred tax liability	(4)
Provisions	(73)
Other payables	(10)
Equity	**(160)**
Cumulative translation reserves	(160)

2.2.4 Changes to the consolidation perimeter

During the twelve-month period ended on the 31 December 2022 Galp has entered into the following main transactions:

Legal Entity	Country	%	Transaction	Consolidation Method
Aurora Lith, S.A.	Portugal	50%	Acquisition of Joint Control	Equity Method
Caiageste- Gestão de Áreas de Serviço, Lda	Portugal	50%	Liquidation	-
Galp Exploração e Produção (Timor Leste),S.A.	Portugal	100%	Liquidation	-
Taúa Brasil Palma, S.A.	Brazil	49.99%	Merger	Merged with Belém Bioenergia Brasil, S.A. (the surviving entity) maintaining as an Associate
Mobiletric, Lda.	Portugal	100%	Merger	Merged with Petrogal, S.A. (the surviving entity)
Titan 2020, S.A. and subsidiaries	Spain	25%	Acquisition of Control	Full consolidation
Hytlantic, S.A.	Portugal	28.5%	Acquisition	Equity method
Ventinveste, S.A.	Portugal	48.5%	Acquisition of Control	Full consolidation
Enercapital Power Italia Uno SRL	Italy	100%	Acquisition	Full consolidation
Entities for solar plants (23 entities)	Brazil	100%	Acquisition	Full consolidation
PEL-82	Namibia	80%	Returned	Returned to Namibian authorities

For further details of Consolidation perimeter and Galp financial interests in entities see note 31.

2.2.5 Implementation of a new Enterprise Resource Planning (ERP)

Galp has continued the implementation of its multi annual project for the transformation of the group's Enterprise Resource Planning (ERP) which supports Galp's financial reporting, including the preparation of group's financial statements – SAP S/4HANA. The new ERP will be standard to Galp and its subsidiaries, impacting the most relevant internal processes including the related control activities. In 2022, several subsidiaries migrated to the new ERP, including the now fully owned renewable Group Titan in Spain.

2.2.6 Acquisition of owns shares

Own equity instruments that are reacquired (own shares or treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognized in reserves (i.e. equity).

Galp Shareholders approved the acquisition of own shares up to 9% of its Share capital. As such, Galp has initiated on 12 May 2022 a programme to repurchase Galp Energia SGPS, S.A. shares in the amount of €150 m.

Galp instructed Morgan Stanley Europe SE to act as a principal without risk for the execution of the programme to repurchase the shares on Euronext Lisbon.

On 11 November 2022, Galp concluded this share repurchase programme. Pursuant to the conclusion of the programme, Galp's Board of Directors approved the reduction of the Company's share capital through the extinction of 14,139,087 own-shares, representative of approximately 1.71% of its initial share capital.

3. Impact of new international financial reporting standards

3.1 New Standards and amendments endorsed by the European Union adopted on 1 January 2022 and to be adopted in future years

The IFRS standards endorsed and published on the Official Journal of the European Union (OJEU) during the year 2022 and enforceable for accounting purposes in 2022 or in subsequent years are presented in the table below:

IFRS/IFRIC Standards	Publication date in OJEU	Accounting application date	Enforcement year	Observations
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021)	9/9/2022	01/01/2023	2023	Without relevant accounting impacts.*
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)	12/8/2022	01/01/2023	2023	Without relevant accounting impacts.
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)	3/3/2022	01/01/2023	2023	Without accounting impacts. Impact on disclosure.
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)	3/3/2022	01/01/2023	2023	Without accounting impacts.
IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17	23/11/2021	01/01/2023	2023	Without relevant accounting impacts.*

*Impact of adoption by the reinsurance entity Tagus RE held by Group Galp is expected to be immaterial to the consolidation financial statements.

IFRS/IFRIC Standards	Publication date in OJEU	Accounting application date	Enforcement year	Observations
Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020	02/07/2021	01/01/2022	2022	Without relevant accounting impacts.

4. Segment information

Operating segments

The Group operates across four different operating segments based on the types of products sold and services rendered: (i) Upstream, (ii) Industrial & Midstream; (iii) Commercial and (iv) Renewables & New Businesses.

The Upstream segment represents Galp's presence in the Upstream sector of the oil and gas industry, which involves the management of all activities relating to the exploration, development and production of hydrocarbons, mainly focused on Brazil, Mozambique and Angola[1] (until the end of 2022).

The Industrial & Midstream segment operates the Sines industrial site in Portugal, which includes all current refining activities, as well as all activities relating to the Midstream, namely the energy management of oil products, gas and electricity. This segment also comprises all storage and transportation infrastructure for oil, gas products and the sale of electricity to the grid in Portugal and Spain, for both export and import.

The Commercial segment encompasses the area of retail to final B2B and B2C customers of oil, gas, electricity and convenience.

The Renewables & New businesses segment represents Galp's presence in the renewable and new energies space.

Besides the four operating segments above, the Group classified in the category "Others" the holding company Galp Energia, SGPS, S.A., and companies with activities that differ from the Company's core business, including Tagus Re, S.A. and Galp Energia, S.A., a reinsurance company and a provider of shared services at the corporate level, respectively.

The segment reporting is presented on a replacement cost (RC) basis, which is the earnings measure used by the Chief Operating Decision Maker (in this case the Executive Board) to make decisions regarding the allocation of resources and the assessment of performance. Based on the RC method, the current method of measuring cost of sales under IFRS (the weighted average cost method) is replaced by the crude reference price (i.e. Brent-dated) as of the balance sheet date, as though the cost of sales had been measured at the replacement cost of the inventory sold. We have also disclosed in this note a reconciliation between the results under IFRS and those presented in the segment information.

[1] Despite angolan upstream entities are classified as non-current Assets held for sale, their profit or loss is included in the consolidated income statement.

The financial information of the segments identified above, as of 31 December 2022 and 2021, is presented as follows:

	Consolidated		Upstream		Industrial & Midstream		Commercial		Renewables & New Businesses		Others		Consolidation adjustments	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Sales and services rendered	**26,840**	**16,117**	**4,401**	**3,058**	**11,000**	**6,298**	**13,410**	**7,917**	**190**	**50**	**236**	**84**	**(2,320)**	**(1,289)**
Cost of sales	**(20,956)**	**(12,139)**	**(367)**	**(354)**	**(9,904)**	**(6,095)**	**(12,472)**	**(6,936)**	**(91)**	**(31)**	**(8)**	**(38)**	**1,811**	**1,315**
of which Variation of Production	304	139	(28)	(68)	332	205	0	0	1	1	0	0	0	0
Other revenue & expenses	**(2,035)**	**(1,667)**	**(950)**	**(657)**	**(645)**	**(176)**	**(640)**	**(693)**	**(48)**	**(32)**	**(263)**	**(84)**	**509**	**(26)**
of which Under & Overlifting	55	(44)	55	(44)	0	0	0	0	0	0	0	0	0	0
EBITDA at Replacement Cost	**3,849**	**2,311**	**3,083**	**2,047**	**451**	**27**	**298**	**288**	**50**	**(13)**	**(34)**	**(38)**	**0**	**0**
Amortisation, depreciation and impairment losses on fixed assets	**(1,380)**	**(961)**	**(855)**	**(596)**	**(266)**	**(242)**	**(217)**	**(106)**	**(18)**	**(1)**	**(24)**	**(15)**	**0**	**0**
Provisions (net)	**(124)**	**(67)**	**1**	**10**	**(119)**	**(73)**	**(7)**	**(2)**	**0**	**2**	**1**	**(3)**	**0**	**0**
EBIT at Replacement Cost	**2,345**	**1,283**	**2,229**	**1,461**	**66**	**(289)**	**75**	**179**	**32**	**(13)**	**(57)**	**(56)**	**0**	**0**
Earnings from associates and joint ventures	**152**	**83**	**28**	**3**	**(13)**	**26**	**8**	**7**	**126**	**48**	**3**	**(0)**	**0**	**0**
Financial results	**713**	**(911)**												
Taxes at Replacement Cost	**(1,432)**	**(549)**												
Energy Sector Extraordinary Contribution	**(34)**	**(41)**	**0**	**0**	**(20)**	**(21)**	**(0)**	**(9)**	**0**	**0**	**(14)**	**(10)**	**0**	**0**
Windfall tax	**(53)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(53)**	**0**	**0**	**0**
Consolidated net income at Replacement Cost, of which:	**1,691**	**(134)**												
Attributable to non-controlling interests	**251**	**146**												
Attributable to shareholders of Galp Energia SGPS SA	**1,440**	**(280)**												
OTHER INFORMATION														
Segment Assets [1]														
Financial investments [2]	417	389	283	200	18	24	35	26	81	145	0	0	0	(6)
Other assets	15,679	14,523	7,540	6,553	3,263	3,606	2,889	2,830	2,061	500	2,537	2,148	(2,611)	(1,114)
Segment Assets	16,096	14,912	7,823	6,753	3,281	3,629	2,924	2,855	2,142	646	2,538	2,148	(2,611)	(1,120)
of which Rights of use of assets	1,116	1,079	702	625	165	149	167	172	70	3	12	130	0	(0)
of which tangible, intangible assets and Goodwill	6,442	5,898	3,825	4,245	662	786	711	742	1,168	68	76	56	0	0
Investment in Tangible and Intangible Assets	**1,078**	**883**	**595**	**662**	**72**	**67**	**113**	**88**	**260**	**46**	**39**	**21**	**0**	**0**

[1] Net amount

[2] Accounted for based on the equity method of accounting

The detailed information on sales and services rendered, tangible and intangible assets and investments in associates and joint ventures for each geographical region in which Galp operates is as follows:

Unit: €m

	Sales and services rendered [1]		EBITDA (RC)		Consolidated net income (RC)		Tangible and intangible assests		Financial investments	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	26,840	**16,117**	**3,849**	**2,311**	**1,440**	**(280)**	**6,442**	**5,898**	**416**	**389**
Africa	757	400	342	15	172	(120)	710	1,121	300	216
Latin America	3,971	1,717	2,936	1,293	902	(142)	3,218	3,204	77	42
Europe	22,112	14,000	571	1,003	366	(18)	2,514	1,574	39	130

[1] Net consolidation operation

Commercial and financial transactions between related parties are performed according to the usual market conditions, similarly to the transactions between independent parties.
The reconciliation between the Segment Reporting and the Consolidated Income Statement for the year ended 31 December 2022 and 2021 is as follows:

Unit: €m

	2022	2021
Sales and services rendered	**26,840**	**16,117**
Cost of sales	**(20,920)**	**(11,752)**
Replacement cost adjustments (1)	(36)	(387)
Cost of sales at Replacement Cost	(20,956)	(12,139)
Other revenue and expenses	**(2,035)**	**(1,667)**
Amortisation, depreciation and impairment on fixed assets	(1,380)	(961)
Provisions (net)	(124)	(67)
Earnings from associates and joint ventures	152	83
Financial results	713	(911)
Profit before taxes and other contributions at Replacement Cost	**3,210**	**456**
Replacement Cost adjustments	36	387
Profit before taxes and other contributions at IFRS	**3,246**	**843**
Income tax	(1,434)	(652)
Income tax on Replacement Cost Adjustment (2)	2	103
Energy Sector Extraordinary Contribution	(34)	(41)
Windfall tax	(53)	0
Consolidated net income for the period at Replacement Cost	**1,691**	**(134)**
Replacement Cost (1) + (2)	35	284
Consolidated net income for the period based on IFRS	**1,726**	**150**

5. Tangible assets

Accounting policies

Recognition

Tangible assets are stated at cost, less accumulated depreciation and cumulative impairment losses. The acquisition cost includes the purchase amount, plus transport and assembly costs, any decommissioning obligations and financial interest incurred during the construction phase. Tangible work-in-progress assets refer to assets under construction and are stated at cost less cumulative impairment losses.

Major maintenance and repairs

Expenditure on major maintenance or repairs represents the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset that was depreciated separately is replaced, and it is probable that the future economic benefits associated with the item will flow to the group, the expenditure is capitalised, and the carrying amount of the replaced asset is derecognized. Inspection costs associated with major maintenance programmes are capitalised and amortized over the period until the next inspection. Overhaul costs for major maintenance programmes, and all other maintenance costs, are expensed as they are incurred.

Upstream Tangible Assets

Hydrocarbon exploration costs are accounted for under the successful efforts' method: exploration costs are recognized in income when incurred (i.e. expenditure related to G&G – Geological & Geophysical - and G&A – General & Administrative), except for exploratory drilling costs, which are included in tangible assets (work-in-progress assets) pending determination of proved reserves and are subject to impairment test when triggers are identified. Dry wells are recorded as expenses for the year. At the start of production capitalised costs are depreciated based on the depreciation policy in force.

Depreciation

Upstream Tangible Assets

Tangible assets related to hydrocarbon production activities, including related pipelines, mineral rights and future decommissioning costs are in principle depreciated on a unit-of-production basis over the proved developed reserves of the field concerned.

The UoP rate for the depreciation of common facilities considers the expenditure incurred to date, together with the estimated future capital expenditure expected to be incurred in relation to the as-yet undeveloped reserves expected to be processed using these common facilities. Floating platforms (FPSOs) are currently depreciated using the straight-line method, based on the lower of the estimated asset's useful life and the concession period of the field where the platform is deployed.

Depreciation rates for Tangible Assets

The average annual depreciation rates used are as follows:

Depreciation rates	2022	2021
Buildings and other constructions	2.2%	3.62%
Machinery and equipment	13.4%	13.65%
Transport equipment	11.0%	11.46%
Tools and utensils	20.0%	16.45%
Administrative equipment	27.0%	11.00%
Reusable containers	14.0%	13.00%
Other tangible assets	13.0%	6.12%

Impairment analysis

Impairment testing is performed as at the date of the financial statements and whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable or previous years impairments are to be reversed. When performing impairment testing, tangible assets are allocated to the respective cash generating unit (CGU). The recoverable amount of an asset is estimated as part of the CGU to which it belongs, according to the discounted cash flow method. The discount rates are calculated by adjusting the post-tax rate to reflect the specific risk levels of the CGUs.

Industrial & Midstream and Commercial segments impairment tests

Tangible and intangible assets related to the Industrial & Midstream and Commercial segments are assessed by the Group for impairment at the end of each reporting period or when impairment indicators (or indicators for impairment reversal) are identified, considering internal and external sources of information.

Commercial

In its annual impairment testing of Commercial segment, the Group considers the service station cash generating unit as being each individual service station.

The impairment testing carried out by the Group is based on the estimated recoverable amount of each service station compared to its net book value at the end of each reporting period. The recoverable amount (value in use) determined by the Group corresponds to the present value of the expected future cash flow, which in turn is determined based on the annual budgets and business plans for the service station, using a post-tax discount rate adjusted for the specific risks of that segment.

See note 8 for valuation model and discount rate used.

Industrial & Midstream

Impairment testing is also performed on the other assets of the Industrial & Midstream segment, including Sines refinery and tangible assets associated with logistics and storage activities. The period of the cash flow projection varies as a function of the CGU's average economic useful life.

The determination of the value in use of refining assets was based on the assumptions defined in the business plan, as follows:

i. Refining margin
ii. Carbon prices
iii. Refinery availability
iv. Future operating and investments costs
v. Discount rate (see note 5)

Upstream segment impairment testing

Impairment on exploration and production assets are recorded when:

- Economically feasible reserves are not found;
- The exploration licence expires and is not expected to be renewed;
- When an acquired area is relinquished or abandoned; and
- When the carrying amount exceed its recoverable amount.

Tangible and intangible assets related to the Upstream segment are assessed for impairment by the Group periodically (annually, or quarterly where indications of impairment are identified). The selected CGU will be the project or the individual block, depending on the stage of maturity of the respective investment. The assessment for impairment is carried out in accordance with the expected monetary value (EMV model), comparing the carrying amount of the investment with the present value of the expected future cash flow using a post-tax discount rate adjusted for the risks specific to the asset for which the future cash flow estimates have not been adjusted, calculated considering the estimates of:

i. The probable reserves;
ii. The investment and future operating costs needed to recover the probable reserves;
iii. The amount of any contingent resources, adjusted to reflect the probability of geological success;
iv. The investment and future operating costs required to recover the contingent resources;
v. The reference price of a barrel of Brent crude;
vi. The applicable exchange rates;
vii. The CGU taxation mechanisms;
viii. The estimated production level and concession period; and
ix. The asset retirement obligations.

The EMV model considers in its calculation the PoS (the probability of geological success a.k.a. the probability of success), which is a conditional statistical probability (Bayesian probability). This probability is used in geological science as part of a probability matrix based on seismic information and other G&G information. This

underlying information takes into account the quantity, quality and certainty of the reserves (data controls). The cash flow projection period is equal to the recovery of the reserves and resources during the concession period, up to the limit of the terms of the respective concession agreements, if applicable.

Galp can carry out impairment testing at any stage of exploration and production, i.e. in the exploration, development and production stages, when facts and circumstances suggest that the carrying amount of an exploration and production asset may exceed its recoverable amount.

In the exploration phase, the CGU depends on the stage at which the investment is made in each project. For example, at an early investment stage, the CGU will be the country-level entity, given that the investment also includes investments in signature bonuses and any generic research performed in the area. Once an overall area is divided into blocks by the relevant country's authorities, Galp will recognise each block as a CGU, down levelling the assessment for the purposes of impairment testing. As there are no reserves at this stage, Galp carries out impairment testing of prospective and contingent resources with a very low PoS.

If proved reserves are booked, the investment moves into the development stage, having already been subject to impairment testing. During the development phase and if required, the impairment analysis also considers the PoS (which is higher than at earlier stages, since there is now an estimate of the commercially viable reserves) and 2P reserves (probable reserves) in order to estimate the future cashflows that are expected to be generated by the block under analysis.

Accounting estimates and judgments

Commodity price assumptions

Future commodity price assumptions used in the impairment testing in the Upstream and Industrial & Midstream (refining asset) segments, are regularly assessed by management, noting that management does not necessarily consider short-term increases or decreases in prices as being indicative of long-term levels.

Management's estimate of refining margins used in the impairment testing was based on a linear refinery simulation software considering the current refinery configuration and to generate, on an optimized basis, estimated refinery products yields and energy consumption data based on a refining mixture of available brent and other refinery feedstocks. Galp's refining margin also incorporates the costs associated with CO_2 emissions.

Future commodities prices and refining margins used in impairment testing provide a source of estimation uncertainty as referred to in paragraph 125 of IAS 1 Presentation of Financial Statements (IAS 1.125).

Information about the carrying amounts of assets and impairments and their sensitivity to changes in significant estimates are presented in note 5.

Oil and gas reserves

The estimate of oil and gas reserves is an integral part of the decision-making process relating to the exploration and development of Upstream assets. The volume of proved reserves is used to calculate the depreciation of exploration and production assets, in accordance with the units of production method. The expected production volumes, which comprise proved reserves and unproved volumes is used to assess the project's recoverable amount. The estimated proved reserves are also used to recognise the annual abandonment costs. The estimated proved reserves are subject to judgment, and to future revision based on newly available information, including information relating to the development activities, drilling or production, exchange rates, prices, or contract termination. The impact of any changes to the estimates of reserves are accounted for on a prospective basis. The estimates of oil and gas reserves, and any movements occurring during the year, are described in the Supplementary Information of the Integrated Report, which is not audited.

Useful lives and residual values of tangible assets

The calculation of the assets' residual values and useful lives, as well as the method to be applied, are necessary to determine the depreciation to be recognized in the consolidated income statement for each period. These parameters are set based on management's judgment, as well as being in line with the practices adopted in the industry. Changes in assets' economic useful lives are accounted for on a prospective basis.

Unit: €m

	Land, natural resources and buildings	Plant and machinery	Other equipment	Assets under construction	Total
As at 31 December 2022					
Acquisition cost	1,300	11,167	523	2,189	15,179
Impairment	(39)	(232)	(3)	(279)	(553)
Accumulated depreciation and depletion	(801)	(7,668)	(456)	0	(8,925)
Net value	**459**	**3,267**	**64**	**1,910**	**5,700**
As at 31 December 2021					
Acquisition cost	1,279	11,315	499	2,006	15,088
Impairment	(26)	(116)	(1)	(212)	(354)
Accumulated depreciation and depletion	(791)	(8,332)	(452)	0	(9,575)
Net value	**462**	**2,866**	**46**	**1,794**	**5,169**

Movements in tangible assets in 2022 and 2021 are as follows:

Unit: €m

	Land, natural resources and buildings	Plant and machinery	Other equipment	Assets under construction	Total
Balance as at 1 January 2021	**454**	**2,955**	**52**	**1,417**	**4,878**
Additions	-	40	1	768	809
Depreciation, depletion and impairment	(18)	(702)	(19)	(43)	(783)
Disposals/Write-offs	(1)	(2)	0	0	(3)
Transfers	23	422	12	(455)	1
Currency exchange differences and other adjustments	4	153	1	108	266
Balance as at 31 December 2021	**462**	**2,866**	**46**	**1,794**	**5,169**
Balance as at 1 January 2022	**462**	**2,866**	**46**	**1,794**	**5,169**
Additions	0	321	1	714	1,036
Depreciation, depletion and impairment	(36)	(763)	(19)	(176)	(994)
Disposals/Write-offs	(2)	(16)	(2)	(5)	(25)
Transfers	21	580	25	(625)	0
Currency exchange differences and other adjustments	13	279	13	209	514
Balance as at 31 December 2022	**459**	**3,267**	**64**	**1,910**	**5,700**

During the year ended 31 December 2022, the Group made investments in the Upstream segment in relation to projects in Brazil (€463 m), Angola (€36 m), Mozambique (€58 m) and São Tomé and Principe (€37 m). Investments were made also in the segments of Industrial & Midstream (€56 m), Commercial (€113 m) and Others (€14 m). Galp has made investments in the Renewables segment of €230m. The amounts mentioned above exclude the capitalisation of financial charges in the amount of €30 m (Note 27).

In the current year, Galp recognized an impairment of €265 m (of which €150 m on Tangible assets and €115 m on Intangible assets (Note 6) related with exploration and appraisal assets in Brazil and São Tomé and Principe and of €59 m related with retail distribution assets.

In the caption "Transfers – Plant and machinery", it is included the amount of €459 m related to Angola Upstream assets which were classified as "Non-current assets held for sale" (Note 2.2.3).

Upstream segment assets

Details of assets under construction and assets in production for the Upstream segment for the years ended 31 December 2022 and 2021, including Tangible and Intangible Assets, are presented in the table below:

Unit: €m

	Africa		Latin America		Total	
	2022	2021	2022	2021	2022	2021
Exploration and Production Assets	**623**	**1,053**	**3,203**	**3,192**	**3,826**	**4,245**
Assets under construction	**382**	**588**	**1,161**	**806**	**1,543**	**1,394**
Mineral Rights	0	0	0	0	0	0
In exploration	322	327	137	202	459	529
In development	0	178	981	588	981	766
Financial interests	37	61	43	16	80	77
Others	23	22	0	0	23	22
Net Fixed Assets	**241**	**465**	**2,042**	**2,386**	**2,283**	**2,851**
Mineral Rights	9	14	289	417	298	431
In production	216	451	1,639	1,856	1,855	2,307
Financial interests	16	0	113	113	129	113
Others	0	0	1	0	1	0

Impairment Analysis

Refinery, logistics and storage facilities

Impairment testing was carried out for several CGUs of the Industrial & Midstream segment, including *Refinery and Storage facilities*. Based on the impairment testing carried out, the expected future benefits from the assets are higher than the carrying amount.

The future cash flow projections at the CGU level have been discounted using an appropriate discount rate which reflects the asset's specific risks (2022: 9,2% and 2021: 6,2-6,4%).

Year-end analysis of the sensitivity of the carrying amount of the refining assets included fluctuations in the cashflows, refining margin and discount rates. The forecast refining margin considered in the impairment testing were in a range from 4,9$/bbl to 7,9$/bbl during the business plan period.

The sensitivity test assumptions were a 10% decrease in cashflows, a $1/bbl decrease in the refining margin assumptions approved by Galp's Board of Directors or a 1% increase in the discount rate with no impairment identified.

Retail distribution assets

An impairment of €108m [Tangible assets (€59m); Right-of-use (€33m) (Note 7) and Goodwill (€16m) (Note 8)] regarding the retail distribution assets in Portugal and Spain.

The future cash flow projections at the CGU level have been discounted using an appropriate discount rate which reflects the asset's specific risks (2022:6.6% and 2021:5.6%).

The sensitivity test assumptions were a 10% decrease in cashflows or an increase of 1% in the discount rate, with no significant impairments additionally identified.

Upstream segment assets

Tangible and intangible assets of the Upstream segment were subject to an impairment test and year-end analysis of the sensitivity of the carrying value of the main assets to fluctuations in the Brent price.

The forecast Brent prices considered in the impairment testing were as follows: 2023-2033: $84.3/bbl, $80/bbl, $78/bbl, $77.3/bbl, $76.5/bbl, $75.8/bbl, respectively. For periods from 2029 the forecast Brent price is $75/bbl.

For those assets already in development and production, and despite the fact that no triggers were identified, the impairment assessments show that the expected future benefits from the assets are higher than the carrying value per CGU for the regions in which Galp operates (Mozambique and Brazil). For Angola a fair value analysis was made since the assets will be sold rather then used by Galp. No impairment is expected on the assets that are available for sale.

The discount rate used in the impairment test reflects the risks specific to the Upstream assets for which the future cash flow estimates have not been adjusted, calculated on a USD basis (2022:11.6% and 2021:10.5%).

A sensitivity analysis was carried out to test the impact of the volatility of the Brent price on the value of the main Upstream assets. The sensitivity analysis was prepared using a $5/bbl decrease in the forecast Brent approved as long term assumption by Galp's Board of Directors. The results from the analysis indicate that no future potential impairment in the geographical areas mentioned.

Renewables segment assets

During 2022, Galp acquired 25% of Titan Group obtaining complete control over the Group. Fair value measurements were conducted in relation to the stake acquired, but also regarding the stake already held of 75%. Galp concluded that no impairment is identified on the assets of the entities of the renewable segment.

6. Intangible assets

Accounting policies

Recognition

Intangible assets are measured at cost, less accumulated amortisation and impairment losses. Intangible assets are identifiable non-monetary intangible assets, which are only recorded if it is probable that they will result in future economic benefits to the Group, these benefits are controlled by the Group and they can be reliably measured.

Intangible assets include costs incurred for the development of information systems, bonuses paid to retailers of Galp products, and land rights, which are amortized over the periods of the respective agreements.

Research and development

Research expenses not related to petroleum exploration and production activities are recognized as expenses for the period. Development expenses are only recognized as intangible assets if the Group has the technical and financial ability to develop the asset, decides to complete the development and starts commercially exploiting or using it, and it is probable that the asset created will generate future economic benefits.

Upstream

Signature bonuses (i.e. Mineral Rights) are ownership rights to explore oil and gas resources and are recognized as intangible assets.

See further details of the recognition policies for Upstream assets in Note 5.

Amortisation

Intangible assets with finite useful lives are amortized on a straight-line basis. The amortisation rates are set in accordance with the terms of the existing contracts, or with the expected use of the intangible assets. Intangible assets recognized in the exploration and production segment, namely signature bonuses, are recorded at their acquisition cost and are amortized on a UoP basis from the date on which production starts.

Impairment

The impairment testing of intangible assets is based on Management's projections of the net present value of the estimated future cash flows. The residual values used are based on the expected lives of the related products, the forecast lifecycle and the cash flow over that period, and on the economically useful lives of the underlying assets.

Accounting estimates and judgments

Useful lives and residual values of intangible assets

The calculation of the assets' residual values and useful lives, as well as the amortisation method to be applied, are essential to determine the amortisation recognized in the consolidated income statement for each period. These parameters are set based on the judgment of Management, as well as the practices adopted by peers in the industry.

Impairment of intangible assets

Determining whether impairment of assets has occurred requires a high level of judgment by management, specifically around identifying and evaluating indicators for impairment or impairment reversal, projection of future cashflows, applicable discount rates, useful lives and residual amounts.

Unit: €m

	Industrial properties and other rights	Intangible assets in progress	Total
As at 31 December 2022			
Acquisiton cost	1,247	126	1,372
Impairment	(156)	(24)	(180)
Accumulated amortisation	(520)	0	(520)
Net Value	**571**	**102**	**672**
As at 31 December 2021			
Acquisiton cost	1,114	73	1,187
Impairment	(21)	(23)	(43)
Accumulated amortisation	(499)	0	(499)
Net Value	**595**	**50**	**645**

Movements in intangible assets in 2022 and 2021 are as follows:

Unit: €m

	Industrial properties and other rights	Intangible assets in progress	Total
Balance as at 1 January 2021	**482**	**49**	**532**
Additions	23	112	134
Amortisation and impairment	(43)	0	(43)
Write-offs/Disposals	(3)	(2)	(5)
Transfers	109	(109)	0
Currency exchange differences and other adjustments	27	0	26
Balance as at 31 December 2021	**595**	**50**	**645**
Balance as at 1 January 2022	**595**	**50**	**645**
Additions	(7)	48	41
Amortisation and impairment	(182)	0	(182)
Write-offs/Disposals	0	0	(0)
Transfers	37	(38)	0
Currency exchange differences and other adjustments	129	41	169
Balance as at 31 December 2022	**572**	**101**	**672**

Additions to intangible assets occurred essentially in the Industrial & Midstream segment of €16m and Corporate of €24m.

In the current year, Galp recognized an impairment of € 115m related with exploration and appraisal assets in Brazil and São Tomé and Principe.

7. Leases

Accounting policies

Recognition

The Group recognises both a right-of-use asset and a lease liability as of the lease commencement date. The right-of-use asset is initially measured at cost, which represents the initial amount of the lease liability, adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred, plus an estimate of the costs required to dismantle and remove the underlying asset or restore the site on which it is located (if applicable), less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that have not yet been paid up to the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot readily be determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The types of lease payments included in the measurement of the lease liability are as follows:

- Fixed payments, including in-kind fixed payments;
- Variable lease payments that are pegged to an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to be able to exercise, lease payments over an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for the early termination of a lease, unless the Group is reasonably certain not to terminate it early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there are changes in the amounts of future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities in a separate line in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have lease terms of 12 months or less, and leases of low-value assets. The Group recognises the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

Depreciation

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined as those used for the property and equipment items.

Accounting estimates and judgments

Useful lives, residual values of assets and discount rates

The calculation of the assets' residual values, the estimation of the useful lives, and the discount rates used are based on the premises of the lease contracts (or for similar assets) and are set based on Management's judgment, as well as the practices in the industry.

Impairment of Right-of-use Assets

Identifying impairment indicators, estimating future cash flow and determining the fair value of assets requires Management to use significant judgment in terms of the identification and evaluation of the different impairment indicators, the expected cash flow, the applicable discount rates, useful lives and residual amounts. Rights-of-use assets are subject to existing impairment requirements as set out in "Tangible assets".

The details of right-of-use assets are as follows:

Unit: €m

	FPSO's[1]	Buildings	Service stations	Time Charter	Other usage rights	Total
As at 31 December 2022						
Acquisition cost	697	37	291	227	288	1,540
Accumulated depreciation	(187)	(21)	(43)	(76)	(64)	(391)
Impairment	0	0	(33)	0	0	(33)
Net Value	**510**	**16**	**215**	**151**	**224**	**1,116**
As at 31 December 2021						
Acquisition cost	697	91	269	188	216	1,461
Accumulated depreciation	(132)	(16)	(56)	(129)	(49)	(382)
Net Value	**565**	**75**	**212**	**59**	**167**	**1,079**

Movements in right-of-use assets in 2022 and 2021 are as follows:

Unit: €m

	FPSO's[1]	Buildings	Service stations	Time Charter	Other usage rights	Total
As at 1 January 2021	**513**	**80**	**135**	**94**	**180**	**1,002**
Additions	45	0	84	0	6	136
Depreciation	(43)	(6)	(26)	(45)	(14)	(134)
Write-offs/Disposals	(7)	0	2	0	0	(5)
Currency exchange differences and other adjustments	57	0	16	10	(4)	80
Balance as at 31 de dezembro 2021	**565**	**75**	**212**	**59**	**168**	**1,079**
As at 1 January 2022	**565**	**75**	**212**	**59**	**168**	**1,079**
Additions	0	(0)	29	137	23	189
Depreciation and impairments	(47)	(5)	(68)	(50)	(15)	(185)
Write-offs/Disposals	0	(54)	0	0	(0)	(54)
Currency exchange differences and other adjustments	(8)	0	41	5	48	86
Balance as at 31 December 2022	**510**	**16**	**215**	**151**	**224**	**1,116**

[1]Floating, production, storage and offloading unit - floating oil production system, built on a ship structure, with a capacity for oil and natural gas production processing, liquid storage and transfer of oil to tankers.

In the current year Galp has recognized an impairment of €33m related with retail distribution assets. In write-offs/disposals line its included €54m in relation to an adjustment of the expected duration of the rental agreement of Galp Head office.

Lease liabilities are as follows:

Unit: €m

	2022	2021
Maturity analysis – contractual undiscounted cash flow	**1,835**	**1,696**
Less than one year	209	174
One to five years	697	573
More than five years	929	949
Lease liabilities included in the consolidated statement of financial position	**1,277**	**1,179**
Current	182	164
Non-current	1,095	1,015

The amounts recognized in consolidated profit or loss are as follows:

Unit: €m

	Notes	2022	2021
		600	**405**
Interest on lease liabilities	**27**	85	76
Expenses related to short term, low value and variable payments of operating leases [1]		515	329

[1] Includes variable payments and short term leases recognized under the heading Transport of goods.

The amounts recognized in the consolidated statement of cash flow are as follows:

Unit: €m

	2022	2021
Financing activities	**217**	**191**
Payments relating to leases	132	115
Payments relating to lease interests	85	76

8. Goodwill

Recognition

The differences between the investee's acquisition cost and the fair value of the identifiable assets and liabilities of the acquired entities at the acquisition date, if positive, are recorded within goodwill (when they result from goodwill in Group companies) or included in the line item "Investments in associated companies" (when they result from goodwill in associates). The negative differences are recognized immediately in the income statement.

Impairment

The carrying value of Goodwill is allocated to the respective CGU, and the recoverable amount is also estimated for the CGU, using the value in use methodology. The value in use represents the expected future cash flow from the CGU, discounted at an appropriate discount rate that reflects the risks specific to the CGU. The carrying amount of goodwill is tested for impairment annually.

Unit: €m

	2022	2021
	70	**84**
Galp Comercialização Portugal, S.A. (incorporated in Petrogal)	34	51
Galp Eswatini (PTY) Limited	21	20
Galpgest - Petrogal Estaciones de Servicio, S.L.U.	6	6
Empresa Nacional de Combustíveis - Enacol, S.A.R.L.	4	4
Galp Moçambique, Lda.	4	4
Others	1	0

According to the defined assumptions (refer to Note 5), as of 31 December 2022 goodwill impairments were recognized in the amount of €16m related with retail distribution assets in Portugal. Goodwill impairment was reflected in P&L in the caption of Amortisation, depreciation and impairment losses on fixed assets.

The movement of Goodwill during 2022 and 2021 was as follows:

Unit: €m

	Goodwill
Balance as at 1 January 2022	**84**
Additions	1
Impairment	(16)
Currency exchange differences and other adjustments	0
Balance as at 31 December 2022	**70**
Balance as at 1 January 2021	**85**
Additions	1
Impairment	0
Currency exchange differences and other adjustments	(2)
Balance as at 31 December 2021	**84**

9. Investments in associates and joint ventures

Accounting policies

Joint Arrangements and Associates

Arrangements under which Galp has contractually agreed to share control with another party or parties are deemed to be joint arrangements. These may be joint ventures where the parties have rights to the net assets of the arrangement, or joint operations where the parties have rights to the assets and obligations arising from the liabilities relating to the arrangement. Investments in entities over which Galp has the right to exercise significant influence but has neither control nor joint control, are classified as associates.

Investments in joint ventures and associates are accounted for using the equity method, under which the investment is initially recognized at cost and subsequently adjusted for Galp's share of post-acquisition net results. The investments are also adjusted for the dividends received and for Galp's share of other comprehensive income. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects Galp's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of Galp's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, Galp recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between Group Galp and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as Galp Group.

When necessary, adjustments are made to the financial statements of joint ventures and associates to bring the accounting policies used into line with those of Galp. Galp recognises its assets and liabilities relating to its interests in joint operations, including its share of any assets held jointly and liabilities incurred jointly with other partners.

Impairment

After application of the equity method, Galp determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, Galp determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, Galp calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within "Earnings from associates and joint ventures" in the statement of profit or loss.

Accounting estimates and judgements

Impairment

Determining whether impairment of assets has occurred requires a high level of judgment by management, specifically around identifying and evaluating indicators for impairment or impairment reversal, projection of future cashflows and applicable discount rates. The key assumptions used to determine the recoverable amount for the relevant joint venture (Coral FLNG), which belongs to Upstream segment are disclosed in note 5.

Information about joint arrangements and associates can be found in Note 31.

As of 31 December 2022 and of 31 December 2021, the net book values of investments in joint ventures and associates were as follows:

Unit: €m

	2022	2021
	417	**389**
Joint ventures	292	311
Associates	125	78

Movements in Joint Ventures are as follows:

Unit: €m

	As at 31 December 2021	Share capital increase/decrease	Equity Method	Other adjustments	As at 31 December 2022
	310	**41**	**104**	**(163)**	**292**
Titan 2020, SA	88	(0)	83	(171)	0
Coral FLNG, S.A.	201	46	15	17	279
Other joint ventures	21	(5)	6	(9)	13

Other adjustments are mainly related to cumulative translation adjustments, that is exchange differences of foreign currencies to group reporting currency, except for Titan 2020, S.A. which started to be consolidated from August onwards after the acquisition of a stake of 25% when Galp obtained complete control (Note 2.2.1).

A summary of the financial indicators of the significant joint ventures as of 31 December 2022 is shown below:

Unit: €m

	Coral FLNG, S.A.*
Total non-current assets	**7.135**
Total current assets	**316**
Of which cash and cash equivalents	138
Total assets	**7.451**
Total non-current liabilities	**5.951**
Of which debt	4.547
Total current liabilities	**445**
Of which debt	0
Total liabilities	**6.396**
Total operating income	**51**
Total operating costs	**(42)**
Operating results	**9**
Net financial results	189
Profit before taxes	**198**
Income taxes	(47)
Net income for the year	**151**

* Provisional financial statement as of the closing date used to apply the equity method, converted at the spot and average exchange rates, respectively, for balance sheet and results indicators.

Movements in Associates are as follows:

Unit: €m

	As at 31 December 2021	Share capital increase/ decrease	Equity Method	Foreign exchange rate differences and other adjustments	As at 31 December 2022
	78	**(12)**	**53**	**6**	**125**
Belém Bioenergia Brasil, S.A.	43	0	44	(14)	73
Sonangalp – Sociedade Distribuição e Comercialização de Combustíveis, Lda.	9	2	3	(3)	11
Floene Energias, S.A.	7	(1)	0	2	8
Geo Alternativa, S.L.	4	0	2	(1)	5
Other associates	15	(13)	4	22	28

For comparative information on Joint Ventures and Associates, please refer to the consolidated financial statements for the year ended 31 December 2021.

Earnings from associate and joint ventures amount to a gain of €157 m. Impact in P&L of €152 includes a net loss of €5m mainly due to a provision of CESE I regarding the agreement established among the shareholders (Allianz and Marubeni) for the sale of Galp Gás Natural Distribuição (now Floene) (€14.7m) and a gain (€9.4 m) on unitization process which affected Tupi and Iara BV (note 24).

Táua Brasil Palma, S.A. merged with Belém Bionergia Brasil, S.A. (the surviving entity) during 2022 whereas Galp kept the same stake and conditions held in Táua.
During 2022, Galp Group received €26 m of dividends, included in other adjustments, from Belém Bioenergia Brasil (€13 m), Sonangalp (€4.5 m), CLC (€4.1 m) and others (€4.4 m).

Based on the impairment analysis carried out for the relevant investments in joint ventures and associates, no evidence of impairment exists and, as such, no impairment has been recorded.

10. Inventories

Accounting policies

Inventories, other than Crude Oil held for trading, are stated at the lower of the acquisition cost (in the case of goods and raw and subsidiary materials) or the production cost (in the case of finished and semi-finished products and work in progress) or the inventories' net realisable value. The net realisable value corresponds to the normal selling price less costs to complete production and to sell. Whenever the cost exceeds the net realisable value, the difference is recorded in operating costs as part of the cost of sales.

Unit: €m

	2022	2021
	1,361	**1,007**
Raw, subsidiary and consumable materials	**276**	**184**
Crude oil	103	105
Other raw materials	126	79
Raw materials in transit	46	0
Finished and semi-finished products	**811**	**592**
Goods	**390**	**277**
Write-downs	**(115)**	**(46)**

The changes to write-downs were as follows:

Unit: €m

	Notes	Raw, subsidiary and consumable materials	Finished and semi-finished products	Goods	Total
Write-downs at the beginning of the year		**16**	**11**	**18**	**46**
Net reductions	**25**	27	46	(3)	70
Other adjustments		0	0	(1)	(1)
Write-downs at the end of the year		**43**	**57**	**14**	**115**

11. Trade and other receivables

Accounting policies

Accounts receivable are initially recorded at the transaction value and subsequently measured at amortized cost, less any impairment losses. The amortized cost of these assets does not differ from their nominal value or their fair value. Galp undertakes over – and underlifting activities for its share of crude. Under – and overlifting are common industry practices intended to optimise the allocation of transportation costs between partners. Payments and receipts related to over – and underlifting are made at a subsequent date in barrels of crude, as defined by the applicable production sharing agreement (PSA).

Trade and other receivables are derecognized when the contractual rights to the cash flow expire (i.e. they are collected), when they are transferred (e.g. sold) or when they are impaired.

Accounting estimates and judgments

Impairment of accounts receivable

The Group applies the IFRS 9 simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. Trade receivables were grouped by business segment for the purposes of the assessment of expected credit losses. The credit risk of the accounts receivable balance is evaluated at each reporting date, taking into consideration the client's credit risk profile. The credit risk analysis is based on the annual default probability, and also takes into account the loss in the event of default. The default probability represents an annual probability of default, reflecting the current and projected information and taking into account macroeconomic factors, whereas the loss in the event of default represents the expected loss when a default occurs.

Accounts receivable are adjusted for Management's estimate of the collection risks as of the statement of financial position date, which may differ from the actual impairment to be incurred.

Credit Risk

For Credit Risk purposes, if wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Credit Risk assessment considers the credit quality of the customer, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. Wholesale customers' compliance with credit limits is regularly monitored by Management.

Sales to retail customers are required to be settled in cash or using major credit cards, thus mitigating the credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

For further credit risk mitigation measures, guarantees and insurance policies for eventual credit defaults are a standard part of Galp's overall risk policy.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics.

Trade receivables

Unit: €m

	Notes	2022	2021
		1,464	**1,243**
Trade receivables		1,595	1,379
Allowance for doubtful amounts		(131)	(136)
Ageing of trade receivables	**Exposure to risk**	**1,464**	**1,243**
Not yet due	Low	1,382	1,012
Overdue up to 180 days	Medium	24	189
Overdue between 181 days and 365 days	High	16	34
Overdue over 365 days	Very High	42	8

Movements in allowance for doubtful trade receivables			
Allowance at the beginning of the year		**136**	**145**
Increase	**25**	9	11
Decrease	**25**	(4)	(4)
Utilisation		(7)	(14)
Other adjustments		(3)	(2)
Allowance at the end of the year		**131**	**136**

Other receivables

Unit: €m

	Notes	2022		2021	
		Current	Non-current	Current	Non-current
		942	**263**	**885**	**293**
State and other Public Entities		**82**	**0**	**25**	**7**
Other debtors		**320**	**167**	**303**	**132**
Non-operated oil blocks		65	0	86	0
Underlifting		90	0	46	0
Other receivables		165	167	171	132
Related Parties		**2**	**0**	**2**	**0**
Contract Assets		**401**	**64**	**447**	**67**
Sales and services rendered but not yet invoiced		323	0	342	0
Adjustment to tariff deviation – "pass through"		27	0	24	0
Other accrued income		51	64	82	67
Deferred charges		**147**	**32**	**113**	**87**
Energy sector extraordinary contribution	16	8	16	10	25
Deferred charges for services		4	13	4	14
Other deferred charges		134	3	98	49
Impairment of other receivables		**(10)**	**0**	**(5)**	**0**

Non-operated oil blocks debtors decrease is mainly related to the decrease in Petrogal Brasil, S.A. debtors.

Non-current other deferred charges includes the amount of €1 m (2021: €48m) related to the post-employment benefits asset (Note 17). Other deferred charges (current) includes €85m of acquired CO2 licenses to be used essentially in 2023 to satisfy environmental obligations.

Other non-current receivables includes a €164m judicial deposit in relation to a claim between the BM-S-11 consortium and ANP. The ANP agency stated that the oilfields of Lula and Cernambi, which are within BM-S-11, should be unified for SPT purposes, although the consortium claims otherwise; thus, the judicial deposit represents part of the difference between the two criteria under discussion.

Other accrued income (current) includes mainly accruals regarding other operating revenue while non-current includes natural gas tariffs deviations from regulated market.

12. Other financial assets

Accounting policies

For accounting policies regarding Other financial assets, please refer to the disclosure in Note 20.

Unit: €m

	Notes	2022		2021	
		Current	Non-current	Current	Non-current
		339	**256**	**992**	**560**
Financial Assets at fair value through profit & loss - derivatives	19	304	110	992	114
Financial Assets at fair value through comprehensive income		0	3	0	7
Financial Assets not measured at fair value – Loans and Capital subscription		34	102	0	411
Others		1	42	0	27

Loans and Capital subscription (non-current) is mainly related to a shareholder loan of €39m to Galp IPG Matola Terminal Lda and €45m to ENH – Empresa Nacional de Hidrocarbonetos. In 2021, it was also recognized the loan to Titan 2020, S.A. in the amount of €343 m.

The decrease since 2021 is mainly related to normal maturity of the derivatives during 2022.

13. Cash and cash equivalents

Accounting policies

The amounts included in cash and cash equivalents correspond to cash values, bank deposits, time deposits and other cash investments with maturities less than three months, and which can be immediately mobilised with a risk of insignificant changes in value.

For the purposes of the cash flow statement, cash and cash equivalents also include bank overdrafts recorded as loans and overdrafts in the statement of financial position.

Financial resources consist of cash and cash equivalents, marketable securities with original maturities less than three months and undrawn committed credit facilities expiring after more than one year.

For the periods ending 31 December 2022 and 2021, the details of cash and cash equivalents were as follows:

Unit: €m

	Notes	2022	2021
		2,421	**1,811**
Cash in banks		2,432	1,942
Bank overdrafts	14	(11)	(131)

14. Debt

Accounting policy

Loans are initially recorded at fair value, net of the expenses incurred on the issuance of these loans. Loans are subsequently measured at amortized cost. Interest expenses are calculated at the effective interest rate and recorded in the income statement on an accruals basis in accordance with each loan agreement.

Unit: €m

	Notes	2022		2021	
		Current	Non-current	Current	Non-current
		800	**3,187**	**1,305**	**2,995**
Bank loans		**50**	**1,470**	**1,055**	**824**
Origination fees		(0)	(6)	(0)	0
Loans and commercial paper		39	1,476	924	824
Bank overdrafts	13	11	0	131	0
Bonds and notes		**750**	**1,717**	**250**	**2,171**
Origination fees		0	(7)	0	(6)
Bonds		250	1,224	250	1,177
Notes		500	500	0	1,000

The average cost of financial debt for the period under review, including charges for credit lines and overdrafts, amounted to 1.68% (1.75% in 2021). As of 31 December 2022, of the total amount of €1,515 m related to bank loans, approximately €441 m refers to loan at fixed-rate interest.

The fair value of the notes was €959 m as of 31 December 2022 and €1,030 m as of 31 December 2021, measured based on observable market variables, and classified at Level 1 of the Fair Value hierarchy (see Fair Value hierarchy in Note 20).

Current and non-current loans and bonds, excluding origination fees and bank overdrafts, have the following repayment plan as of 31 December 2022:

Unit: €m

Maturity	Loans		
	Total	Current	Non-current
	3,989	**789**	**3,200**
2023	789	789	0
2024	434	0	434
2025	526	0	526
2026	769	0	769
2027 onwards	1,471	0	1,471

For comparative information, please refer to the consolidated financial statements for the year ended 31 December 2021.

Changes in debt during the period from 31 December 2022 to 31 December 2021 were as follows:

Unit: €m

	Initial balance	Loans obtained	Principal Repayment	Changes in Overdrafts	Foreign exchange rate differences and others	Ending balance
	4,300	**4,297**	**(4,483)**	**(120)**	**(7)**	**3,987**
Bank Loans:	**1,879**	**3,617**	**(3,832)**	**(120)**	**(24)**	**1,520**
Origination fees	(0)	0	0	0	(6)	(6)
Loans and commercial papers	1,748	3,617	(3,832)	0	(18)	1,515
Bank overdrafts	131	0	(0)	(120)	0	11
Bonds and Notes:	**2,421**	**680**	**(651)**	**0**	**17**	**2,467**
Origination fees	(6)	0	0	0	(1)	(7)
Bonds	1,427	680	(651)	0	18	1,474
Notes	1,000	0	0	0	0	1,000

For comparative information, please refer to the consolidated financial statements for the year ended 31 December 2021.

The bonds issued during 2022 were as follows:

Unit: €m

Issuance	Due amount	Interest rate	Maturity
	680		
GALP ENERGIA/2022 – EUR 200 M. – OBRIGACOES GALP 1 – 2028	200	Euribor 6M + spread	February 2028
GALP ENERGIA/2022 – EUR 200 M. – OBRIGACOES GALP 1 – 2027	200	Euribor 6M + spread	February 2027
GALP ENERGIA/2022 – EUR 100 M. – OBRIGACOES GALP 2 – 2027	100	Euribor 6M + spread	February 2027
GALP ENERGIA/2022 – EUR 100 M. – OBRIGACOES GALP 3 – 2027	100	Euribor 6M + spread	March 2027
GALP ENERGIA/2022 – EUR 80 M. – OBRIGACOES GALP 4 – 2027	80	Euribor 3M + spread	March 2027

The bond reimbursements during 2022 were as follows:

Unit: €m

Issuance	Due amount	Interest rate	Maturity	Reimbursement
	651			
GALP 2018/24	100	Euribor 6M + spread	May 2024	February 2022
GALP ENERGIA 2018-2024	100	Euribor 6M + spread	September 2024	September 2022
GALP 2020-2023	100	Euribor 6M + spread	May 2023	February 2022
USD 100,000,000.00 Floating Rate Notes due March 2024	101	LIBOR 6M + spread	March 2024	November 2022
EUR 150,000,000.00 Floating Rate Notes due 2024	150	Euribor 6M + spread	July 2024	July 2022
GALP 2020/25	100	Euribor 6M + spread	March 2025	February 2022

15. Trade payables and other liabilities

Accounting policy

Trade payables and other payables are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method. Usually, the amortized cost does not differ from the nominal value.

Unit: €m

	2022		2021	
	Current	Non-current	Current	Non-current
Suppliers	**1,005**	**0**	**811**	**0**
Other creditors	**1,506**	**99**	**1,191**	**95**
State and other public entities	**346**	**0**	**475**	**0**
Payable VAT	246	0	237	0
"ISP" - Tax on oil products	88	0	196	0
Other taxes	12	0	42	0
Other payables	**331**	**44**	**235**	**50**
Tangible and intangible assets suppliers	196	44	166	50
Advances on sales	0	0	0	0
Overlifting	0	0	0	0
Other Creditors	135	0	69	0
Related parties	**20**	**0**	**4**	**0**
Other accounts payables	**88**	**10**	**38**	**7**
Accrued costs	**701**	**36**	**409**	**29**
External supplies and services	515	0	242	0
Holiday, holiday subsidy and corresponding contributions	83	6	58	4
Other accrued costs	103	30	108	24
Contract liabilities	**17**	**0**	**28**	**0**
Other deferred income	**4**	**10**	**2**	**11**

The amounts recorded as trade payables mainly relate to purchases of crude oil, natural gas, electricity and goods in transit on those dates.

"Other creditors" include €49 m of advances from Clients (2021: €33 m) and €89 m of payables to non-operating oil blocks (2021: €35 m).

16. Taxes, deferred income taxes and contributions

Accounting policies

Income tax is calculated based on the taxable results of the companies included in the consolidation in accordance with the applicable tax rules in each country in which Galp operates.

Deferred income taxes arise from temporary differences between the accounting and taxable values of the individual consolidated companies and from the realisable tax loss carried forward. The taxable value of the tax loss carried forward is included in deferred tax assets to the extent that these are expected to be utilised against future taxable income. The deferred income taxes are measured according to the current tax rules and the tax rates substantially enacted up to the end of the reporting period.

The Group pays taxes and Special Participation Tax on its Upstream activity, which the Company classifies as income taxes and Special Participation Tax, namely:

- Petroleum income tax (IRP) in Angola, as regulated under Law 13/04. The rate applicable to the PSA contracts is 50% on the projects' "profit oil". The IRP calculation is in all respects similar to an income tax. Thus, oil companies subject to IRP are not subject to other income taxes in Angola;
- Special Participation Tax (SPT) in Brazil, as regulated under Decree-Law No 2.705 issued by the Agencia Nacional do Petroleo, Gas Natural e Biocombustiveis (ANP). SPT is a contribution, due on a quarterly basis, calculated by oil and natural gas concessionaires based on the production from each project. The Special Participation is calculated on the determined income, from which operational costs related to the production of hydrocarbons are deducted. The SPT rate varies between 0% and 40% depending on the project's production level.

Accounting estimates and judgments

Galp is subject to income taxes in the locations in which it operates. Significant judgments and estimates are required to determine the worldwide accrual for income taxes, deferred income tax assets and liabilities, and the provision for uncertain tax positions.

Deferred tax assets

Deferred tax assets are recognized only when there is reasonable assurance that future taxable profits will be available against which the temporary differences can be used, or when there are deferred tax liabilities for which reversal is expected within the same period as that in which the deferred tax assets are reversed. Deferred tax assets are evaluated by Management at the end of each period, taking into account expectations of the Group's future performance (i.e. the Budget Plan), and such assets are only recognized if there is a high expectancy of future recovery.

Estimates regarding uncertain tax positions

As part of conducting business globally, tax and transfer pricing disputes with tax authorities may occur. Management's judgment is used to assess the possible outcome of such disputes. The most-probable-outcome method is applied when making provisions for uncertain tax positions, and Galp considers the booked provisions to be adequate. Nevertheless, the actual obligation may differ, and depends on the results of litigation and settlements with the relevant authorities.

As of 31 December 2022, and 31 December 2021, the current income tax payable is as follows:

Unit: €m

	Assets		Liabilities	
	2022	2021	2022	2021
	3	**139**	**(361)**	**0**
State and other public entities	3	139	(361)	0

The total income tax, IRP and SPT paid during the year 2022 was €1,087m.

Taxes for the year ended 31 December 2022 and 2021 were as follows:

Unit: €m

	2022			2021		
	Current tax	Deferred tax	Total	Current tax	Deferred tax	Total
Taxes for the year	**1,615**	**(181)**	**1,434**	**553**	**99**	**652**
Current income tax	771	(180)	591	(8)	101	93
"IRP" - Oil Income Tax	26	(1)	25	23	(1)	21
"SPT" - Special Participation Tax	818	0	818	539	0	539

As of 31 December 2022, the extraordinary taxes for the energy sector were as follows:

Unit: €m

	Statement of financial position					Income statement
		Provisions (Note 18)		"CESE II" Deferred Charges (Note 11)		
	Windfall tax	CESE I	CESE II	Current	Non-current	Energy Sector Extraordinary taxes
As at 1 January 2022	**0**	**(125)**	**(238)**	**10**	**25**	**0**
"CESE I" Increase	0	(8)	0	0	0	12
"CESE II" Increase	0	0	(8)	(2)	(8)	19
"Fondo Nacional de Eficiencia Energética (FNEE)"	0	0	0	0	0	4
Windfall tax	(53)	0	0	0	0	53
31 December 2022	**(53)**	**(133)**	**(247)**	**8**	**16**	**86**

Refer to Note 18. for further details regarding the various extraordinary taxes for the energy sector that Galp is subject to.

Galp Group operates across various geographies, through locally established legal entities, whose taxable income is calculated based on the legal rates in force in each jurisdiction, varying between 25% in Spain, 25.8% in the Netherlands, 31.5% in Portugal and 34% in Brazil.

Unit: €m

	2022	2021
Effective tax rate	**44.50%**	**77.70%**
Corporate income tax rate of Galp Energia SGPS, SA	31.50%	31.50%
Application of the equity method	-1.30%	-3.10%
"SPT" – Special participation and "IRP" – Tax on Oil Income *	26.10%	66.60%
Other additions and deductions	-11.80%	-17.30%

* The SPT expense recorded through profit or loss is deductible for income tax purpose in Brazil.

During the year ended 31 December 2022, the movements in deferred tax assets and liabilities were as follows:

Unit: €m

	As at 1 January 2022	Impact on the income statement	Impact on equity	Foreign exchange rate changes	As at 31 December 2022
Deferred Taxes – Assets	**485**	**84**	**3**	**(11)**	**559**
Adjustments to tangible and intangible assets	44	90	0	(7)	126
Retirement benefits and other benefits	87	(14)	0	0	73
Tax losses carried forward	80	(43)	0	0	36
Regulated revenue	7	0	0	0	8
Temporarily non-deductible provisions	194	57	0	(4)	246
Potential foreign exchange rate differences in Brazil	40	(40)	0	0	0
Others	33	35	3	0	70
Deferred Taxes – Liabilities	**(654)**	**97**	**0**	**1**	**(555)**
Adjustments to tangible and intangible assets	(616)	74	0	1	(540)
Adjustments to tangible and intangible assets fair value	(10)	10	0	0	0
Regulated revenue	(13)	(1)	0	0	(14)
Others	(15)	14	0	0	(1)

Tax losses for which deferred tax assets were recognized were as follows:

Unit: €m

	Tax losses carried forward	Limit year to use	Deferred Tax
Tax losses carried forward	**116**		**28**
The Netherlands	5	No limit	1
Spain	101	No limit	25
Portugal	10	5 years	2

In addition to the €101 m above, there are €105 m (2021:€128 m) of tax losses carried forward in Spain for which no deferred tax assets have been booked, based on management judgement regarding the likely timing and the level of future taxable profits.

17. Retirement benefit obligations

Accounting policies

Defined-contribution plans

Galp has a defined-contribution plan funded by a pension fund which is managed by an independent entity. Galp's contributions to the defined-contribution plan are charged to the statement of income in the relevant year.

Defined-benefit plans

Galp has a defined-benefit plan that provides the following benefits: pension supplements for retirement, disability and pension supplements for survivors; pre-retirement; early retirement; retirement bonuses; and voluntary social insurance.

The payment of pension supplements for old age and disability, as well as survivors' pensions, is funded by a pension fund managed by independent entities.

Recognition of defined benefit plans

The costs for the year for defined benefit plans are determined using the projected unit credit method. This reflects services rendered by employees as of the valuation dates, and is based on actuarial assumptions, primarily regarding the discount rates used to determine the present value of benefits and the projected rates of remuneration growth. The discount rates are based on the market yields of Euro denominated high-rated corporate bonds of the euro-zone. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income during the period in which they arise. Past service costs are recognized immediately in the income statement. The surplus of a net defined benefit plan (i.e. asset) is only recognized to the extent that Galp is able to derive future economic benefits, such as refunds from the plan, or reductions in future contributions. Where a plan is unfunded, a liability for the retirement benefit obligation is recognized in the statement of financial position. Costs recognized for retirement benefits are included in employee costs. The net obligation recognized in the statement of financial position is reported within non-current liabilities.

Other post-employment benefits

Along with the aforementioned plans, Galp provides additional benefits related to healthcare, life insurance and a minimum benefit (for disability and survival).

Accounting estimates and judgments

Demographic and financial assumptions used to calculate the retirement benefit liabilities

Accounting for pensions and other post-retirement benefits requires estimates to be made when measuring the group's pension plan surpluses and deficits. These estimates require assumptions to be made regarding uncertain events, including discount rates, inflation and life expectancy.

Post-employment benefits

Unit: €m

	Notes	2022	2021
Asset under the heading of "Other Receivables" (non-current)	11	1	48
Liability		(252)	(300)
Net responsibilities		**(250)**	**(252)**
Obligations, of which:		**(453)**	**(500)**
Past service liability covered by the pension fund		(202)	(200)
Other employee benefit liabilities		(251)	(300)
Assets		**203**	**248**

Post-employment obligations

Unit: €m

	2022	2021
Past service liability at the end of the current year	**453**	**500**
Past service liability at the end of the previous year	500	595
Current service cost	6	7
Interest cost	7	8
Actuarial (gain)/loss	1	(22)
Benefit payments made by the fund	(21)	(21)
Benefit payments made by the Company	(34)	(37)
Changes in the benefit plan	0	0
Cut back – Early retirement	0	2
Cut back – Pre-retirement	1	3
Cut back – Migration to DC	1	0
Other changes	(8)	(35)

The average maturity of the liabilities under the defined benefit plans is 8.5 years (in 2021: 9.2 years).

As of 31 December 2022, the breakdown of the expected value of future benefit payments for the next four years is as follows:

Unit: €m

Payment expectation by the Group	Total	Retirement benefits	Other benefits
	97	**64**	**33**
2023	31	22	8
2024	26	18	8
2025	22	14	8
2026	19	11	8

Defined-benefit pension fund

Unit: €m

	Notes	2022	2021
Assets at the end of the current year		**203**	**248**
Assets at the end of the previous year		248	259
Net interest	26	4	4
Associates' contribution		0	0
Benefit payments		(21)	(21)
Cut back		1	0
Financial gain/(loss)		(29)	7

	2022
Types of assets	
Bonds	58%
Real estate	22%
Shares	18%
Liquidity	1%
Other investments	1%

The hierarchy of fair value of the assets is mainly Level 1 for Shares and Other Investments, and an even mix of Level 1 and 2 for Bonds and Real Estate. Level 1 includes financial instruments valued based on liquid market quotations, including from Bloomberg. Level 2 includes financial instruments valued based on observable prices in current liquid markets for the same financial instruments supplied by external counterparties, available through Bloomberg.

Unit: €m

	2022	2021
Real return on plan assets (%)	(10.45%)	3.97%
Real return on plan assets	(26)	10

The number of participants and beneficiaries of the Petrogal and Sacor pension funds was 5,915 in December 2022 and 5,684 in December 2021.

Post-employment benefit expenses

Unit: €m

	Notes	2022	2021
Current service cost	26	6	7
Interest cost	27	3	4
Net cost for the year before special events		**9**	**11**
Cut back impact – early retirement	26	0	2
Cut back impact – pre-retirement	26	1	3
Other adjustments	26	(9)	(30)
Net cost for the year of defined-benefit plan expenses		**1**	**(13)**
Defined contribution	26	5	5
Net cost for the year of defined-contribution plan expenses		**5**	**5**
Total		**6**	**(9)**

Remeasurements

Unit: €m

	Notes	2022	2021
		(31)	**26**
Gains recognized through comprehensive income		**(30)**	**33**
(Loss)/Gains from actuarial experience		(14)	1
(Loss)/Gains from changes in actuarial assumptions		12	22
Financial (loss)/gain		(29)	7
Other gains/losses		0	4
Taxes related to actuarial gains and losses	**16**	**0**	**(8)**

Assumptions

	Retirement benefits		Other benefits	
	2022	2021	2022	2021
Rate of return on assets	3.00%	1.50%	-	-
Technical interest rate	3.00%	1.50%	3.00%	1.50%
Rate of increase in salary costs	4% (2023-24);1%(2025-)	1.00%	4% (2023-24);1%(2025-)	1.00%
Rate of increase in pension costs	[1,40% - 4,00%] -2023-24:[0,5%-1,40%]-2025-	[0,00% - 2,00%]	4,00% (2023-24);1,00% (2025-)	[0,00% - 1,40%]
Current personnel and pre-retiree mortality table	TV88/90	INE 2009-2011	TV88/90	INE 2009-2011
Retired personnel mortality table	TV88/90	INE 2009-2011	TV88/90	INE 2009-2011
Disability table	50% EVK 80	50% EVK 80	50%EVK80	50%EVK80
Common age for retirement	67 years, except for the cases of anticipation to 66 or 65 years with at least 43 or 46 years of S.S. contributions at 65 years respectively	67 years, except for the cases of anticipation to 66 or 65 years with at least 43 or 46 years of S.S. contributions at 65 years respectively	67 years, except for the cases of anticipation to 66 or 65 years with at least 43 or 46 years of S.S. contributions at 65 years respectively	67 years, except for the cases of anticipation to 66 or 65 years with at least 43 or 46 years of S.S. contributions at 65 years respectively
Method	Projected credit unit	Projected credit unit	Projected credit unit	Projected credit unit

Sensitivity Analysis

Sensitivity analysis of the discount rate

		Unit: €m
Discount rate 3.00%		-0.25%
Total	**453**	**9**
Retirement benefits	301	5
Other benefits	152	5

Sensitivity analysis of the growth rate of health insurance costs

			Unit: €m
Growth rate of 0% (2023);3%(2024-)		-1,00%	1,00%
Past Service	134	(14)	17

18. Provisions and contingent assets and liabilities

Accounting policies

Provisions are recorded when, and only when: 1) the Group has a present obligation resulting from a past event; 2) it is probable that an outflow of resources entailing economic benefits will be required to settle the obligation; and 3) a reliable estimate can be made of the amount of the obligation. Galp calculates its estimate based on an evaluation of the most likely outcome. Disputes for which no reliable estimate can be made are disclosed as contingent liabilities.

Provisions for decommissioning and restoration costs of blocks are intended to cover all the costs incurred by Galp at the end of the useful production life of oil fields. Provisions are based on the operator's estimate of the total abandonment costs, which are recognized by Galp on a proportional basis as it builds each production well. These provisions are capitalized as part of the assets (Note 5).

Provisions for environmental expenditures arises principally in connection with oil products manufacturing facilities, such as refinery, logistics and storage facilities. Environmental expenditures that are required in order for the Group to obtain future economic benefits from its assets are capitalized as part of those assets. Expenditures that relate to an existing condition caused by past operations that do not contribute to future earnings are expensed. Liabilities for environmental costs are recognized when a legal or constructive obligation arises or a clean-up is probable and the associated costs can be reliably estimated. Such obligations may also crystalize during the period of operation of a facility or item of plant through change in legislation or through a commitment to a formal plan of action, a decision to terminate operations or, if earlier, on divestment or on closure of inactive sites. The amount recognized is the best estimate of the expenditure required to settle the obligation. Provisions for environmental liabilities are estimated using existed technology, at future prices and discounted using a nominal discount rate.

Other provisions are recognized in the period in which an obligation arises, and the amount can be reasonably estimated.

Provisions for legal disputes include ongoing legal disputes namely related to taxation matters. Management makes estimates regarding provisions and contingencies, including the probability of the outcomes of pending and potential future litigation. These are by nature dependent on inherently uncertain future events. When determining the likely outcomes of litigation, Management considers the input of external counsel, as well as past experience.

Although Management believes that the total amounts of provisions for legal proceedings are adequate based on the currently available information, there can be no assurance that there will be no changes in the facts, or that the amounts of any future lawsuits, claims, proceedings or investigations will not be material.

Accounting estimates and judgments

Provisions for lawsuits and other litigations

The estimated final costs of lawsuits, settlements and other litigation can vary based on different interpretations of the rules, opinions and final assessments of the losses. Consequently, any changes in circumstances relating to these types of contingencies could have a significant effect on the recorded amounts of contingencies.

Decommissioning provisions

Provisions for decommissioning and restoration costs, which arise principally in connection with hydrocarbon production facilities and pipelines, are measured on the basis of current requirements, technology and price levels; the present value is calculated using amounts discounted over the useful economic life of the assets. The liability is recognized (together with a corresponding amount as part of the related tangible asset) once a legal or constructive obligation to dismantle an item of property, plant and equipment and to restore the site on which it is located exists and when a reasonable estimate can be made. The effects of changes resulting from revisions to the timing or the amount of the original estimate of the provision are reflected on a prospective basis, generally by adjustment to the carrying amount of the related tangible asset. However, where there is no related asset, or the change reduces the carrying amount to nil, the effect, or the amount in excess of the reduction in the related asset to nil, is recognized in income. The discount rate applied at 31 December 2022, was 3% (2021: 3%).

Environmental provisions

Galp makes judgments and estimates to calculate its known obligations relating essentially to the known requirements regarding abandonment of facilities and soil decontamination, based on current information relating to the expected intervention costs and plans. Such costs can vary due to changes in the legislation and regulations, changes in the condition of a specific location, as well as changes in

decontamination technologies. Consequently, any changes in the circumstances relating to such provisions, as well as in the legislation and regulations, could significantly affect the provisions for such matters. The timing and amount of future expenditures relating to environmental provisions are reviewed annually, together with the interest rate used in discounting the cashflows.

The discount rate applied at 31 December 2022, was between 3%-4,6% (2021: 3%-4,6%).

Costs of abandonment of facilities (dismantling) associated with refining, logistics and storage facilities are generally not recognized since potential obligations cannot be measured, given their indeterminate settlement dates. In respect of refining assets (Sines), management is developing plans for the existing site remaining in the portfolio, which would be compatible with the Energy Transition strategy of Galp (Note 2.1). Galp periodically reviews its long-live refinery, logistics and storage facilities assets on a regular basis to determine any changes in facts and circumstances, including expected life, that could result in the recognition of a provision.

As of 31 December 2022 and 31 December 2021, the provisions were as follows:

Unit: €m

					December 2022	
	Decommissioning/ environmental provisions	CESE (I and II)	Windfall tax	Other provisions	Total	December 2021
At the beginning of the year	**645**	**363**	**0**	**200**	**1,208**	**1,008**
Additional provisions and increases to existing provisions	130	20	53	16	219	154
Decreases of existing provisions	(1)	0	0	(1)	(2)	(23)
Amount used during the year	(24)	(3)	0	(3)	(30)	(21)
Regularisation	(64)	0	0	0	(64)	65
Adjustments during the year	29	0	0	70	99	25
At the end of the year	**715**	**380**	**53**	**282**	**1,430**	**1,208**

Increases and decreases in provisions during the year are as follows:

Unit: €m

	Judicial processes	Provisions	Tangible Assets	Financial (income) and expenses	Windfall tax	CESE	Deferred charges CESE	Results from financial investments	Other	Total
2022	**1**	**117**	**38**	**13**	**53**	**30**	**(10)**	**7**	**(31)**	**218**
Decommissioning/environmental costs	0	115	38	13	0	0	0	0	(36)	129
Windfall tax	0	0	0	0	53	0	0	0	0	53
CESE I and II	0	0	0	0	0	30	(10)	0	0	20
Other provisions	1	2	0	0	0	0	0	7	6	16

For comparative information, please refer to the consolidated financial statements for the year ended 31 December 2021.

Decommissioning of blocks and environmental costs

The amount of €715 m includes essentially a provision for the abandonment of blocks (€401 m), established to cover the costs to be incurred for asset retirement obligations at the end of the useful lives of those areas (€376 m in Brazil and €20m in Mozambique) and a provision for environmental costs established in connection with dismantling, decommissioning and decontamination costs (3D) of Matosinhos refinery, which has an increase of €113 m in 2022.

A reclassification into non-current liabilities held for sale of a provision amounting to €73 m was done regarding decommissioning of Angolan blocks (presented in the table above as "Regularizations").

CESE I and II

In the year ending 31 December 2022, the caption of CESE (I and II) – "Energy Sector Extraordinary Contribution I and II" in the amount of €380 m represents the total responsibility as of that date and corresponds to the contributions for the years 2014 to 2022. In 2022, the Group paid an amount of €3 m in respect of CESE I for the years of 2014 and 2016.

In 2014, the Group was subject to a special tax (Energy Sector Extraordinary Contribution CESE I), pursuant to Article 228 of Law 83C/2013 of 31 December, which states that energy companies that carry net assets in certain activities, from 1 January 2014, are subject to a tax calculated on the balance of the eligible net assets as of that date.

In 2015, the Group was subject to a special tax (Energy Sector Extraordinary Contribution CESE II), pursuant to Law 33/2015 of 27 April and Order No. 157-B/2015 of 28 May. CESE II applies to the value of future sales, based on the four existing long-term LNG sourcing contracts which are on a take-or-pay basis. In 2017, pursuant to Order No. 92-A/2017 of 2 March, the economic value of the take-or-pay contracts changed, which was reflected in the increase of the CESE provision.

Following the law and tax regulations, Galp properly accounted for the legal obligation from CESE I and II, although these obligations are currently subject to legal dispute.

Windfall tax

In the year ending 31 December 2022, some Galp entities (in Portugal and Spain) were subjected to an additional extraordinary tax, besides CESE I and II, for simplification purposes named as Windfall tax. The best estimate as of 31 December 2022 of this liability is €53 m.

Other provisions

The amount of €282 m of other provisions includes a provision of €162 m (increased €70 m in current year) that relates to the dispute between ANP and the BM-S-11 consortium, as explained in Note 11 and a provision of €72 m regarding the commitment to reimburse CESE I to the shareholders of GGND (now Floene) as per share sale and purchase agreement.

Contingent liabilities

As of 31 December 2022, the Company and its subsidiaries had additional Corporate Income Tax assessments under dispute amounting to €33 m, for which a provision of €11 m was recorded in prior years.

No provisions were recognized for tax contingencies related to Brazilian operations in the amount €230 m, essentially related with withholding tax (IRRF) and other taxes and levies (PIS/COFINS and CIDE) related to rental payments on overseas vessels (2022: €159 m and 2021:€ 115m). Management believes the outcome of these matters will be resolved in a manner favourable to Galp. Should Galp be required to pay such taxes and levies, it could result in a potential total liability of approximately €230 m (€125 m in 2021).

19. Derivative financial instruments

Accounting policies

Derivative financial instruments

The Group may use financial derivatives to hedge the interest rate risk and other market risks, particularly the risk of variations in crude oil prices, finished products and refining margins, as well as the price variation risk of natural gas and electricity, which affects the financial value of the assets and the future cash flow expected from its activities.

The realised gains and losses on the financial settlement of commodities (i.e. Brent, electricity and gas) futures and swaps are presented within cost of sales, except if commodity futures are physically settled where the gain or loss will be recorded in sales as a price adjustment of the commodity sold. Changes in the fair value of open positions are presented in financial income, within income from financial instruments. As futures are exchange-traded, subject to central clearing, gains and losses are continuously recorded within income from financial instruments until the maturity date of the derivative, unless designated in cash flow relationships in which case they are recorded in the cash flow hedge reserve.

Realised gains and losses on Forwards and FX Swaps are presented within cost of sales if they are connected to commodities transactions, and are otherwise presented in financial income, under realised FX differences. Changes to the fair values of open positions are presented in financial income, under unrealised FX differences.

Some physically settled TTF bilateral contracts are accounted for as derivatives because they meet the net settlement criteria and do not meet the own use exemption criteria. The fair values of these contracts are presented together as Swaps in the financial statements.

Financial assets and liabilities are offset if Galp has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or to realise the asset and liability simultaneously.

Day 1 gain or losses on derivatives that are categorized as level 3 in the fair value hierarchy do not qualify for recognition in the financial statements. These day 1 gains and losses are disclosed in the financial statements and only recognized when the prices become sufficiently observable or as the contract matures.

Hedge accounting

Derivative instruments that qualify for hedge accounting are designated in cash flow hedges of commodity price risk associated with highly probable forecast electricity purchases. Derivative instruments used by the Group to hedge the interest rate risk of floating rate debt are designated as cashflow hedges. The indices are the same as those applicable to the contracts signed with customers. Certain derivatives that are entered into for risk management purposes, such as those that hedge the overall net position of commodity prices (oil margins) and forecast purchases of gas, are not designated in qualifying IFRS 9 hedge relationships and are therefore accounted for as trading derivatives with their changes in fair value recorded immediately in the statement of profit or loss.

Changes in the fair values of derivatives designated in qualifying cash flow hedge relationships are recorded in equity in the cash flow hedge reserve.

Where the derivative instrument no longer meets the criteria for recording as a cashflow hedge, the accumulated fair value differences deferred in equity within hedging reserves are added to the book value of the asset which gave rise to the hedging transaction only if the derivative was mature and is effective. Otherwise, if the hedge is not effective, subsequent revaluations are recognized directly in the income statement. If the hedge is discontinued because the transaction is no longer expected all of the deferred MTM in equity is reclassified to profit or loss. If there is a change in risk management objective but the hedged transaction is still expected to occur, the amount in the cash flow hedge reserve is taken to profit or loss when the previously hedged transaction affects the statement of profit or loss. Hedge accounting is discontinued prospectively.

Hedge accounting is discontinued when all of the derivative instruments mature, are sold, when management changes the risk management strategy or objective, or when a hedged transaction is no longer highly probable.

Financial derivatives are recorded at fair value, calculated by using generally accepted valuation methods.

Financial assets and liabilities are offset if Galp has a legally enforceable right to offset the recognized amounts, and there is an intention to settle these on a net basis or to realise the asset and liability simultaneously.

For further explanation of the risks and the related risk reduction using hedges, see Note 20.

The financial position of derivative financial instruments as of 31 December 2022 and 2021 is detailed as follows:

Unit: €m

	2022					2021				
	Assets (Note 12)		Liabilities		Equity	Assets (Note 12)		Liabilities		Equity
	Current	Non-current	Current	Non-current		Current	Non-current	Current	Non-current	
	304	**110**	**(373)**	**(48)**	**18**	**992**	**114**	**(1,069)**	**(136)**	**31**
Designated hedge derivatives										
Oil										
Swaps	0	0	0	0	0	0	0	(1)	0	0
Electricity										
Futures	15	0	0	0	15	49	0	0	0	49
Swaps	0	0	0	0	0	(18)	0	0	0	(18)
Interest rate										
Swaps (IRS)	0	3	0	0	3	0	0	0	0	0
Non designated hedge derivatives										
Oil										
Futures	1	0	0	0	0	0	0	0	0	0
Swaps	125	0	(205)	0	0	22	57	(19)	(56)	0
Gas										
Futures	25	0	0	0	0	158	0	0	0	0
Swaps	60	29	(155)	(36)	0	687	24	(1,050)	(81)	0
Electricity										
Futures	13	0	0	0	0	0	0	0	0	0
Swaps	63	38	(10)	(12)	0	95	32	0	0	0
Foreign Exchange										
Forwards	4	0	(3)	0	0	18	2	0	0	0
Interest rate										
Swaps (IRS)	0	40	0	0	0	0	0	0	0	0

Derivatives are classified as current and non-current in accordance with the expected settlement.

During 2022 and 2021 the Group entered into derivative financial instruments with the objective of hedging the economic exposure mainly related to changes in crude, power, natural gas prices and interest rates. Derivatives to cover electricity prices and interest rates were classified as Cashflow hedges.

The notional prices of the open derivatives and their respective maturities are shown below:

Unit: €m

		December 2022		December 2021	
		Maturity		Maturity	
		Less than 1 year	1 year and more	Less than 1 year	1 year and more
		(48)	**(437)**	**(1.185)**	**(193)**
Commodity futures	Purchase	(881)	(4)	(517)	(26)
	Sales	876	4	349	17
Commodity swaps	Purchase	(547)	(512)	(1.549)	(734)
	Sales	525	75	1.086	603
Commodity options	Purchase	0	0	(58)	0
	Sales	0	0	0	0
Currency forwards and swaps	Purchase	(43)	0	(672)	(74)
	Sales	22	0	176	21

Notional = Fixed Price x Quantity

The accounting impact as of 31 December 2022 and 31 December 2021 of the gains and losses on derivative financial instruments is presented in the following table:

Unit: €m

	2022				2021			
	Income statement			Equity	Income statement			Equity
	MTM	Realised (Note 25)	MTM + Realised		MTM	Realised (Note 25)	MTM + Realised	
	787	**(983)**	**(196)**	**(13)**	**(771)**	**255**	**(484)**	**20**
Designated hedge derivatives								
Oil								
Swaps (Fair value hedge)	0	0	0	0	11	0	11	0
Client contracts (Fair value hedge)	0	0	0	0	(11)	0	(11)	0
Electricity								
Futures	0	35	35	(34)	(0)	46	46	36
Swaps	0	(12)	(12)	18	0	8	8	(17)
Interest rate								
Swaps (IRS)	0	0	0	3	0	0	0	0
Non designated hedge derivatives								
Oil								
Futures	0	10	10	0	(0)	2	2	0
Swaps	(84)	(363)	(447)	0	4	4	8	0
Options	4	(4)	(0)	0	(3)	(37)	(40)	0
Gas								
Futures	590	(899)	(308)	0	(465)	(65)	(499)	0
Swaps	318	153	471	0	(442)	213	(229)	0
Electricity								
Futuros	1	(40)	(39)	0	(38)	59	21	0
Swaps	(44)	78	34	0	111	34	145	0
Foreign Exchange								
Forwards	(19)	59	40	0	62	(9)	53	0
Interest rate								
Swaps (IRS)	21	0	0	0	0	0	0	0

MTM relating to FX Swaps and Forwards (negative €19m) is recognized in Financial Results within Exchange differences and realized amounts are recognized within Other operating costs (positive €59m) among settlement of other Foreign exchanges of Invoices with Clients and Suppliers.

The 2022 financial position shows in shareholders' equity, under the heading hedging reserves, the negative amount of €13 m relating to cash flow hedges. The cash flow hedges reflected in equity, when settled, are reclassified to the statement of profit or loss in the same period or periods during which the hedged expected cash flows affect profit or loss (when hedged forecast sale occurs). The amount of settled hedging instruments regarding cash flow hedges amounts to positive €23 m in 2022 and positive €54 m in 2021 and was recognized under the heading cost of sales.

Included in realised MTM on futures is a cost of €401 m that relates to Gas Futures that were physically settled with the Exchange, which was reflected in sales as an adjustment of the price of gas sold.

Significant accounting estimate

Unrealised MTM on undesignated electricity swaps of (€44m) includes negative MTM of (€30 m), related to Synthetic Power Purchase Agreements (PPA) of solar projects in Spain, for which the fair value valuation was not based on observable market data (level 3). The derivatives have several commencement dates, the first beginning in the second half of 2020 and all have a life span of c. 12 years. Included in these Synthetic Power Purchase Agreements is a fixed quantity of Guarantees of Origin that transferred from the solar projects to Galp during the same time frame.

Inputs into the valuation model include fixed contractual volumes, forecast electricity prices, selection of scenario for the forward price and tax on energy production in Spain.

The fair value estimate is highly sensitive to changes in unobservable inputs and changes in those inputs might result in a significantly higher or lower fair value measurement. The total MTM of these PPA's at 31 December 2022 sum up to €71 m positive.

Change in significant accounting estimate during 2022

In the fourth quarter of 2022, Galp has changed the price inputs used in the valuation model for Synthetic PPAs that have settlements calculated using formula that references to a solar profile. The price inputs changed from unadjusted OMIP baseload prices to using blended price forward curve that is created using price inputs provided by a leading supplier of independent long-term price projections for energy markets. The price inputs selected are from prices forecasted under a central scenario and unlike previous unadjusted OMIP prices, the prices capture differences between solar and baseload prices. The change was made as new information has become available that is expected to be used by market participants. The impact of the change in estimate was to reduce the fair value of Synthetic PPA contracts by circa €90m.

The heading income from financial instruments includes the unrealised value of MTM of commodities derivatives, as shown in the following table:

The heading income from financial instruments includes the unrealised value of MTM of commodities derivatives, as shown in the following table:

Unit: €m

	2022	2021
	806	**(832)**
Commodity Swaps	210	(325)
Options	4	(3)
Commodity Futures	591	(503)

The table above includes MTM of all financial derivatives, except FX derivatives which are accounted in the heading exchange differences.

The maturities of derivative liabilities in the statement of financial position are as follows:

Unit: €m

	Less than 1 year	Between 1 and 2 years	2 years and more	Total
2022				
Commodity swaps	370	35	13	418
Foreign exchange forwards	3	0	0	3
2021				
Commodity swaps and options	1,069	136	0	1,206
Foreign exchange forwards	0	0	0	0

Note that despite the current position of liabilities is €422 m, Group Galp has a €414 m current position of assets regarding derivatives to receive. Net position is a liability of € 8m.

20. Financial assets and liabilities

Accounting policies

Galp classifies financial assets and liabilities into the following categories:

a) Financial assets at fair value through other comprehensive income;

b) Financial assets and liabilities carried at amortized cost;

c) Financial assets and liabilities at fair value through profit or loss (derivatives).

Management determines the classification of its financial assets on initial recognition and re-evaluates it at the end of each reporting period if, and only if, there is a change in the business model. For financial liabilities, such changes in classification are not allowed.

Recognition and measurement

Purchases and sales of investments are recognized as of the trade date. Investments are initially recognized at fair value. Financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss are subsequently carried at fair value. Fair value disclosures are made separately for each class of financial instruments at the end of the reporting period.

Nevertheless, assets at fair value through other comprehensive income are measured at cost as a proxy for their fair value. As, they are not quoted on a stock exchange, no recent available information is available to measure their fair value reliably, and the amounts involved are immaterial.

Derecognition of financial assets

Financial Assets are derecognized from the statement of financial position when the rights to receive cash flow from investments have expired or have been transferred and Galp has transferred substantially all of the risks and rewards of ownership.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income consist mainly of equity investments. When these kinds of financial assets are derecognized, the gain or loss will be kept in equity. Dividends received are recognized in profit or loss.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are non-derivative financial assets which are held solely for payments of principal and interests (SPPI). If collection is expected within one year (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables and other receivables are recognized initially at fair value. Subsequently they are measured at amortized cost using the effective interest method, less impairment.

Fair value hierarchy

In accordance with the accounting rules, an entity must classify the fair value measurement based on a fair value hierarchy that reflects the meaning of the inputs used for measurement.

The fair value hierarchy has the following levels:

- Level 1 – the fair value of the assets or liabilities is based on active liquid market quotation as of the date of the statement of financial position;
- Level 2 – the fair value of the assets or liabilities is determined through valuation models based on observable market inputs; and
- Level 3 – the fair value of the assets or liabilities is determined through valuation models, whose main inputs are not observable in the market.

Accounting estimates and judgements

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets when possible, but when this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in valuation methodologies and in assumptions relating to these factors could affect the reported fair value of financial instruments.

Unit: €m

2022	Note	Total Fair value	Fair value measurement using: Quoted prices in active markets (Level 1)	Fair value measurement using: Significant observable inputs (Level 2)	Fair value measurement using: Significant unobservable inputs (Level 3)	Carrying amount
Financial assets at FVTPL						
Swaps	19	**355**	0	265	90	**355**
Commodity Futures	19	**53**	53	0	0	**53**
Forwards	19	**4**	4	0	0	**4**
Financial assets measured FV OCI						
Equity investment	12	**3**	0	0	3	**3**
		414	**56**	**265**	**93**	**414**
Financial assets measured at amortized cost for which fair value is required to be disclosed						
Loans and Capital Subscription	12	**136**	0	0	136	**136**
Trade receivables and other debtors	11	**2,669**	0	0	2,669	**2,669**
Financial liabilities measured FVTPL						
Swaps	19	**(418)**	0	(399)	(19)	**(418)**
Forwards	19	**(3)**	(3)	0	0	**(3)**
		(421)	**(3)**	**(399)**	**(19)**	**(421)**
Financial liabilities measured at amortized cost for which fair value is required to be disclosed						
Loans and Commercial paper	14	**1,515**	0	1,515	0	**1,515**
Trade payables and other payables	15	**2,609**	0	0	2,609	**2,609**
Bonds	14	**1,474**	0	1,474	0	**1,474**
Notes	14	**959**	959	0	0	**1,000**

Unit: €m

2021	Note	Fair value measurement using				Carrying amount
		Total Fair value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets at FVTPL						
Swaps	19	**899**	0	798	101	**899**
Commodity Futures	19	**188**	188	0	0	**188**
Forwards	19	**19**	0	19	0	**19**
Financial assets measured FV OCI						
Equity investment	12	**7**	0	0	7	**7**
		1,113	**188**	**818**	**108**	**1,113**
Financial assets measured at amortized cost for which fair value is required to be disclosed						
Loans and Capital Subscription	12	**411**	0	0	411	**411**
Trade receivables and other debtors	11	**2,420**	0	0	2,420	**2,420**
Others	12	**27**	0	0	27	**27**
Financial liabilities measured FVTPL						
Swaps	19	**(1,206)**	0	(1,206)	0	**(1,206)**
		(1,206)	**0**	**(1,206)**	**0**	**(1,206)**
Financial liabilities measured at amortized cost for which fair value is required to be disclosed						
Loans and Commercial paper	14	**1,748**	0	1,748	0	**1,748**
Trade payables and other payables	15	**2,096**	0	0	2,096	**2,096**
Bonds	14	**1,427**	1,427	0	0	**1,427**
Notes	14	**1,030**	1,030	0	0	**1,000**

21. Financial risk management

Accounting policy

Galp Group has standards, models, methodologies and systems to support the identification, evaluation, monitoring and mitigation of the different risks to which it is exposed to, particularly financial risks, and uses various financial instruments to hedge, in accordance with the corporate guidelines across the Group.

Management has assessed the following key risks:

Type	Exposure to risk
Commodity	High
Exchange-rate risk	Medium
Interest-rate risk	Medium
Liquidity & Insurance risk	High
Credit risk	Medium

Commodities price risk

Due to the nature of its business portfolio, Galp is exposed to the volatility of commodities prices, resulting from macroeconomic, geopolitical or technological factors that affect the dynamics of demand and supply, that may have a material adverse effect on Galp's assets value, results and financial performance.

The volatility risk in commodities prices is mitigated through hedging instruments available in the exchange and over the counter (OTC) markets, such as Futures and Swaps. (Note 19). The management of these risks is set out in a specific risk policy, including hedging strategies and exposure limits, and a Strategic Hedging Program is annually defined/reviewed.

Additionally, in regard to oil, natural gas and electricity activities, the Group mitigates this risk by establishing brent, natural gas and electricity purchase and sale contracts with similar indexes to protect the business margin against adverse market changes.

Analysis of commodity price sensitivity

The sensitivity analysis was performed for balances relating to financial derivatives on commodities. An immediate 10% devaluation in the following commodities price would impact Galp's income, as outlined in the table below:

Unit: €m

	2022		2021	
	Risk exposure	Impact on Income Statement	Risk exposure	Impact on Income Statement
Derivatives on natural gas commodities	13	(1)	268	(23)
TTF's (natural gas) contracts	(90)	10	(529)	53
Derivatives on oil commodities	(79)	12	4	9
Derivatives on electricity[1]	91	(31)	139	(5)

1 Excludes the impact of derivatives classified as cash flow hedges.

Exchange-rate risk

Exchange rate risk results from fluctuations in the exchange rates of the currencies in which the Company conducts its business and in which it prepares its financial statements. The US Dollar is the currency used for the reference price in the oil and natural gas markets, however, Galp prepares its financial statements in Euros, which, among other factors, exposes its operations to exchange rate risk. Given that the operating margin is most sensitive to fluctuations in the US Dollar, the Company is exposed to fluctuations in exchange rates, which can contribute positively or negatively to income and margins.

As this is a currency risk associated with other variables, such as the prices of oil and natural gas, the Group takes a cautious approach to hedging risk, as there are natural hedges between the statement of financial position and the cash flow. The level of exposure of the cash flow, and especially of the statement of financial position, is a function of the price levels of oil and natural gas.As a result of the above, Galp controls its exchange-rate exposure on an integrated basis rather than on each operation exposed to exchange risk, except in some specific cases. The purpose of exchange rate risk management is to limit the uncertainty resulting from variations in exchange rates, therefore Galp manages this risk centrally through variable and fixed rate financial instruments and hedging derivatives. As of 31 December 2022, Galp held derivatives such as FX Forwards and Swaps to hedge exchange rate risk (Note 19).

Foreign exchange sensitivity analysis

The sensitivity analysis includes the significant balances of monetary assets and liabilities denominated in foreign currency that impact on Galp's income statement. A 10% devaluation of the Euro against other currencies would impact Galp's income, as outlined in the table below:

Unit: €m

	2022		2021	
	Risk exposure	Impact on Income Statement	Risk exposure	Impact on Income Statement
Loans obtained and Finance Lease debt	(94)	(9)	(265)	(26)
Marketable securities (included in cash and cash equivalents)	222	22	3	0
Derivatives[1]	(78)	(6)	134	43
Trade and Other Receivables	379	38	210	21
Trade and Other Payables	(830)	(83)	(389)	(39)

[1]Includes derivatives in USD and FX Forwards, taking into account fluctuations in MTM.

Key currencies exchange rate

Unit: €m

	2022		2021	
	Average	Year-end	Average	Year-end
EUR/USD	1.05	1.07	1.18	1.13
EUR/BRL	5.44	5.64	6.38	6.31
USD/BRL	5.17	5.22	5.41	5.58
EUR/CHF	1.01	0.99	1.08	1.03

Interest rate risk

Galp's debt, mainly to bank loans and interest-bearing bonds is exposed to volatility of interest rate. Adverse changes in interest rates may have a material adverse effect on Galp's financial performance and results.

To reduce the volatility of financial costs in the income statement, Galp manages interest rate risk centrally through variable and fixed rate financial instruments and hedging derivatives following an interest-rate risk management policy. As of 31 December 2022 Galp holds interest-rate derivatives (IRS) positions in Group Titan to cover variability in interest rates of project finance loans.

Interest rate sensitivity analysis

An analysis of interest rate risk includes variable interest rate loans. A 0.5% increase in the interest rate would impact Galp's financial income as outlined in the table below:

Unit: €m

	2022		2021	
	Exposure risk	Impact on Income Statement	Exposure risk	Impact on Income Statement
Loans obtained	(4,000)	(9)	(4,175)	(10)
Fixed rate interest	(1,441)	0	(1,545)	0
Variable-rate interest	(2,559)	(9)	(2,630)	(10)
Derivatives (IRS)	43	6	0	0
Marketable securities	864	1	478	0

Note: Cash and equivalents in the statement of financial position comprise marketable securities

Derivatives of interest rates diminish the exposure of variable fluctuations of interest rates on P&L regarding project finance loans in Group Titan.

Liquidity & Insurance risk

Liquidity risk is associated with the capacity to access the financial and capital markets to obtain the necessary financial resources to execute Galp's strategy. Insurance risk is associated with insurers lower appetite for the O&G sector. The inability to access funds to finance its strategy and obtain insurance quotes for its investment projects may have a negative effect on the Group's profit and/or cash flow. Galp finances itself through the cash flow generated by its operations and maintains a diversified portfolio of loans and bonds. The Group has access to credit lines that are not fully used, but that are at its disposal. The available short term and medium/ long-term credit lines that are not being used amount to € 1.5 bn on 31 December 2022 (€816 m at 31 December 2021). Galp has readily available cash equivalents amounting to €2.5 bn on 31 December 2022 (€1.9 bn on 31 December 2021). These combined amounts add up to € 4.0 bn on 31 December 2022 (€ 2.7 bn on 31 December 2021).

With regard to insurance, Galp has a broad Insurance Programme (property damage, third party liability, business interruption, environmental liability, trade credit, among others) aligned with its business structure and risk appetite.

Credit risk

Credit risk arises from the possibility that a counterparty may not fulfil its contractual payment obligations, including those related to financial investments and hedging instruments (relating to exchange rates, interest

rates or others), as well as those arising from commercial relationships between the Company and its counterparties, which are associated with the counterparty's level of risk. Credit risk is mitigated through the diversification of the portfolio of both financial counterparties and customers, the selection of reference financial counterparties, the careful drafting of contracts including appropriate commercial terms, and the establishment of collaterals where relevant. The management of this risk follows internal standards, namely the Credit Management Manual, which ensures the transversal management of credit risk and establishes procedures to assess the exposure to such risk. A risk rating is assigned to each customer, to establish its credit limit and to calculate the respective risk-return ratio.

See Note 11 for further risk assessments, specifically regarding Trade receivables and other receivables.

22. Capital structure and financial items

As of 31 December 2022, the Galp Group presents equity in the amount of €5.1bn (2021: €3.9 bn).

Share capital, distribution to shareholders and earnings per share

Share capital

The share capital of Galp Energia SGPS, S.A. is comprised of 815,111,548 shares, with a nominal value of 1 Euro each and fully subscribed. During 2022 Galp has executed its buyback program of €150 m. The number of shares that were acquired was 14,139,087 shares at an average price of €10.61 per share. These shares were cancelled at 31 December 2022 (Note 2.2.7).

Distribution to shareholders

In accordance with a resolution of the General Shareholders' Meeting held on 29 April 2022, Galp Energia, SGPS, S.A.'s shareholders received dividends amounting to €415 m (€0.50/share) related to the distribution of net income for the year 2021, which was paid on 16 September 2021 (€ 207 m) and on 10 May 2022 (€ 207 m). During the year ending 31 December 2022, an anticipated dividend of €213 m (€0.26/share) regarding profits of year 2022 was paid on 20 September 2022. Dividends amounting to €245 m have been paid by the subsidiaries of the Galp group to non-controlling shareholders during 2022.

As a consequence of the above, during the year ending 31 December 2022, the Group made distributions amounting to €665 m (2021: €696 m).

Other reserves

Other reserves on the financial position amount to €1,562 m which refer to Cumulative translation reserves of €13 m, Cashflow hedging reserves of €14 m, and other reserves of €1,535 m.

23. Non-controlling interests

As of 31 December 2022, the changes in non-controlling interests during the year and included in equity are as follows:

Unit: €m

	31 December 2021	Net profit for the period	Currency translation reserves	Dividends (a)	31 December 2022
Non-controlling interests	**918**	**251**	**53**	**(266)**	**956**

(a) Of the €266 m corresponding to dividends attributed to non-controlling interests, €24 m were not yet paid.

24. Revenue and Income

Accounting policies

For the Industrial & Midstream, the Commercial and the Renewables and New Businesses segments, revenue is recognized when Galp has satisfied a performance obligation by transferring the promised products or services to the customer. The product is transferred when the customer obtains control of the same.

Sales are measured at the fair value of the consideration received or receivable. Sales are recognized net of taxes, with the exception of tax on petroleum products, discounts and rebates.

For the Upstream segment, revenue resulting from hydrocarbon production from properties in which Galp has an interest in joint arrangements is recognized on the basis of Galp's working interest (entitlement method). Revenue resulting from the production of oil under production-sharing contracts is recognized for those amounts relating to Galp's cost recovery, and Galp's share of the remaining production.

As mentioned in Note 11, Galp undertakes under- and overlifting activities. Underlifting occurs when the overtaker lifts the barrels from Galp and sells them. When this happens, underlifting income is recognized against an asset (debtor). In similar ways, overlifting occurs when Galp lifts the barrels to which it is not yet entitled. These balances are presented in Other operating income and Other operating costs (Note 25), respectively.

Exchange differences arising from supplier and customer balances are recognized in the operating results.

The IFRS 15 accounting principle considers a principal vs. agent framework in relation to cost incurred and goods and services provided. In accordance with this, Galp analyzed, among others, a service related to the natural gas and electricity commercialization activities, namely due to the electricity and gas tariffs paid to distribution entities and recognized as costs. Services provided or promised to final customers contains the cost of the tariffs included in the price tag and recognized as operating income. Galp concluded that each contract performance obligation to provide the specified goods or services is the responsibility of the Group, thus controlling the goods or services before delivering them to the final customers. Galp is therefore a Principal rather than an Agent when performing its contract obligations.

Unit: €m

	Notes	2022	2021
		28,189	**16,551**
Total sales		**26,485**	**15,618**
Goods		14,875	8,814
Products		11,609	6,798
Exchange diferences			6
Services rendered		**355**	**499**
Other operating income		**321**	**324**
Underlifting income		55	
Others		265	324
Earnings from associates and joint ventures	**9**	**152**	**83**
Financial income	**27**	**877**	**27**

Services rendered include, among others, the recharge of costs related to electricity and gas tariffs, storage and logistics services, freight and transportation services.

Other operating income – others include mainly the recharge of costs related to freight and other costs and charges to third party for the use of gas assets associated with the upstream segment activity.

The caption Goods sold has a negative effect of €401m regarding an adjustment of the price of Gas sold due to the settlement of Futures (note 19).

Earnings from associate and joint ventures of €152 m includes mainly a provision of CESE I regarding the agreement established among the shareholders (Allianz and Marubeni) for the sale of Galp Gás Natural Distribuição (now Floene) (€14.7m) and a gain (€9.4 m) on unitization process which affected Tupi and Iara BV (note 9).

25. Costs and Expenses

The operating costs for the years ended 31 December 2022 and 2021 were as follows:

Unit: €m

	Notes	2022	2021
Total costs and expenditure:		**24,943**	**15,707**
Cost of sales		**20,920**	**11,752**
Raw and subsidiary materials		4,352	3,155
Goods		13,682	6,320
Tax on oil products		2,402	2,624
Variation in production		(304)	(139)
Write downs on inventories	10	70	30
Costs with the emissions of CO2		81	51
Financial Derivatives	19	640	(295)
Exchange diferences		(3)	7
External supplies and services		**1,888**	**1,563**
Subcontracts – network use		176	332
Transport of goods		249	266
E&P – production costs		167	108
Royalties		345	219
E&P – exploration costs		25	31
Other costs		926	607
Employee costs	**26**	**370**	**310**
Amortisation, depreciation and impairment losses on fixed assets	**5/6/7**	**1,380**	**961**
Provision and impairment losses on receivables	**11/18**	**133**	**74**
Other costs		**88**	**111**
Other taxes		39	22
Overlifting costs		0	44
Other operating costs		49	45
Financial expenses	**27**	**164**	**937**

The heading "subcontracts – network use" refers to charges for the use of: (i) the distribution network (URD); (ii) the transportation network (URT); and (iii) the global system (UGS) as included in the tariffs.

The amount of €345 m of royalties mainly relates to the exploration and production of oil and gas in Brazil. Royalties are calculated taking into account an applicable rate of 10% for the production volumes in proportion to Galp's share valued at ANP's reference price.

"Other costs" include, among others, subcontracts and specialized services, freight costs, lease rents, insurance costs, electricity, steam, water and fuel costs, storage costs and maintenance and repair.

Financial derivatives include the financial settlement of derivatives, with the exception of FX derivatives which is recognized in other cost (positive €59 m) and the physical settlement of gas derivatives which are reflected in Sales (negative €401 m).

26. Employee costs

Accounting policies

Employee costs

Wages, salaries, social security contributions, annual leave and sick leave, bonuses and non-monetary benefits are recognized in the year in which the respective services are rendered by Galp employees.

Remuneration of the Board of Directors

In accordance with the current policy, the remuneration of Galp's Corporate Board members includes all the remuneration due for the positions held in Group companies and all accrued amounts related to the current period.

Unit: €m

	Notes	2022	2021
Employee costs		370	310
Capitalised employee costs		-	(6)
Total employee costs for the year		**370**	**317**
Statutory board salaries		8	8
Employee salaries		274	234
Social charges		63	54
Retirement benefits – pensions and insurance	17	4	(13)
Other insurances		11	9
Other costs		10	25
Remuneration of the Board Members		**8**	**8**
Galp Energia SGPS Board Members		**6**	**7**
Salaries and cash bonuses		5	6
Retirement plan contribution		1	1
Subsidiaries Board Members		**1**	**1**
Salaries and cash bonuses		1	1
Year-end number of full-time employees		**6.715**	**6.152**

27. Financial income and expenses

Accounting policies

Financial income and expenses include interest on loans and bonds, leasing and retirement and other benefit plans. Other financial income and expenses from other financial assets or liabilities are not included in this caption.

The financial charges on loans obtained are recorded as financial expenses on an accruals basis. Financial charges arising from general and specific loans obtained to finance investments in fixed assets are assigned to tangible and intangible assets in progress, in proportion to the total expenses incurred on those investments net of investment government grants, until the commencement of operations. The remainder is recognized under the heading of financial expenses in the income statement for the year. Any interest income from loans directly related to the financing of fixed assets which are in the process of construction is deducted from the financial charges capitalised. Those financial charges included within fixed assets are depreciated over the useful lives of the respective assets.

Unit: €m

	Notes	2022	2021
		713	(910)
Financial income		**877**	**27**
Interest on bank deposits		51	8
Interest and other income with related companies		11	10
Other financial income		9	9
Results from derivative financial instruments	19	806	0
Financial expenses		**(164)**	**(937)**
Interest on bank loans, bonds, overdrafts and others		(61)	(50)
Interest on related party loans		(1)	0
Interest capitalised in fixed assets	5	30	15
Interest on lease liabilities	7	(85)	(76)
Net interest on retirement and other benefits	17	(3)	(4)
Charges relating to loans, bonds and credit lines		(10)	(9)
Exchange gains/(losses)		(8)	31
Results from derivative financial instruments	19	0	(832)
Other financial costs		(26)	(11)

Financial income of €877m relate mostly to Results from derivative financial instruments €806m. This gain arose mostly due to derivatives that were liabilities in 2021 (losses) maturing during 2022 with the realized MTM losses being presented in cost of sales and sales. The negative impact of the settlement of derivatives (€983m) in relation with financial net settlement is reflected in Cost of Sales (negative €640m) (note 25), settlement of FX derivatives (positive €59m) is reflected in other costs and physical settlement of derivatives with gas sold (negative €401m) in Sales (note 24). See note 19.

28. Commitments

The total contractual obligations and recognized non-current liabilities can be specified as follows (payments due for each period):

Unit: €m

	1-3 years	4-5 years	More than 5 years	Total
Total obligation recognized in the statement of financial position	**79**	**35**	**136**	**250**
Post-employment benefits	54	19	20	92
Other benefits	25	16	117	158
Total obligation not recognized in the statement of financial position	**2,932**	**1,616**	**10,901**	**15,449**
Natural gas purchases	4,521	2,452	13,715	20,688
Natural gas sales	(1,589)	(836)	(2,814)	(5,239)

These contracts require a minimum purchase quantity and are subject to price revision mechanisms indexed to international oil/gas quotes. The amounts were calculated based on the outstanding period of time of each of the different contracts, and, management assumption of future natural gas prices as of 31 December 2022.

Galp has various lease contracts that have not yet commenced as at 31 December 2022, namely:

- Long term lease agreement related to the new Head office building, for at least 15 years and can be extended up to 25 years.
- Long-term charter agreement relating to a LNG carrier for its core operations, that started its operations in January 2023. This lease agreement is for at least 5 years and can be extended up to 11 years. The future lease payments for this non-cancellable lease contract are €22 m within one year, €88 m within five years.

As part of its ongoing business operations, the Group has entered into agreements where commitments have been given for commercial, regulatory or other operational purposes.

As of 31 December 2022 and 2021 obligations subject to collaterals granted are as follows:

Unit: €m

	2022	2021
Guarantees provided	**9,492**	**4,322**
Rio Grande LNG, LLC (subject to FID)	2,032	0
Venture Global, LLC	1,875	1,766
Charter Agreement FPSO	1,516	1,283
Coral South FLNG project	472	427
Grenergy	155	160
Cercena Investments, S.L.U.	151	178
Solar power guarantees given to government agencies	53	0
Brazilian ANP	23	19
Petrobras	38	38
Others related to core activities	3,177	451

Under the contracts with Venture Global LLC and Rio Grande LNG LLC, related to the LNG Sales and Purchase Agreement, Galp provided a Parent Company Guarantee in the total amount of the contract €1,875 m (2021: €1,766 m) and €2,032 m, respectively.

Related to the four charter agreements for FPSOs, Galp provided a Parent Company Guarantee amounting to €1,516 m (2021: €1,283 m), which represents Galp's proportion of the BM-S-11 consortium.

Under the financing of the Coral South FLNG project, Galp Energia SGPS S.A. is providing a Parent Company Guarantee related to the Debt Service Undertaking (DSU) agreement, on the total outstanding debt amount at any time in proportion to its participation. This guarantee expires at the time of the Actual Completion Date (estimated for the year 2024) if no obligations are outstanding under the DSU. As of 31 December 2022, Galp's stake in the obligation amounted to €425 m (2021: €384 m). Also within the scope of this financing, Galp Energia SGPS S.A. provides a guarantee covering 1/9 of the DSU on behalf of ENH Empresa Nacional de Hidrocarbonetos (ENH), one of consortium members of the Coral South FLNG project, which corresponds to Galp's share of the consortium, excluding ENH. As of 31 December 2022, Galp's stake in the responsibility taken on in relation to ENH amounts to €48 m (2021: € 43 m).

The Group has entered into Power Purchase Agreement (PPA) with X-Elio (aka Cercena Investments) and Grenergy to supply solar energy for which it has provided Parent Company Guarantees amounting to €151 m and €155 m, respectively (2021: €178 m and €160 m, respectively).

The collateral granted to Petróleo Brasileiro S.A. ("Petrobras") amounting to €38 m is due to guarantees for gas supply contracts from the development modules of Lula Pilot and Lula NE.

The collateral for crude oil exploration concession agreements has been granted to the Brazilian Agency of Petroleum, Natural Gas and Biofuels ("ANP"), for an amount of €23 m (2021: €19 m). The collateral has been granted in connection with the Minimum Exploration Programmes where Galp, as a consortium member, is required to perform certain seismic and drilling and well activities during the exploration period.

Other guarantees related to core activities are essentially in relation to oil trading activity.

Galp Group has financial debt that, in some cases, have covenants that can, if triggered by banks, lead to the early repayment of debt amounts. As of 31 December 2022, the total debt amounted to €4.0 bn. Contracts with covenants accounted for €2.0 bn of this amount. The existing covenants are essentially designed to ensure compliance with financial ratios that monitor the financial position of the Company, including its ability to service debt. The Total Net Debt to consolidated EBITDA RCA (without IFRS 16) ratio is the most frequently used and, as of 31 December 2022 was 1.1 x in accordance with the methodology stated in the contracts. The ratio stipulated in the contracts in general is in the range of 3.25 – 3.75 x EBITDA.

29. Related party transactions

Accounting policies

A related party is a person or entity that is related to the entity preparing its financial statements, as follows:

(a) A person or a close member of that person's family is related to a reporting entity if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies: (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); (iii) Both entities are joint ventures of the same third party; (iv) One entity is a joint venture of a third entity, and the other entity is an associate of the third entity; (v) The entity is a post-employment defined benefit plan for the benefit of the employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity; (vi) The entity is controlled or jointly controlled by a person identified in (a); (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

The Group has had the following material transactions with related parties:

Unit: €m

	2022		2021	
	Current	Non-current	Current	Non-current
Assets:	**53**	**29**	**44**	**411**
Associates	48	29	3	65
Joint ventures	3	0	31	346
Other related entities	2	0	10	0

Unit: €m

	2022		2021	
	Current	Non-current	Current	Non-current
Liabilities:	**(67)**	**(53)**	**(62)**	**(84)**
Associates	(3)	(53)	(4)	(84)
Joint Ventures	(44)	0	(54)	0
Winland International Petroleum, S.A.R.L.	(20)	0	(4)	0
Other related entities	(1)	0	0	0

Unit: €m

	2022			2021		
	Purchases	Operating cost/income	Financial costs/income	Purchases	Operating cost/income	Financial costs/income
Transactions:	**(2)**	**(18)**	**0**	**(1)**	**(13)**	**10**
Associates	(2)	(34)	0	(1)	(42)	0
Joint Ventures	-	(11)	0	0	(12)	7
Other related entities	-	27	0	0	41	2

30. Environmental matters

Greenhouse gas emissions (CO_2 emissions)

Accounting policies

Galp makes judgements and estimates for the calculation of environmental obligations such as those resulting from greenhouse gas (CO2) emissions. Galp receives annually free licenses, Emission Unit Allowances (EUA), from the Portuguese Environment Agency to meet the emission of greenhouse gases. If the free allowances are insufficient to meet green house gas emissions, Galp purchases complementary allowances (EUA) assuming a cost that is recorded under "Cost of sales – Cost with the emissions of CO2". However, if greenhouse gas emissions are higher than the equivalent of the allowances in the portfolio at the end of the financial year, a cost is specialized for the best estimate of the expenditure to be made at the spot market quotation of the allowances.

CO2 emissions from the Group's industrial installations and CO_2 allowances allocated to it under the National CO_2 Allowance Allocation Plan do not give rise to any asset recognition, provided that: (i) the existence of costs to be incurred by the Group with the acquisition of emission allowances on the market is not estimated, situation in which a cost specialization is recognized or; (ii) it is considered that they are not sold. In case of surpluses and sale of these allowances a profit is recognized.

Galp has recognized in "Cost of sales – Costs with the emissions of Co2" an amount of €80 m (note 25). As of 31 December 2022, the certificates held in the portfolio are recognized in "Other receivables – Deferred charges – Other deferred charges", amounting to €85 m (2021: €53 m) (note 11) and the estimated cost to cover the shortage of certificates in "Other payables – Accrued costs – other accrued costs", amounting to €87 m (2021: €50 m) (note 15). CO2 allowances (portfolio of allowances held) and the liability for CO2 emissions are both derecognized on the settlement of the liability (which usually occurs in the following year with the delivery of the respective allowances) with the official environment agency.

Biofuels certificates

Accounting policies

In the absence of specific guidance on the accounting of biofuel certificates, IAS 20 allows non-monetary government grants and related assets (in this case biofuel certificates) received to be measured at nominal value.

Biofuel certificates awarded free of charge by ENSE, E.P.E. (National Energy Sector Entity, E.P.E.) are recognized at nominal value (i.e. at zero value).

The obligation for biofuels is recognized under "Other payables" when the obligation arises under local regulations. When covered by the biofuel certificates held for the purposes of legal compliance, liability is measured according to the value of those certificates held and the remaining part not covered at market value.

Biofuel certificates and biofuel liability are both derecognized on the settlement of the liability with the government environment agency.

Annually, national targets and obligations for biofuel incorporation are defined. Biofuels are mixed with existing fuels, such as petrol and diesel, to reduce net emissions. The biofuel quota in the total fuel sales mix is used to meet regulatory requirements. This can be achieved by mixing biofuels in refineries and/or distribution warehouses, by importing biofuels (to jurisdictions granting biofuel certificates at the point of importation) or by purchasing certificated from third parties (for jurisdictions that have a tradable biofuel certificate mechanism).

As of 31 December 2022, the following impacts were recognized on the financial statements:

- Operating cost - recognized under "Cost of sales": €172 m (2021: €27 m)
- Asset (arising from the purchase of certificates) – recognized under "Inventories": €20 m (2021: €8 m)
- Liabilities - recognized under "Other payables - Accrued costs – other accrued costs": €0 m (2021: €5 m)

31. Companies in the Galp Group

Judgment is required whenever an entity is acquired or modified in order to give a proper and clear image of the consolidated financial statements. In order to do this, several items are analysed to support the accounting decisions, namely:

- Power over the investee;
- Exposure or rights in relation to the variable results arising through its relationship with the investee; and
- Ability to use its power over the investee to impact the amounts of the results to the investors.

Shareholder agreements are also thoroughly analysed to identify any contract clauses which give substantive power or give only protection rights to the investor. An analysis of the substance rather than the legal form is necessary for proper accounting treatment.

Consolidation perimeter

The Companies consolidated in accordance with the full consolidation method are disclosed below:

Activity: • Upstream • Industrial & Midstream • Commercial • Renewables & New Businesses • Others

Company and country	Percentage of shares owned	Activity
Parent company		
Galp Energia, SGPS, S.A., Portugal		
Subsidiaries by groups		
Galp Energia, S.A., Portugal	100%	•
Galp Energia E&P Subgroup		
Galp Energia E&P, BV, The Netherlands	100%	•
Galp Sinopec Brazil Services BV, The Netherlands	70%	•
Galp E&P Brazil BV, The Netherlands	100%	•
Galp Energia Brasil, S.A., Brazil	100%	•
Cascudo Solar Energia I, Ltd, Brazil	100%	•
Cascudo II Solar Energia, S.A., Brazil	100%	•
Cascudo III Solar Energia, S.A., Brazil	100%	•
Cascudo IV Solar Energia, S.A., Brazil	100%	•
Cascudo V Solar Energia, S.A., Brazil	100%	•
Cascudo VI Solar Energia , S.A., Brazil	100%	•
Cascudo VII Solar Energia, S.A., Brazil	100%	•
Murion Solar Energia SPE Ltda, Brazil	100%	•
Murion II Solar Energia, S.A., Brazil	100%	•
Murion III Solar Energia, S.A., Brazil	100%	•
Murion IV Solar Energia, S.A., Brazil	100%	•
Murion V Solar Energia, S.A., Brazil	100%	•
Murion VI Solar Energia, S.A., Brazil	100%	•
Murion VII Solar Energia, S.A., Brazil	100%	•
Murion VIII Solar Energia, S.A., Brazil	100%	•
Ventos de Santo Antão II Energias Renováveis, S.A., Brazil	100%	•
Ventos de Santo Antão III Energias Renováveis, S.A., Brazil	100%	•
Ventos de Santo Antão IV Energias Renováveis, S.A., Brazil	100%	•
Acauã Solar energia SPE Ltda, Brazil	100%	•
Citrino Solar Energia SPE Ltda, Brazil	100%	•
Chalana Solar Energia Ltda, Brazil	100%	•
Açucena Solar Energia Ltda, Brazil	100%	•
Cerrado Solar Energia Ltda, Brazil	100%	•
Petrogal Brasil, BV, The Netherlands	100%	•
Petrogal Brasil, S.A., Brazil	70%	•
Petrogal Brasil Comercializadora, Lda.(ex- Galp Exploração Serviços do Brasil, Lda), Brazil	70%	•
Galp East Africa BV, The Netherlands	100%	•
Galp Energia Portugal Holdings BV, The Netherlands (1)	100%	•
Galp Energia Rovuma BV, The Netherlands	100%	•
Galp Energia Rovuma BV(Mozambique branch), Mozambique	-	•
Galp West Africa, SA (ex-Galp Exploração e Produção Petrolífera, S.A.), Portugal	100%	•
Galp São Tomé e Príncipe Unipessoal, Limitada, São Tomé and Príncipe	100%	•
Windhoek PEL 23 BV, The Netherlands	100%	•
Windhoek PEL 23 BV (Branch in Namibia), Namibia	-	•
Windhoek PEL 28 BV,The Netherlands	100%	•
Windhoek PEL 28 BV (Branch in Namibia), Namibia	-	•
Galp Energia Overseas Block 14 BV, The Netherlands*(2)	100%	•
Galp Energia Overseas Block 14 BV - Branch in Angola, Angola	-	•
Galp Energia Overseas Block 32 BV, The Netherlands*(2)	100%	•
Galp Energia Overseas Block 32 BV - Branch in Angola, Angola	-	•
Galp Trading, S.A., Switzerland	100%	•
Tagus Re, S.A., Luxembourg	100%	•

*Entities classified as Non-current assets held for sale on 31 December 2022 and expected to be sold in 2023.

Activity: • Upstream • Industrial & Midstream • Commercial • Renewables & New Businesses • Others

Company and country	Percentage of shares owned	Activity
Galp New Energies Subgroup		
Galp New Energies, S.A., Portugal	100%	
Carriço Cogeração Sociedade de Geração de Electricidade e Calor, S.A., Portugal	65%	•
GDP Gás de Portugal, S.A. (ex-GDP - Gás de Portugal, S.A.), Portugal	100%	•
Enerfuel, S.A., Portugal	100%	•
Galp Bioenergy BV, The Netherlands	100%	•
Galp Parques Fotovoltaicos de Alcoutim Lda, Portugal	100%	•
GowithFlow, S.A., Portugal	100%	•
Enercapital Power Italia Uno SRL, Italy	100%	•
Fornax Energy, S.L., Spain	100%	•
Magallon 400, S.L., Spain (3)	68%	•
ISDC International Solar Development Corporation, Lda., Portugal	100%	•
QNO - Sociedade Agrícola, Unipessoal, Lda, Portugal	100%	•
Bujeo 2021, SLU (ex-Éter Solarbay S.L.), Spain	100%	•
Jerjes Energia, SLU (ex-Cíclope Solarbay, S.L.), Spain	100%	•
Duplexia Experts, S.L., Spain	100%	•
Gastroselector Market, S.L., Spain	100%	•
Pitarco Energia, S.L.U., Spain	100%	•
Ventinveste, S.A., Portugal	100%	•
Parque Eólico de Vale Grande, S.A., Portugal	100%	•
Titan 2020, S.A., Spain	100%	•
Renovables Spínola I, S.L.U., Spain	100%	•
Energia de Suria, S.L.U., Spain	100%	•
Energia Faetón, S.L.U., Spain	100%	•
Logro Solar, S.L.U., Spain	100%	•
Ictio Solar Orion, S.L.U., Spain	100%	•
Navabuena Solar, S.L.U., Spain	100%	•
PV XXVI Rescesvinto, S.L., Spain	100%	•
Ictio Toledo Solar, S.L.U., Spain	100%	•
Ictio Solar, S.L.U., Spain	100%	•
Ictio Solar Auriga, S.L.U., Spain	100%	•
Ictio Manzanares Solar, S.L.U., Spain	100%	•
Caliza Solar, S.L.U., Spain	100%	•
Taburete Solar, S.L.U., Spain	100%	•
PV XXIX Égica, S.L.U., Spain	100%	•
Ahín PV Solar, S.L.U., Spain	100%	•
Ictio Solar Andromeda, S.L.U., Spain	100%	•
Ictio Solar Berenice, S.L.U., Spain	100%	•
Alcañiz Solar, S.L.U., Spain	100%	•
Ictio Solar Perseus, SL, Spain	100%	•
Instalaciones y Servicios Spínola I, S.L.U., Spain	100%	•
Instalaciones y Servicios Spínola II, S.L.U., Spain	100%	•
Energia Sierrezuela, S.L.U., Spain	100%	•
Titan 2020 PV, S.L.U., Spain	100%	•
Palabra Solar, S.L.U., Spain	100%	•
Planta Solar Alcázar 1, S.L.U., Spain	100%	•
Planta Solar Alcázar 2, S.L.U., Spain	100%	•
PE Valdecarro, S.L.U., Spain	100%	•
Energias Ambientales de Soria, S.L.U., Spain	100%	•
El Robledo Eólico, S.L.U., Spain	100%	•
Ribagrande Energia, S.L.U., Spain	100%	•
Valdelagua Wind Power, S.L.U., Spain	100%	•
Escarnes Solar, S.L.U., Spain	100%	•
Envitero Solar, S.L.U., Spain	100%	•
Mocatero Solar, S.L.U., Spain	100%	•
Escatrón Solar, S.L.U., Spain	100%	•
Ignis Solar Uno, S.L.U., Spain	100%	•
Emoción Solar, S.L.U., Spain	100%	•

Company and country	Percentage of shares owned	Activity
Mediomonte Solar, S.L.U., Spain	100%	•
Esplendor Solar, S.L.U., Spain	100%	•
Hazaña Solar, S.L.U., Spain	100%	•
Talento Solar, S.L.U., Spain	100%	•

Activity: • Upstream • Industrial & Midstream • Commercial • Renewables & New Businesses • Others

Company and country	Percentage of shares owned	Activity
Petrogal Subgroup		
Petrogal, S.A., Portugal	100%	• •
Petrogal, S.A. (Branch in Spain), Spain	-	•
Galp Energia España, S.A., Spain	100%	•
Galpgest - Petrogal Estaciones de Servicio, S.L.U., Spain	100%	•
Galp Energia Independiente SL (ex- Recule Investments SL), Spain	100%	•
Galp Energia Independiente SL (Branch in Portugal), Portugal	-	•
EI Galp, S.A. (ex-Perfeito e Empolgante, S.A.), Portugal	100%	•
Galp Açores S.A., Portugal	100%	•
Saaga - Sociedade Açoreana de Armazenagem de Gás, S.A., Portugal	68%	•
Galp Madeira S.A., Portugal	100%	•
CLCM - Companhia Logistica de Combustíveis da Madeira, S.A., Portugal	75%	•
Sacor Marítima, S.A., Portugal	100%	•
C.L.T. - Companhia Logística de Terminais Marítimos, S.A., Portugal	100%	•
Sempre a Postos - Produtos Alimentares e Utilidades, Lda., Portugal	75%	•
Tanquisado - Terminais Marítimos, S.A., Portugal	100%	•
Galpgeste - Gestão de Áreas de Serviço, S.A., Portugal	100%	•
Portcogeração, S.A., Portugal	100%	•
Galp Marketing Internacional, S.A., Portugal	100%	•
Petrogal Guiné-Bissau, Lda., Guinea-Bissau	100%	•
Petromar - Sociedade de Abastecimentos de Combustíveis, Lda., Guinea-Bissau	80%	•
Petrogás - Importação, Armazenagem e Distribuição de Gás, Lda., Guinea-Bissau	65%	•
C.L.C. Guiné Bissau – Companhia Logística de Combustíveis da Guiné Bissau, Lda., Guinea-Bissua	90%	•
Empresa Nacional de Combustíveis - Enacol, S.A.R.L, Cape Verde*	48%	•
Enamar - Sociedade Transportes Marítimos, Sociedade Unipessoal, S.A., Cape Verde	48%	•
EnacolGest, Lda., Cape Verde	48%	•
Petrogal Moçambique, Lda., Mozambique	100%	•
Galp Moçambique, Lda., Mozambique	100%	•
Galp Moçambique, Lda. (Branch in Malawi), Malawi	-	•
Galp Eswatini (PTY) Limited, Eswatini	100%	•
Petrogal Angola, Lda., Angola	100%	•
Galp Gás Natural, S.A., Portugal	100%	• •
GDP - Gás de Portugal, S.A. (ex- Transgás Armazenagem, S.A.), Portugal	100%	•
Transgás, S.A., Portugal	100%	•
Lisboagás Comercialização, S.A., Portugal	100%	•
Lusitaniagás Comercialização, S.A., Portugal	100%	•
Setgás Comercialização, S.A., Portugal	100%	•
Agroger - Sociedade de Cogeração do Oeste, S.A., Portugal	100%	•
LGA – Logística Global de Aviação, Lda, Portugal	60%	•

(1) 73.24% of the interest held by Galp Energia E&P, BV and 26.76% held by Petrogal, S.A.
(2) 61.84% of the interest held by Galp Energia E&P, BV and 38.16% held by Galp West Africa, S.A.
(3) 53.24% of the interest held by Fornax Energy, SLU, 7.14% held by Duplexia Experts, SL and 7.14% held by Gastroselector Market, SL.
*The Group controls Enacol's financial and operational policies and is expected to continue to do so by means of a representative majority of votes at the Board of Directors' meetings.

Unincorporated joint operations

	Joint operations - Oil Consortia
Consortium	Galp's participation interest
Oil Consortium in Brazil	
BM-S-8	20%
BM-S-11	

	Joint operations - Oil Consortia
Consortium	Galp's participation interest
Tupi	9.2%
Iracema	10%
BM-S-11 A	
Sururu	10%
Berbigão	10%
Atapu	1.7%
BM-S-24	
Júpiter	20%
Sépia	2.4%
PEPB-M-783*	20%
PEPB-M-839*	20%
BAR-300	10%
BAR-342	10%
BAR-344	10%
BAR-388	10%
Carcará Norte	20%
C-M-791	20%
Block Uirapuru	14%
AM-T-62	40%
AM-T-84	40%
AM-T-85	40%
Cabinuas	10%
Oil Consortium in Mozambique	
Area 4	10%
Oil Consortium in Angola	
Block 14	9%
Block 14K	4.5%
Block 32	5%
Block 33**	5.33%
Sonagas**	10%
Oil Consortium in Namibia	
PEL83	80%
Oil Consortium in São Tomé and Príncipe	
Block 6	45%
Block 11	20%
Block 12	41%
Oil Consortium in Uruguay**	
Area 3	20%
Area 4	20%

* Consortiums relinquished to oil government agency in January 2023.

**Joint operations with no activity during 2022 and in process of closing.

Incorporated Joint Operations

Activity: • Upstream • Industrial & Midstream • Commercial • Renewables & New Businesses • Others

Company and country	Percentage of shares owned	Activity
Sigás - Armazenagem de Gás, A.C.E., Portugal	60.00%	•
Pergás – Armazenamento de Gás, A.C.E., Portugal	51.00%	•
Comunidad de Bienes Chiprana Este, Spain	100.00%	•
Comunidad de Bienes Jarrina, Spain	100.00%	•
Comunidad de Bienes Aragon Sul, Spain	100.00%	•
Comunidad de Bienes Samper de Calanda, Spain	100.00%	•
Comunidad de Bienes Peaker, Spain	83.33%	•
Comunidad de Bienes El Corralito, Spain	68.08%	•
Multiservicios Galp Barcelona, Spain	50.00%	•

Joint Ventures

Activity: • Upstream • Industrial & Midstream • Commercial • Renewables & New Businesses • Others

Company and country	Percentage of shares owned	Activity
Tupi B.V., The Netherlands*	6.48%	•
Iara B.V., The Netherlands*	1.20%	•
Coral FLNG, S.A., Mozambique*	10.00%	•
Coral South FLNG DMCC, United Arab Emirates*	10.00%	•
Rovuma LNG, S.A., Mozambique*	10.00%	•
Rovuma LNG Investments (DIFC) LTD., United Arab Emirates*	10.00%	•
C.L.C. - Companhia Logística de Combustíveis, S.A., Portugal*	65.00%	•
Asa - Abastecimento e Serviços de Aviação, Lda., Portugal	50.00%	•
Aurora Lith, S.A., Portugal	50.00%	•
Talar Renewable Energy, S.L., Spain	50.00%	•

* Galp has joint control over the selected entities even if it holds more or less than 50% of the shares by means of a Shareholder agreement that conveys substantive power to conclude joint control for the joint shareholder or Galp.

Investment in Associates

Activity: • Upstream • Industrial & Midstream • Commercial • Renewables & New Businesses • Others

Company and country	Percentage of shares owned	Activity
Aero Serviços, SARL - Sociedade Abastecimento de Serviços Aeroportuários, Guinea-Bissau*	50.00%	•
EMPL - Europe Maghreb Pipeline, Ltd, Spain	22.8%	•
Galp IPG Matola Terminal Lda, Mozambique	45.00%	•
Geo Alternativa, S.L., Spain	25.00%	•
IPG Galp Beira Terminal Lda, Mozambique	45.00%	•
Metragaz, S.A., Marocco	22.64%	•
Sodigás-Sociedade Industrial de Gases, S.A.R.L, Cape Verde	23.05%	•
Sonangalp - Sociedade Distribuição e Comercialização de Combustíveis, Lda., Angola	49.00%	•
Hytlantic, S.A., Portugal	28.50%	•
Terparque - Armazenagem de Combustíveis, Lda., Portugal	15.90%	•
Imopetro - Importadora Moçambicana de Petróleos, Lda, Mozambique	5.88%	•
CMD – Aeroportos Canarios S.L., Spain***	15.00%	•
SABA - Sociedade abastecedora de Aeronaves, Lda., Portugal	25.00%	•
Belem Bioenergia Brasil, S.A., Brazil	49.99%	•
Floene Subgroup		
Floene Energias, S.A. (ex-Galp Gás Natural Distibuição, S.A.), Portugal**	2.49%	•
Beiragás - Companhia de Gás das Beiras, S.A., Portugal**	1.48%	•
Dianagás - Soc. Distrib. de Gás Natural de Évora, S.A., Portugal**	2.49%	•
Duriensegás - Soc. Distrib. de Gás Natural do Douro, S.A., Portugal**	2.49%	•
Lisboagás - Sociedade Distribuidora de Gás Natural de Lisboa, S.A., Portugal**	2.49%	•
Lusitaniagás - Companhia de Gás do Centro, S.A., Portugal**	2.42%	•
Medigás - Soc. Distrib. de Gás Natural do Algarve, S.A., Portugal**	2.49%	•
Paxgás - Soc. Distrib. de Gás Natural de Beja, S.A., Portugal**	2.49%	•
Setgás - Sociedade de Produção e Distribuição de Gás, S.A., Portugal**	2.49%	•
Tagusgás - Empresa de Gás do Vale do Tejo, S.A., Portugal**	2.47%	•

*Galp has significant influence even though it holds 50%, of the shares of Aero Serviços SARL.
**Galp has significant influence even though it holds less then 20% of the shares.
*** The shares held on CMD (15%) results of a liquidation process of former entity Galp Disa Aviación whereas Galp had a stake of 50%.

32. Subsequent events

Accounting policy

Events occurring after the date of the financial statements and which provide indications of conditions that exist after the date of the financial statements, if material, are disclosed in the Notes to the consolidated financial statements.

Galp to divest from Angolan upstream assets

Galp has signed an agreement with Somoil – Sociedade petrolifera angolana, S.A. for the sale of its upstream assets in Angola.

Proceeds are expected to reach c.$830m, already net of capital gain taxes, including c.$655m to be received until completion and $175m in contingent payments due in 2024 and 2025 dependent on brent price.

The transaction is subject to customary terms and conditions, with completion expected during the second half of 2023.

Dividends and buyback programme 2022

On 13 February 2023, Galp has announced a dividend increase of 4% and a new share buyback programme.

'Galp will commence on 15 February 2023 a $500 m share repurchase programme of Galp Energia SGPS, S.A. shares with the purpose to reduce the issued share capital of the Company (buyback). The buyback is planned to be carried out throughout the year.

The buyback will follow Galp's guidelines related to the 2022 fiscal year and the authorization in place.

Brazil temporary tax on oil exports

The Brazilian Government approved the implementation of a temporary 9.2% tax on crude oil exports until June 30, 2023, starting March 1, 2023.

On a preliminary basis, this tax could potentially impact c.€50 m to Petrogal Brasil, the Brazilian subsidiary where Galp owns a 70% stake.

CESE I

Under the agremeents signed with Aliianz and Marubeni and Toho Gas, regarding the sale of Galp Gás Natural Distribuição S.A. (today Floene Energias, S.A.), Galp assumed the obligation of CESE I as a correction of the sale price.

Galp was informed at the end of March 2023 of a decision of the Constitutional Court regarding one entity of Group Floene Energias, S.A., in respect of a litigation with the national tax authority, that was favorable the entity within Group Floene, with retroactive effects since 2018. Galp is still analysing the scope of this decision to other entities within Group Floene and Galp.

33. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors on 31 March 2023. However, they are still subject to approval by the General Meeting of Shareholders, in accordance with the commercial law applicable in Portugal.

Chairman:

Paula Amorim

Vice-Chairman and Lead Independent Director:

Miguel Athayde Marques

Vice-Chairman:

Filipe Silva

Members:

Thore E. Kristiansen

Teresa Abecasis

Georgios Papadimitriou

Marta Amorim

Francisco Teixeira Rêgo

Carlos Pinto

Luís Todo Bom

Jorge Seabra

Rui Paulo Gonçalves

Diogo Tavares

Edmar de Almeida

Cristina Fonseca

Adolfo Mesquita Nunes

Javier Cavada Camino

Cláudia Almeida e Silva

The Certified Accountant:

Cátia Cardoso

34. Explanation regarding translation

These financial statements are a translation of the financial statements originally issued in Portuguese in accordance with the International Financial Reporting Standards as adopted by the European Union, some of which may not conform to the generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version shall prevail.

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Building a better working world

(Translation from the original document in the Portuguese language.
In case of doubt, the Portuguese version prevails)

Statutory and Auditor's Report

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Galp Energia, SGPS, S.A. (the Group or Galp), which comprise the Consolidated Statement of Financial Position as at 31 December 2022 (showing a total of 16,096 million of euros and a total equity of 5,117 million of euros, including a consolidated net profit for the year of 1,726 million of euros), and the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Galp Energia, SGPS, S.A. as at 31 December 2022, and of its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors´ code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

Building a better working world

1. Recoverability of non-current assets, including the potential impacts of climate change and energy transition

Description of the most significant assessed risks of material misstatement

As of December 31, 2022, the amount of non-current assets recognized in the Group's consolidated financial statements totals 6.372 million euros, of which 3.826 million euros are in the Upstream segment (Notes 5 and 6).

Auditing the recoverability of non-current assets is subjective due to the significant amount of judgement involved in determining whether indicators of impairment or impairment reversal exist, particularly for longer term assets. Indicators should reflect significant upward or downward revisions in assumptions impacting the future potential long-term value of an asset, rather than drivers of short-term fluctuations in value.

Key judgements in determining whether indicators of impairment or impairment reversal exist include changes in forecast commodity price and refining margin assumptions, movements in oil and gas reserves, the expected useful lives of assets, changes in asset performance and future development plans, including those relating to Group's carbon emission reduction targets.

As described in Notes 2 and 5, the most complex of these judgements relate to management's view on the long-term oil and gas price outlook. Forecasting future prices is inherently difficult, as it requires forecasts that reflect developments in demand such as global economic growth, technology efficiency, policy measures and, on the supply side, consideration of investment and resource potential, cost of development of new supply and behavior of major resource holders. These judgements are particularly difficult because of increased demand uncertainty and pace of decarbonisation due to climate change and the energy transition.

Summary of our response to the most significant assessed risks of material misstatement

Our approach included the following procedures:

- Understanding and evaluating management´s process for defining cash-generating units and for the identification of indicators of impairment and reversals of impairment.
- Related to oil and gas price projections and refining margins our procedures included:
  - Assessing the reasonableness of future short and long-term oil and gas price assumptions by comparing these to an independently developed reasonable range of forecasts based on consensus analysts' forecasts and those adopted by other international oil companies;
  - Comparing Galp's oil and gas price scenarios to the IEA's Net Zero Emissions 2050 (NZE) and to the IEA's Announced Pledges Scenario (APS) price assumptions as potential contradictory evidence for best estimates of future oil and gas prices. The APS assumes that all climate commitments made by governments around the world, including Nationally Determined Contributions (NDCs) and longer-term net zero targets, will be met in full and on time;
  - Evaluating the reasonableness of Galp's refining margin assumptions by comparing these to independent analysts' forecasts;
- Related to oil and gas reserves our procedures included:
  - Assessing the professional qualifications, independence and objectivity of Management's independent expert responsible for preparing the oil and gas reserves estimate and comparing the certified volumes with those included in the impairment analyses and prior year estimates;
  - In order to assess the risk of the reserves not ultimately being produced we analyzed the carbon intensity of Galp's Upstream segment assets, focusing on those with higher carbon intensity and assessing the potential impact on the long-term value of these assets;
- Related to individual assets impairment assessments our procedures included:
  - Separately from management, we assessed whether or not indicators of impairment or reversal triggers exist, considered the existence of other contradictory evidence, such as public comments or commitments made by Galp in relation to its energy transition strategy and whether these could impact the recoverable amount of any of Group's assets;

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
	▶ Challenging management's identification of CGUs based on industry practice and how cash flows are generated; ▶ Testing the Group discount rates, with the support of our professionals with specialized knowledge in valuations, through comparison with relevant market and industry data; ▶ Where triggers were identified, we assessed the most relevant inputs to the impairment assessment by comparing asset forecasts to Group's business plan, actual performance of assets and to the forecasts made in the prior year. We also performed a consistency check on the assumptions to other assumptions applied by the Group, including those related to Galp's carbon reduction targets; ▶ Tested the model integrity of material impairment assessments; ▶ Performing sensitivity analyses on critical assumptions of the impairment analyses, namely on future oil and gas prices, refining margins, CO2 prices and oil and gas reserves. ▶ Related to exploration and evaluation (E&E) assets our procedures included, assessing the recoverability risk of Group's E&E assets against the impairment criteria within IFRS 6 Exploration for and Evaluation of Mineral Resources, challenging management on the likelihood of progressing these assets, including the strategic fit of the assets, planned capex and project economics, considering Group's energy transition targets. We have assessed the disclosures in Notes 5 and 6 related to non-current assets, including the sensitivity of the carrying value of assets to changes in future oil and gas price assumptions.

2. Derivative financial Instruments

Description of the most significant assessed risks of material misstatement

At December 31, 2022, the Group has derivative financial instruments assets and liabilities of 414 million euros and 421 million euros, respectively, having recognized non-realized gains and realized losses on derivative financial instruments of 806 million euros and 983 million euros, respectively (Notes, 19, 20, 21 and 27).

As mentioned in Note 19 to the consolidated financial statements, the Group uses derivative financial instruments in financial risk management. Some of the derivatives contracted fall under hedge accounting as defined in IFRS 9 *Financial Instruments*, while others, even if contracted and held for the purpose of managing risk, do not meet the requirements for hedge accounting and are accounted for as trading derivatives, with changes in fair value recorded directly in the consolidated income statement.

In 2022, the Group continued the implementation of internal processes and controls related to the Energy Management function while observing: (i) significant volatility in commodity prices, specifically gas prices and (ii) uncertainties regarding the sourcing of gas in the international markets.

The volume of transactions, the significance of the amounts, the degree of judgment associated with the valuation and the potential magnitude of the impacts deriving from the trading activity, to which should be added the significant volatility of commodity prices noted in 2022 and the continued uncertainty as a result of the armed conflict in Ukraine, together with the complexity of information systems, spreadsheets and processes that support a significant volume of different types of derivative transactions, justify that this matter was a relevant subject of our audit.

Summary of our response to the most significant assessed risks of material misstatement

Our approach included the following procedures:

- Understanding and evaluation of the processes and internal controls related to the Energy management function;
- Assessing the compliance of derivative financial instruments with the accounting principles in IAS 32 Financial instruments: 'Presentation' and IFRS 9 Financial instruments, including reviewing the designations of cash flow hedges;
- Analysis, through analytical review procedures, of balances related to derivative financial instruments in order to confirm whether the changes occurred are consistent with the expectations formed, taking into account changes in the business environment and in the prices of major commodities and the number of transactions;
- Sample testing of the valuation of derivative open positions, including: validation of contract terms and key assumptions; confirmation of the appropriate use of price curves through comparison to external sources; and independent recalculation of the fair value;
- Assessing the appropriateness of valuation methodologies, including consistency of application and evaluation of the inputs and assumptions used in valuation models used for level 3 financial instruments in accordance with IFRS 13 Fair value measurements and standard valuation practice;
- Reconciliation, on a sample basis, of open positions at the date of the consolidated statement of financial position through independent or counterparty statements;
- Review, reconciliation and verification of the adequacy and consistency of the calculations performed by the information systems and spreadsheets relating to derivative financial instruments; and
- Involvement of internal specialists reviewing the internal processes and controls and the valuation of the Derivative Financial Instruments.

We have reviewed of the adequacy of disclosures related to derivative financial instruments and hedge accounting (Notes 19, 20, 21 and 27), including those related to fair value, in accordance with applicable accounting standards and other factors deemed relevant.

3. Termination of refining activities in Matosinhos

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As announced in December 2020, Galp has decided to concentrate its refining activities in Sines, discontinuing refining operations in Matosinhos. Subsequently, Galp announced a protocol with the municipality of Matosinhos and CCDR-N, to jointly develop an integrated solution aimed at creating an innovation district that will renovate the area where the refinery was installed. In 2022, the Group continued to assess the impacts related to the closure of the Matosinhos refinery and its conversion to an innovation district, having updated the expected future financial impacts based on the most updated information. Accordingly, at December 31, 2022, the Group increased provisions for dismantling, decommissioning and decontamination by 113 million euros (Note 18). The materiality of the amounts and the degree of judgement associated with (i) assessing the recoverable amount of certain assets located at the Matosinhos refinery in the context of their future use and (ii) estimating closure costs, namely due to the limited past experience in activities considered reference for future cost estimates, which often depend on the extent of the contamination of the assets to be decommissioned, the impact and timing of the necessary corrective actions as well as environmental requirements that must be followed, justify that this was considered as a key audit matter.	Our approach included the following procedures: ▶ Understanding Galp's updated plan for the discontinuation of the refining operations in Matosinhos, including interactions with Galp's team specially created for this purpose, with special focus on the changes from the previous year and the adaptation of the park area to the operational requirements considering its future use; ▶ Testing the completeness of assets subject to impairment and assessing the reasonableness of the assumptions and significant judgements underlying the determination of its recoverable amount. For assets not subject to impairment we've assessed the existence of potential impairment indicators, namely by understanding their future use and projecting the recoverable amount of these assets based on technical documentation; ▶ Understanding the process and assumptions used by management for determining changes to the estimate of costs to be incurred with the dismantling, decommissioning and decontamination. Our procedures included assessing the consistency of this estimate with the technical evaluation performed by the independent experts and industry practice; ▶ Evaluating the reasonableness of the key data and assumptions used in determining future closure costs, namely: (i) size of the industrial area and tank storage capacity, comparing this data with available public sources or technical documentation; (ii) cost drivers, by reviewing studies and documentation related to previously decommissioned facilities or sites; ▶ Assessing the professional qualifications and objectivity of the Management independent experts responsible for preparing the cost estimate for decontamination and decommissioning; ▶ Reviewing contracts and other documentation (including research on any litigations and claims against the Group) to assess potential obligations or disclosures of contingent liabilities; and ▶ Assessing the reasonableness of the measurement criteria for the provision taking into consideration the expected timing of the activities and the reasonableness of the discount rate, for which we engaged our professionals with specialized knowledge in valuations. We have verified the appropriateness of the disclosures presented in Note 18, in accordance with applicable accounting standards and other factors deemed relevant.

4. Changes in assets portfolio

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement

Following Group's decarbonization strategy, during the third quarter of 2022 Galp signed a Sales and Purchase Agreement (SPA) with group ACS for the acquisition of the remaining 24,99% of Titan S.A (Titan) for a total consideration of 140 million euros, adding to the 75,01% stake acquired in 2020. As disclosed in Notes 2.2.1 and 2.2.4 as from this date, the Group consolidates Titan in its financial statements.
 	
Also in 2022, Galp has initiated the process to divest its Angolan Upstream Assets, having presented these in the consolidated financial statements as Non-current Assets Held for Sale (Note 2.2.3). Subsequent to the balance sheet date, an agreement was signed with SOMOIL - Sociedade Petrolífera Angolana S.A. for the sale of Group's interests in blocks 14, 14K, 32 and CNE for the estimated consideration of 830 million US dollars (Note 32).
 	
The materiality of the amounts, the judgements associated with the above-mentioned transactions in accordance with IFRS 3 – Business Combinations and IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, as well as the importance of such transactions for Groups' strategy and energy transition goals, justify the fact that this has been considered a key audit matter.
	Our approach included the following procedures:
	
	▸ Understanding and evaluating management´s process to monitor changes in the portfolio of assets and to assess potential impacts to the Group's financial statement in accordance with the existing accounting framework.
	
	▸ Related to the Titan acquisition our procedures included:
	  ▸ Read the Sales and Purchase Agreement and other relevant documentation;
	  ▸ Assessed the reasonability of the preliminary purchase price allocation exercise, focusing on the most significant and judgmental assumptions such as the future power prices, useful life of the underlying assets and discount rate included in the assessment prepared and evaluated the impact of this in the valuation of the previously held interest in accordance with IFRS 3 – Business Combinations;
	  ▸ Assessed the professional qualifications, independence and objectivity of Management's independent specialist involved in the preparation of the valuation for the Titan business; and
	  ▸ Reviewed the financial impacts of consolidating Titan group related assets and liabilities in the Group financial statements, in accordance with IFRS 10 – Consolidated Financial Statements;
	
	▸ Related to the Angolan Upstream assets divestment our procedures included:
	  ▸ Understanding of the decision-making process, including read and analysis of the minutes of the Executive Committee and of the Board of Directors and other relevant documentation;
	  ▸ Evaluating the reasonableness of the timing for the classification as Asset Held for Sale, in accordance with the criteria within IFRS 5 Non-current Assets Held for Sale and Discontinued Operations and the valuation of the related disposal group;
	  ▸ Read the Agreement with SOMOIL - Sociedade Petrolífera Angolana S.A. and other relevant documentation and assessed any accounting impacts in accordance with IAS 10 - Events After the Reporting Date; and
	  ▸ Verification of the subsequent cash receipts in accordance with the payment schedule as per the agreement.
	
	Verified the adequacy of the applicable disclosures included in Notes 2, 5 and 32 to the Group financial statements.

Responsibilities of Management and the supervisory board for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that presents a true and fair view of the Group´s financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union;
- the preparation of the Integrated Management report, the Corporate Governance Report and the consolidated non-financial statement, in accordance with the applicable legal and regulatory requirements;
- designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Group´s ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, which measures have been taken to eliminate the threats or which safeguards have been applied.

Our responsibility includes the verification of the consistency of the Integrated Management Report with the consolidated financial statements, and the verifications under nr. 4 and nr. 5 of article 451 of the Commercial Companies Code in matters of corporate governance, as well as the verification that the consolidated non-financial statement has been presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Integrated Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Integrated Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatement.

On the Corporate Governance Report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the Corporate Governance report, includes the information required the Group to provide as per article 29-H of the Securities Code, and we have not identified material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of the nº1 of the referred article.

On non-financial information

In compliance with paragraph 6 of article No. 451 of the Portuguese Company Law, we hereby inform that the Group has prepared a report separate from the Integrated Management Report, which includes the consolidated non-financial information, as provided for in Article 508-G of the Commercial Companies Code, and has been disclosed together with the Integrated Management Report.

On the Remuneration Report

In compliance with article 26-G, number 6, of the Securities Code, we inform that the Group has included in an autonomous chapter in its Corporate Governance Report the information provided for in number 2 of the referred article.

On additional items set out in article 10 of the Regulation (EU) nr. 537/2014

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as auditors of the Galp Energia SGPS, S.A. (Group's parent entity) for the first time in the shareholders' general meeting held on 12 April 2019 for a mandate from 2019 to 2022;
- Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the financial statements due to fraud. As a result of our work we have not identified any material misstatement to the financial statements due to fraud;
- We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Entity on 31 March 2023; and
- We declare that we have not provided any prohibited services as described in article 5, of the Regulation (EU) nr. 537/2014, of the European Parliament and of the Council, of 16 April 2014 and we have remained independent of the Entity in conducting the audit.

European Single Electronic Format (ESEF)

Galp Energia, SGPS, S.A.'s consolidated financial statements for the year ended 31 December 2022 must comply with the applicable requirements set out in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (the "ESFS Regulation").

The management body is responsible for preparing and disclosing the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures considered the Institute of Statutory Auditors' Technical Application Guide on ESEF reporting and included, among others:

- Achieving understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format; and
- Identifying and assessing the risks of material misstatement associated with marking up the consolidated financial statement information in XBRL format using iXBRL technology. This assessment was based on an understanding of the process implemented by the Group to mark up the information.

In our opinion, the consolidated financial statements included in the annual report are presented, in all material respects, in conformity with the requirements set forth in the ESEF Regulation.

Lisbon, 3 April 2023

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

Rui Abel Serra Martins - ROC n.º 1119
Registered with the Portuguese Securities Market Commission under license nr. 20160731

Statement of financial position

Galp Energia, SGPS, S.A.

Statement of financial position as at 31 December 2022 and 31 December 2021

(Amounts stated in thousand Euros - €k)

	Notes	2022	2021
Right-of-use assets	6	137	149
Investments in subsidiaries, associates and joint ventures	9	3,914,942	3,097,521
Deferred tax assets	16	180	180
Other receivables	11	90	90
Other financial assets	12	1,332,850	1,352,850
Non-current assets		**5,248,199**	**4,450,791**
Other financial assets	12	1,079,780	619,145
Trade receivables	11	3,718	5,139
Other receivables	11	10,080	5,389
Current income tax receivable	16	344,226	316,338
Cash and cash equivalents	13	459,061	777,714
Current assets		**1,896,866**	**1,723,726**
Total assets		**7,145,065**	**6,174,517**
Share capital and share premium	22	897,117	911,257
Reserves	22	193,828	193,828
Retained earnings	22	1,143,543	691,591
Total equity		**2,234,488**	**1,796,676**
Financial debt	14	2,880,302	2,997,267
Lease liabilities	6	68	93
Other payables	15	2,106	2,106
Non-current liabilities		**2,882,476**	**2,999,465**
Financial debt	14	767,400	1,045,219
Lease liabilities	6	72	60
Trade payables	15	472	943
Other payables	15	928,780	24,398
Current income tax payable	16	331,376	307,756
Current liabilities		**2,028,100**	**1,378,376**
Total liabilities:		**4,910,576**	**4,377,841**
Total equity and liabilities		**7,145,065**	**6,174,517**

The accompanying notes are part of the statement of financial position and should be read in conjunction.

Income statement and statement of comprehensive income

Galp Energia, SGPS, S.A.

Income statement and statement of comprehensive income for the years ended 31 December 2022 and 31 December 2021

(Amounts stated in thousand Euros - €k)

	Notes	2022	2021
Services rendered	23	10,363	8,923
Other operating income	23	269	275
Financial income	23	58,209	38,709
Gains/(losses) from financial investments on associates and joint ventures	9 and 23	1,020,187	526,892
Total income and gains		**1,089,028**	**574,799**
External suppliers and services	24	(4,776)	(3,932)
Employee expenses	24 and 25	(8,293)	(16,541)
Amortization, depreciation and impairment losses of fixed assets and right-of-use	6 and 24	(74)	(66)
Other operating expenses	24	(1,221)	(2,107)
Financial expenses	24	(68,479)	(58,573)
Total expenses and losses		**(82,843)**	**(81,219)**
Profit before taxes and other contributions		1,006,185	493,580
Income tax	16	2,223	6,807
Net profit for the period		**1,008,408**	**500,387**
Basic and diluted earnings per share (amounts in Euro)		**1.24**	**0.60**
Net profit for the period		**1,008,408**	**500,387**
Total comprehensive income for the period		**1,008,408**	**500,387**

The accompanying notes are an integral part of the income statement and statement of comprehensive income and should be read in conjunction.

Statement of changes in equity

Galp Energia, SGPS, S.A.

Statement of changes in equity for the periods ended 31 December 2022 and 31 December 2021

(Amounts stated in thousand Euros - €k)

	Notes	Share capital	Own shares	Share premium	Reserves	Retained earnings	Net profit for the period	Total
Balance as at 1 January 2021		**829,251**	**-**	**82,006**	**193,828**	**351,328**	**337,427**	**1,793,839**
Net profit for the period		-	-	-	-	-	500,387	500,387
Comprehensive income for the period		**-**	**-**	**-**	**-**	**-**	**500,387**	**500,387**
Dividend distribution		-	-	-	-	(497,550)	-	(497,550)
Increase/decrease in reserves through distribution of profit		-	-	-	-	337,427	(337,427)	-
Balance as at 31 December 2021		**829,251**	**-**	**82,006**	**193,828**	**191,206**	**500,387**	**1,796,676**
Balance as at 1 January 2022		**829,251**	**-**	**82,006**	**193,828**	**191,206**	**500,387**	**1,796,676**
Net profit for the period		-	-	-	-	-	1,008,408	1,008,408
Comprehensive income for the period		**-**	**-**	**-**	**-**	**-**	**1,008,408**	**1,008,408**
Dividend distribution	22	-	-	-	-	(420,446)	-	(420,446)
Increase/decrease in reserves through distribution of profit		-	-	-	-	500,387	(500,387)	-
Share repurchase	22	-	(150,151)	-	-	-	-	(150,151)
Cancellation of shares	22	(14,139)	150,151	-		(136,012)	-	-
Balance as at 31 December 2022		**815,112**	**-**	**82,006**	**193,828**	**135,134**	**1,008,408**	**2,234,488**

The accompanying notes are an integral part of the Statement of changes in equity and should be read in conjunction.

Statement of cash flows

Galp Energia, SGPS, S.A.

Cash flow statement for the periods ended 31 December 2022 and 31 December 2021

(Amounts stated in thousand Euros - €k)

	Notes	2022	2021
Operating activities:			
Cash received from customers		16,413	12,597
Cash paid to suppliers		(9,779)	(9,863)
Cash paid to employees		(3,589)	(7,431)
Income tax received/(paid)		(1,979)	(12,405)
Other (payments)/receipts from operating activities		(18,686)	(6,594)
Dividends received	9	1,020,187	526,734
Cash flows from operating activities (1)		**1,002,566**	**503,038**
Investment activities:			
Cash receipts relating to:			
Financial investments		-	920,837
Interest and similar income		37,404	35,795
Loans granted		17,225	528,550
Cash payments relating to:			
Financial investments		(817,421)	(500,000)
Loans granted		(771,788)	(807,305)
Cash flows from investment activities (2)		**(1,534,580)**	**177,877**
Financing activities:			
Cash receipts relating to:			
Interest-bearing liabilities		6,542,678	7,863,838
Cash payments relating to:			
Share repurchase	22	(150,151)	-
Interest-bearing liabilities		(5,714,774)	(7,226,740)
Interests on interest-bearing liabilities		(35,894)	(49,729)
Interest and similar expense		(8,407)	(3,604)
Leases	6	(74)	(54)
Lease interest	6	(5)	(5)
Dividends/profit distribution	22	(420,446)	(497,550)
Cash flows from financing activities (3)		**(212,927)**	**86,156**
Net increase/(decrease) in cash and cash equivalents (4) = (1) + (2) + (3)		(319,086)	767,070
Effect of exchange rate change on cash and cash equivalents		2,336	(1,903)
Cash and cash equivalents at the beginning of the period	13	775,812	10,645
Cash and cash equivalents at the end of the period		**459,061**	**775,811**

The accompanying notes are part of the statement of cash flows and should be read in conjunction.

Notes to the financial statements

1. Corporate information

Galp Energia, SGPS, S.A. (hereinafter referred to as "Galp" or the "Company"), was incorporated as a government-owned corporation under Decree-Law 137-A/99 of 22 April 1999, under the name Galp – Petróleos e Gás de Portugal, SGPS, S.A., having adopted its current designation of Galp Energia, SGPS, S.A. on 13 September 2000.

The Company's registered office is in Lisbon and its main purpose is the management of other companies having direct shareholdings in the following companies: Petrogal, S.A., Galp New Energies, S.A., Galp E&P B.V. and Galp Energia, S.A.The Company's corporate purpose is to manage shareholdings of other companies in the energy sector, as an indirect way of carrying out economic activities.

During the previous years, the Company shareholders positions suffered several changes and the Company shareholder position as at 31 December 2022 is stated in Note 22.

Part of the Company's shares, representing 93% of its share capital, are listed on the Euronext Lisbon stock exchange.

2. Significant accounting policies, estimates and judgements

Basis of presentation

The Company's financial statements were prepared on a going concern basis, at historical cost, except for financial derivative instruments, which are stated at fair value, based on the accounting records of the Company, maintained in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), effective for the year beginning 1 January 2022. These standards comprise International Financial Accounting Standards ("IFRS") issued by the International Accounting Standard Board ("IASB") and International Accounting Standards ("IAS") issued by the International Accounting Standards Committee ("IASC") and related interpretations - SIC and IFRIC, issued by the Standing Interpretation Committee ("SIC") and International Financial Reporting Interpretation Committee ("IFRIC"). These standards and interpretations are hereinafter referred to as IFRS.

The Company's Board of Directors believes that the accompanying financial statements and the notes to the financial statements ensure an adequate presentation of the financial information.

The accompanying financial statements are presented in thousands of Euros (units: €k), functional currency, rounded to the nearest thousand, unless otherwise stated. Therefore, the subtotals and totals of the tables presented in these financial statements and explanatory notes may not be equal to the sum of the amounts presented, due to rounding.

The accounting policies adopted are presented, according to their content, in the respective accompanying note. The accounting policies which are common or generic to the various notes are in this note.

Judgments and estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires estimates that affect the recorded amount of assets and liabilities, the disclosure of contingent assets and liabilities at the end of each year and income and expenses recognized each year. The actual results could be different depending on the estimates made.

Certain estimates are considered critical if: (i) the nature of the estimates is significant due to the level of subjectivity and judgment required to record situations in which there is great uncertainty or are very susceptible to changes in these situations; and (ii) the impact of the estimates on the financial situation or operating performance is significant.

The accounting principles and areas that require the greatest number of judgments and estimates in the preparation of the financial statements are: (i) investments in subsidiaries, associates and joint ventures (Note 9); (ii) impairment for accounts receivable and other financial assets (Note 11 and 12); and (iii) deferred tax assets and estimates of uncertain tax positions (Note 16).

General accounting policies

Translation of foreign currency transactions and balances

Transactions are recorded in the Company's financial statement in its functional currency, at the exchange rates in force on the transaction date. Gains and losses resulting from differences between the exchange rates in force on the dates of the transactions and those prevailing at the date of collection, payment or at the end of the reporting period are recorded as income and/or expenses, respectively, in the income statement in the same captions where the revenue and expenses associated with these transactions are reflected, except those related to non-monetary values whose change in fair value is recorded directly in equity.

3. Impact of the adoption of new or amended international financial reporting standards

Standards and interpretations endorsed and published by the European Union

The IFRS standards endorsed and published on the Official Journal of the European Union (OJEU) during the year ended 31 December 2022 and enforceable for accounting purposes in subsequent years are presented in the table below:

IAS Standards	Date of publication in OJEU	Date of accounting application	Financial year in which it applies	Observations
Amendment to IFRS 17 Insurance Contracts: Initial application of IFRS 17 and IFRS 9 – comparative information (issued on 9 December 2021)	09-09-2022	01-01-2023	2023	Not applicable.
Amendments to IAS 12 Income Taxes: Deferred tax related to assets and liabilities associated to a single transaction (issued on 7 May 2021)	12-08-2022	01-01-2023	2023	No foreseeable impact.
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting policies (issued on 12 February 2021)	03-03-2022	01-01-2023	2023	No accounting impacts.
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure of accounting estimates (issued on 12 February 2021)	03-03-2022	01-01-2023	2023	No accounting impacts.
IFRS 17 Insurance contracts (issued on 18 May 2017); including amendments to IFRS 17	23-11-2021	01-01-2023	2023	Not applicable.

The IFRS standards endorsed and published in the OJEU applicable to the year 2022 are presented in the table below:

IAS Standards	Date of publication in OJEU	Date of accounting application	Financial year in which it applies	Observations
Amendments to IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and annual improvements to IFRS standards Cycle 2018-2020	02-07-2021	01-01-2022	2022	No relevant impact.

4. Tangible Assets

As at 31 December 2022 and 31 December 2021, Tangible assets were fully depreciated.

5. Intangible assets

As at 31 December 2022 and 31 December 2021, Intangible assets were fully depreciated.

6. Right-of-use of assets and lease liabilities

Accounting policy

Recognition

The Company recognizes both a right-of-use asset and a lease liability as at the lease agreement commencement date. The right-of-use asset is initially measured at cost, which represents the initial amount of the lease liability, adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred, plus an estimate of the costs required to decommission and remove the underlying asset or restore the site on which it is located (if applicable), less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that have not yet been paid up to the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot readily be determined, the Company's incremental borrowing rate. In general, the Company uses its incremental borrowing rate as the discount rate. The types of lease payments included in the measurement of the lease liability are as follow:

- fixed payments, deducted of any incentives received;
- variable lease payments, dependent on a certain rate or index;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the lessee is reasonably certain to be able to exercise; and
- payment of penalties for the early termination of a lease unless the Company is reasonably certain not to terminate it early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there are changes in future payments derived from a change in the rate or index or fee, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities in a separate caption in the statement of financial position.

Short-term leases or leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for lease agreements that have lease terms of 12 months or less, and leases of low-value assets. The Company recognizes the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

Amortization

The right-of-use asset is subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined as those used for the tangible assets.

Impairment

The right-of-use assets are periodically reduced by the amounts of impairment Losses and adjusted to reflect certain remeasurements of the respective lease liabilities.

Accounting estimates and judgments

Useful lives, residual values of intangible assets and discount rates

The calculation of the assets' residual values, the estimation of the useful lives, and the discount rates used are based on the premises of the lease agreements (or for similar assets) and are set based on Management's judgment, as well as the practices of its peers in the industry.

Impairment of Right-of-use Assets

Identifying impairment indicators, estimating future cash flow, and determining the fair value of assets requires Management to use significant judgment in terms of the identification and evaluation of the different impairment indicators, the expected cash flow, the applicable discount rates, useful lives and residual amounts.

The details of right-of-use assets are as follow:

Unit: €k

	Vehicles	2022	2021
Cost	322	322	261
Accumulated amortization	(186)	(186)	(111)
Total	**137**	**137**	**149**
Opening balance	**149**	**149**	**174**
Increases	62	62	10
Other adjustments	-	-	32
Depreciation/Amortization	(74)	(74)	(66)
Total	**137**	**137**	**149**

Lease liabilities are as follow:

Unit: €k

	2022	2021
Less than one year	75	65
One to five years	69	95
Maturity analysis – contractual undiscounted	**144**	**160**
Current	72	60
Non-current	68	93
Lease liabilities in the statement of financial position	**141**	**153**

The amounts recognized in profit or loss are as follow:

Unit: €k

	Notes	2022	2021
Lease interest	26	5	6
Expenses related to short term, low value and variable payments of operating leases		18	71
		23	**77**

The amounts recognized in the statement of cash flow are as follows:

Unit: €k

	2022	2021
Payments relating to leases	(74)	(54)
Payments relating to lease interests	(5)	(5)
Financing activities	**(79)**	**(59)**

7. Grants

Not applicable.

8. Goodwill

Not applicable.

9. Investments in subsidiaries, associates and joint ventures

Accounting policy

Investments in subsidiaries and associates are recorded at the acquisition cost net of impairment losses, when applicable.

Dividends received from subsidiaries and associates are recorded in the Income Statement, when assigned. Whenever the recoverable amount determined is less than the carrying value of the financial investment, the Company recognizes the respective impairment loss in the same caption.

Accounting estimates and judgments

Impairment

Every impairment loss is immediately recorded in the Statement of financial position as a deduction from the value of the asset and in the Income statement under Gains/(losses) from financial investments on associates and joint ventures.

The recoverable value of financial investments is estimated based on the amount in use, which is determined by updating the estimated future cash flows of the respective cash-generating unit. The recoverable amount is estimated for the cash-generating unit to which it may belong, according to the discounted cash flow method. The discount rate used in updating the discounted cash flows reflects the cash-generating unit's specific risks.

Investments in subsidiaries, associates and joint ventures are as follows:

Company	Country	Percentage of interest held	Percentage of interest held
		2022	2021
Subsidiaries:			
Galp Energia, S.A.	Portugal	100%	100%
Galp Energia E&P, B.V.	The Netherlands	100%	100%
Galp New Energies, S.A.	Portugal	100%	100%
Petrogal, S.A.	Portugal	100%	100%

Unit: €k

	Financial investments				Gains/(losses) from financial investments	
	Acquisition cost	Impairment	Net amount	Dividends	Other	Total
Investments in subsidiaries, associates and joint ventures	**3,914,942**	**-**	**3,914,942**	**1,020,187**	**-**	**1,020,187**
Subsidiaries:						
Galp Energia, S.A.	43,154	-	43,154	-	-	-
Galp Energia E&P, B.V.	1,276,467	-	1,276,467	1,016,382	-	1,016,382
Galp New Energies, S.A.	441,765	-	441,765	3,805	-	3,805
Petrogal, S.A.	2,153,556	-	2,153,556	-	-	-
	3,914,942	**-**	**3,914,942**	**1,020,187**	**-**	**1,020,187**

During 2022, the following movements occurred:

- Petrogal, S.A.: supplementary installments in the amount of €350 000 k;
- Galp Energia E&P, B.V.: issue premium in the amount of €467 421 k.

Additionally:

On July 21st, 2022, Galp, through its subsidiary Galp New Energies, S.A., acquired the remaining 24,99% of the capital of the Titan, S.A. group to the ACS group for the amount of €140 000 k;

- On December 16, 2022, the Board of Directors decided to divest the oil and gas exploration and production assets in Angola, through the sale of Galp Energia Overseas Block 32 BV and Galp Energia Overseas Block 14 BV, entities held by Galp Energia E&P, BV. On this date, a fair value analysis was carried out, which did not result in any impairment regarding to these assets.

Based on the impairment analysis carried out for the relevant investments in subsidiaries, there is no evidence of impairment and, as such, no impairment loss was registered.

The recoverability of the investment in financial holdings can be influenced by the Group's Risk factos, including the prices of raw materials, marke supply and demand, expected production volumes and developments related to climate change and the energy transition (see Note 2) to the Consolidated Financial Statements.

For comparative information, please refer to the financial statements for the year ended 31 December 2021.

10. Inventories

Not applicable.

11. Trade and other receivables

Accounting policy

Accounts receivable are initially recorded at the transaction value and subsequently measured at amortized cost, less any impairment losses, recognized as impairment losses on accounts receivable. The amortized cost of these assets does not usually differ from their nominal value or their fair value.

Trade and other receivables are derecognized when the contractual rights to the cash flow expire (i.e. they are collected), when they are transferred (e.g. sold) or when they are impaired.

Accounting estimates and judgments

Impairment of accounts receivable

The Company applies the IFRS 9 simplified approach to measure expected credit losses, which uses a lifetime expected credit loss for all accounts receivable. Accounts receivable were grouped by business segment for the purposes of the assessment of expected credit losses. The credit risk of accounts receivable is evaluated at each reporting date, taking into consideration the client's credit risk profile. The credit risk analysis is based on the annual default probability, and also takes into account the loss in the event of default. The default probability represents an annual probability of default, reflecting the current and projected information and considering macroeconomic factors, whereas the loss in the event of default represents the expected loss when a default occurs.

Accounts receivable are adjusted for management's estimate of the collection risks as at the statement of financial position date, which may differ from the actual impairment to be incurred.

Credit Risk

For Credit Risk purposes, if trade and other receivables are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Credit Risk assessment considers the credit quality of the customer, considering their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. Customers' compliance with credit limits is regularly monitored by Management.

For further credit risk mitigation measures, guarantees and insurance policies for eventual credit defaults are a standard part of Company's overall risk policy.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics.

Trade receivables

As at 31 December 2022 and 31 December 2021, Trade receivables is detailed as follows:

Unit: €k

		Current	
	Notes	2022	2021
Trade receivables (Note 28)		3,718	5,139
		3,718	**5,139**
Not due		3,718	5,139
Aging of net trade receivables		**3,718**	**5,139**

As mentioned in the policies above, trade receivables are grouped into shared credit risk characteristics and days past due. For the Company the credit risk level of accounts receivable is as follow:

	Type	Risk exposure
Not due		Low
Less than 180 days past due		Medium
181 to 365 days past due		High
More than 365 days past due		Very High

Other receivables

As at 31 December 2022 and 31 December 2021, Other receivables is detailed as follows:

Unit: €k

	Notes	2022 Current	2022 Non-current	2021 Current	2021 Non-current
State and other public entities		**362**	**-**	**33**	**0**
Other receivables/other debtors		**334**	**90**	**616**	**90**
Suppliers' debit balances		45	-	26	-
Advances to suppliers		1	-	-	-
Employees		114	-	297	-
Other		174	90	293	90
Related companies (Note 28)		**-**	**-**	**61**	**-**
Other receivables/other debtors		-	-	61	-
Contract assets		**5,721**	-	**1,836**	**-**
Interest receivable		3,510	-	1,826	-
Other contract assets		2,211	-	10	-
Deferred expenses		**3,663**	-	**2,844**	**-**
Insurance paid in advance		674	-	665	-
Other deferred expenses		2,989	-	2,178	-
Impairment of other receivables		**-**	**-**	**-**	**-**
Other receivables		**10,080**	**90**	**5,389**	**90**

12. Other financial assets

As at 31 December 2022 and 31 December 2021, Other financial assets is detailed as follows:

Unit: €k

	Notes	2022		2021	
		Current	Non-current	Current	Non-current
Financial assets at fair value through other comprehensive income		-	350	-	350
Financial assets not measured at fair value - Loans	28	1,079,780	1,332,500	619,145	1,352,500
		1,079,780	**1,332,850**	**619,145**	**1,352,850**

Financial assets not measured at fair value – Loans refer to loans with maturities between 2023 and 2026 and treasury operations granted to subsidiaries which earn interest at normal market rates.

Financial assets at fair value through other comprehensive income are as follows:

Financial assets at fair value through other comprehensive income	Country	Percentage of interest held	Percentage of interest held
		2022	2021
ISPG Portugal	Portugal	66.67%	66.67%
Adene - Agência para a Energia, S.A.	Portugal	10.98%	10.98%
OEINERGE - Agência Municipal de Energia e Ambiente	Portugal	1.45%	1.45%
Galp Eswatini Limited	Eswatini	0.01%	0.01%
Omegas - Soc. D'etuded du Gazoduc Magrhed - Europe	Marocco	0.0%	0.0%

Unit: €k

	Financial investments			
	2022		2021	
	Acquisition cost	Net amount	Acquisition cost	Net amount
ISPG Portugal	200	200	200	200
Galp Eswatini Limited	-	-	-	-
Adene – Agência para a Energia, S.A.	114	114	114	114
OEINERGE - Agência Municipal de Energia e Ambiente	1	1	1	1
Omegas – Soc. D'etuded du Gazoduc Magrhed – Europe	35	35	35	35
Financial assets at fair value through other comprehensive income	**350**	**350**	**350**	**350**

13. Cash and cash equivalents

Accounting policy

The amounts included in Cash and cash equivalents correspond to cash values, bank deposits, time deposits and other treasury applications with maturities of less than three months, and which can be immediately mobilized with a significant risk of change in value.

For the purposes of the statement of cash flow, Cash and cash equivalents also include bank overdrafts recorded as loans and overdrafts in the statement of financial position.

For the years ended 31 December 2022 and 31 December 2021, Cash and cash equivalents is detailed as follows:

Unit: €k

	2022	2021
Cash and cash equivalents	459,061	777,714
Bank overdrafts	-	(1,903)
Total	**459,061**	**775,811**

14. Financial debt

Accounting policy

Loans are recorded as liabilities at the nominal value received, net of the expenses incurred on the issuance of these loans. Loans are subsequently measured at amortized cost.

Financial charges are calculated using the effective interest rate method and recorded in the income statement on an accrual basis.

Financial charges include interest and, eventually, commission expenses incurred with loan structuring.

As at 31 December 2022 and 31 December 2021, Financial debt is detailed as follows:

Unit: €k

	Notes	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Bank loans		**20,000**	**1,161,000**	**797,959**	**824,000**
Origination fees		-	-	-	-
Loans and commercial paper		20,000	1,161,000	796,056	824,000
Bank overdrafts		-	-	1,903	-
Bonds and notes		**747,400**	**1,716,702**	**250,000**	**2,173,267**
Origination fees		(2,600)	(4,453)	-	(6,318)
Bonds and notes		750,000	1,723,756	250,000	2,173,267
Financial debt		**767,400**	**2,880,302**	**1,045,219**	**2,997,267**

Changes in debt during the period ended 31 December 2022 were as follow:

Unit: €k

	Opening balance	Loans obtained	Principal repayment	Changes in overdrafts	Foreign exchange rate differences and others	Closing balance
Bank loans	**1,621,959**	**3,007,000**	**(3,446,056)**	**(1,903)**	**-**	**1,181,000**
Origination fees	-	-	-	-	-	-
Loans and commercial paper	1,620,056	3,007,000	(3,446,056)	-	-	1,181,000
Bank overdrafts	1,903	-	-	(1,903)	-	-
Bonds and notes	**2,420,457**	680,000	(651,000)	-	**17,175**	**2,466,702**
Origination fees	(6,058)	-	-	-	(995)	(7,053)
Bonds	1,426,585	680,000	(651,297)	-	18,170	1,473,756
Notes	1,000,000	-	-	-	-	1,000,000
Financial debt	**4,042,486**	**3,687,000**	**(4,097,353)**	**(1,903)**	**17,175**	**3,647,702**

The average cost of financial debt for the period under review, including charges on bank overdrafts, amounted to 1.68% (1.75% in 2021).

As at 31 December 2022 of the total amount of €1,181,000 k referring to bank loans, around €441,000 k refer to fixed rate loans.

During the year ended 31 December 2022, the Company issued the following bonds:

Unit: €k

Issuance	Amount due	Interest rate	Maturity
GALP ENERGIA/2022 - € 200M. - GALP 1 BONDS - 2028	200,000	6M Euribor + spread	February 2028
GALP ENERGIA/2022 - € 200M. - GALP 1 BONDS - 2027	200,000	6M Euribor + spread	February 2027
GALP ENERGIA/2022 - € 100M. - GALP 2 BONDS - 2027	100,000	6M Euribor + spread	February 2027
GALP ENERGIA/2022 - € 100M. - GALP 3 BONDS - 2027	100,000	6M Euribor + spread	March 2027
GALP ENERGIA/2022 - € 80M. - GALP 4 BONDS - 2027	80,000	3M Euribor + spread	March 2027
	680,000		

During the year ended 31 December 2022, the Company settled the following bonds:

Unit: €k

Issuance	Amount due	Interest rate	Maturity	Repayment
GALP 2018/24	100,000	6M Euribor + spread	May 2024	February 2022
GALP ENERGIA 2018-2024	100,000	6M Euribor + spread	September 2024	September 2022
GALP 2020-2023	100,000	6M Euribor + spread	May 2023	February 2022
$ 100,000,000.00 Floating Rate Notes due November 2022	101,297	6M LIBOR + spread	March 2024	November 2022
€ 150,000,000.00 Floating Rate Notes due November 2024	150 000	6M Euribor + spread	July 2024	July 2022
GALP 2020/25	100,000	6M Euribor + spread	March 2025	February 2022
	651,297			

As at 31 December 2022, Current and non-current loans and bonds, excluding origination fees and bank overdrafts, had the following maturities:

Unit: €k

Maturity	Loans Total	Loans Current	Loans Non-current
2023	770,000	770,000	-
2024	413,756	-	413,756
2025	505,000	-	505,000
2026	747,500	-	747,500
2027 onwards	1,218,500	-	1,218,500
	3,654,756	**770,000**	**2,884,756**

15. Trade payables and other payables

Accounting policy

Trade payables and other payables are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method. Usually, the amortized cost does not differ from the nominal value.

As at 31 December 2022 and 31 December 2021, Trade payables, current and non-current, are detailed as follows:

Unit: €k

	2022		2021	
	Current	Non-current	Current	Non-current
Trade payables - current account	293	-	710	-
Trade payables - pending invoices	179	-	232	-
Trade payables	**472**	-	**943**	-

As at 31 December 2022 and 31 December 2021, Other payables, current and non-current, are detailed as follows:

Unit: €k

	Notes	2022 Current	2022 Non-current	2021 Current	2021 Non-current
State and other public entities		**754**	**-**	**1,592**	**-**
VAT Payables		504	-	340	-
Other taxes		250	-	1,252	-
Other payables/other creditors		**161**	**-**	**320**	**-**
Employees		168	-	319	-
Other		(7)	-	1	-
Related companies	**28**	**893,389**	**-**	**-**	**-**
Loans		893,389	-	-	-
Accrued expenses		**34,425**	**2,106**	**22,352**	**2,106**
External suppliers and services		4,576	-	129	-
Remuneration payable		1,746	2,106	3,412	2,106
Interest payable		27,736	-	18,610	-
Other accrued expenses		367	-	202	-
Deferred income		**51**	**-**	**134**	**-**
Other deferred income		51	-	134	-
Other payables		**928,780**	**2,106**	**24,398**	**2,106**

The Related companies – Loans line refers to treasury operations with Group entities which earn interest at normal market rates.

16. Income tax

Accounting policy

The Company and some of its subsidiaries have been taxed in accordance with the special tax regime for groups of companies ("RETGS"). The Company is subject to Income Tax ("IRC"). Income tax is calculated based on the taxable profit of the Company in accordance with the applicable tax rules.

Deferred taxes are calculated based on the liability method and reflect the temporary differences between the amounts of assets and liabilities for accounting purposes and their amounts for tax purposes.

Deferred tax assets and liabilities are calculated and reviewed periodically using the tax rates expected to be in force when the temporary differences revert.

Accounting estimates and judgments

Deferred tax assets

Deferred tax assets are recognized only when there is reasonable assurance that future taxable profits will be available against which the temporary differences can be used, or when there are deferred tax liabilities for which reversal is expected within the same period as that in which the deferred tax assets are reversed. Temporary differences underlying deferred tax assets are reviewed at each reporting date in order to recognize deferred tax assets that were not recorded in prior years as they did not fulfil all requisites and/or to reduce the amounts of deferred tax assets recorded based on the current expectation of their future recovery.

Deferred taxes are recorded in the income statement, except if they result from items recorded directly in equity. In this case the deferred tax is also recorded in equity.

Estimates related to uncertain tax positions

As part of conducting business globally, tax and transfer pricing disputes with tax authorities may occur. Management's judgement is used to assess the possible outcome of such disputes. The most-probable-outcome method is applied when making provisions for uncertain tax positions and Galp considers the booked provisions to be adequate. Nevertheless, the actual obligation may differ, and depends on the results of litigations and settlements with the relevant authorities.

Unit: €k

	Notes	Assets		Liabilities	
		2022	2021	2022	2021
Group companies	**28**	**284,455**	**7,654**	**331,376**	**307,756**
Current income tax receivable / payable		284,455	7,654	331,376	307,756
State and other public entities		**59,771**	**308,684**	**-**	**-**
Current income tax receivable / payable		59,771	308,684	-	-
		344,226	**316,338**	**331,376**	**307,756**

Income tax for the years ended 31 December 2022 and 31 December 2021, is detailed as follows:

Unit: €k

	2022	2022	2022	2021	2021	2021
	Current tax	Deferred tax	Total	Current tax	Deferred tax	Total
Income tax for the period	(2,826)	-	(2,826)	(6,848)	-	(6,848)
Insufficiency / (excess) of income tax estimated	603	-	603	41	-	41
Taxes for the period	**(2,223)**	**-**	**(2,223)**	**(6,807)**	**-**	**(6,807)**

The effective income tax rate reconciliation as at 31 December 2022 and 31 December 2021 is as follows:

Unit: €k

	2022	Rate	Income tax	2021	Rate	Income tax
Profit before tax:	**1,006,185**	**21%**	**211,298**	**493,580**	**21%**	**103,652**
Adjustments to taxable income:						
Dividends received		(21.29%)	(214,245)		(22.42%)	(110,647)
Insufficiency / (excess) of income tax estimated		0.06%	603		0.01%	41
Autonomous taxation		-	85		0.02%	101
Other increases and deductions		-	36		0.01%	46
Effective income tax rate		**(0.22%)**	**(2,223)**		**(1.38%)**	**(6,807)**

The movement of deferred tax assets for the period ended 31 December 2022 was as follows:

Unit: €k

	2021	2022
Other	180	180
Deferred tax assets	**180**	**180**

17. Liabilities for retirement and other post-employment benefits

Not applicable.

18. Provisions

Not applicable.

19. Derivative financial instruments

Not applicable.

20. Financial assets and liabilities

Accounting policy

Galp classifies financial assets and liabilities into the following categories:

a) Financial assets at fair value through other comprehensive income;

b) Financial assets and liabilities carried at amortized cost;

c) Financial assets and liabilities at fair value through profit or loss (derivatives).

Management determines the classification of its financial investments on initial recognition and re-evaluates it at the end of each reporting period if and only if there is a change in the business model. For financial liabilities such changes in classification are not allowed.

Recognition and measurement

Purchases and sales of investments are recognized as at the transaction date. Investments are initially recognized at fair value. Financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss are subsequently carried at fair value. Fair value disclosures are made separately for each class of financial instruments at the end of the reporting period.

Derecognition of investments

Financial assets are derecognized from the statement of financial position when the rights to receive cash flow from investments have expired or have been transferred and Galp has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income consist mainly of equity investments. When these kinds of financial assets are derecognized, the gain or loss will be kept in equity. Dividends received are recognized in profit or loss.

Financial assets and liabilities carried at amortized cost

Financial assets and liabilities carried at amortized cost are non-derivative financial assets which are held solely for payments of principal and interests (SPPI). If collection is expected within one year

(or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they represent non-current assets. Otherwise, they are presented as non-current assets.

Accounts receivable and other receivables are initially recognized at fair value. They are subsequently measured at amortized cost using the effective rate method, less impairments.

Fair value hierarchy

In compliance with accounting standards an entity shall classify fair value measurements based on a fair value hierarchy that reflects the significance of the inputs used in the measurement. The fair value hierarchy follows the following levels:

- Level 1 - the fair value of the assets or liabilities is based on active liquid market prices as at the date of the statement of financial position;
- Level 2 - the fair value of the assets or liabilities is determined through valuation models based on observable market inputs;
- Level 3 - the fair value of the assets or liabilities is determined through valuation models, whose main inputs are not observable in the market.

Financial assets at amortized cost include accounts receivable, other debtors and other receivables net of impairments.

Unit: €k

	Notes	2022	2021
Financial assets at fair value through other comprehensive income	12	350	350
Financial assets not measured at fair value	11 and 12	2,426,168	1,982,264
- less deferred costs, guarantees and tax receivable		(4,026)	(2,876)
Cash and cash equivalents	13	459,061	777,714
Financial assets by category		**2,881,553**	**2,757,452**

Financial liabilities at amortized cost are comprised of accounts payable, creditors of related companies.

Unit: €k

	Notes	2022	2021
Financial liabilities not measured at fair value	6, 14 and 15	4,579,308	4,070,085
- less deferred income, guarantees and tax payable		(804,552)	(1,726)
Financial liabilities by category		**3,774,756**	**4,068,359**

21. Financial risk management

The Company is exposed to several market risks inherent to its activities. Detailed information about these risks and impacts on Galp Group is explained in Note 21 of the notes to the Company's consolidated financial statements.

22. Capital structure

Share capital

The share capital of Galp Energia is comprised of 815,111,548 shares, with a nominal value of € 1 each and fully paid up. Of these, 757,032,034 (93% of the share capital), are traded in the Euronext Lisbon stock exchange. The remaining 58,079,514 shares, representing some 7% of the share capital, are indirectly held by the Portuguese State through Parpública – Participações Públicas, SGPS, S.A.. (Parpública) and are not available for trade.

As at 31 December 2022, the Company has recorded € 82,006k in equity, referring to share premium. The total of share capital and share premium is € 897,118k.

During 2022, Galp repurchased shares in the total amount of € 150,151k. The number of shares acquired was 14,139,087 shares at an average price of € 10.61 per share. These shares were cancelled on 31 December 2022.

	No. of shares	Shareholding (%)	Attributable share (%)
Amorim Energia B.V.	276,472,161	33.92%	33.92%
Parpública - Participações Públicas, SGPS, S.A.	62,021,340	7.61%	7.61%
Free-float	476,618,047	58.47%	58.47%
	815,111,548	**100%**	**100%**

Own shares

Own equity instruments that are reacquired (own shares or treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's equity instruments. Any difference between the carrying amount and the consideration is recognized in reserves (ie equity).

Galp's shareholders approved the acquisition of own shares up to 9% of its share capital. As such, Galp has initiated on the 12 May 2022 a program to repurchase Galp Energia SGPS, S.A. own shares in the amount of €150 million. After the conclusion of the programme, year-end 2022, the shares were bought back and cancelled.

Galp has instructed Morgan Stanley Europe SE to act as a principal without risk for the execution of the programme to repurchase the shares on Euronext Lisbon.

In November 11, 2022, Galp completed this share repurchase programme. Pursuant to the conclusion of the programme, Galp's Board of Directors approved the reduction of the Company's share capital through the extinction of 14,139,087 own-shares, representing approximately 1.71% of its initial share capital.

Reserves

This caption can be detailed as follows for the years ended 31 December 2022 and 31 December 2021:

Unit: €k

	2022	2021
Legal reserves	165,850	165,850
Free reserves	27,977	27,977
Total	**193,828**	**193,828**

Legal reserves

In accordance with the Company's Articles of Association and the Portuguese Commercial Companies Code ("Código dos Sociedades Comerciais - CSC"), the Company must transfer a minimum of 5% of its annual net profit to a legal reserve until the reserve reaches 20% of share capital. The legal reserve cannot be distributed to the shareholders but may, in certain circumstances, be used to increase capital or to absorb losses after all the other reserves have been considered.

Dividends

In accordance with the resolution of the General Shareholders' Meeting held on 29 April 2022, the shareholders of Galp Energia, SGPS, SA were assigned dividends in the amount of € 414,625 k, relating to the distribution of net income for the year of 2021, corresponding to a dividend of €0.50 per share. Of this amount, € 207,313 k was paid to shareholders as an advance on profits on 16 September 2021 and € 207,312 k was settled on 10 May 2022.

Furthermore, on 16 August 2022, the Board of Directors of Galp Energia, SGPS, S.A. approved the payment of dividends, as an advance on profits, of € 0.26 per share, amounting € 215,605 k. Of the total amount, € 213,133 k was paid to shareholders on 20 September 2022.

23. Income and gains

Accounting policy

Revenue from sales is recognized in the income statement when the risks and benefits inherent to the ownership of the assets are transferred to the buyer and the amount of the corresponding income can be reasonably quantified. Sales are recognized net of taxes except for tax on oil products in the fuel distribution activity, discounts, and other costs inherent to their completion, at the fair value of the amount received or receivable. Costs and income are recorded in the period they occurred, regardless of the date of payment or receipt. Costs and income whose actual value is not known are estimated.

Other current assets and Other current liabilities include income and expenses related to the current period but for which the corresponding revenue and expenses will only occur in future periods. Those captions also include receipts and payments that have already occurred but will only correspond to income or expenses of future periods when they will be recognized in the income statement.

Exchange differences arising from supplier and customer balances are recognized in operating results.

Income and gains for the years ended 31 December 2022 and 31 December 2021 were as follows:

Unit: €k

	Notes	2022	2021
Services rendered	**28**	**10,363**	**8,923**
Other operating income		**269**	**275**
Additional income	**28**	264	269
Other		5	5
Financial income	**26**	**58,209**	**38,709**
Gains/(losses) from financial investments on associates and joint ventures	**9**	**1,020,187**	**526,892**
Total		**1,089,028**	**574,799**

24. Expenses and losses

The expenses and losses for the years ended 31 December 2022 and 31 December 2021 were as follow:

Unit: €k

	Notes	2022	2021
External suppliers and services		**4,776**	**3,932**
Travel and accommodation		448	155
Specialized services		3,226	2,312
Other expenses		1,102	1,466
Employee expenses	**25**	**8,293**	**16,541**
Amortization, depreciation and impairment losses of fixed assets and right-of-use	**6**	**74**	**66**
Other operating expenses		**1,221**	**2,107**
Other taxes		580	1,755
Other operating expenses		641	351
Financial expenses	**26**	**68,479**	**58,573**
Total		**82,843**	**81,219**

25. Employee expenses

Accounting policy

Employee expenses

Wages, salaries, social security contributions, annual leave and sick leave, bonuses and non-monetary benefits are recognized in the year in which the respective services are rendered by Company's employees.

During the year ended 31 December 2022 and 31 December 2021, employee expenses were as follows:

Unit: €k

	2022	2021
Remuneration - corporate bodies	5,136	6,733
Remuneration - employees	1,147	841
Social charges - corporate bodies	1,110	1,127
Social charges - employees	124	70
Other insurances	173	106
Other expenses	603	7,664
Total	**8,293**	**16,541**

	2022	2021
Remuneration - Corporate Bodies	**5,136**	**6,603**
Salaries	4,108	5,577
Premiums	723	650
Grants	305	376
Other charges and settlements - Corporate Bodies	**1,110**	**1,127**
Total	**6,246**	**7,730**

26. Financial income and expenses

Accounting policy

Financial income and expenses include interest on external loans, loans from/to related parties, leasing and retirement and other benefit plans. Other financial income and expenses from other financial assets or liabilities are not included in this caption.

The financial charges on interest-bearing liabilities are recorded as financial expenses on an accrual basis.

Financial charges arising from general and specific loans obtained to finance investments in fixed assets are assigned to tangible under constructions, in proportion to the total expenses incurred on those investments net of investment government grants, until the commencement of its operations. The remainder is recognized under the caption of financial expenses in the income statement for the year. Any interest income from loans directly related to the financing of fixed assets which are in the process of construction is deducted from the financial charges capitalized.

Financial charges included in fixed assets are depreciated in accordance with the useful life of the respective assets.

Unit: €k

	Notes	2022	2021
Financial income		**58,209**	**38,709**
Interest on bank deposits		379	-
Interest and other income with related companies	28	57,830	38,709
Financial expenses		**(68,479)**	**(58,573)**
Interest on bank loans, overdrafts and others		(50,499)	(37,810)
Interest on lease liabilities		(16,279)	(15,678)
Net exchange gains/(losses)	28	(1,696)	(532)
Interest and other financial costs with related companies		-	(4,547)
		(10,270)	**(19,864)**

27. Contingent assets and liabilities

Accounting policy

Contingent assets and contingent liabilities arise from unplanned or unexpected events that may cause economic inflows or outflows of the Company. The Company does not reflect these assets and liabilities on the financial statements as they may not become effective. Contingent assets and contingent liabilities are disclosed in the notes to the financial statements.

Contingent liabilities

As part of its ongoing business operations, the Company has entered into agreements where commitments have been given for commercial, regulatory, or other operational purposes.

As at 31 December 2022 and 31 December 2021, liabilities for guarantees granted are as follows:

Unit: €k

	2022	2021
Venture Global, LLC	1,875,117	1,765,848
FPSO Charter Agreement	1,466,342	1,282,889
Rio Grande LNG, LLC Agreement (subject to FID)	2,031,856	-
Coral South FLNG Project	471,689	427,260
Cercena Investments, S.L.U.	150,581	178,259
Direção Geral Impostos/Direção Geral do Tesouro (Government entities)	35,686	35,686
Oil Insurance Limited	16,595	17,747
Other related parties with main activities	2,746,584	2,126
	8,794,451	**3,709,814**

Under the contract established in April 2018, with Venture Global, LLC, related to the LNG Sales and Purchase Agreement, Galp provided a guarantee in the total amount of the contract ($ 2bn).

Related to the four charter agreements for FPSOs, Galp provided a guarantee in the amount of $1,466,342 k, which represents Galp's proportion of the BM-S-11 consortium.

Under the financing of the Coral South FLNG project, Galp Energia SGPS S.A. shall provide a guarantee, the Debt Service Undertaking (DSU) agreement, on the total outstanding amount at each moment in proportion to its shareholding. This guarantee expires at the time of the Actual Completion Date (estimated for 2024) if no obligations are outstanding under the DSU. As at 31 December 2022, Galp's share in the obligation amounted to € 425,000k. Also, within the scope of this financing, Galp Energia SGPS S.A. provides a guarantee covering 1/9 of the DSU on behalf of ENH Empresa Nacional de Hidrocarbonetos (ENH), one of consortium members of the Coral South FLNG project, which corresponds to Galp's share of the consortium, excluding ENH. As at 31 December 2022, Galp's share in the DSU taken on in relation to ENH amounted to € 48,000k.

Other related parties with main activities are mainly related to the oil trading activity.

To fulfill Galp's strategy of investing in renewable energy sources, the Group has entered into a Power Purchase Agreement with Cercena Investments, for which Galp has provided comfort letter on behalf of Galp Energia España, in the amount of € 150,581k.

28. Transactions with related parties

Accounting policy

A related party is a person or entity related to the entity that is preparing its financial statements, as follows:

(a) a person or a close member of that person's family is related to a reporting entity if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity;

(b) an entity is related to a reporting entity if any of the following conditions applies: (i) the entity and the reporting entity are members of the same group (which means that each parent company, subsidiary and fellow subsidiary is related to the others); (ii) one entity is an associate or joint venture of the other entity

(or an associate or joint venture of a member of a group of which the other entity is a member); (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity, and the other entity is an associate of the third entity; (v) the entity is a post-employment defined benefit plan for the benefit of the employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity; (vi) the entity is controlled or jointly controlled by a person identified in (a); (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent company of the entity).

As at 31 December 2022, the balances and transactions with related parties were as follows:

Receivables

Unit: €k

					Current	Non-current	Total
	Trade receivables (Note 11)	Other receivables	Accruals and deferrals	Loans granted (Note 12)	Current Taxes (Note 16)	Loans granted (Note 12)	
Group companies	3,718	10	5,713	1,079,780	284,361	1,332,500	2,705,991
Joint ventures and associates	-	11	-	-	93	-	193
Receivables:	**3,718**	**21**	**5,713**	**1,079,780**	**284,455**	**1,332,500**	**2,706,184**

For comparative information, please refer to the financial statements for the year ended 31 December 2021.

Payables

Unit: €k

					Current	Total
	Trade payables (Note 15)	Interest-bearing liabilities (Note 15)	Other payables	Accruals and deferrals	Current taxes (Note 16)	
Group companies	204	893,389	81	4,583	331,376	1,229,633
Liabilities:	**204**	**893,389**	**81**	**4,583**	**331,376**	**1,229,633**

For comparative information, please refer to the financial statements for the year ended 31 December 2021.

Transactions

Unit: €k

	Operating expenses	Operating income (Note 23)	Financial expenses (Note 26)	Financial income (Note 26)
Group companies	(1,075)	10,542	(1,696)	57,830
Joint ventures and associates	(436)	88	-	-
Transactions:	**(1,512)**	**10,627**	**(1,696)**	**57,830**

For comparative information, please refer to the financial statements for the year ended 31 December 2021.

29. Information on environmental matters

Not applicable.

30. Subsequent events

Galp to divest from Angolan upstream assets

On 10 February 2023, Galp has signed an agreement with Somoil – Sociedade petrolifera angolana, S.A. for the sale of its upstream assets in Angola.

Proceeds are expected to reach c.$830 m, already net of capital gain taxes, including c.$655 m to be received until completion and $175 m in contingent payments due in 2024 and 2025 dependent on brent price.

The transaction is subject to customary terms and conditions, with completion expected during the second half of 2023.

Dividends and buyback programme 2022

On 13 February 2023, Galp has announced a dividend increase of 4% and a new share buyback programme of up to €500 m.

Galp will commence on 15 February 2023, a $500 m share repurchase of Galp Energia SGPS, S.A. shares with the purpose to reduce the issued share capital of the Company (buyback). The buyback is planned to be carried out throughout the year.

The buyback will follow Galp's guidelines related to the 2022 fiscal year and the authorization in place.

31. Approval of the financial statements

The financial statements were approved by the Board of Directors on 31 March 2023, however they are still subject to approval by the Shareholders' General Meeting under the commercial legislation in force in Portugal.

32. Note added for translation

This document (Financial Statements and Notes to the Financial Statements) is a free translation of the original issued in the Portuguese language. In the event of misinterpretations of discrepancies, the original version shall prevail.

The Board of Directors:

Chairman:

Paula Amorim

Vice-Chairman and Lead Independent Director:

Miguel Athayde Marques

Vice-Chairman:

Filipe Silva

Members:

Thore E. Kristiansen

Teresa Abecasis

Georgios Papadimitriou

Marta Amorim

Francisco Teixeira Rêgo

Carlos Pinto

Luís Todo Bom

Jorge Seabra

Rui Paulo Gonçalves

Diogo Tavares

Edmar de Almeida

Cristina Fonseca

Adolfo Mesquita Nunes

Javier Cavada Camino

Cláudia Almeida e Silva

The Certified Accountant:

Cátia Cardoso

Ernst & Young
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(Translation from the original document in the Portuguese language.
In case of doubt, the Portuguese version prevails)

Statutory and Auditor's Report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Galp Energia SGPS S.A. (the Entity), which comprise the Statement of financial position as at 31 December 2022 (showing a total of 7,145,065 thousands of euros and a total equity of 2,234,488 thousands of euros, including a net profit for the year of 1,008,408 thousands of euros), and the Income statement and the statement of comprehensive income, the Statement of changes in equity and the Statement of cash flows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of Galp Energia SGPS S.A. as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section below. We are independent of the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors´ code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

1. Recoverability of Financial investments in subsidiaries and associate companies

Description of the most significant assessed risks of material misstatement

As at 31 December 2022, Investments in subsidiaries and associates recognized in the separate financial statements of Galp Energia, SGPS, S.A. amounts to 3,914,942 thousand of euros.

Investments in subsidiaries and associates are recorded at the acquisition cost net of impairment losses, being the impairment risk evaluated at the balance sheet date, to detect the existence of indicators of possible impairment losses.

If indicators have been identified, the carrying amount of the asset is tested using a discounted cash flow model. Inputs for the value in use calculation are based on past performance and on the expectation of economic and market developments for each of the investments, based on cash flow projections, discount rates and growth rates in the perpetuity.

The risk of impairment of investments in subsidiaries and associates was considered a Key Audit Mater due to the significance of the carrying amount in the total assets, as well as the inherent complexity and judgment of the model adopted for the impairment assessment.

Summary of our response to the most significant assessed risks of material misstatement

Our audit procedures included:

- We assessed the existence of impairment indicators in the valuation of investments in subsidiaries and associates, based on internal and external sources of information that could translate into potential negative impacts for the performance of each of the subsidiaries and associates;
- We compared the shareholders' equity of subsidiaries and associates and the value in use calculated according to the valuation models prepared by management, with its carrying amount;
- We obtained and analyzed, when applicable, the impairment tests prepared by management for to the most significant Investments in Subsidiaries and Associates, including its consistency with the business plans approved by the Board of Directors of Galp Energia SGPS, S.A.;
- We analyzed, with the support of our professionals with specialized knowledge in valuations, the assumptions and methodologies used by management, namely the model used for testing, the discount rates and the growth rates in perpetuity;
- We validated the mathematical accuracy of the models used; and
- We evaluated the reasonability of the amounts related to impairment losses recognized by the Entity in relation its investments in Subsidiaries and Associates.

Additionally, we have verified the appropriateness of the applicable disclosures (IAS 27 and IAS 36), included in Notes 2 and 9 to the financial statements.

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for:

- the preparation of financial statements that presents a true and fair view of the Entity´s financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union;
- the preparation of the Integrated Management report and the Corporate Governance Report, in accordance with the applicable legal and regulatory requirements;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Entity´s ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

- from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, which measures have been taken to eliminate the threats or which safeguards have been applied.

Our responsibility includes the verification of the consistency of the Integrated Management Report with the financial statements, and the verifications under nr. 4 and nr. 5 of article 451 of the Commercial Companies Code in matters of corporate governance.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Integrated Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Integrated Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, taking into consideration our knowledge and the assessment over the Entity, we have not identified any material misstatement.

On the Corporate Governance Report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the Corporate Governance Report, includes the information required the Entity to provide as per article 29-H of the Securities Code, and we have not identified material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of the nº1 of the referred article.

On additional items set out in article 10 of the Regulation (EU) nr. 537/2014

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as auditors of the Entity for the first time in the shareholders' general meeting held on 12 April 2019 for the mandate from 2019 to 2022;
- Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with the ISAs we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the financial statements due to fraud. As a result of our work we have not identified any material misstatement to the financial statements due to fraud;
- We confirm that our audit opinion is consistent with the additional report that we have prepared and shared with the supervisory body of the Entity on 31 March 2023; and
- We declare that we have not provided any prohibited services as described in article 5, of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and we have remained independent of the Entity in conducting the audit.

Lisbon, 3 April 2023

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

Rui Abel Serra Martins - ROC n.º 1119
Registered with the Portuguese Securities Market Commission under license nr. 20160731

appendices



1. Non-financial consolidated information

Pursuant to Article 508-G of the Portuguese Code of Commercial Companies (in accordance with the provisions of Directive 2014/95/EU of the European Parliament and the European Council, relating to the disclosure of non-financial and another information, transferred to Portuguese law through Decree-Law No. 89/2017 of 28 July) and the model for reporting non-financial information by issuers of securities admitted to trading on a regulated market presented by CMVM.

Part I – Information on adopted policies	
A. Introduction	
1. Description of the Company's general policy on matters of sustainability, indicating any changes as compared to those previously approved.	Galp believes in an integrated approach to creating sustainable value, through anticipating risks, maximizing opportunities and creating solid relationships with stakeholders. The principles of sustainability and good practices in this regard are incorporated into Galp's strategy, culture and values. The work performed by Galp is guided by the high standards of safety and quality, and by the guarantee of the economic, environmental and social sustainability of the company. Galp's performance is thus guided by a set of environmental, social and governance policies that promote the adoption of best practices in each matter and the creation of sustainable and long-term value. Galp has its own sustainability governance model and a Sustainability Committee, whose mission is to support the Board of Directors in integrating sustainability principles into the Galp Group management process. For more information, see Part III – Corporate Governance Report (Information on the company's shareholding structure, organisation and governance, Item 29 – Sustainability Committee) of this report.
2. Description of the methodology and reasons for its adoption in the reporting of non-financial information, as well as any changes that have occurred in relation to previous years and the reasons that motivated them.	Galp's non-financial information report is intended to provide a global, transparent, and rigorous view of the processes through which Galp creates environmental, social and economic value. The disclosure of non-financial information is in line with the applicable rules and globally recognised guidelines, namely: • rules pertaining to the reporting of non-financial information introduced by Decree-Law No. 89/2017 of 28 July (this appendix) • the Value Reporting Foundation (VRF) guidelines for integrated reporting • the Global Reporting Initiative (GRI) guidelines, GRI Standards version 2021, " in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022", following the new Oil & Gas sector supplement guidelines (GRI 11) relating to the sustainability report • the Sustainability Accounting Standards Board (SASB) for Oil and Gas (Exploration & Production, Midstream and Refining and Marketing Standards) • the recommendations from the Task Force on Climate-related Financial Disclosure (TCFD) of the Financial Stability Board (FSB) concerning disclosure of climate-related financial risks • the United Nations Global Compact (UNGC) principles on sustainability information • the World Economic Forum, Measuring Stakeholder Capitalism metrics and disclosures • the Sustainable Development Goals • the inclusion, materiality, responsiveness and impact principles in the AA1000 Accountability Principles Standard (AA1000AP 2018) regarding sustainability information • the Sustainable Finance Disclosure Regulation (SFDR) indicators, available at https://www.galp.com/corp/en/sustainability/reporting/documents Galp's material aspects are all those that can significantly interfere with the ability to generate value for the Company and its stakeholders. Its identification is a continuous, robust and mature process at Galp, which guides the Company in understanding the main challenges and opportunities it faces, ensuring strategic alignment and communication with the most important aspects. Galp's non-financial information is publicly presented, and subject to third-party verification, in the company's annual integrated report, on the company's website and other relevant communication media. See our independent assurance report about sustainability information in section 7. Of Part V (Appendices) of this document. For more information on our materiality assessment please consult Part I of this document (2.3 Approach to ESG).

Part I – Information on adopted policies	
B. Business model	
1. General description of the business model and organisational structure of the Company/Group, indicating the main business areas and markets in which it operates	Galp has an organic structure based, at the operational level, on four business pillars: Upstream, Industrial and Midstream, Commercial, and Renewables and New Business. Galp operates in the following markets: Portugal, Spain, Brazil, Mozambique, Angola, Namibia, Cape Verde, Guinea-Bissau, São Tomé and Príncipe and Eswatini. For more information, see Part I – 3. Business Pillars and Part IV– Consolidated and individual financial statements – "Notes to the consolidated financial statements of 31 December 2022" of this report and the Galp website https://www.galp.com/corp/en/about-us/what-we-do and https://www.galp.com/corp/en/about-us/global-presence
C. Main risk factors	
1. Identification of the main risks associated with the matters subject to reporting and arising from the Company's activities, products, services or business relationships, including, if applicable and whenever possible, supply chains and subcontracting. 2. Indication of how these risks are identified and managed by the Company. 3. Explanation of the internal functional division of competencies, including corporate bodies, committees, commissions or departments responsible for risk identification and management/monitoring. 4. Express indication of the new risks identified by the Company compared to what was reported in previous years, as well as the risks that ceased to be. 5. Indication and brief description of the main opportunities that are identified by the Company in the context of the matters subject to reporting.	Information available for consultation in section 53 of Part III of this report – Corporate Governance Report – Identification and description of the major types of risks (economic, financial, and legal) to which the Company is exposed in the pursuit of its business activity and in Part I – 2.4 How we manage risk.
D. Implemented policies	
1. Description of the policies: i. environmental, ii. social and tax, iii. regarding workers and gender equality and non–discrimination, iv. regarding human rights and v. regarding combating corruption and bribery in the Company, including the policies of due diligence and the results of their application, including related key non-financial performance indicators, and comparison with the previous year.	Galp is committed to efficiently and transparently manage all matters related to risk management and impacts of its activities (whether environmental, social, tax or governance). In this regard, Galp has developed a set of Policies that govern its performance and that enable the sustainable management of the business and the establishment and fulfilment of challenging objectives and goals. Safety, Health and Environment Policy Through the Safety, Health and Environment Policy, Galp undertakes to integrate synergistically aspects related to safety, health and the environment in its strategy and to ensure the proper management of these topics, with the clear goal of acting responsibly, and thereby reducing possible negative impacts and maximizing the positive effects of its activities. Specific Health, Safety and Environmental Requirements This Regulation defines the requirements in health, safety and environment (HSE) that must be met in decision-making, throughout the life cycle of the projects, in order to ensure the protection of people, the environment and the assets. The Regulation presupposes the HSE risk assessment and is aligned with Galp's Safety, Health and Environment Policy and its commitments.

Part I – Information on adopted policies	
	Climate Change Policy Galp considers it is essential to promote and contribute to meeting the energy needs of the future, in strict cooperation with the goals proposed to combat climate change. In this regard, and aware that this is truly a challenge for the future, Galp updates its Climate Change Policy in line with its commitment to follow good market practices and trends in this regard.
	Code of Ethics and Conduct Galp's Code of Ethics and Conduct is a guide for the company's actions, its people and business partners, which outlines Galp's fundamental ethical guidelines regarding its actions and which establishes, for each of the principles outlined herein, commitments, responsibilities and good practices.
	Human Rights Policy Conscious that Human Rights are inherent to the human condition, Galp undertakes to support their defence and promotion, in all the geographical regions and contexts in which it operates.
	Corporate Social Responsibility Policy For Galp, corporate social responsibility is a fundamental dimension of management. This Policy, applicable to the various contexts and regions in which Galp operates, establishes goals and behaviours expected throughout the value chain and in its relationship with stakeholders.
	Discrimination and harassment Prevention Policy A common goal for all of Galp's employees involves providing a safe work environment, free from discrimination and harassment. This policy fosters such behaviour, by requiring employees to act according to ethical principles, display respectful and diversity-friendly behaviour, and actively detect and report all forms of harassment at Galp's organization.
	Tax Policy Through its Tax Policy, Galp is committed to monitoring the evolution of best practices in tax matters, and this policy establishes Galp's recognition of the importance of adopting and implementing the best international practices in terms of tax transparency.
	Community Investment Policy As a reference company in the energy sector, present in various regions, Galp undertakes to be an essential partner in the community where it exercises its activity, with the goal of promoting its social and economic development, in line with its strategy.
	2022 Equality Plan Galp, in its 2022 Equality Plan, is dedicated to the goals, measures and practices implemented in 2021 and to implementing gender equality in 2022. This Plan is updated annually.
	2023 Equality Plan Galp, in its 2023 Equality Plan, is dedicated to the goals, measures and practices implemented in 2022 and to implementing gender equality in 2023. This Plan is updated annually.

Part I – Information on adopted policies	
	Diversity Policy for the Board of Directors and Audit Board Galp recognises, in its Diversity policy for the board of directors and audit board, the benefits of diversity within its management and audit bodies as a way of ensuring greater balance in its composition, improving the performance of its members, strengthening the quality of the processes of decision making and control, avoiding the effect of group thinking and contributing to the sustainable development of the Company.
	Corruption Prevention Policy In the Corruption Prevention Policy, Galp lists the guidelines for preventing the risk of corruption in the Group. The commitment assumed by Galp in this context also presupposes the monitoring and continuous improvement of good practices in this matter.
	Prevention of Corruption Standard Galp's Prevention of Corruption Standard establishes rules and procedures to prevent, detect and respond to the risk of corruption in the Galp Group, achieving and developing that established in the Code of Ethics and Conduct and the Corruption Prevention Policy, in line with Galp's values, the legal and regulatory obligations to which Galp and its employees are subject, the specific corruption risks Galp faces in furtherance of its activities in the various regions where it operates, and the expectations of its stakeholders.
	Policy for the Prevention of Money Laundering and Terrorist Financing Galp considers it is essential to prevent, detect and respond to the risks of exposure of money laundering and terrorist financing within the scope of its transactions with third parties. In this regard, a Policy for the Prevention of Money Laundering and Terrorist Financing was implemented, which lists Galp's commitments to combat the transformation of funds from criminal origin into legal resources through the financing mechanisms of a money laundering organisation.
	Prevention of Money Laundering and Terrorist Financing Standard Galp's Money Laundering and Terrorism Financing Prevention Standard establishes rules aimed at preventing, detecting and responding to the risks of exposure to money laundering and terrorist financing, achieving that established in the Code of Ethics and the Prevention of Money Laundering and Terrorist Financing. Amongst the various duties instituted by the Standard is the general duty of employees of the Galp Group or third parties acting on its behalf not to enter transactions with counterparties whose intention may be to conceal or disguise the illicit origin, source, location, or disposal or movement of capital, goods or products, in violation of applicable money laundering prevention laws.
	Sustainable Procurement Policy In our Sustainable Procurement Policy, we reinforced the 4 principles to be applied across our value chain: Respect for human rights and working conditions, Acting with transparency and integrity, Assume quality as a critical success factor and the Protection of the environment, people, and assets. Our 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.
	Key Indicators and Results See the following sections of this report – Integrated Management Report: • Part I - 1.2. Value creation • Part I - 2.2. A sustainable strategy • Part I - 2.3. Approach to ESG • Part II - Sustainability journey

Part I – Information on adopted policies	
i. Environmental policies	
1. Description of the Company's strategic goals and the main actions to be undertaken for their implementation.	Galp provides, in its strategic plan, a set of environmental and climatic strategic goals. In 2021, Galp defined new long-term goals to reduce carbon emissions and strengthen the pathway towards decarbonisation by 2030 that consist of: reducing by 40% absolute emissions from operations (scope 1 and 2), reducing by 40% the production carbon intensity (scope 1, 2 and 3), and reducing by 20% all downstream sales carbon intensity (scope 1, 2 and 3). These goals are part of Galp's ambition to reach Net Zero Emissions by 2050 (scope 1, 2 and 3). Note: All reductions refer to 2017 as the base year. See the following sections of this report - Integrated Management Report: • Part I - 2.2. A sustainable strategy • Part I - 2.3. Approach to ESG • Part II – Sustainability Journey - 1. Our journey to net zero by 2050 • Part II – Sustainability Journey - 2. Preserve our planet
2. Description of the main defined performance indicators.	See the following sections of this report - Integrated Management Report: • Part I - 2.2. A sustainable strategy • Part I - 2.3. Approach to ESG • Part II – Sustainability Journey – 1. Our journey to net zero by 2050 • Part II – Sustainability Journey – 2. Preserve our planet • Part V - Appendices – 2. Sustainability standards - GRI, SASB, WEF
3. Indication, compared to the previous year, of the degree of achievement of those goals.	See the following sections of this report - Integrated Management Report: • Part I - 2.3. Approach to ESG • Part II – Sustainability Journey – 1. Our journey to net zero by 2050 • Part II – Sustainability Journey – 2. Preserve our planet
ii. Social and tax policies	
1. Description of the Company's strategic goals and the main actions to be undertaken for their implementation.	In its strategic plan, Galp provides a set of strategic social objectives, aimed at creating value and its distribution, directly and indirectly, by the company. See the following sections of this report - Integrated Management Report: • Part I - 2.3. Approach to ESG • Part II – Sustainability Journey – 3. Boost a just transition for all • Part II – Sustainability Journey – 4. Protect and empower our people • Part II – Sustainability Journey – 5. Promote a value-adding, conscious business See also: • Galp´s Tax Policy

Part I – Information on adopted policies	
2. Description of the main defined performance indicators.	See the following sections of this report - Integrated Management Report: • Part I - 2.3. Approach to ESG • Part II – Sustainability Journey – 3. Boost a just transition for all • Part II – Sustainability Journey – 4. Protect and empower our people • Part II – Sustainability Journey – 5. Promote a value-adding, conscious business See the following sections of Part V (Appendices) of this report- Integrated Management Report • 2. Sustainability standards - GRI, SASB, WEF • 3. Supplementary oil and gas information (unaudited) • 4. Report on payments to public administrations
3. Indication, compared to the previous year, of the degree of achievement of those goals	See the following sections of this report - Integrated Management Report: • Part I - 2.3. Approach to ESG • Part II – Sustainability Journey – 3. Boost a just transition for all • Part II – Sustainability Journey – 4. Protect and empower our people • Part II – Sustainability Journey – 5. Promote a value-adding, conscious business
iii. Employees and gender equality and non-discrimination	
1. Description of the Company's strategic goals and the main actions to be undertaken for their implementation.	Galp positions itself as a competitive and fair employer, its values guided by principles of diversity, equal opportunity and training. See the following sections of this report - Integrated Management Report: • Part I - 2.3. Approach to ESG • Part II – Sustainability Journey – 3. Boost a just transition for all • Part II – Sustainability Journey – 4. Protect and empower our people • Part II – Sustainability Journey – 5. Promote a value-adding, conscious business
2. Description of the main defined performance indicators.	See the following sections of this report - Integrated Management Report: • Part I - 2.3. Approach to ESG • Part II – Sustainability Journey – 3. Boost a just transition for all • Part II – Sustainability Journey – 4. Protect and empower our people • Part II – Sustainability Journey – 5. Promote a value-adding, conscious business • Part V - Appendices – 2. Sustainability standards - GRI, SASB, WEF For more information, see Part III – Corporate Governance Report of this report and the Remuneration Policy.

Part I – Information on adopted policies	
3. Indication, compared to the previous year, of the degree of achievement of those goals	See the following sections of this report - Integrated Management Report: • Part I - 2.3. Approach to ESG • Part II – Sustainability Journey – 3. Boost a just transition for all • Part II – Sustainability Journey – 4. Protect and empower our people • Part II – Sustainability Journey – 5. Promote a value-adding, conscious business See in Galp website, the 2023 Equality Plan document, which includes the measures implemented in 2022. For more information, see Part III – Corporate Governance Report of this report and the Remuneration Policy.
iv. Human rights	
1. Description of the Company's strategic goals and the main actions to be undertaken for their implementation.	Galp's commitments are established in the Human Rights Policy, which is aligned with Internationally recognised Human Rights standards, namely the 10 principles of the United Nations Global Compact, the Universal Declaration of Human Rights of the United Nations, as well as the Code of Conduct of the International Labour Organisation (ILO) and with regard to the Rights of Indigenous Peoples (ILO 169 and IFC PS7). Additionally, Galp is a signatory of the CEO Guide on Human Rights, of BCSD Portugal and a member of the Voluntary Principles on Security and Human Rights organisation. See the following sections of Part II – Sustainability Journey of this report - Integrated Management Report: • 3. Boost a just transition for all • 5. Promote a value-adding, conscious business
2. Description of the main defined performance indicators.	See the following sections of Part II – Sustainability Journey of this report - Integrated Management Report: • 3. Boost a just transition for all • 5. Promote a value-adding, conscious business
3. Indication, compared to the previous year, of the degree of achievement of those goals	See the following sections of Part II – Sustainability Journey of this report - Integrated Management Report: • 3. Boost a just transition for all • 5. Promote a value-adding, conscious business For more information about the human rights assessments report, please consult the "Operational Human Rights Assessment – 2022 Update" available on the Galp website.
v. Fighting corruption and bribery attempts	
1. Prevention of corruption: measures and instruments adopted to prevent corruption and bribery; policies implemented to dissuade these practices together with workers and suppliers; information about the compliance system indicating the respective responsible officials, if any; indication of legal proceedings involving the Company, its administrators or employees related to corruption or bribes; measures adopted at the public procurement site, if relevant.	As part of the assessment process of any new potential investment in a different region, Galp assesses the risks of corruption associated with the socio-economic context of the region in question. Galp also performs due diligence procedures regarding its business and social partners, service providers and the most relevant suppliers before entering into transactions with them, to ensure that such entities also follow appropriate and effective policies and procedures related to the prevention of corruption and bribery.

Part I – Information on adopted policies	
	In 2022, 1087 counterparties were assessed through the company integrity process. In 25 cases, significant risks were identified and, therefore, the interactions with the counterparties in question have been interrupted. One thousand, seven hundred and twenty-four (1724) assessments were also conducted prior to making and/or receiving offers involving Galp employees through Galp's electronic offer registration platform.
2. Prevention of money laundering (for issuers subject to this regime): information about measures to prevent and combat money laundering.	In 2020, Galp's Money Laundering and Terrorist Financing Prevention Standard was published, which establishes rules and procedures aimed at preventing, detecting and responding to the risks of exposure to money laundering and terrorist financing. Amongst the various duties established in the Standard, is the duty of Galp Group employees or third parties acting on their behalf not to enter into transactions with counterparties whose intention may be to conceal or disguise the illicit origin, source, location, or disposal or movement of capital, goods or products, in violation of the applicable money laundering prevention laws. Certain GALP activities are specifically covered by applicable legislation (namely real estate transactions and cash payments) and procedures implemented to deal with risks of money laundering prevention in this particular area.
3. Codes of Ethics: indication of any code of ethics to which the Company has adhered or implemented; indication of the respective mechanisms for implementation and compliance monitoring of the same, if applicable.	Code of Ethics and Conduct Galp's Code of Ethics and Conduct is a guide for the actions of the company, its people and business partners, which outlines the fundamental ethical guidelines of Galp's actions and that establishes, for each of the principles listed therein, commitments, responsibilities and good practices.
	Whistleblowing – Ethics Line Standard Through the ethics line OpenTalk, Galp promotes the reporting, on a confidential basis, of any knowledge or substantiated suspicion of the occurrence of irregularities or circumstances of non-compliance in relation to the Code of Ethics and Conduct or other Galp Policies and Regulations.
	Ethics and Conduct Committee Galp's Ethics and Conduct Committee, an in-company and independent body that reports to the Audit Board, is responsible for monitoring the implementation of the aspects set out in the Code of Ethics and Conduct, for clarifying doubts about its application and for processing the information transmitted through the Ethics Line. For more information, see Part III – Corporate Governance Report (Information on the company's shareholding structure, organisation and governance, Item 29 – Ethics and Conduct Committee) of this report.
	Regulations of the Ethics and Conduct Committee This Regulation establishes the competencies, duties, and rules of operation of the Galp Ethics and Conduct Committee. For more information, see Part III – Corporate Governance Report (Information on the company's shareholding structure, organisation and governance, Item 29 – Ethics and Conduct Committee) of this report.
4. Conflict of Interest Management: measures for managing and monitoring conflicts of interest, namely the requirement to subscribe to statements of interest, incompatibilities and impediments by managers and employees.	Conflict of Interest Management Standard The Conflict of Interest Management Standard describes the set of in-company control rules and procedures adopted by Galp in order to prevent conflicts of interest. Whistleblowing – Ethics Line Standard If employees are in a situation where their personal interests conflict, or may conflict, with their professional duties at Galp, they must report such a situation through Galp's electronic conflict of interest registry. If employees are aware of a conflict of interest that is a risk to Galp and they have substantiated suspicions that have not been reported to the Ethics and Consultation Committee, the employees must report the information through the ethics line OpenTalk.

EU Taxonomy

Context

The Taxonomy Regulation is one of the most important instruments of EU sustainable finance initiative, that establishes a classification system to identify and categorize activities that contribute to environmental objectives, minimizing negative impacts, including social impacts.

The first Delegate act has entered into force in 2021, focused on the climate objectives (climate change mitigation and climate change adaptation), including activities that are most relevant in reducing greenhouse gas (GHG) emissions and for improving climate resilience. The delegate act includes sectors with the highest contribution to GHG emissions (energy, manufacturing, transport, buildings), as well as activities enabling their transformation.

It is known that the EU Taxonomy is a dynamic approach framework that should expand its scope of eligible activities overtime by including other environmental objectives and other activities that by its nature should be considered in the list of sustainable economic activities of the Climate Delegated Act.

The 2022 report of Galp's EU Taxonomy alignment has been conducted considering the Taxonomy Regulation (EU) 2020/852, the Climate Delegated Act (Annex I and II), the Complementary Climate Delegated Act, the Art. 8 Delegated Act, as well as Galp's current interpretation about EU Taxonomy regulation. Additionally, other published documents such as the "European Commission's FAQ", of January and February 2022, and the Commission notices on the interpretation of the Taxonomy Regulation, regarding the Art. 8 Disclosures Delegated Act and Climate Delegated Act, were also considered.

Eligibility Assessment

As in the previous year, the methodological approach adopted to assess eligibility included a detailed analysis of Galp's business activities, along the entire value chain, based on the delegated acts of the European Taxonomy concerning the objectives of climate change mitigation and adaptation.

The identified eligible activities, linked to energy activities, are the following:

- 3.10 Manufacture of hydrogen
- 4.1 Electricity generation using solar photovoltaic technology
- 4.3 Electricity generation from wind power
- 4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- 7.6 Installation, maintenance and repair of renewable energy technologies

Alignment Assessment

Following the identification of the eligible activities, Galp assessed their alignment with the technical screening criteria.

The first step was to verify the compliance of the eligible activities with the substantial contribution to the mitigation of climate change criteria. Although, most of our eligible activities are applicable for both the climate change mitigation and climate change adaptation environmental objectives, we consider that in 2022 we contributed more significantly to the mitigation of climate change.

In addition to the substantial contribution criteria, the EU Taxonomy regulation includes the principle of Do No Significant Harm (DNSH). The DNSH verified Galps compliance with the minimum requirements that need to be met to avoid significant harm to any of the relevant environmental objectives.

Galp's initiatives and commitments relevant to the DNSH assessment, for each other environmental objectives, were:

- Adaptation to climate change – Galp has been working on improving the identification and quantification of climate related risks and opportunities, including acute and chronic physical risks, and transition risks, aligned with Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Their impact in operations and value-at-risk has been quantified since 2021 for all business pillars and geographies.

- Sustainable use and protection of water and marine resources – Based on the guidelines established in the Risk Management Policy, Galp identifies, assesses and manages the risks and opportunities inherent to its strategy, including water and biodiversity related risks. In addition, Galp performs an annual water risk assessment, covering 100% of our operated sites. The protection of water resources is an increasingly material topic and Galp is committed to the adoption of measures that lead to a more efficient and sustainable water use in operations, safeguarding its quality and availability in the ecosystems. We

are also focused on developing a strategy to reverse the impacts associated with the use of water, particularly in water stress areas where our operations are located. We aim to reduce water use and compensate these volumes in places where we operate, located in water stress areas. Finally, it should be noted that all projects are monitored and assessed in terms of their environmental impact.

- Transition to a circular economy – Galp is committed to promote and increase the circularity in its value chain and it will focus on increasing the reuse and recycle of resources and materials. In Sines refinery, Galp is producing a biodiesel made 100% from the processing of animal fats and used cooking oils and in the renewables business, we are looking to opportunities to give a second life to our equipment. Circularity focus is expected to increase further as Galp matures its positions in emerging value chains such as the Lithium Battery Value Chain.

- Pollution prevention and control – Regarding the use and presence of chemicals, Galp respect all applicable norms and regulations and follow all guidelines to limit impact of its activities.

- Protection and restoration of biodiversity and ecosystems – Galp carries out environmental impact assessments, and the required mitigation and compensation measures for protecting the environment are implemented, when applicable. In addition, Galp performs an annual biodiversity risk assessment, covering 100% of our operated sites. Galp is committed to preserve biodiversity in all geographies where it operates and to ensure the preservation of natural areas and species throughout the lifecycle of projects. We are continuously working in assessing and monitoring the environmental impacts of our projects in areas where we operate, globally or nationally relevant for biodiversity, following the mitigation hierarchy. Adding to this and focusing on creating a positive impact, our renewables business is already taking action in new sites, particularly in PV solar assets, ensuring a renewable power plant fully integrated as part as the ecosystem.

Finally, the compliance with the minimum safeguards is a must for economic activities to be considered Taxonomy-aligned. Galp complies with the minimum safeguards as set out by EU Taxonomy, in accordance with Article 18 of the regulation. These minimum safeguards are assessed according to different standards, such as:

- The OECD Guidelines for Multinational Enterprises

- The UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work

- The International Bill of Human Rights

Galp analysed its policies and procedures regarding human rights, bribery/ corruption, taxation, and fair competition, and concluded that complies with the different minimum safeguards standards.

- Our Code of Ethics and Conduct covers these topics, among others, and guides the personal and professional behavior of all people of the Group, regardless of the position or function they perform, as well as the relationship between employees and shareholders, investors, customers, suppliers, and representatives of the communities with which Galp interacts is applicable. Anyone who wants to openly communicate questions, concerns, or breaches to our code (e.g. harassment or discrimination or acts of fraud and corruption) can do that, anonymous, if desired through our whistleblowing channel. Reports are received on behalf of Galp by an independent third-party specialist ethics line provider and then shared to Galp's Ethics and Conduct Committee, that will ensure they are dealt with in a professional and confidential manner.

- Galp has a strong position regarding fair competition matters, since it does not perform anti-competitive practices. At Galp, we do not adopt commercial practices that are prone to discriminating our customers, excluding our competitors from the market, or preventing the entrance of new competitors.

- At Galp and as an integrated energy operator, we assume the defence and promotion of human rights as they are inherent to the human condition. We set out our position very clearly in our Human Right Policy, having a set of principles regarding these matters and stating that we will adopt measures to prevent our operation from causing abuses or violations, directly or indirectly, of the internationally recognized human rights.

- We also perform, periodically, a Human Rights assessment to evaluate Galp's impact in its operations, aiming to ensure that our practices are aligned with the Human Rights Policy and best international practices.

- Our Sustainable Procurement Policy has its first principle focusing on respecting human rights and working conditions. Our suppliers

must read and accept our policies, including our principles in theirs. Galp's Procurement Team also considers human rights matters into the selection criteria process.

- In the different geographies in which Galp is present, we also have in place a Discrimination and harassment Prevention Policy, ensuring the monitoring of the best practices evolution with the aim of continuous improvement. We evaluate and identify risks, developing the necessary actions.

- We ensure that throughout the life cycle of our projects, the stakeholders' expectations, particularly of the community, are identified, analysed, estimated, evaluated, and monitored to assess risks and opportunities (due diligence). For each project or operation, we have defined and implemented a grievance mechanism, appropriate to the stakeholders and to each project phase.

- There is no place for bribery or corruption at Galp, and we do promote the effectiveness of the mechanisms for reporting irregularities, we develop appropriate processes and procedures to assess and mitigate the risk of corruption and promote among our stakeholders' measures to prevent corruption. A more detailed view on our position can be found in our Corruption Prevention Policy.

- We look to taxation with great care, as tax governance and compliance are extremely important to Galp, as that can be seen in our Tax Policy. We make sure that we comply with tax requirements and information disclosure in each jurisdiction in which Galp operates. We also monitor, measure, and manage our exposure to tax risks. Galp ensures appropriate oversight of its tax practices aiming at minimizing the potential financial and reputational risks in decision-making on tax issues. Related to intra-group relationships, Galp is guided by best market practices, following principles laid down in this regard by the OECD.

KPIs Disclosures

In the following templates, Galp reports the proportion of turnover, Capex and Opex taxonomy – aligned – disclosure covering year 2022.

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic activities	Code(s)	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Category (enabling activity)	Category (transitional activity)
		€M	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A. 1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of hydrogen	3.10	-	-%	100%	0%	N/A	N/A	N/A	N/A	-	Y	Y	N/A	Y	Y	Y	-%	N/A		
Electricity generation using solar photovoltaic technology	4.1	90.4	0.3%	100%	0%	N/A	N/A	N/A	N/A	-	Y	N/A	Y	N/A	Y	Y	0.3%	N/A		
Electricity generation from wind power	4.3	1.6	0.0%	100%	0%	N/A	N/A	N/A	N/A	-	Y	Y	Y	N/A	Y	Y	0.0%	N/A		
Manufacture of biogas and biofuels for use in transport and of bioliquids	4.13	1.0	0.0%	100%	0%	N/A	N/A	N/A	N/A	-	Y	Y	N/A	Y	Y	Y	0.0%	N/A		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	4.8	0.0%	100%	0%	N/A	N/A	N/A	N/A	-	Y	N/A	N/A	N/A	N/A	Y	0.0%	N/A	E	
Installation, maintenance and repair of renewable energy technologies	7.6	33.1	0.1%	100%	0%	N/A	N/A	N/A	N/A	-	Y	N/A	N/A	N/A	N/A	Y	0.1%	N/A	E	
Turnover of A.1.		**130.8**	**0.5%**	**100%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**								**0.5%**	**N/A**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of environmentally sustainable activities (Taxonomy-non-eligible) (B)		**26,709**	**99.5%**																	
Total (A+B)		**26,840**	**100%**																	

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic activities	Code(s) (2)	Absolute Capex	Proportion of Capex	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of Capex, year 2022	Taxonomy-aligned proportion of Capex, year 2021	Category (enabling activity)	Category (transitional activity)
		€M	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A. 1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of hydrogen	3.10	2.5	0.2%	100%	0%	N/A	N/A	N/A	N/A	-	Y	Y	N/A	Y	Y	Y	0.2%	N/A		
Electricity generation using solar photovoltaic technology	4.1	369.9	31.0%	100%	0%	N/A	N/A	N/A	N/A	-	Y	N/A	Y	N/A	Y	Y	31.0%	N/A		
Electricity generation from wind power	4.3	6.0	0.5%	100%	0%	N/A	N/A	N/A	N/A	-	Y	Y	Y	N/A	Y	Y	0.5%	N/A		
Manufacture of biogas and biofuels for use in transport and of bioliquids	4.13	9.5	0.8%	100%	0%	N/A	N/A	N/A	N/A	-	Y	Y	N/A	Y	Y	Y	0.8%	N/A		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	9.3	0.8%	100%	0%	N/A	N/A	N/A	N/A	-	Y	N/A	N/A	N/A	N/A	Y	0.8%	N/A	E	
Installation, maintenance and repair of renewable energy technologies	7.6	3.4	0.3%	100%	0%	N/A	N/A	N/A	N/A	-	Y	N/A	N/A	N/A	N/A	Y	0.3%	N/A	E	
Capex of A.1		**401**	**33.5%**	**100%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**								**33.5%**	**N/A**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Capex of environmentally sustainable activities (Taxonomy-non-eligible) (B)		**794**	**66.5%**																	
Total (A+B)		**1,194**	**100%**																	

Economic activities	Code(s)	Absolute Opex	Proportion of Opex	Substantial contribution criteria: Climate change mitigation	Substantial contribution criteria: Climate change adaptation	Substantial contribution criteria: Water and marine resources	Substantial contribution criteria: Circular economy	Substantial contribution criteria: Pollution	Substantial contribution criteria: Biodiversity and ecosystems	DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation	DNSH criteria ('Does Not Significantly Harm'): Climate change adaptation	DNSH criteria ('Does Not Significantly Harm'): Water and marine resources	DNSH criteria ('Does Not Significantly Harm'): Circular economy	DNSH criteria ('Does Not Significantly Harm'): Pollution	DNSH criteria ('Does Not Significantly Harm'): Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of Opex, year 2022	Taxonomy-aligned proportion of Opex, year 2021	Category (enabling activity)	Category (transitional activity)
		€M	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A. 1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of hydrogen	3.10	-	-%	100%	0%	N/A	N/A	N/A	N/A	-	Y	Y	N/A	Y	Y	Y	-%	N/A		
Electricity generation using solar photovoltaic technology	4.1	0.6	0.2%	100%	0%	N/A	N/A	N/A	N/A	-	Y	N/A	Y	N/A	Y	Y	0.2%	N/A		
Electricity generation from wind power	4.3	0.0	0.0%	100%	0%	N/A	N/A	N/A	N/A	-	Y	Y	Y	N/A	Y	Y	0.0%	N/A		
Manufacture of biogas and biofuels for use in transport and of bioliquids	4.13	0.9	0.2%	100%	0%	N/A	N/A	N/A	N/A	-	Y	Y	N/A	Y	Y	Y	0.2%	N/A		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	0.1	0.0%	100%	0%	N/A	N/A	N/A	N/A	-	Y	N/A	N/A	N/A	N/A	Y	0.0%	N/A	E	
Installation, maintenance and repair of renewable energy technologies	7.6	0.1	0.0%	100%	0%	N/A	N/A	N/A	N/A	-	Y	N/A	N/A	N/A	N/A	Y	0.0%	N/A	E	
Opex of A.1		**1.7**	**0.5%**	**100%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**								**0.5%**	**N/A**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Opex of environmentally sustainable activities (Taxonomy-non-eligible) (B)		**354**	**99.5%**																	
Total (A+B)		**356**	**100%**																	

Turnover

The Taxonomy-eligible and aligned turnover, includes revenues from goods and services related to generation of renewable photovoltaic and wind energy, renewable energy technologies, electric mobility and biofuels.

This KPI is calculated considering the net turnover derived from products and services associated with Taxonomy-eligible and aligned economic activities (numerator) divided by the net turnover (denominator), for the financial year from 1 January 2022 until 31 December 2022. The denominator is based on our consolidated net turnover in accordance with IAS 1, presented with further detail in Note 24 of the consolidated financial statements.

Capex

The Taxonomy-eligible and aligned Capex consists of investments related to generation of renewable photovoltaic and wind energy, biofuels, hydrogen, renewable energy technologies and electric mobility.

This KPI is calculated considering the Capex derived from products and services associated with Taxonomy-eligible and aligned economic activities (numerator) divided by the total Capex (denominator), for the financial year from 1 January 2022 until 31 December 2022. The denominator cover additions to tangible, intangible assets and right-of-use during 2022, as presented in Notes 5, 6 and 7 of the consolidated financial statements. The denominator also covers additions to tangible and intangible assets resulting from business combinations.

Regarding the numerator, the Capex equals the part of the capital expenditure included in the denominator that is classified as Taxonomy-eligible economic activities.

Opex

The Taxonomy-eligible and aligned Opex refers to renewable energy technologies, generation of renewable photovoltaic and wind energy, electric mobility and biofuels.

This KPI is calculated considering the Opex derived from products and services associated with Taxonomy-eligible and aligned economic activities (numerator) divided by the total Opex (denominator), for the financial year from 1 January 2022 until 31 December 2022. The denominator covers direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Regarding the numerator, the Opex equals the part of the operating expenditure included in the denominator that is classified as Taxonomy-eligible and aligned economic activities.

Voluntary Disclosures

In addition to mandatory disclosure, Galp considers it relevant to report the investment in other activities that, so far, are not eligible under the regulation but may contribute significantly to mitigate climate change such as the investments in the battery value chain and CO_2 emissions reduction projects in the Refinery (mainly energy efficiency).

Although the lithium conversion activity is not considered eligible, it represents an essential activity in the value chain of battery manufactory, which is a taxonomy eligible activity. Galp believes that lithium-ion batteries will play a major role worldwide in the transition towards a lower carbon future.

Furthermore, Galp implements several projects to reduce refining CO_2 emissions, although it is an investment in activities that are not green or eligible, Galp considers that it represents an important contribution to climate change mitigation.

Finally, Galp also includes in its Low Carbon capital allocation definition the renewables and other eligible non-consolidated business under the EU Taxonomy.

GRI Context Index 2022

Statement of use	Galp has reported the information cited in this GRI Content Index for the period of January 1st 2022 to December 31st 2022 with reference to the GRI Standards.
GRI used	GRI 11: Oil and Gas Sector Standard

- IR 2022: Integrated Management Report 2022 (available here)

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
	GRI 2: General Disclosures 2022					
2-1	Organisational details	Galp Energia, SGPS, S.A. Rua Tomás da Fonseca – Torre A, 1600-209 Lisboa, Portugal • IR 2022: Part I - About the report, 1.1 Galp's presence, 1.3 Galp in the capital markets	-	✓	-	-
2-2	Entities included in the organisation's sustainability reporting	• IR 2022: Part I - About the report	-	✓	-	-
2-3	Reporting period, frequency and contact point	Galp publishes its Integrated report yearly. This reporting period refers to January 1st 2022 to December 31st 2022. The publication is dated 3 April 2023. Information requests regarding sustainability should be sent to: sustainability@galp.com	-	✓	-	-
2-4	Restatements of information	Any changes in relation to the previous year and related to acquisitions, business nature or methods of indicators calculation are stated throughout the IR 2022 when applicable.	-	✓	-	-
2-5	External assurance	Independent assurance, according with the International Standard for Assurance Engagements (ISAE) 3000, was conducted by PwC Portugal (PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas). • IR 2022: Part V – 7. Independent report about sustainability information	-	✓	-	-
2-6	Activities, value chain and other business relationships	• IR 2022: Part I – 1.1 Galp's presence, 1.2 Value creation; 1.3 Galp in the capital markets; 3.2 Upstream; 3.3 Renewables and New Businesses; 3.4 Industrial and Midstream; 3.5 Commercial • IR 2022: Part II – Sustainability Journey	-	✓	-	-
2-7	Employees	No. of Employees: Total 6,715, Male 3,714, Female 3,001. No. of Employees by region: Portugal 3,583, Spain 2,524, Brazil 101, Africa 497, Rest of the world 10. No. of Employees by contract type: Open-ended (Total 6,176, Male 3,439, Female 2,737), Fixed-term (Total 458, Male 224, Female 234), Uncertain Term (Total 73, Male 43, Female 30), Part-time (Total 8, Male 8, Female 0). No. of Employees by working hours: Full-time (Total 6,588, Male 3,679, Female 2,909), Part-time (Total 127, Male 35, Female 92). Non-guaranteed hours employees: non-applicable Additional disclosures can be found in: • IR 2022: Part II – Sustainability Journey - 3. Boost a just transition for all (Promote Diversity, Equity & Inclusion (DE&I) everyday) • HR Annex in this section • Galp website – Sustainability - Promote Diversity, Equity & Inclusion (DE&I) everyday	-	✓	6	8

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
2-8	Workers who are not employees	There are indirect workers (service providers/contractors) in several Galp facilities, in different business segments. The nature and scale of the work carried out by external workers depends on the projects to be executed each year in the different business segments. In 2022, the average number of workers who are not employees was 4,642, materialised in the Commercial, Industrial & Midstream, Renewables and New Businesses and Corporate businesses, in Portugal, Spain and Brazil. **Service providers by type of work performed** **4,642** Administrative 82 Consultancy 435 Project management 333 Cleaning 241 Logistics 175 Medical services 61 Catering 44 IT technical services 193 Safety / Surveillance 148 Construction 770 Inspection / Operation 540 Technical assistance / Maintenance 1,620	-	✓	-	-
2-9	Governance structure and composition	• IR 2022: Part III – Corporate Governance Report (Information on the company's shareholding structure, organisation and governance, Item 21) • CDP Climate Change 2022: C1. Governance; C1.1, C1.1a	-	✓	-	-
2-10	Nomination and selection of the highest governance body	The Annual General Meeting is responsible for appointing and replacing members of the Board of Directors, including the Chairman. In the event of the absence or permanent impediment of any member of the Board of Directors, this body shall co-opt a member and submit its proposal for ratification to the next Annual General Meeting. For the purpose of replacing a director due to permanent absence, in accordance with Article 393 (1) of the CCC (Commercial Companies Code). The Articles of Association state that a director is considered to be permanently absent when, without justification accepted by the Board of Directors, he/she fails to attend three consecutive meetings or five non-consecutive meetings. In addition, Galp's Board of Directors has approved the Diversity Policy for the Management and Supervisory Bodies, by which Galp undertakes, in accordance with the powers of each body, efforts to promote diversity in its administrative and supervisory bodies, particularly with regard to the following criteria: age, gender, geographical origin, qualifications and professional experience. • Galp website – Governance model and bodies	-	✓	-	5; 16
2-11	Chair of the highest governance body	• IR 2022: Part III – Corporate Governance Report (Information on the company's shareholding structure, organisation and governance, Item 17, 18) • Galp website – Governance model and bodies	-	✓	-	16

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
2-12	Role of the highest governance body in overseeing the management of impacts	The Board of Directors is responsible for managing the Company's activities and for taking decisions on any matters relating to management of the Company, or any others not covered by the sole responsibility of the Annual General Meeting. The Chairman of the Board of Directors, who is not a member of the Executive Committee, represents the Board of Directors and the Company and is responsible for convening and chairing meetings of the Board of Directors and overseeing the relationship between the Company and its shareholders. The Board of Directors delegates to the Executive Committee the day-today management of the Company and appoints its Chairman. Resolutions of the Board of Directors shall be approved by a simple majority of the votes cast, except in relation to the matters detailed below, which require a qualified majority of two-thirds of the votes cast, in accordance with Article 17 of the Articles of Association. • Galp website – Governance model and bodies	-	✓	-	-
2-13	Delegation of responsibility for managing impacts	• IR 2022: Part III – Corporate Governance Report (Information on the company's shareholding structure, organisation and governance, Item 27)	-	✓	-	16
2-14	Role of the highest governance body in sustainability reporting	The Integrated Report is reviewed and approved annually by the Board of Directors	-	✓	-	-
2-15	Conflicts of interest	In order to safeguard the interests of the Galp Group in situations of possible conflicts of interest between the Company and its directors as a result of business conducted between them and the Company or companies in a controlling or group relationship with Galp, the regulatory standard which regulates the Group transactions with related parties, relevant transactions with Galp's related parties are subject to the prior opinion of the Audit Board. Also, in order to safeguard Galp Group's interest in situations where there are possible conflicts of interest, internal procedures were adopted to comply with the relevant accounting standards, in particular IAS 24, a regulatory rule on the control of transactions between Galp and related parties were implemented that establishes the internal rules and procedures for identification, internal reporting and control by the Audit Board. The Company Standard for Management of Conflicts of Interest was also implemented which establishes procedures for the recognition, prevention, reporting and treatment of current, potential, or apparent conflicts of interest of the employees of Galp group in the pursuit of their activities. • Internal standard Galp Group related parties' transactions • Internal standard Management of conflicts of interest Furthermore, Galp's Directorate of Legal and Governance monitors the internal control system by conducting internal investigations, audits or risk assessments on matters of ethics and compliance such as conflicts of interest.	-	✓	-	16
2-16	Communication of critical concerns	• IR 2022: Part III – Corporate Governance Report (Information on the company's shareholding structure, organisation and governance, Item 29 – Ethics and Conduct Committee; 49 - Means and policies for communicating irregularities occurring within the Company.)	-	✓	-	-
2-17	Collective knowledge of the highest governance body	• IR 2022: Part III – Corporate Governance Report (Information on the company's shareholding structure, organisation and governance, Item 19 - Professional qualifications and other relevant information about each member of the Board of Directors, the General and Supervisory Board and the Executive Board)	-	✓	-	4
2-18	Evaluation of the performance of the highest governance body	• IR 2022: Part III – Corporate Governance Report (Information on the company's shareholding structure, organisation and governance, Item 24, 25, 69, 70 and 71)	-	✓	-	-
2-19	Remuneration policies	• Remuneration Policy • IR 2022: Part III – Corporate Governance Report (Information on the company's shareholding structure, organisation and governance, Section D – Remuneration (I to VI))	-	✓	-	-

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
2-20	Process to determine remuneration	• IR 2022: Part III – Corporate Governance Report (Information on the company's shareholding structure, organisation and governance, Section D – Remuneration (I to VI))	-	✓	-	-
2-21	Annual total compensation ratio	Total annual CEO remuneration / Average total annual remuneration of employees: 53.67 Total annual CEO remuneration / Median total annual remuneration of employees: 84.3 % increase in total annual CEO remuneration / Average total annual remuneration of employees: 3.31 % increase in total annual CEO remuneration / Median total annual remuneration of employees: 7.18 Note: the values presented refer to the CEO in 2022 (Andy Brown)	-	✓	-	-
2-22	Statement on sustainable development strategy	• IR 2022: Part I - Board of Directors' message	-	✓	-	-
2-23	Policy commitments	• At Galp, all policies are approved by the Board of Directors. • Sustainable Procurement Policy • Human Rights Policy	-	✓	-	-
2-24	Embedding policy commitments	• IR 2022: Part II – Sustainability Journey – 3. Boost a just transition for all (Respect, protect and fulfil Human Rights) • IR 2022: Part II – Sustainability Journey – 5. Promote a value adding, conscious business (Embed sustainability in our culture; Transparency and ethics as key principles)	-	✓	-	-
2-25	Processes to remediate negative impacts	• IR 2022: Part II – Sustainability Journey – 5. Promote a value adding, conscious business (Transparency and ethics as key principles) • IR 2022: Part III – Corporate Governance Report (Information on the company's shareholding structure, organisation and governance, Section B – Corporate Bodies and Committees II – Management and supervision ; C – Internal organisation II – Communication of irregularities) • Galp website – Open Talk	-	✓	-	-
2-26	Mechanisms for seeking advice and raising concerns	• IR 2022: Part III – Corporate Governance Report (Information on the company's shareholding structure, organisation and governance, Section B – Corporate Bodies and Committees II – Management and supervision ; C – Internal organisation II – Communication of irregularities) • Galp website – Open Talk • Galp website: Corporate documents	-	✓	-	16
2-27	Compliance with laws and regulations	There were no significant instances of non-compliance with laws and regulations neither any monetary fines paid under the reporting period of 2022. Note: Galp considers significant fines those over € 100 k.	-	✓	-	-
2-28	Membership associations	Galp maintains a network with associations and industry partners for cooperating, sharing, understanding and developing knowledge. • Galp's website – Sustainability – People centric energy transition (Encourage social dialogue and stakeholder engagement) • Galp's Participation in Industry Associations – Climate Change: Galp carries out an analysis of the main associations in which it participates regarding their climate positioning. • CDP Climate Change 2022: C12. Engagement; C12.1d, C12.3	-	✓	-	-
2-29	Approach to stakeholder engagement	• IR 2022: Part I – 2.3 Approach to ESG • Galp website – Sustainability - People centric energy transition (Encourage social dialogue and stakeholder engagement)	-	✓	-	16

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
		Customer satisfaction: Net Promoter Score (NPS)					
			NPS				
		B2C Portugal (Service Stations)	65				
		B2C Spain (Service Stations)	73				
		B2C Gas & Power	42				
		Customer Care Portugal (Oil)	44				
		Customer Care Portugal (Gas & Power)	42				
		NPS formula: (Number of Promoters – Number of Detractors) / Number of responses x 100					
2-30	Collective bargaining agreements	Percentage of employees covered by Collective Bargaining Agreements: 73% Number of employees: 4,903 As stated in the employment contract, between the employee and any company of the group, the employment relationship is governed by the law and by the internal rules applicable at Galp. It should be noted that there are working conditions that, because they constitute imperative rights and duties, insusceptible of being changed by the will of the parties are, regardless of the existence of collective labour regulation instruments (IRCT) in which the collective labour agreement is included (ACT), regulated by law, namely by the Labour Code. In conclusion: 1. Working conditions are regulated in the written employment contract signed by the employee and the employer/company of the Galp group; 2. If the worker is not covered by IRCT/ACT, in what is omitted in the employment contract, it is applied what the Law determines (e.g. Labour Code with regard to rules of an imperative nature or of minimum guarantee) and internal rules, these prevailing if they are more favourable; 3. If the worker is covered by IRCT/ACT, in what is omitted in the employment contract, it is applied what the Law determines (e.g. Labour Code regarding matters of an imperative nature), the which provide for the applicable IRCT and internal rules, these prevailing if they are more favourable;		-	✓	1; 3	8
	GRI 3: Material Topics 2022						
3-1	Process to determine material topics	• IR 2022: Part I – 2.3 Approach to ESG		-	✓	-	-
3-2	List of material topics	• IR 2022: Part I – 2.3 Approach to ESG		-	✓	-	-
	GRI 200: Economic Series						
	Aspect: Economic Performance 2016						
201-1	Direct economic value generated and distributed	**Direct economic value generated (€ million)**	**31,254**	11-14; 11-21	✓	-	2; 5; 7; 8; 9

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
		Revenues (net sales)	31,181				
		Revenues (sale of assets)	0				
		Revenues (dividends from shareholdings)	26				
		Revenues (interest on financial loans)	47				
		Distributed direct economic value (€ million)	**29,151**				
		Operating costs	22,849				
		Employee wages and benefits	370				
		Payments to providers of capital	986				
		Payments to government	4,916				
		Community investments	29.7				
		Direct economic value retained (€ million)	**2,103**				
201-2	Financial implications, risks and opportunities due to climate change	Galp is exposed to risks and opportunities arising from climate change that may potentially generate significant changes in operations, revenues or expenses. These risks and opportunities, as well as their impacts and mitigation/action measures, are described in Galp's "CDP Climate Change", published annually by Galp.		11-2	✓	-	13
201-3	Benefit plan obligations and other retirement plans	• IR 2022: Part IV Consolidated and individual financial statements - 17. Retirement benefit obligations		-	✓	-	-
201-4	Financial assistance received from government	Galp receives financial assistance from the government through the SIFIDE II- Sistema de Incentivos Fiscais à Investigação Empresarial, to obtain an Innovation & Development tax credit.		11-21	✓	-	-
			Tax Credits (€)				
		Portugal	703,250				
		Europe	0				
			Financial Incentives (€)				
		Portugal	559,938				
		Europe	851,961				
		Total Portugal	**1,263,188**				
		Total Europe	**851,961**				
		In terms of shareholding structure, around 7% of the holding shares are unlisted and held indirectly by the Portuguese State through Parpública - Participações Públicas, SGPS, S.A. (Parpública) • IR 2022: Part I – 1.3 Galp in the capital markets					

GRI Standard	Disclosure	Reference or Content			GRI Sector Standard	External Verification	UNGC Principles	SDG
	Aspect: Market Presence 2016							
202-1	Ratios of standard entry level wage by gender compared to local minimum wage		**Female**	**Male**	-	✓	-	-
		Portugal	1.08	1.08				
		Spain	1.04	1.04				
		Brazil	5.80	7.98				
		Cape Verde	1.14	1.09				
		Guinea Bissau	1.10	1.22				
		Angola	6.12	7.97				
		Mozambique	2.10	1.18				
202-2	Proportion of senior Management contracted from the local community	Employees hired locally: 97%; Portuguese: 3%. Proportion of local hiring in relation to total: 94%; Portugal: 96%; Spain: 100%; Brazil: 84%; Africa: 79%. Operations in the above-identified countries are understood to be local operations. 'Senior management' means executive, middle and first-line managers. • IR 2022: Part II – Sustainability Journey – 3. Boost a just transition for all			11-11; 11-14	✓	6	8
	Aspect: Indirect Economic Impacts 2016							
203-1	Development and impact of investments in infrastructures and services provided	• IR 2022: Part II – Sustainability Journey – 3. Boost a just transition for all (Empower communities through social investment) • Galp website – Sustainability – People centric energy transition (Empower communities through social investment)		**€**	11-14	✓	-	2; 5; 7; 9; 11
		Cash		33,981,219				
		Time		206,277				
		In-kind: contributions of product, equipment, etc.		1,027,201				
		In-kind: Pro bono contributions of services		0				
		Management costs		1,057,415				
		Total		**36,272,112**				
				Motivation (€)				
		Charible gifts		4,808,499				
		Community investment		29,707,302				
		Commercial initiatives in the community		698,895				

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
		Total	**35,214,696**				
			Subject Focus - Focus Area (€)				
		Education	17,312,634				
		Health	3,812				
		Economic development	232,354				
		Environment	8,932,075				
		Arts/Culture	2,771,135				
		Social welfare	2,278,330				
		Emergency relief	3,628,953				
		Other Support	55,405				
		Total	**35,214,698**				
			Subject focus – SDG (€)				
		GOAL 1: No Poverty	9,852				
		GOAL 2: Zero Hunger	31,963				
		GOAL 3: Good Health and Well-being	33,798				
		GOAL 4: Quality Education	17,301,617				
		GOAL 5: Gender Equality	1,113				
		GOAL 6: Clean Water and Sanitation	3,782				
		GOAL 7: Affordable and Clean Energy	492,244				
		GOAL 8: Decent Work and Economic Growth	35,281				
		GOAL 9: Industry, Innovation and Infrastructure	0				
		GOAL 10: Reduced Inequality	3,263,787				
		GOAL 11: Sustainable Cities and Communities	1,261,117				
		GOAL 12: Responsible Consumption and Production	2,431				
		GOAL 13: Climate Action	7,760,323				

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
		GOAL 14: Life Below Water	0				
		GOAL 15: Life on Land	19,573				
		GOAL 16: Peace, Justice and Strong Institutions	3,698,186				
		GOAL 17: Partnerships to achieve the Goals	1,149,629				
		Total	**35,064,696**				
			Global breakdown (€)				
		UK	0				
		Rest of Europe	15,462,221				
		Middle East and Africa	1,667,326				
		Asia-Pacific	0				
		North America	16,628				
		South America	18,068,522				
		Total	**35,214,696**				
		Total with management costs	1,057,415				
		Number of volunteers	1,259				
		Volunteer hours (Galp employees)	8,591				
			Community Outputs				
		Total number of direct beneficiaries	2,007,162				
		Total number of beneficiary organisations	4,476				
			Business Outputs				
		Number of employees involved in company times	1,259				
		Number of employees in own time	293				
		Total	**1,552**				
			Number of different stakeholders aware of activities				
		Customers / consumers	1,242,816				

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
		Suppliers / distributors	0				
		Other influential stakeholders	9,173,800				
		Value of media coverage generated	**700,479**				
			Business Impacts				
		Improved their job-related skills	93				
		Improve their personal effectiveness (e.g. more confident)	166				
		Make a positive change in behaviour / attitude	176				
203-2	Significant indirect economic impacts and extent of impacts	See indicator 203-1.		11-14	✓	-	1; 2; 3; 8; 10; 17
	Aspect: Procurement Practices 2016						
204-1	Proportion of spending on local suppliers	In 2022, Galp made a total of € 673.5 million of purchases, distributed by 3,196 suppliers, of which 867 correspond to Tier 1 suppliers (suppliers with contracts exceeding €50 k). Purchases by business segment (%): Upstream (4%); Industrial & Midstream (26%); Commercial (23%); Corporate services (37%); Renewables (10%). Local purchases by country (%): Portugal (83.3%); Spain (95.5%); Brazil (85.6%); São Tomé and Príncipe (95.9%); Netherlands (50.8%); Namibia (23.7%); Mozambique (97.6%). Galp understands by location geography (country) and significant operations in the countries identified above.		11-14	✓	-	12
	Material Aspect: Anti-corruption 2016						
3-3	Management of material topics	The topic "Anti-corruption" is related to the theme "Business Ethics", which is a material theme for Galp. Impacts regarding this topic can occur both in operations and in the value-chain. Galp measures and monitors indicators associated with this aspect, reporting them in IR 2022 or in the sustainability channel. This information is communicated each year as part of Galp's external financial reporting. In addition, the information is independently audited by an external entity (see Disclosure 2-5). More information at: • IR 2022: Part II – Sustainability Journey - 5. Promote a value adding, conscious business • IR 2022: Part III – Corporate Governance Report (C. Internal Organisation II – Communication of irregularities) • Galp website – Sustainability – Transparency and ethics as key principles • Galp website – Transparency and corruption prevention • Corruption Prevention Policy • Money Laundering and Terrorism financing prevention Policy		-	✓	-	-

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
205-1	Total number and percentage of operations subject to risk assessments related to corruption and significant identified risks	All operations that meet any of the 12 criteria provided in our internal integrity verification procedure are covered by a duty of due diligence by the Corporate Secretary, Compliance & DPO Department at the request of Galp's businesses or any other organisational units. The results of the evaluations consider quantitative and qualitative criteria. In 2022, 1,142 evaluations to 1,087 counterparties were analysed through our Compliance system. Note: Galp reports this indicator partially.		11-20	✓	10	16
205-2	Communication and training in anti-corruption policies and procedures	Galp communicates regularly to its employees and partners information related to anti-corruption and ethics awareness though the form of training, webinars, news, welcome guides, among others. In 2022, training was made available across the Galp Group specifically focused on the prevention of corruption.		11-20	✓	10	16
		Employees who received anti-corruption training	**621**				
		Executive/Top Management	9				
		Middle/General Management	68				
		First-line Management/Supervisor	20				
		Specialists	194				
		Others	330				
		Employees who received anti-corruption training	**9%**				
		Executive/Top Management	16%				
		Middle/General Management	28%				
		First-line Management/Supervisor	3%				
		Specialists	11%				
		Others	8%				
		Employees who received anti-corruption training	**621**				
		Portugal	498				
		Spain	33				
		Brazil	34				
		Africa	55				
		Rest of the world	1				
		Employees who received anti-corruption training	**9%**				
		Portugal	14%				
		Spain	1%				
		Brazil	34%				
		Africa	11%				

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		Rest of the world 10% • IR 2022: Part II – Sustainability Journey - 5. Promote a value adding, conscious business • Galp website – Sustainability – Transparency and ethics as key principles				
205-3	Confirmed cases of corruption and measures taken	Galp registered no cases of corruption in 2022.	11-20	✓	10	16
	Material Aspect: Anti-competitive behaviour 2016					
3-3	Management of material topics	The topic "Unfair competition" is related to the theme "Business Ethics", which is a material theme for Galp. Impacts regarding this topic can occur both in operations and in the value-chain. Galp measures and monitors indicators associated with this aspect, reporting them in IR 2022 or in the sustainability channel. This information is communicated each year as part of Galp's external financial reporting. In addition, the information is independently audited by an external entity (see Disclosure 2-5). More information at: • IR 2022: Part II – Sustainability Journey - 5. Promote a value adding, conscious business • IR 2022: Part III – Corporate Governance Report (C. Internal Organisation II – Communication of irregularities)	-	✓	-	-
206-1	Total number of lawsuits as a consequence of unfair competition, antitrust or monopoly practices and their outcomes	In 2022, no lawsuits related to this issue were filed. With regard to this process, a decision was issued by the Directorate-General for Consumer Affairs, which was challenged in court by Galp. We are currently awaiting developments on this topic.	11-19	✓	-	16
	Aspect: Tax 2019					
207-1	Approach to tax	Galp's Tax Policy reinforces the Group's ambition to develop its activity in accordance with the applicable laws and regulations and with the best practices and experiences of each of the jurisdictions where it operates. With a view to continuous improvement, Galp is committed to monitoring the evolution of best practices. • Tax Policy The internal Accounting and Tax department is responsible for proposing and implementing the Galp Group fiscal strategy for all jurisdictions in which it operates or intends to operate, aligned with the Tax Policy approved by the Board of Directors.	11-21	✓	-	-
207-2	Tax governance, control and risk management	Galp monitors, measures and manages tax matters in order to ensure responsible decision-making in this area and in order to minimize potential financial and reputational risks. The Supervisory Board is the body responsible for ensuring tax compliance, supervising accounting policies and valuation criteria, supervising the effectiveness of the risk management and internal control system, supervising the process of preparing and disclosing financial information, among others. The Accounting & Tax department is responsible for promoting, coordinating and monitoring the implementation of a formal internal control system at the Galp Group, particularly for internal controls on financial reporting, as well as supervising and monitoring the mechanisms necessary for the effectiveness thereof, also defining and promoting the annual cycle of relevant activities within the scope of an internal control system for financial reporting, as well as report on Galp Group performance in matters relating to internal controls for financial reporting.	11-21	✓	-	-
207-3	Stakeholder engagement and management concerns related to tax	Galp promotes a set of initiatives that essentially aim to foster appropriate relations with local tax authorities, governments and other stakeholders. Among the initiatives promoted, the following stand out: participation in formal consultation processes with tax authorities, participation in public discussions and in the development of tax proposals with national and international organisations and sharing of information on matters under consultation.	11-21	✓	-	-

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
207-4	Country-by-country reporting	• IR 2022: Part IV Consolidated and individual financial statements - 16. Taxes, deferred income taxes and contributions. Note: indicator partially reported		11-21	✓	-	-
	GRI 300: Environmental Series						
	Aspect: Materials 2016						
301-1	Consumption of raw materials	Crude oil processed at the Sines Refinery: 10,256,440 ton. Feedstock processed at the Sines Refinery: 12,419,118 ton.		-	✓	7; 8	8; 12
301-2	Consumption of recycled materials	Galp operates an industrial unit in Sines, Enerfuel, dedicated to the biodiesel production FAME (fatty acid methyl ester) through transformation of waste oils and waste animal fats into second generation biofuels. The percentage of recycled materials used in Galp's operations is 0.23%.		-	✓	7; 8	8; 12
301-3	Products and packaging recovered	Weight of SPV (Sociedade Ponto Verde) packages: – Plastic (ton): 96.9 – Paper and carton (ton): 52.3 – Steel (ton): 3.1 – Wood (ton): 48.4 – TOTAL (ton): 200.7 Percentage of reclaimed products and their packaging materials: 83%		-	✓	7; 8	8; 12
	Material Aspect: Energy 2016						
3-3	Management of material topics	The topic "Energy" is related to the theme "Sustainable energy portfolio", which is a material theme for Galp. Impacts regarding this topic can occur both in operations and in the value-chain. Galp measures and monitors indicators associated with this aspect, reporting them in IR 2022 or in the sustainability channel. This information is communicated each year as part of Galp's external financial reporting. In addition, the information is independently audited by an external entity (see Disclosure 2-5). • IR 2022: Part II – Sustainability Journey - 1. Our journey to net zero by 2050, 2. Preserve our planet • Galp website – Sustainability - Accelerate decarbonisation across our ecosystem • Galp website – Sustainability – Operational excellence and transition towards circularity		-	✓	-	-
302-1	Energy consumption within the organisation	• IR 2022: Part II – Sustainability Journey - 1. Our journey to net zero by 2050, 2. Preserve our planet • Galp website – Sustainability - Accelerate decarbonisation across our ecosystem • Galp website – Sustainability – Operational excellence and transition towards circularity • CDP Climate Change 2022: C8. Energy		11-1	✓	7; 8	7; 8; 12; 13
		Direct energy consumption by primary sources (TJ)[1]	30,480				
		Direct energy consumption by primary sources (TJ)[1] – non-operated assets	6,490				
		Purchase of electricity (TJ)[2]	1,271				
		Electricity production (TJ)[3]	3,203				
		Electricity sold (TJ)[3]	2,290				

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		[1] The main fuels used are NG, diesel, gasoline and fuel oil. In the refineries' activity, there is still consumption of fuel gas. This includes all Galp business segments. [2] Includes all Galp business segments (Upstream; Industrial & Midstream; Commercial; Renewables & New Businesses). [3] The production and sale of electricity relate to Industrial & Midstream (Sines refinery); Commercial (Agroger) and Retail (service stations).				
302-2	Energy consumption outside the organisation	Galp monitors and reports the energy consumption outside the organisation, namely: diesel consumption by the fleet of service providers (road transport); diesel consumption by the fleet of service providers (maritime transport); fuel oil consumption by the fleet of service providers. Energy consumption connected to the service providers (GJ): 2,043,175	11-1	✓	8	7; 8; 12; 13
302-3	Energy intensity	Galp calculates energy intensity ratios for its most relevant operations, namely: Industrial & Midstream and Upstream (non-operated). Sines Refinery – Energy Intensity Index (EII): 98.7 Upstream non-operated Brazil (GJ/boe): 0.12 Upstream non-operated Angola (GJ/boe): 0.18 Upstream non-operated Mozambique (GJ/boe): 0.49	11-1	✓	8	7; 8; 12; 13
302-4	Reduction of energy consumption	• IR 2022: Part II – Sustainability Journey - 1. Our journey to net zero by 2050, 2. Preserve our planet • Galp website – Sustainability - Accelerate decarbonisation across our ecosystem • Galp website – Sustainability – Operational excellence and transition towards circularity • CDP Climate Change 2022: C8. Energy	-	✓	8; 9	7; 8; 12; 13
302-5	Reductions in the energy needs of products and services	• IR 2022: Part I – 3.5 Commercial • IR 2022: Part II – Sustainability Journey - 1. Our journey to net zero by 2050, 2. Preserve our planet	-	✓	8; 9	7; 8; 12; 13
	Aspect: Water and Effluents 2018					
303-1	Interactions with water as a shared resource	Galp is committed to adopting measures that promote the most efficient and sustainable use of water in its various operations. Among the actions promoted for the sustainable management of this resource, we highlight the periodic updating of the mapping of risks associated with the use of water in 100% of Galp's operations and the monitoring of the quality of groundwater in its upstream, midstream and downstream operations, namely on onshore blocks and at the refinery. The goals established in this area are in line with the eco-efficiency objectives established for the Group's operations. More information about the organisation's interaction with water at: • IR 2022: Part II – Sustainability Journey - 2. Preserve our planet • Galp website – Sustainability - Effective water stewardship • Galp website – Sustainability – Operational excellence and transition towards circularity • Analysis of risks associated with water use – Assessment 2022 • CDP Water Security 2022	11-6	✓	-	-
303-2	Management of water discharge-related impacts	Galp is concerned with reducing the production of effluents and minimizing its polluting load in all its operations. To ensure an adequate management of the effluents produced, we offer treatment systems, fit for purpose, depending on the type of installation in question (e.g.: dedicated WWTP; pre-treatment	11-6	✓	-	-

<table>
<tr><th>GRI Standard</th><th>Disclosure</th><th>Reference or Content</th><th>GRI Sector Standard</th><th>External Verification</th><th>UNGC Principles</th><th>SDG</th></tr>
<tr><td></td><td></td><td>systems combined with the sending of pre-treated effluents to a third-party WWTP. part). The level of compliance is ensured through periodic monitoring of the quality of effluents, ensuring that they are below the defined emission limit values. Galp has been developing projects in order to optimize the quality of its wastewater and, consequently, to achieve greater efficiency in its systems, allowing for an increase in the amount of water reused/ recycled.
• IR 2022: Part II – Sustainability Journey - 2. Preserve our planet
• Galp website – Sustainability - Effective water stewardship
• Galp website – Sustainability – Operational excellence and transition towards circularity
• CDP Water Security 2022: W3</td><td></td><td></td><td></td><td></td></tr>
<tr><td>303-3</td><td>Water withdrawal</td><td>• IR 2022: Part II – Sustainability Journey - 2. Preserve our planet
• Galp website – Sustainability - Effective water stewardship
• Galp website – Sustainability – Operational excellence and transition towards circularity
• Analysis of risks associated with water use – Assessment 2022
<table><tr><td></td><td>thousand m³</td></tr><tr><td>Total water withdrawal</td><td>9,343</td></tr><tr><td>Surface water</td><td>0</td></tr><tr><td>Groundwater</td><td>677</td></tr><tr><td>Seawater</td><td>124</td></tr><tr><td>Produced water</td><td>0</td></tr><tr><td>Third-party water</td><td>8,542</td></tr><tr><td>Total water withdrawal from all areas with water stress</td><td>8,136</td></tr><tr><td>Surface water</td><td>0</td></tr><tr><td>Groundwater</td><td>317</td></tr><tr><td>Seawater</td><td>58</td></tr><tr><td>Produced water</td><td>0</td></tr><tr><td>Third-party water</td><td>7,761</td></tr><tr><td>Total water withdrawal by category</td><td>9,343</td></tr><tr><td>Freshwater</td><td>9,219</td></tr><tr><td>Other water</td><td>124</td></tr></table>Water consumption is calculated using standard methodologies, e.g., billing, meter reading or estimation.</td><td>11-6</td><td>✓</td><td>7; 6</td><td>6</td></tr>
<tr><td>303-4</td><td>Water discharge</td><td>• IR 2022: Part II – Sustainability Journey - 2. Preserve our planet
• Galp website – Sustainability - Effective water stewardship
• Galp website – Sustainability – Operational excellence and transition towards circularity
• Analysis of risks associated with water use – Assessment 2022</td><td>11-6</td><td>✓</td><td>8</td><td>6</td></tr>
</table>

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		All effluents from Galp's facilities are subject to proper treatment, in order to prevent or minimise the environmental impact and ensure compliance with all the legal requirements in force in each geography.				
		Thousand m³				
		Total water discharge **6,125**				
		Surface water 0				
		Groundwater 965				
		Sea water 0				
		Third-party water 4,516				
		Water environment 645				
		Total water discharge by category **6,125**				
		Freshwater 6,125				
		Other water 0				
		Total water discharge in areas with water stress **4,924**				
		Freshwater 4,924				
		Other water 0				
		Effluent production is determined by standard methodologies, e.g., billing or estimating.				
	Hydrocarbons discharge	Concentration of hydrocarbons discharged in produced water and process wastewater (mg/L): 25.54 (Sines Refinery)	11-6	✓	8	6
303-5	Water consumption	• IR 2022: Part II – Sustainability Journey - 2. Preserve our planet • Galp website – Sustainability - Effective water stewardship • Galp website – Sustainability – Operational excellence and transition towards circularity • Analysis of risks associated with water use – Assessment 2022	11-6	✓	8	6; 8; 12
		thousand m³				
		Total water consumption 3,218				
		Total water consumption from all areas with water stress 3,131				
-	Reused water	• IR 2022: Part II – Sustainability Journey - 2. Preserve our planet	-	✓	8	6; 8; 12
		m³				
		Total volume of water reused **1,312,495**				
		Percentage of water reused **14%**				
	Aspect: Biodiversity 2016					
304-1	Location in protected or adjacent areas, and areas of high biodiversity value outside protected areas	A total of 142 sites, equivalent to 31.7% of Galp's operations are located in an area of high importance for the biodiversity (up to a radius of 1km).	11-4	✓	8	6; 14; 15

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		• IR 2022: Part II – Sustainability Journey - 2. Preserve our planet • Galp website – Sustainability – Protect biodiversity • Analysis of risks associated with biodiversity – Assessment 2022				
304-2	Significant impacts of activities, products, and services on biodiversity	• IR 2022: Part II – Sustainability Journey - 2. Preserve our planet • Galp website – Sustainability – Protect biodiversity • Analysis of risks associated with biodiversity – Assessment 2022	11-4	✓	8	6; 14; 15
304-3	Habitats protected or restored	• IR 2022: Part II – Sustainability Journey - 2. Preserve our planet • Galp website – Sustainability – Protect biodiversity • Analysis of risks associated with biodiversity – Assessment 2022	11-4	✓	8	6; 14; 15
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	• IR 2022: Part II – Sustainability Journey - 2. Preserve our planet • Galp website – Sustainability – Protect biodiversity • Analysis of risks associated with biodiversity – Assessment 2022 A total of 142 sites are within areas of high importance of biodiversity. See 304-1. **Species** Critically Endangered (CR) 1,831 Endangered (EN) 4,233 Vulnerable (VU) 9,045 Near Threatened (NT) 10,336 Least Concern (LC) 142,401	11-4	✓	8	6; 14; 15
	Material Aspect: Emissions 2016					
3-3	Management of material topics	The topic "Emissions" is related to the theme "Sustainable energy portfolio", which is a material theme for Galp. Impacts regarding this topic can occur both in operations and in the value-chain. Galp measures and monitors indicators associated with this aspect, reporting them in IR 2022 or in the sustainability channel. This information is communicated each year as part of Galp's external financial reporting. In addition, the information is independently audited by an external entity (see Disclosure 2-5). • IR 2022: Part II – Sustainability Journey - 1. Our journey to net zero by 2050, 2. Preserve our planet • Galp website – Sustainability - Accelerate decarbonisation across our ecosystem • Galp website – Sustainability – Operational excellence and transition towards circularity • CDP Climate Change 2022: C1. Governance; C3. Business Strategy; C4. Targets and performance; C6. Emissions data • TCFD Recommendations • Climate Change Policy • Remuneration Policy	11-1; 11-2	✓	-	-
305-1	Direct GHG emissions (scope 1)	Direct GHG emissions (scope 1): 3.44 mton CO_2e Percentage of gross direct (scope 1) GHG emissions from CH_4: 1% • IR 2022: Part II – Sustainability Journey - 1. Our journey to net zero by 2050	11-1	✓	7; 8	3; 12; 13; 14; 15

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		• Galp website – Sustainability - Accelerate decarbonisation across our ecosystem • CDP Climate Change 2022: C5. Emissions Methodology; C6. Emissions Data; C-OG6; C7. Emissions Breakdown; C-OG7 Galp's carbon footprint is annually calculated using the methodological framework established by The Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard, supplemented by the relevant industry adaptation promoted by the International Petroleum Industry Environmental Conservation Association (IPIECA) – Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industries. The Global Warming Potentials calculated in the IPCC Fourth Assessment Report (AR4) were used.				
305-2	Indirect GHG emissions (scope 2)	Indirect GHG emissions (scope 2): 0.009 mton CO_2e • IR 2022: Part II – Sustainability Journey - 1. Our journey to net zero by 2050 • Galp website – Sustainability - Accelerate decarbonisation across our ecosystem • CDP Climate Change 2022: C5. Emissions Methodology; C6. Emissions Data; C-OG6; C7. Emissions Breakdown; C-OG7 Galp's carbon footprint is annually calculated using the methodological framework established by The Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard, supplemented by the relevant industry adaptation promoted by the International Petroleum Industry Environmental Conservation Association (IPIECA) – Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industries. The Global Warming Potentials calculated in the IPCC Fourth Assessment Report (AR4) were used.	11-1	✓	7; 8	3; 12; 13; 14; 15
305-3	Other indirect GHG emissions (scope 3)	Indirect GHG emissions (scope 3): 46.25 mton CO_2e • IR 2022: Part II – Sustainability Journey - 1. Our journey to net zero by 2050 • Galp website – Sustainability - Accelerate decarbonisation across our ecosystem • CDP Climate Change 2022: C5. Emissions Methodology; C6. Emissions Data; C-OG6; C7. Emissions Breakdown; C-OG7 Galp's carbon footprint is annually calculated using the methodological framework established by The Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard, supplemented by the relevant industry adaptation promoted by the International Petroleum Industry Environmental Conservation Association (IPIECA) – Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industries. The Global Warming Potentials calculated in the IPCC Fourth Assessment Report (AR4) were used.	11-1	✓	7; 8	3; 12; 13; 14; 15
305-4	Carbon intensity	Galp calculates a carbon intensity adapted to its value chain and applicable to all business segments. The carbon intensity is calculated considering the emissions from all its activities, of scope 1, 2 and 3 referred to above, and the energy marketed by the various business segments, namely crude oil, natural gas, liquid fuels, biofuels and electricity. Carbon intensity (all downstream sales): 73.4 g CO_2e/MJ Carbon intensity (production): 80.2 g CO_2e/MJ • IR 2022: Part II – Sustainability Journey - 1. Our journey to net zero by 2050 • Galp website – Sustainability - Accelerate decarbonisation across our ecosystem • CDP Climate Change 2022: C5. Emissions Methodology; C6. Emissions Data; C-OG6; C7. Emissions Breakdown; C-OG7	11-1	✓	8	13; 14; 15

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		Galp calculates carbon intensity ratios for its most relevant operations, namely: Refining and Upstream. In Refining, CWT is the denominator. In the case of Upstream, the denominator is the amount of hydrocarbons produced. The ratios are calculated with Scope 1 GHG emissions. **Carbon intensity (Refining)** Sines refinery (CO_2/CWT) 30.0 **Carbon intensity (Upstream)** Total (kg CO_2/boe) 10.1				
305-5	Reducing GHG emissions	See indicator 302-4 and 302-5. • IR 2022: Part II – Sustainability Journey - 1. Our journey to net zero by 2050 • Galp website – Sustainability - Accelerate decarbonisation across our ecosystem	11-2	✓	8; 9	13; 14; 15
305-6	Emissions of ozone-depleting substances, by weight	Galp does not manufacture or sell products that emit substances that damage the ozone layer. On the other hand, Galp guarantees the conformity of the equipment used by it that contains these substances with the applicable regulations, verifying such compliance through audits. Finally, the Company has a Regulatory Guide – Management of substances that deplete the ozone layer. We thus guarantee that no significant sources of emissions of these substances have been identified in Galp's activities.	-	✓	7; 8	3; 12
305-7	NOx, SOx and other atmospheric emissions	• IR 2022: Part II – Sustainability Journey - 2. Preserve our planet • Galp website – Sustainability – Operational excellence and transition towards circularity Internationally accepted emission factors (EEA; EPA) applied to energy consumptions are used to calculate emissions. In Refining, emissions are measured continuously.	11-3	✓	7; 8	3; 12; 14; 15
	Aspect: Waste 2020					
306-1	Waste generation and significant waste-related impacts	For Galp, environmental protection is a central concern, present in the different stages of all activities, from conception and design, to the end of the life of the installations, equipment and products.	11-5	✓	8	3; 6; 12; 14
306-2	Management of significant waste-related impacts	Galp seeks to minimize consumption and maximize usefulness of the materials, namely through their reuse, recycling or recovery, ensuring compliance with the legal requirements applicable in each location where we operate. Waste management is supported by risk analysis and assessment taking into account both the dangerousness of the products/waste from the operations and the capacity and suitability of infrastructure and equipment to process and store them. In this way, Galp effectively guarantees the management of waste from its activities, namely by reducing amount of waste at the source of production and its dangerousness. At the same time, Galp properly manages the risks associated with waste management, both for ecosystems and for human health.	11-5	✓	8	3; 6; 12; 14
306-3	Waste generated	• IR 2022: Part II – Sustainability Journey - 2. Preserve our planet • Galp website – Sustainability – Operational excellence and transition towards circularity **tonnes** **Total waste generated 22,167** Recovered 13,724 Disposed 8,443	11-5	✓	8	3; 6; 12; 14

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
		Percentage of total waste recovered (%)	62%				
		By category:					
		Hazardous waste	**17,671**				
		Recovered	9,618				
		Disposed	8,054				
		Non-hazardous waste	**4,495**				
		Recovered	4,106				
		Disposed	389				
		Waste production is determined through waste control guides provided by the service providers.					
	Significant spills	Losses of primary containment that reached the environment (no.) (>150 l): 7 Losses of primary containment that reached the environment (m^3) (>150 l): 64.0		11-8	✓	-	-
	Process safety events	• IR 2022: Part II – Sustainability Journey - 4. Protect and empower our people (Safest energy company in the world) • Galp website – Sustainability – Safest energy company in the world		11-8	✓	-	-
		***Tier* 1**					
		Process safety events	1				
		Process safety events rate	0.04				
			Business Unit				
		Upstream	0.00				
		Industrial & Midstream	0.12				
		Commercial	0.00				
		Renewables and New Businesses	0.00				
		Corporate	0.00				
		***Tier* 2**					
		Process safety events	7				
		Process safety events rate	0.28				
			Business Unit				
		Upstream	0.00				
		Industrial & Midstream	0.46				
		Commercial	0.23				

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
		Renewables and New Businesses	0.00				
		Corporate	0.00				
		***Tier* 3**					
		Process safety events	62				
		Process safety events rate	2.45				
			Business Unit				
		Upstream	1.13				
		Industrial & Midstream	5.28				
		Commercial	1.01				
		Renewables and New Businesses	1.63				
		Corporate	0.00				
		Tier 1 is a primary containment loss of major consequences: unplanned release of any material, including non-toxic and non-flammable materials, from a process that results in a very serious consequence. *Tier* 2 is a primary containment loss of minor consequences: unplanned release of any material, including non-toxic and non-flammable materials, which results in a consequence.					
306-4	Waste diverted from disposal	Galp does not have enough information to report the information required for this indicator, assuming the commitment to implement the necessary mechanisms to ensure reporting in full alignment with the GRI requirements in the next report. Despite this information, Galp responds partially to this indicator in the table presented in GRI 306-3.		11-5	✓	8	3; 6; 12; 14
306-5	Waste directed to disposal	Galp does not have enough information to report the information required for this indicator, assuming the commitment to implement the necessary mechanisms to ensure reporting in full alignment with the GRI requirements in the next report. Despite this information, Galp responds partially to this indicator in the table presented in GRI 306-3.		11-5	✓	8	3; 6; 12; 14
	Aspect: Supplier Environmental Assessment 2016						
308-1	Percentage of new suppliers selected on the basis of labour practices criteria	• IR 2022: Part II – Sustainability Journey - 5. Promote a value adding, conscious business (Sustainable supply chain driving our business) • Galp website – Sustainability - Sustainable supply chain driving our business Certification of suppliers:		-	✓	8	-
		International Standard					
		Quality (ISO 9001)	2,643				
		Environment (ISO 14001)	1,540				
		Security (OHSAS 18001)	1,525				
		Other certifications	497				
		Supplier audits:					

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		Audits				
		No. audits to suppliers 162				
		No. audits to tier 1 suppliers 106				
		No. critical tier 1 suppliers audited 65				
		No. critical tier n-1 suppliers audited 0				
		% audited tier 1 suppliers 12.2%				
		% critical certified tier 1 suppliers 18.0%				
		Sustainability risk:				
		Sustainability risk				
		No. of tier 1 suppliers with high sustainability risk 13				
		No. of tier 1 suppliers with high economic sustainability risk 2				
		No. of tier 1 suppliers with high environmental sustainability risk 0				
		No. of tier 1 suppliers with high social sustainability risk 11				
308-2	Real and potential significant negative impacts on labour practices in the suppliers' chain and measures taken in this regard	No tier 1 (critical and non-critical) suppliers with high environmental sustainability risk were identified. • IR 2022: Part II – Sustainability Journey - 5. Promote a value adding, conscious business (Sustainable supply chain driving our business) • Galp website – Sustainability - Sustainable supply chain driving our business	-	✓	8	-
	GRI 400: Social Series					
	Material Aspect: Employment 2016					
3-3	Management of material topics	The topic "Employment" is related to the "Talent attraction and retention" theme, which is a material topic for Galp. The management and development of our human capital is a crucial factor in the success of our Organisation. Galp positions itself as a competitive employer, offering the conditions to attract, develop and retain the talent of employees, considering the strategic and context challenges that the Organisation faces. To meet our goal of making Galp the greatest place to work, we regularly adjust our human capital strategy, focusing on the following areas of action: Recruitment; Development; Performance management; Compensation; Welcoming, learning and training; Information systems, among others. Impacts regarding this topic can occur both in operations and in the value-chain. Galp measures and monitors indicators associated with this aspect, reporting them in IR 2022 or in the sustainability website. This information is communicated each year as part of Galp's external financial reporting. In addition, the information is independently audited by an external entity (see Disclosure 2-5). More information at: • IR 2022: Part II – Sustainability Journey - 3. Boost a just transition for all, 4. Protect and empower our people • Galp website – Sustainability – People-centric energy transition • Galp website – Sustainability – Promote Diversity, Equity and Inclusion (DE&I) everyday • Galp website – Sustainability – Galp as the greatest place to work	11-10	✓	-	-

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
401-1	Total number and rates of new employee hires and employee turnover by age group, gender and region	• IR 2022: Part II – Sustainability Journey - 3. Boost a just transition for all, 4. Protect and empower our people • Galp website – Sustainability – Promote Diversity, Equity and Inclusion (DE&I) everyday • Galp website – Sustainability – Galp as the greatest place to work • HR Annex in this section	11-10	✓	-	5; 8
401-2	Benefits granted to full time employees, and not to fixed term or part time employees	There is no distinction in the benefits attributed to employees due to the partial or full nature of their link. Galp employees enjoy the conditions established in the Labour Code. We make available to all our employees and pensioners a set of social insurances other than those provided for in the Labour Code (for example, health insurance and life insurance)	11-10	✓	-	8
401-3	Rates of return to work and retention after maternity/paternity leave, broken down by gender	Right to take leave (M&F): 100% Rate of return (M&F): 100%[1] Retention rate (M&F): 100%[1] Employees that returned to work after parental leave ended: 249 (Male 119, Female 130) Employees that returned to work after parental leave ended that were still employed 12 months after their return to work: 249 (Male 119, Female 130) [1] No causal relationship is found between parental leave situations and leaving the Company.	11-10; 11-11	✓	3	5; 8
	Aspect: Labour/ Management Relations 2016					
402-1	Minimum notice period for operational changes and whether these are specified in collective bargaining agreements	There's not a pre-defined, minimum deadline to notify employees and their representatives prior to the implementation of significant operational changes. Employees are notified of any such changes in a manner deemed timely and appropriate by Management.	11-7; 11-10	✓	4	8
	Material Aspect: Occupational Health and Safety 2018					
3-3	Management of material topics	The topic "Occupational Health and Safety" is related to the "Safety" theme, which is a material theme for Galp. Impacts regarding this topic can occur both in operations and in the value-chain. Galp measures and monitors indicators associated with this aspect, reporting them in IR 2022 and in the sustainability channel. This information is communicated each year as part of Galp's external financial reporting. In addition, the information is independently audited by an external entity (see Disclosure 2-5). More information at: • IR 2022: Part II – Sustainability Journey - 4. Protect and empower our people (Safest energy company in the world) • Galp website – Sustainability – Safest energy company in the world	11-9	✓	-	-
403-1	Occupational health and safety management system	Galp has an integrated management system (SIG), which was updated in May 2022 to a new SIG 2.0 and approved by the Executive Committee. This new version of SIG was created with the aim of having a simpler, more focused and agile integrated management system with greater added value to the organization. It includes the following aspects: • ISO 90001 and 14001 certifications throughout the company, • ISO 50001 certification at the Sines refinery • EN 12591:2009 (CE marking) in Parque de Viana, Portugal. • SEVESO	11-9	✓	-	3; 8

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		• Health, Safety and Security – integrated system with the other aspects which is being improved/developed in order to replace the need for the ISO 45001 certification, bringing the necessary added value to the organization. With the objective of improving our management system and safety culture, in 2022, more than 2,100 people participated in workshops and training on safety guidelines. Dedicated sessions and workshops will continue in 2023 in order to reach all employees and main service providers. • IR 2022: Part II – Sustainability Journey - 4. Protect and empower our people (Safest energy company in the world) • Galp website – Sustainability – Safest energy company in the world				
403-2	Hazard identification, risk assessment, and incident investigation	Galp has a process for the identification of hazards and risk assessment and for the consultation and participation of workers in all business units. In both, a uniform approach was adopted for the entire company. In addition to the processes above, which includes the participation and consultation of workers in identifying hazards or dangerous work situations, Galp provides a platform for reporting near misses as well as forums for improvement suggestions in which any worker can report / participate. Galp's safety policy and processes allow any worker to withdraw from unsafe work situations, with the adoption of Galp Life Saving Rules and the distribution of STOP CARDS. Any worker has the authority to intervene at any time if an action or situation violates any of the Galp Life Saving Rules. In 2022, we continued to train and raise awareness among newcomers to the company with e-learning ("Safety welcome package"), which trains our workers in the main safety topics, including the identification of hazards, near misses' reporting and the main security standards. In 2022, we decided to evolve from ISO 45001 certification to an integrated Health, Safety and Security system. This system replaces the need for ISO 45001 certification, bringing the necessary added value to the organization. It ensures that we have implemented an incident investigation process (near misses and accidents) that includes all phases since an incident occurs (NT-031): react and respond to any emergency, investigate, with the participation of relevant workers the causes, dangers and risks associated with the event and implement the respective corrective actions in accordance with the hierarchy of controls, thus improving our management system. • IR 2022: Part II – Sustainability Journey - 4. Protect and empower our people (Safest energy company in the world) • Galp website – Sustainability – Safest energy company in the world	11-9	✓	-	3; 8
403-3	Occupational health services	Occupational Medicine ensures adequate surveillance of the health of employees in relation to the risks to which they are exposed in the workplace. It integrates all evaluation procedures carried out through health examinations, biological control, radiological evaluation, questionnaires or interviews, analysis of health records, etc. In case of exposure to risks (ergonomic, environmental or others), Occupational Medicine makes recommendations for mitigating or eliminating these risks in the employee's Aptitude Form or in visits to the workplace (reports by the Occupational Physician). Additionally, there was a general communication to employees of the results of the assessment of psychosocial risks, for subsequent creation of an action plan. All workers are supervised by the health services (summoned annually or every 2 years), and employees can, at any time, request an (occasional) medical examination from Occupational Medicine, if they wish so. Occupational Medicine services are certified by Galp's integrated management system, thus guaranteeing the respective quality of service. • IR 2022: Part II – Sustainability Journey - 4. Protect and empower our people (Advocate people's wellbeing as top priority)	11-9	✓	-	3; 8

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		• Galp website – Sustainability – Galp as the greatest place to work				
403-4	Worker participation, consultation, and communication on occupational health and safety	Galp has an uniform employee consultation and participation process for the entire company, thus ensuring compliance with the requirements of the respective internal standard. In addition to the process mentioned above, Galp provides a platform for reporting near-accidents as well as forums for improvement suggestions in which any worker can report / participate. With regards to training, Galp provides all employees with an e-learning on the Galp Life Saving Rules and a safety welcome package (Safe Energy Training). In 2022, several Safety Leadership Workshops and safety orientation sessions were organized in order to improve our safety culture and promote the participation of all Galp employees and service providers. In 2022, two audits were carried out to the consultation and participation internal standard (PO-AQSS-017) with the aim of identifying improvements to be implemented in 2023. • IR 2022: Part II – Sustainability Journey - 4. Protect and empower our people (Safest energy company in the world) • Galp website – Sustainability – Safest energy company in the world	11-9	✓	-	3; 8
403-5	Worker training on occupational health and safety	In 2022, a total of 40,886.87 training hours on safety and health topics, with 13,348 participations. We highlight as relevant topics Accident Investigation, Near Misses, Galp Life Saving Rules and Safety Talks. In 2021, continuing in 2022, with the intention of raising the awareness of workers who have just arrived at the company, Safe Energy training was administered, an e-learning ("Safety Reception Package"), which trains our workers in the key safety topics, including hazard identification, near misses reporting, and key safety standards. In addition to this training, we continued to extend the training of Safety Talks to areas other than the refinery.	11-9	✓	-	3; 8
403-6	Promotion of worker health	Galp ensures the provision of health care to its employees, retirees and their families, through Health Insurance, with access to a wide network of doctors, clinics and hospitals and other health care providers. The company also has Galp medical centres, spread over the different geographical areas of its operations (in Portugal), which guarantee access to primary medical care (general and family medicine and internal medicine) and to some specialties (such as dentistry , ophthalmology, gynaecology, cardiology, neurology, otorhinolaryngology, urology, nursing treatments, nutrition consultations and clinical analysis). Performance in this regard is constantly monitored. Galp promotes the health and well-being of its employees and their families, namely by promoting the adoption of healthy behaviours and an active life (eg: consultations on nutrition and prevention of obesity and cardiovascular diseases, smoking cessation, etc.), carrying out awareness campaigns and prevention of diseases and epidemics (e.g. zika virus, ebola, dengue, flu vaccination, etc.) and implementing personal development programs from the perspective of well-being. As in previous years, in 2022, Galp continued to promote various wellbeing initiatives, such as online yoga and pilates, psychological support, nutrition consultations, physiotherapy and mental health and suicide prevention workshops. Additionally, Galp promotes thematic conferences on health-related topics, namely remote work management, work-life balance, lifestyles, among others. Galp is focused on ensuring the same experience of health and well-being for each of its employees, in all its locations and geographies, and ensuring that all its employees feel healthier, more productive and happy. More information at: • IR 2022: Part II – Sustainability Journey - 4. Protect and empower our people (Advocate people's wellbeing as top priority) • Galp website – Sustainability – Galp as the greatest place to work	11-9	✓	-	3; 8

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	At the end of each year, the areas are consulted in order to plan which audits to be carried out on suppliers in the following year. At the end of 2021, it was planned for 2022 to carry out 50 audits of suppliers, of which 96 were carried out. These audits can be carried out at the headquarters of the respective companies or at the shipyards and activities that they perform at our facilities. The scope of the audits includes the Security component.		11-9	✓	-	3; 8
403-8	Workers covered by an occupational health and safety management system	100% of Galp's employees are covered by the internal Safety Management System, which is currently under review, and which is applicable to all business units and geographies where the organization operates.		11-9	✓	-	8
		Employees covered	6,715				
		% of employees covered	100%				
403-9	Work-related injuries	• IR 2022: Part II – Sustainability Journey - 4. Protect and empower our people (Safest energy company in the world) • Galp website – Sustainability – Safest energy company in the world • HR Annex in this section		11-9	✓	-	3; 8
403-10	Work-related ill health	• IR 2022: Part II – Sustainability Journey - 4. Protect and empower our people (Advocate people's wellbeing as top priority) • HR Annex in this section		11-9	✓	-	3; 8
	Material Aspect: Training and Education 2016						
3-3	Management of material topics	The topic "Training and Education" is related to the "Development of Human Capital" theme, which is a material topic for Galp. The management and development of our human capital is a crucial factor in the success of our organisation. Impacts regarding this topic can occur both in operations and in the value-chain. Galp measures and monitors indicators associated with this aspect, reporting them in IR 2022 and in the sustainability channel. This information is communicated each year as part of Galp's external financial reporting. In addition, the information is independently audited by an external entity (see Disclosure 2-5). More information at: • IR 2022: Part II – Sustainability Journey - 3. Boost a just transition for all, 4. Protect and empower our people • Galp website – Sustainability – People-centric energy transition • Galp website – Sustainability – Galp as the greatest place to work		11-10; 11-11	✓	-	-
404-1	Average number of hours of training per year per employee, broken down by gender and functional category	• IR 2022: Part II – Sustainability Journey - 3. Boost a just transition for all, 4. Protect and empower our people • HR Annex in this section		11-10; 11-11	✓	-	4; 5; 8
		Training hours (Total)	**191,551**				
		Executive/Top Management	**2,434**				
		Male	1,933				
		Female	502				
		Middle/General management	**9,334**				

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
		Male	6,307				
		Female	3,028				
		First-line Management/Supervisor	**25,269**				
		Male	13,522				
		Female	11,747				
		Specialists	**66,604**				
		Male	36,783				
		Female	29,820				
		Others	**87,910**				
		Male	49,950				
		Female	37,959				
		Gender	**191,551**				
		Male	108,495				
		Female	83,056				
		Training per employee (h/employee)	**28.5**				
		Male	29.2				
		Female	27.7				
		Top Management	42.0				
		Middle/general management	37.9				
		First line management/supervisor	41.4				
		Specialists	39.3				
		Others	21.4				
404-2	Competency management and lifelong learning programmes that contribute to the continuity of employees' employability during preparation period for retirement	• IR 2022: Part II – Sustainability Journey - 3. Boost a just transition for all, 4. Protect and empower our people • Galp website – Sustainability – People-centric energy transition • Galp website – Sustainability – Galp as the greatest place to work		11-7; 11-10	✓	-	8
-	Closure and rehabilitation	During 2022, Galp had continued the rehabilitation plan in place at Matosinhos refinery.		11-7	✓	-	-
404-3	Percentage of employees who regularly receive performance and career development analyses, broken down by gender and professional category	• IR 2022: Part II – Sustainability Journey - 3. Boost a just transition for all, 4. Protect and empower our people Performance evaluation:		-	✓	6	5; 8

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
		Executive/Top Management	**100%**				
		Male	100%				
		Female	100%				
		Middle/General Management	**100%**				
		Male	100%				
		Female	100%				
		First-line Management/Supervisor	**100%**				
		Male	100%				
		Female	100%				
		Specialists	**100%**				
		Male	100%				
		Female	100%				
		Others	**100%**				
		Male	100%				
		Female	100%				

GRI Standard	Disclosure	Reference or Content			GRI Sector Standard	External Verification	UNGC Principles	SDG
		360º Feedback:						
			Group (number	**Group (%)**				
		Executive/Top Management	58	100%				
		Middle/General Management	240	98%				
		First Line Management/Supervisor	579	95%				
		Subtotal	**877**	**96%**				
		Specialist Groups	1,590	94%				
		Other Employees	4,082	99%				
		Total	**6,549**	**98%**				
	Aspect: Diversity and Equal Opportunities 2016							11-11
405-1	Composition of groups responsible for governance and break-down of employees by functional	• IR 2022: Part II – Sustainability Journey - 3. Boost a just transition for all (Promote Diversity, Equity and Inclusion (DE&I) everyday)			11-11	✓	-	5; 8

GRI Standard	Disclosure	Reference or Content		GRI Sector Standard	External Verification	UNGC Principles	SDG
	category, based on gender, age group, minorities and other diversity indicators	• Galp website – Sustainability – Promote Diversity, Equity and Inclusion (DE&I) everyday • HR Annex in this section • IR 2022: Part II – Sustainability Journey - 3. Boost a just transition for all (Promote Diversity, Equity and Inclusion (DE&I) everyday)					
405-2	Ratio of salary and remuneration between Males and Females, broken-down by professional category and main operational units	Remuneration:			✓	6	5; 8; 10
		BASIC ANNUAL SALARY					
		Average Ratio – Executive Staff	**0.98**				
		Male	159,742				
		Female	156,177				
		Average Ratio – Management Staff	**0.90**				
		Male	72,144				
		Female	65,145				
		Average Ratio – Specialist Groups and Other Employees	**0.89**				
		Male	24,721				
		Female	22,011				
		ANNUAL TOTAL REMUNERATION					
		Average Ratio – Executive Staff	**1.01**				
		Male	218,659				
		Female	219,847				
		Average Ratio – Management Staff	**0.91**				
		Male	83,729				
		Female	76,263				
		Average Ratio – Specialist Groups and Other Employees	**0.88**				
		Male	26,594				
		Female	23,380				
		AVERAGE RATIO SALARY-REMUNERATION					
		Average Ratio – Executive Staff	**0.73**				
		Male	0.73				
		Female	0.71				
		Average Ratio – Management Staff	**0.86**				
		Male	0.86				

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		Female 0.85 **Average Ratio – Specialist Groups and Other Employees 0.93** Male 0.93 Female 0.94 The data above refers to the most representative countries in terms of headcount, encompassing all business units operating in these countries (Portugal and Spain).				
	Aspect: Non-discrimination 2016					11-11
406-1	Total number of discrimination cases and corrective measures taken	36 cases identified and 3 corrective measures applied (1 disciplinary process and 2 measures aimed at changing behaviour). In accordance with our Code of Ethics and Conduct, we do not act in a discriminatory manner in relation to our employees nor any person, particularly based on race, religion, sex, sexual orientation, ancestry, age, language, territory of origin, political or ideological convictions, economic situation, or contractual relationship.		✓	6	5; 8; 10
	Aspect: Freedom of Association and Collective Bargaining 2016					11-13
407-1	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be at risk	0 (zero) cases. Galp had no record of this type of situation in 2022. • Code of Ethics and Conduct (Corporate documents)		✓	3	8
	Aspect: Child Labour 2016					-
408-1	Operations and suppliers identified to be at risk through the occurrence of child labour cases	0 (zero) cases. Galp had no record of this type of situation in 2022. • Code of Ethics and Conduct (Corporate documents)		✓	5	8; 16
	Aspect: Forced or Compulsory Labour 2016					11-12
409-1	Operations and suppliers identified as being at significant risk for the occurrence of forced or slave like labour	0 (zero) cases. Galp had no record of this type of situation in 2022. • Code of Ethics and Conduct (Corporate documents)		✓	4	8
	Aspect: Security Practices 2016					11-18
410-1	Percentage of security personnel who was trained in the organisation's human rights policies or procedures that are relevant to operations	Galp's security service is essentially contracted to external entities and its alignment with the Company's principles in terms of human rights is ensured through its Purchasing Policy.		✓	1	16
	Aspect: Rights of Indigenous People 2016					11-17
411-1	Total number of indigenous and traditional peoples' rights violation cases and measures taken in this regard	0 (zero) cases. Galp had no record of this type of situation in 2022.	11-17	✓	1	2
	Management of operations where indigenous communities are present or are affected by the company's activities	Galp measures possible impacts on indigenous communities, having in place a guide that incorporates environmental, social, health and safety requirements throughout the projects' whole lifecycle. This guide ensures both human rights of the population as well as the protection of indigenous communities in the development of each stage of the Company's activity (Upstream segment).		✓	1	2

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		• IR 2022: Part II – Sustainability Journey - 3. Boost a just transition for all (People-centric energy transition) • Galp website – Sustainability - People centric energy transition				
	Aspect: Local Communities 2016					11-15
413-1	Operations with implemented programmes of local community involvement, impact assessment and local development	See indicator 203-1. • IR 2022: Part II – Sustainability Journey – 3. Boost a just transition for all (Empower communities through social investment) • Galp website – Sustainability – People centric energy transition (Empower communities through social investment)	11-15	✓	1	-
413-2	Operations with real and potential significant negative impacts on local communities	In all our projects, the environmental and social impacts are analysed in the context of Environmental Impact Studies (EIA). As a result of these environmental impact assessment processes, mitigation and compensation measures associated with each project are defined. With regard to Upstream activities, drilling and exploration in São Tomé and Príncipe took place between April and July 2022, with no recorded incidents. Potential impacts identified for this project were remote location/frontier, emergency response capacity, maritime security in the Gulf of Guinea, impact of drilling on local fisheries and wildlife, and lack of adequate waste and disposal facilities in the country. As a result of this analysis, several plans were implemented, such as the Emergency Response Plan, Spill Contingency Plan, Security Plan, Waste Management Plan, Permission to Drill, among others. Throughout the process, various stakeholders were involved, such as the National Petroleum Agency (ANP-STP), the Regional Government of Príncipe, the Portuguese Embassy, NGOs present in the country, the fishing community, among others. Associated with this project is the Vila da Madalena social project, which consists of rebuilding a primary school and building a sports center, positively impacting a local community of more than 600 students, and the donation of school grants that will allow, in 2022, that 550 students had the opportunity to enter the university. Another example is the Renewables Business Unit, which carries out Environmental Impact Studies for all projects in Portugal, Spain and Brazil, identifying potential impacts and mitigation measures. For the Alcoutim Solar Park project, measures are currently being defined to promote the protection and conservation of biodiversity, which are added to the already implemented social project. The measures to be implemented in each project are based on socioeconomic and environmental diagnoses, mapping and consulting with stakeholders in the different regions where Galp operates, so that an action plan can later be defined that aims to guarantee the license to operate and promote the creation of value shared between the local community and Galp. • IR 2022: Part II – Sustainability Journey – 3. Boost a just transition for all (Empower communities through social investment) • Galp website – Sustainability – People centric energy transition (Empower communities through social investment)	11-16	✓	1	1; 2
-	Operations that caused or contributed to involuntary resettlement or where such resettlement is ongoing	0 (zero) cases. Galp had no record of this type of situation in 2022.		✓	-	-
	Aspect: Supplier Social Assessment 2016					11-10; 11-12
414-1	Percentage of new suppliers selected on the basis of labour practices criteria	All new Galp's suppliers are assessed based on social criteria. See indicator 308-1.	11-10	✓	-	-
414-2	Real and potential significant negative impacts on labour practices in the suppliers' chain and measures taken in this regard	The number of tier 1 suppliers (critical and non-critical), where a high level of social sustainability risk was identified is 11.		✓	1	-

GRI Standard	Disclosure	Reference or Content	GRI Sector Standard	External Verification	UNGC Principles	SDG
		• IR 2022: Part II – Sustainability Journey - 5. Promote a value adding, conscious business (Sustainable supply chain driving our business) • Galp website – Sustainability - Sustainable supply chain driving our business				
	Aspect: Public Policy 2016					11-22
415-1	Total monetary value of financial and in-kind political contributions made directly and indirectly by the organisation by country and recipient/beneficiary	Galp does not make any political contributions, whether direct or indirect.		✓	-	-
	Aspect: Customer Health and Safety 2016					11-3
416-1	Evaluation of products and services that are significant in terms of their impact on health and safety	100% of the products produced by Galp and with the Galp brand, mainly lubricants, chemicals and fuels, as well as the chemical products purchased for our facilities, are evaluated in terms of impacts on health and safety, under the REACH regulation of the European Union. We permanently manage safety information regarding the products we produce, use and sell, taking into account their dangers and safe handling. Dialogue with customers and suppliers is carried out systematically, in order to promote the exchange of information on the dangers of products and the risk management measures to be applied depending on their use. Our employees and service providers are informed about the dangers of products on our premises and how to handle them safely. We use the Safety Data Sheets and the packaging labeling as a privileged vehicle for communicating safety information on the products we sell, highlighting the dangers they present and the safest way to handle them. Galp website – Sustainability – Safest energy company in the world	-	✓	-	-
416-2	Total number of nonconformities with regulations and voluntary codes related to impacts on health and safety caused by products and services	0 (zero) cases identified. Galp had no record of this type of situation in 2022.		✓	-	16
	Aspect: Marketing and Labelling 2016	100% of the products produced by Galp and with the Galp brand, mostly lubricants, chemicals and fuels, have labelling instructions, in accordance with what is applicable under the CLP regulation of the European Union. We permanently manage the information on the labelling of the products we produce, use and sell, taking into account the requirements of the CLP regulation. Dialogue with customers and suppliers is carried out systematically, in order to promote the exchange of information about our products, ensuring alignment with the Safety Data Sheets of each product and communicating the risk management measures according to their uses. • Galp website – Sustainability – Safest energy company in the world				-
417-1	Information on products and services related to the labelling information of products and services		-	✓	-	12; 16
417-2	Non-conformities regarding the labelling information of products and services	0 (zero) cases identified. Galp had no record of this type of situation in 2022.	-	✓	-	16
417-3	Non-conformities regarding marketing communications	0 (zero) cases identified. Galp had no record of this type of situation in 2022.		✓	-	-
	Aspect: Customer Privacy 2016					-
418-1	Complaints regarding violation of privacy and loss of customer data	0 (zero) cases identified. Galp had no record of this type of situation in 2022.	-	✓	-	-

HR Annex

Notes:

- Gestes - Employees of the service stations.

GRI 2-7 Employees

	2022
Total no. of Employees	**6,715**
Distribution by gender	
Male	3,714
Female	3,001
Distribution by age	
<30 years	789
30-50 years	4,289
>50 years	1,637
Distribution by business segment	
Industrial & Midstream	1,337
Commercial	4,429
Renewables & New businesses	140
Others	809
Distribution by region and gender	
Portugal	3,583
Male	2,184
Female	1,399
Spain	2,524
Male	1,073
Female	1,451
Brazil	101
Male	56
Female	45
Africa	497
Male	397
Female	100
Rest of the world	10
Male	4
Female	6
No. of Employees by type of contract	
Fixed-term contract	**458**
Gestes	337
Non-gestes	121
Male	224
Female	234
Africa	63
Brazil	1
Spain	171
Portugal	223
Rest of the world	0
Indefinite duration contract	**73**
Gestes	62
Non-gestes	11
Male	43
Female	30
Africa	7
Brazil	0
Spain	0
Portugal	66
Rest of the world	0
Permanent contract	**6,176**
Gestes	2,639
Non-gestes	3,537
Male	3,439
Female	2,737
Africa	427
Brazil	100
Spain	2,353
Portugal	3,286
Rest of the world	10
Part-time contract	**8**
Gestes	5
Non-gestes	3
Male	8
Female	0
Africa	0
Brazil	0
Spain	0
Portugal	8
Rest of the world	0
No. of Employees by type of working hours	
Part-time	127
Male	35
Female	92
Africa	0
Brazil	0
Spain	102
Portugal	25
Rest of the world	0
Full-time	6,588
Male	3,679
Female	2,909

	2022
Africa	497
Brazil	101
Spain	2,422
Portugal	3,558
Rest of the world	10
Average seniority in service	**12**
Female	11
Male	12
Average permanent employee	**6,552**
Female	2,938
Male	3,614

GRI 401-1 Total number and rates of new hires of employees and employee turnover by age group, gender and region

Entries and new hires rate

	2022
Entries (with Gestes)	**1,179**
<30 years	**426**
Female	199
Africa	6
Brazil	4
Spain	85
Portugal	104
Male	227
Africa	14
Brazil	3
Spain	76
Portugal	134
30-50 years	**679**
Female	336
Africa	2
Brazil	13
Spain	189
Portugal	132
Male	343
Africa	16
Brazil	14
Spain	130
Portugal	182
Rest of the world	1
>50 years	**74**
Female	38
Brazil	1
Spain	32
Portugal	5
Male	36
Brazil	2
Spain	22
Portugal	12
Entries (without Gestes)	**584**
<30 years	**189**
Female	91
Africa	6
Brazil	4
Spain	23
Portugal	58
Male	98
Africa	9
Brazil	3
Spain	31
Portugal	55
30-50 years	**378**
Female	137
Africa	2
Brazil	13
Spain	36
Portugal	86
Male	241

	2022
Africa	14
Brazil	14
Spain	66
Portugal	146
Rest of the world	1
>50 years	**17**
Female	3
Brazil	1
Spain	1
Portugal	1
Male	14
Brazil	2
Spain	2
Portugal	10
New hires rate (with Gestes)	**18%**
<30 years	**57%**
Female	56%
Africa	35%
Brazil	67%
Spain	58%
Portugal	57%
Male	58%
Africa	52%
Brazil	75%
Spain	57%
Portugal	58%
30-50 years	**16%**
Female	18%
Africa	3%
Brazil	42%

	2022
Spain	21%
Portugal	15%
Male	15%
Africa	7%
Brazil	33%
Spain	23%
Portugal	13%
>50 years	**4%**
Female	5%
Africa	0%
Brazil	100%
Spain	8%
Portugal	2%
Male	4%
Africa	0%
Brazil	29%
Spain	6%
Portugal	3%
New hires rate (without Gestes)	**9%**
<30 years	**25%**
Female	26%
Africa	35%
Brazil	67%
Spain	16%
Portugal	32%
Male	25%
Africa	33%
Brazil	75%
Spain	23%
Portugal	24%

	2022
30-50 years	**9%**
Female	7%
Africa	3%
Brazil	42%
Spain	4%
Portugal	10%
Male	10%
Africa	6%
Brazil	33%
Spain	11%
Portugal	10%
Rest of the world	50%
>50 years	**1%**
Female	0%
Africa	0%
Brazil	100%
Spain	0%
Portugal	0%
Male	2%
Africa	0%
Brazil	29%
Spain	1%
Portugal	2%

Departures and Turnover rate

	2022
Departures (with Gestes)	**616**
<30 years	**186**
Female	83

	2022
Africa	1
Spain	38
Portugal	44
Male	103
Africa	4
Spain	36
Portugal	63
30-50 years	**317**
Female	163
Africa	4
Brazil	2
Spain	96
Portugal	61
Male	154
Africa	13
Brazil	4
Spain	73
Portugal	64
>50 years	**113**
Female	37
Africa	3
Brazil	26
Spain	7
Portugal	1
Male	76
Africa	11
Brazil	2
Spain	36
Portugal	27

	2022
Departures (without Gestes)	**186**
<30 years	**38**
Female	11
Africa	1
Portugal	10
Male	27
Africa	4
Spain	3
Portugal	20
30-50 years	**103**
Female	36
Africa	3
Brazil	2
Spain	3
Portugal	28
Male	67
Africa	7
Brazil	4
Spain	13
Portugal	43
>50 years	**45**
Female	8
Africa	2
Spain	2
Portugal	3
Rest of the world	1
Male	37
Africa	9
Brazil	2
Spain	3

	2022
Portugal	23
Turnover rate (with gestes)	**9.40%**
Region	
Africa	7.26%
Brazil	8.89%
Spain	12.31%
Portugal	7.65%
Rest of the world	11.11%
Gender	
Male	9.21%
Female	9.63%
Age and Region	
<30 years	24.90%
Africa	11.36%
Brazil	0.00%
Spain	26.33%
Portugal	25.91%
30-50 years	7.63%
Africa	5.70%
Brazil	8.22%
Spain	11.54%
Portugal	5.40%
Rest of the world	0.00%
>50 years	6.86%
Africa	9.09%
Brazil	25.00%
Spain	8.47%
Portugal	4.53%
Rest of the world	33.33%
Turnover rate (without gestes)	**2.84%**

	2022
Region	
Africa	5.24%
Brazil	8.89%
Spain	0.97%
Portugal	3.65%
Rest of the world	11.11%
Gender	
Male	3.62%
Female	1.87%
Age and Region	
<30 years	5.09%
Africa	11.36%
Brazil	0.00%
Spain	1.07%
Portugal	7.26%
30-50 years	2.48%
Africa	3.36%
Brazil	8.22%
Spain	1.09%
Portugal	3.07%
Rest of the world	0.00%
>50 years	2.73%
Africa	7.14%
Brazil	25.00%
Spain	0.68%
Portugal	3.46%
Rest of the world	33.33%
Turnover rate – voluntary departure	**3.97%**

GRI 403-9 Work-related injuries

Fatalities, Work-related injuries and Hours worked

	2022
Employees (number)	
Fatalities as a result of work-related injury	**0**
Female	0
Male	0
High-consequence work-related injuries	**0**
Female	0
Male	0
Geography	
South America	0
Africa	0
Europe	0
Business Segment	
Upstream	0
Industrial & Midstream	0
Commercial	0
Renewables & New Businesses	0
Corporate	0
Recordable work-related injuries	**10**
Female	4
Male	6
Geography	
South America	0
Africa	1
Europe	9

	2022
Business Segment	
Upstream	0
Industrial & Midstream	5
Commercial	5
Renewables & New Businesses	0
Corporate	0
Hours worked	**11,960,113**
Female	5,010,632
Male	6,949,482
Geography	
South America	457,330
Africa	989,848
Europe	10,512,736
Business Segment	
Upstream	457,530
Industrial & Midstream	2,242,926
Commercial	8,107,098
Renewables & New Businesses	166,388
Corporate	986,172
Employees (rates)	
Fatalities as a result of work-related injury	**0.00**
Female	0.00
Male	0.00
High-consequence work-related injuries	**0.00**
Female	0.00
Male	0.00
Geography	
South America	0.00
Africa	0.00
Europe	0.00

	2022
Business Segment	
Upstream	0.00
Industrial & Midstream	0.00
Commercial	0.00
Renewables & New Businesses	0.00
Corporate	0.00
Recordable work-related injuries	**0.84**
Female	0.80
Male	0.86
Geography	
South America	0.00
Africa	1.01
Europe	0.86
Business Segment	
Upstream	0.00
Industrial & Midstream	2.23
Commercial	0.62
Renewables & New Businesses	0.00
Corporate	0.00
Contractors (number)	
Fatalities as a result of work-related injury	**0**
Female	0
Male	0
High-consequence work-related injuries	**0**
Female	0
Male	0
Geography	
South America	0
Africa	0
Europe	0

	2022
Business Segment	
Upstream	0
Industrial & Midstream	0
Commercial	0
Renewables & New Businesses	0
Corporate	0
Recordable work-related injuries	**44**
Female	4
Male	40
Geography	
South America	0
Africa	0
Europe	44
Business Segment	
Upstream	0
Industrial & Midstream	17
Commercial	4
Renewables & New Businesses	22
Corporate	1
Hours worked	**13,346,451**
Female	1,101,552
Male	12,244,899
Geography	
South America	431,481
Africa	1,389,221
Europe	11,525,749
Business Segment	
Upstream	431,481
Industrial & Midstream	6,465,990
Commercial	4,829,489

	2022
Renewables & New Businesses	1,061,250
Corporate	558,242
Contractors (rates)	
Fatalities as a result of a work-related injury	**0.00**
Female	0.00
Male	0.00
High-consequence work-related injuries	**0.00**
Female	0.00
Male	0.00
Geography	
South America	0.00
Africa	0.00
Europe	0.00
Business Segment	
Upstream	0.00
Industrial & Midstream	0.00
Commercial	0.00
Renewables & New Businesses	0.00
Corporate	0.00
Recordable work-related injuries	**3.30**
Female	3.63
Male	3.27
Geography	
South America	0.00
Africa	0.00
Europe	3.82
Business Segment	
Upstream	0.00
Industrial & Midstream	2.63
Commercial	0.83

	2022
Renewables & New Businesses	20.73
Corporate	1.79
Main types of work-related injuries (Employees and contractors)	
In 2022, there were 31 accidents with sick leave (7 with employees and 24 with service providers). The top 3 typologies of these accidents were: same-level falls, overexertion or strain and cuts or collisions with objects. There were no serious accidents and there was a significant reduction in the severity of accidents compared to the same period of 2021.	
Hazards that pose a risk of high-consequence injury (Employees and contractors)	
In all accidents, the NT-031 standard was applied, which requires a detailed investigation with the identification of immediate causes and roots. After identifying the causes, the research team proposes the respective corrective actions. The top 3 of the most identified root causes were: work planning, procedures and tools and equipments.	
Actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls	
There were no severe injuries in 2022	
Other information (Employees and contractors)	
In all accidents, an investigation verification checklist is applied, which evaluates numerous aspects, such as whether the causes were correctly identified and subsequently the definition of corrective actions that prevent the identified causes. Each accident has an independent investigation and the actions developed/proposed are defined considering the hierarchy of controls and the place/Business Unit where the accident happened.	

LTIF – Lost-Time Injuries Frequency and TRIR – Total Recordable Injuries Rate

	2022
LTIF – Lost- Time Injuries Frequency	
LTIF – Galp employees	0.60
LTIF – Contractors	1.80
LTIF – Total	**1.23**

	2022
TRIR – Total Recordable Injuries Rate	
TRIR – Galp employees	0.80
TRIR – Contractors	3.30
TRIR – Total	**2.13**

Absenteeism

	2022
Absence days – absenteeism	**85,048**
Male	31,970
Africa	3,812
Brazil	22
Spain	15,044
Portugal	13,092
Female	53,079
Africa	859
Brazil	53
Spain	38,253
Portugal	13,913
Absenteeism rate	
Africa	3.89%
Brazil	0.34%
Spain	8.89%
Portugal	3.21%
Male	3.66%
Africa	3.95%
Brazil	0.17%
Spain	5.91%
Portugal	2.57%
Female	7.47%

	2022
Africa	3.66%
Brazil	0.58%
Spain	11.08%
Portugal	4.20%
Absenteeism rate – Value Galp	**5.36%**

GRI 403-10: Work-related ill health

Work-related ill health

	2022
Employees (number)	
Fatalities as a result of work-related ill health	**0**
Female	0
Male	0
Work-related ill health participated	**1**
Female	1
Male	0
Work-related ill health declared/certified	**2**
Female	1
Male	1
Main types of work-related ill health Chronic tendinitis, tendosynovitis and myotendosynovitis, scapulohumeral periarthritis, condylitis, epicondylitis, epitrochleitis and styloiditis	
Work-related hazards that pose a risk of ill health Physical risks, overload risk factors on tendon sheaths, peritendinous tissues, tendon or muscle insertions, due to the rhythm of the movements, the applied force and the work position or attitude.	
How they have been determined According to the Risk Chart in the internal system or according to each function	
Which have caused or contributed to cases of ill health Cumulative traumatic movements, manual handling of loads, difficult postures	
Actions taken or underway to eliminate these hazards and minimize risks Switching tasks, scheduled breaks during work, changing the workstation	
Workers excluded In the process, we do not exclude any employees. All patients with Occupational diseases (that we are aware of) were seen and treated accordingly.	

GRI 404-1: Other training indicators

	2022
Total investment in training (€)	**3,495,268**
Total investment in training/Employee (€/employee)	**520.5**
Training per area (hours)	**191,551**
Training per area (%)	**100%**
Technical (hours)	35,794
Technical (%)	18.69%
Behavioural and leadership (hours)	19,427
Behavioural and leadership (%)	10.14%
Human Resources (hours)	6,308
Human Resources (%)	3.29%
Languages (hours)	30,748
Languages (%)	16.05%
EQS (hours)	40,887
EQS (%)	21.35%
General management (hours)	9,205
General management (%)	4.81%
Accounting and finance (hours)	2,586
Accounting and finance (%)	1.35%
Commercial marketing management (hours)	19,397
Commercial marketing management (%)	10.13%
IT Systems (hours)	17,124
IT Systems (%)	8.94%
Legal (hours)	2,263
Legal (%)	1.18%
Provision & Logistics (hours)	550
Provision & Logistics (%)	0.29%
Administrative and secretarial (hours)	145
Administrative and secretarial (%)	0.08%
Others (hours)	7,118

GRI 405-1: Composition of the groups responsible for governance and break down of employees by functional category, according to gender, age group, minorities and other diversity indicators

	2022
Executive/Top Management	**58 | 100%**
Male	47 | 81%
Female	11 | 19%
<30 years	0 | 0%
30-50 years	39 | 67%
>50 years	19 | 33%
Portuguese	45 | 78%
Other Nationalities	13 | 22%
Middle/General Management	**246 | 100%**
Male	172 | 70%
Female	74 | 30%
<30 years	0 | 0%
30-50 years	165 | 67%
>50 years	81 | 33%
Portuguese	192 | 78%
Other Nationalities	54 | 22%
First Line Management/Supervisor	**610 | 100%**
Male	374 | 61%
Female	236 | 39%
<30 years	8 | 1%
30-50 years	446 | 73%
>50 years	156 | 26%
Portuguese	484 | 79%
Other Nationalities	126 | 21%
Specialists	**1,694 |100%**
Male	1,016 | 60%
Female	678 | 40%
<30 years	210 | 12%
30-50 years	1,083 | 64%
>50 years	401 | 24%
Portuguese	1,090 | 64%
Other Nationalities	604 | 36%
Others	**4,107 | 100%**
Male	2,105 | 51%
Female	2,002 | 49%
<30 years	571 | 14%
30-50 years	2,556 | 62%
>50 years	980 | 24%
Portuguese	1,697 | 41%
Other Nationalities	2,410 | 59%
No. employees per nationalities	
Brazilian	129
Cape Verdean	268
Spanish	2,328
Gambian	0
Guinean	109
Mozambican	92
Portuguese	3,508
Others	281
Total no. of nationalities	**54**
Disability above 60%	
Total	74

	2022
Female	34
Males	40

SASB Reporting 2022

Statement of use	Galp has reported the information cited in this SASB Report for the period of January 1st 2022 to December 31st 2022 with reference to the SASB Standards.
SASB used	SASB Oil & Gas Exploration & Production standard, SASB Midstream standard and SASB Refining and Marketing standard.

- IR 2022: Integrated Management Report 2022 (available here)

SASB Code[1]	Metrics	2022	Reference	Additional details
Greenhouse gas emissions				
EM-EP-110a.1 EM-MD-110a.1 EM-RM-110a.1	Gross Global Scope 1 emissions ($mtCO_2e$)	3.4 [i]	IR 2022: Part II – 1. Our journey to net zero by 2050	
EM-EP-110a.1 EM-MD-110a.1	Scope 1, percentage methane (%)	1 [i]	IR 2022: Part II – 1. Our journey to net zero by 2050	
EM-EP-110a.1 EM-MD-110a.1 EM-RM-110a.1	Scope 1, percentage covered under emissions-limiting regulations (%)	77	-	
EM-EP-110a.2	Amount of gross global Scope 1 emissions from flared hydrocarbons ($ktCO_2e$)	422 [i]	-	
	Amount of gross global Scope 1 emissions from other combustion ($ktCO_2e$)	2,004 [i]	-	
	Amount of gross global Scope 1 emissions from process emissions ($ktCO_2e$)	1,015 [i]	-	
	Amount of gross global Scope 1 emissions from other vented emissions ($ktCO_2e$)	0 [i]	-	
	Amount of gross global Scope 1 emissions from fugitive emissions ($ktCO_2e$)	1.3 [i]	-	
EM-EP-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	-	IR 2022: Part II – 1. Our journey to net zero by 2050	
Air quality				
EM-EP-120a.1 EM-MD-120a.1 EM-RM-120a.1	Air emissions of the following pollutants: NOx (excluding NO_2) (t)	1,538 [i]	IR 2022: Part II – 2. Preserve our planet	
	Air emissions of the following pollutants: SOx (t)	1,454 [i]	IR 2022: Part II – 2. Preserve our planet	
	Air emissions of the following pollutants: volatile organic compounds (VOCs) (t)	-	Galp website – Sustainability - Reporting	
	Air emissions of the following pollutants: particulate matter (t)	69 [i]	IR 2022: Part II – 2. Preserve our planet	
EM-RM-120a.12	Number of refineries in or near areas of dense population	0	-	
Water management				
EM-EP-140a.1 EM-RM-140a.1	Total fresh water withdrawn (thousand m^3)	9,219 [i]	IR 2022: Part II – 2. Preserve our planet GRI 303-3	
	Percentage of fresh water withdrawn in regions with High or Extremely High Baseline Water Stress (%)	87 [i]	IR 2022: Part II – 2. Preserve our planet GRI 303-3	
	Total fresh water consumed (thousand m^3)	3,094 [i]	GRI 303-3, GRI 303-4	
	Percentage of fresh water consumed in regions with High or Extremely High Baseline Water Stress (%)	60 [i]	GRI 303-3, GRI 303-4	

SASB Code[1]	Metrics	2022	Reference	Additional details
EM-EP-140a.2	Volume of produced water and flowback generated (thousand m^3)	n.a.	-	The water produced by the "Upstream" segment occurs only in blocks not operated by Galp
	Percentage discharged (%)			
	Percentage injected (%)			
	Percentage recycled (%)			
	Hydrocarbon content in discharged water (t)			
EM-EP.140a.3	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used (%)	n.a.	-	Not verified in the blocks where Galp participates in 2022
EM-EP-140a.4	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline (%)	n.a.	-	Not verified in the blocks where Galp participates in 2022
EM-RM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	0 [i]	GRI 2-27	Galp did not submit any files, enforcement orders, and/or penalties for water-related regulatory violations
Hazardous Materials Management				
EM-RM-150a.1	Amount of hazardous waste generated (t)	22,167 [i]	GRI 306-3	
	Percentage recycled (%)	62% [i]	GRI 306-3	
EM-RM-150a.2	Number of underground storage tanks (USTs)	5,810	-	Galp has 5,810 UST in gas stations located in Portugal and Spain. Galp also has the SIGÁS Propane Cave which is an underground storage facility with an installed capacity of 80 x 10^3m3 , proceeding to the storage and movement of LPG through pipelines.
	Number of UST releases requiring cleanup	0	-	In 2022, no UST releases requiring cleanup were reported.
	Percentage in states with UST financial assurance funds (%)	n.a.	-	In 2022, no UST incidents were reported
Biodiversity and Ecological Impacts				
EM-EP-160a.1 EM-MD-160a.1	Description of environmental management policies and practices for active sites	-	IR 2022: Part II – 2. Preserve our planet	
EM-EP-160a.2 EM-MD-160a.4	Number of hydrocarbon spills	7 [i]	IR 2022: Part II – 2. Preserve our planet	7 primary containment losses that impacted the environment
	Volume of hydrocarbon spills (bbls)	402.5 [i]	IR 2022: Part II – 2. Preserve our planet	64 m^3 impacted the environment (8% of the total volume of significant hydrocarbon spills)
	Volume in Arctic (bbls)	0		
	Volume impacting shorelines with ESI rankings 8-10 (bbls)	0		
	Volume in Unusually Sensitive Areas (USAs) (bbls)	0		
	Volume recovered (bbls)	4515.9 [i]		717.97 m^3 out of the total 782.4 m^3 released, where recovered

SASB Code[1]	Metrics	2022	Reference	Additional details
EM-EP-160a.3	Percentage of proved reserves in or near sites with protected conservation status or endangered species habitat (%)	0%	2022 Risk Screening for Biodiversity Assessment	There are no E&P blocks in situ or within a 5km radius from an IUCN protected area.
	Percentage of probable reserves in or near sites with protected conservation status or endangered species habitat (%)	n.a.	-	Galp does not disclose this information for probable reserves
EM-MD-160a.2	Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat (%)	31.7%	2022 Risk Screening for Biodiversity Assessment	Only 6% is in situ or within a IUCN Category I-IV Protected Area
EM-MD-160a.3	Terrestrial acreage disturbed (ac)	n.a.		Galp does not publicly disclose this information
	Percentage of impacted area restored (%)	n.a.		Galp does not publicly disclose this information
Security, Human Rights & Rights of Indigenous Peoples				
EM-EP-210a.1	Percentage of proved reserves in or near areas of conflict (%)	0	-	
	Percentage of probable reserves in or near areas of conflict (%)	0	-	
EM-EP-210a.2	Percentage of proved reserves in or near indigenous land (%)	0	-	
	Percentage of probable reserves in or near indigenous land (%)	0	-	
EM-EP-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	-	IR 2022: Part II – 3. Boost a just transition for all	
Community Relations				
EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	-	IR 2022: Part II – 3. Boost a just transition for all HSSE Specific Requirements in Projects	
EM-EP-210b.2	Number and duration of non-technical delays	-		Galp understanding based on the latest information shared by Operator entails a decision milestone for Rovuma project which might be conditional to the Force Majeure lifting by Area 1 and thus Area 4. There will be a re-assessment of the security situation on the project on 1Q23 which is intended to provide more clarity on the status of the situation.
Workforce Health & Safety				
EM-EP-320a.1 EM-RM-320a.1	Total recordable incident rate (TRIR)	2.13 [i]	IR 2022: Part II – 4. Protect and empower our people GRI 403-9	Galp reports Total recordable incident count / million hours worked
	Fatality rate	0 [i]	IR 2022: Part II – 4. Protect and empower our people GRI 403-9	
	Near miss frequency rate (NMFR)	438	IR 2022: Part II – 4. Protect and empower our people	In 2022, 438 near misses were reported. Galp reports near misses / million hours worked
	Near miss frequency rate (NMFR) for full-time employees	n.a.	-	Galp does not publicly disclose this information
	Near miss frequency rate (NMFR) for contract employees	n.a.	-	
	Near miss frequency rate (NMFR) short-service employees	n.a.	-	

SASB Code[1]	Metrics	2022	Reference	Additional details
	Average hours of health, safety, and emergency response training for full-time employees (h)	40,887 [i]	GRI 403-5	
	Average hours of health, safety, and emergency response training for contract employees (h)	n.a.	-	Galp does not publicly disclose this information
	Average hours of health, safety, and emergency response training for short-service employees (h)	n.a.	-	Galp does not publicly disclose this information
EM-EP-320a.2 EM-RM-320a.2	Discussion of management systems used to integrate a culture of safety	-	Safety, Health and Environment Policy HSSE Specific Requirements in Projects IR 2022: Part II – 4. Protect and empower our people; 5. Promote a value-adding, conscious business	
Product Specifications & Clean Fuel Blends				
EM-RM-410a.1	Percentage of Renewable Volume Obligation (RVO) met through production of renewable fuels (%)	-	IR 2022: 3.4. Industrial & Midstream (Biofuels)	In 2022, Galp complied with the Renewable Energy Directive (RED), according to national legislation updates, incorporating 11% biofuels in its energy content in Portugal, and 10% in Spain.
	Percentage of Renewable Volume Obligation (RVO) met through purchase of "separated" renewable identification numbers (RIN) (%)	-	IR 2022: 3.4. Industrial & Midstream (Biofuels)	
EM-RM-410a.2	Total addressable market (€)	n.a.	-	Information not available for 2022
	Share of market for advanced biofuels and associated infrastructure (%)	n.a.	-	Information not available for 2022

SASB Code[1]	Metrics	2022	Reference	Additional details
Reserves Valuation & Capital Expenditures				
EM-EP-420a.1	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions (MMbbls)	-	IR 2022: 3.2. Upstream	
EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves (tCO^2)	-	-	Galp does not publicly disclose this information
EM-EP-420a.3	Amount invested in renewable energy (m€)	402 [i]	IR 2022: 4.4. Capital Expenditure	
	Revenue generated by renewable energy sales (m€)	n.a.	-	information not available for 2022
EM-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	-	IR 2022: 2. Strategic framework	
Business Ethics & Transparency				
EM-EP-510a.1	Percentage of proved reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index (%)	0	-	Galp doesn't have any proved or probable reserves located in a country with the 20 lowest rankings in Transparency
	Percentage of probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index (%)	0	-	
EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	-	Corruption Prevention Policy IR 2022: Part II – 5. Promote a value-adding, conscious business	Galp is committed to monitor the evolution of best practices on the prevention of corruption risk in order to achieve continuous improvement

SASB Code[1]	Metrics	2022	Reference	Additional details
Competitive Behaviour				
EM-MD-520a.1	Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations (€)	0 [i]	GRI 2-27	Galp has 0 cases identified of Nonconformities with laws and regulations in the socioeconomic area associated with federal pipeline and storage regulations.
Pricing Integrity & Transparency				
EM-RM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with price fixing or price manipulation (€)	0 [i]	GRI 2-27 GRI 206-1	Galp has 0 cases identified of Nonconformities with laws and regulations in the socioeconomic area associated with price fixing or price manipulation.
Management of the Legal & Regulatory Environment				
EM-EP-530a.1 EM-RM-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	-	IR 2022: Part II – 3. Boost a just transition for all; 5. Promote a value-adding, conscious business	
Critical Incident Risk Management				
EM-EP-540a.1 EM-RM-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	0.04 [i]	IR 2022: Part II – 4. Protect and empower our people GRI 306-3	Galp reports Total Tier 1 PSE count / million hours worked
EM-RM-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) lesser consequence (Tier 2)	0.28 [i]	IR 2022: Part II – 4. Protect and empower our people GRI 306-3	Galp reports Total Tier 2 PSE count / million hours worked
EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	-	IR 2022: Part II – 4. Protect and empower our people	
EM-RM-540a.2	Challenges to Safety Systems indicator rate (Tier 3)	2.45 [i]	GRI 306-3	Galp reports Total Tier 3 PSE count / million hours worked

SASB Code[1]	Metrics	2022	Reference	Additional details
EM-RM-540a.3	Discussion of measurement of Operating Discipline and Management System Performance through Tier 4 Indicators	-		Galp does not publicly disclose this information
Operational Safety, Emergency Preparedness & Response				
EM-MD-540a.1	Number of reportable pipeline incidents	n.a.		Galp does not publicly disclose this information
	Percentage of significant reportable pipeline incidents (%)	n.a.		
EM-MD-540a.2	Percentage of natural gas pipelines inspected (%)	n.a.		Galp Midstream does not have natural gas pipelines.
	Percentage of hazardous liquid pipelines inspected (%)	n.a.		
EM-MD-540a.3	Number of accident releases from rail transportation	-		Galp does not publicly disclose this information
	Number of non accident releases (NARs) from rail transportation	-		Galp does not publicly disclose this information
EM-MD-540a.4	Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	-	Safety, Health and Environment Policy IR 2022: Part II – 4. Protect and empower our people Galp website: Safest energy company in the world	Galp is committed to create conditions for the organisation to remain continuously prepared to respond to emergencies in an effective manner.
Activity Metrics				
EM-EP-000.A	Production of oil (kboepd)	113.8	IR 2022: 3.2. Upstream (Production overview for 2022)	
	Production of natural gas (kboepd)	13.2	IR 2022: 3.2. Upstream (Production overview for 2022)	
	Production of synthetic oil (Mbbl/day)	n.a.		Not applicable
	Production of synthetic gas (MMscf/day)	n.a.		Not applicable
EM-EP-000.B	Number of offshore sites	20 [i]	IR 2022 – 3.2. Upstream (Current Upstream project portfolio)	This number refers to projects

SASB Code[1]	Metrics	2022	Reference	Additional details
EM-EP-000.C	Number of terrestrial sites	0 [i]	IR 2022 – 3.2. Upstream (Current Upstream project portfolio)	
EM-MD-000.A	Total metric ton kilometers of natural gas transported, by mode of transport	n.a.		Value not available
	Total metric ton kilometers of crude oil transported, by mode of transport	n.a.		The transportation of crude oil is made by a third-party
	Total metric ton kilometers of refined petroleum products transported, by mode of transport	n.a.		Value not available
EM-RM-000.A	Refining throughout of crude oil and other feedstocks (mboe)	88 [i]	IR 2022: 3.4. Industrial & Midstream (2022 Highlights)	
EM-RM-000.B	Refining operating capacity (million bpd)	0.226 [i]	IR 2022: 1.2 Value creation	

[1] The table contains a SASB code column to identify common reporting elements between the related SASB Standards. As reflected in the table, Galp currently discloses data on several issues recommended in the SASB Oil & Gas Exploration & Production, Midstream and Refining and Marketing Standards. The Exploration and Production indicators refers to blocks operated by Galp.
[i] Verified by third-party

WEF Stakeholder Capitalism Metrics 2022

Statement of use	Galp has reported the information aligned with the requirements of the core metrics from WEF Measuring Stakeholder Capitalism Report and refers to the period of January 1st 2022 to December 31st 2022.

- IR 2022: Integrated Management Report 2022 (available here)

Theme	Core metrics and disclosures	Description	Reference or Content
Principles of Governance			
Governing purpose	Setting purpose	The company's stated purpose, as the expression of how a business proposes solutions to economic, environmental, and social issues.	IR 2022: Part I - 1.2. Value creation; 1.3. Galp in the capital markets
Quality of governing body	Governance body composition	Composition of the highest governance body and its committees by: competencies relating to economic, environmental, and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	IR 2022: Part I - 5.1. Governance model; 5.2. Corporate bodies; Part II – 5. Promote a value-adding, conscious business
Stakeholder engagement	Material issues impacting stakeholders	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	IR 2022: Part I – 2. Strategic framework
Ethical behaviour	Anti-corruption	Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region.	GRI 205-2
		Total number and nature of incidents of corruption confirmed during the current year but related to previous years.	Galp registered no corruption cases this year regarding previous years.
		Total number and nature of incidents of corruption confirmed during the current year, related to this year.	GRI 205-3
		Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture to combat corruption.	IR 2022: Part II – 5. Promote a value-adding, conscious business Galp website – Sustainability - Transparency and ethics as key principles
	Protected ethics advice and reporting mechanisms	Description of the internal and external mechanisms for seeking advice about ethical and lawful behaviour and organisational integrity and reporting concerns about unethical or unlawful behaviour and lack of organisational integrity.	GRI 2-26
Risk and opportunity oversight	Integrating risk and opportunity into business process	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes.	IR 2022: Part I - 2.2. Sustainable strategy, 2.4. How we manage risk, 5. Corporate governance, Part III – Corporate governance report – Information on the company's shareholding structure, organisation and governance: C- Internal organisation, III – Internal control and risk management CDP Climate Change 2022: C1. Governance: C1.1, C1.1a
Planet			
Climate change	Greenhouse gas (GHG) emissions	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	GRI 305-1, 305-2, 305-3

Theme	Core metrics and disclosures	Description	Reference or Content
	TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).	TCFD Recommendations 2022
Nature loss	Land use and ecological sensitivity	Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	IR 2022: Part II – 2. Preserve our planet GRI 304-1
Freshwater availability	Water consumption and withdrawal in water-stressed areas	Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	IR 2022: Part II – 2. Preserve our planet GRI 303-3
People			
Dignity and equality	Diversity and inclusion	Percentage of employees per employee category, by age group, gender, and other indicators of diversity (e.g., ethnicity).	GRI 405-1
	Pay equality	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas	GRI 405-2
	Wage level	Ratios of standard entry level wage by gender compared to local minimum wage.	GRI 202-1
		Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	GRI 2-21
	Risks for incidents of child, forced and compulsory labour	An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour.	GRI 408-1, 409-1
Health and well-being	Health and safety	The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked.	GRI 403-9
		An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	GRI 403-6
Skills for the future	Training provided	Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees).	GRI 404-1
		Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	GRI 404-1 520.5 €/employee
Prosperity			
Employment and health generation	Absolute number and rate of employment	Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.	GRI 401-1
		Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	GRI 401-1
	Economic contribution	Direct economic value generated and distributed (EVG&D), on an accrual's basis, covering the basic components for the organization's global operations, ideally split out by: Revenues, Operating costs, Employee wages and benefits, Payments to providers of capital, Payments to government, Community investment.	GRI 201-1, 201-3

Theme	Core metrics and disclosures	Description	Reference or Content
		Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	GRI 201-4
	Financial investment contribution	Total capital expenditures (Capex) minus depreciation, supported by narrative to describe the company's investment strategy.	IR 2022: Part I - 1.2. Value creation; 1.3. Galp in the capital markets; 4.4. Capital expenditure
		Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	IR 2022: Part I - 1.3. Galp in the capital markets
Innovation of better products and services	Total R&D expenses	Total costs related to research and development.	IR 2022: Part I - 1.2. Value creation
Community and social vitality	Total tax paid	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	GRI 207-4 (Galp reports this indicator partially)

3. Supplementary oil and gas information (unaudited)

The following information is presented in accordance with Extractive Activities – Oil & Gas (Topic 932) of the Financial Accounting Standards Board (FASB).

Operating income from E&P activities

Operating income from E&P activities by geography, for the years 2022, 2021 and 2020 are as follows:

unit: €k

	Africa	Latin America	Rest of the World	Total
31/dez/22				
Consolidated total contributions				
Sales	371 792	3 450 825	-	3 822 616
Production costs	(64 615)	(56 284)	-	(120 899)
Royalties	-	(345 340)	-	(345 340)
Other operating costs	(401)	(244 876)	88	(245 190)
Exploration costs	(43 799)	(12 266)	-	(56 065)
Depreciations, amortisations and provisions for the period	(108 241)	(705 354)	3 017	(810 578)
Operating income before tax for the E&P activities	**154 736**	**2 086 704**	**3 105**	**2 244 544**
Taxes	(4 438)	(1 210 080)	(931)	(1 215 449)
Operating income for the E&P activities	**150 298**	**876 624**	**2 173**	**1 029 095**
31/dez/21				
Consolidated total contributions				
Sales	242 548	2 179 977	-	2 422 526
Production costs	(31 143)	(30 616)	-	(61 759)
Royalties	-	(219 188)	-	(219 188)
Other operating costs	(2 283)	(77 726)	(36)	(80 045)
Exploration costs	(4 609)	(75 732)	(19)	(80 359)
Depreciations, amortisations and provisions for the period	(121 614)	(435 465)	1 110	(555 968)
Operating income before tax for the E&P activities	**82 900**	**1 341 251**	**1 056**	**1 425 206**
Taxes	(19 768)	(798 520)	(317)	(818 605)
Operating income for the E&P activities	**63 131**	**542 730**	**739**	**606 601**
31/dez/20				
Consolidated total contributions				
Sales	168 429	1 285 581	-	1 454 010

unit: €k

	Africa	Latin America	Rest of the World	Total
Production costs	(35 649)	(39 102)	-	(74 751)
Royalties	-	(137 990)	-	(137 990)
Other operating costs	(4 533)	(75 689)	(31)	(80 253)
Exploration costs	(4 784)	(111 718)	(225)	(116 726)
Depreciations, amortisations and provisions for the period	(146 610)	(451 575)	(4 406)	(602 591)
Operating income before tax for the E&P activities	**(23 146)**	**469 506**	**(4 661)**	**441 700**
Taxes	(13 115)	(334 704)	1 398	(346 421)
Operating income for the E&P activities	**(36 260)**	**134 802**	**(3 263)**	**95 279**

Sales from production include revenues from the production and sale of oil and natural gas.

Production costs include direct production costs associated with blocks which are currently in production, namely costs relating to the operation and maintenance of wells, equipment related to the support facilities for the extraction of oil and gas operations, collecting system and other general and administrative costs related to production. This caption presents the net of income regarding the leasing of production equipment, registered in companies that are not fully consolidated in the Group. The following deductions were made: €0 in 2022, €0 in 2021 and €22,434 k in 2020.

Other operating costs include the responsibility for R&D associated with production activities in Brazil, as well as overhead costs pertaining to areas directly related to exploration and production activities. This caption excludes general corporate overhead costs related to Group companies, in accordance with FASB Topic 932, and includes costs recorded in companies that are not fully consolidated in the amount of €25,251 k in 2022, €3,816 k in 2021 and €2,773 k in 2020.

Exploration costs correspond to exploration impairments, namely costs of dry wells or asset impairments following the decision to relinquish exploration licenses, in accordance with the accounting policy described in Note 5 Tangible Assets from the notes to the consolidated financial statements.

Effective from 1 January 2018, G&G and G&A costs, mainly related to the exploration activity, started to be accounted as operating costs of the period in which they occur, and ceased to be capitalised.

Amortisation, depreciation and provisions for the period include costs recorded in companies that are not fully consolidated and which amounted to €0 k in 2022, €0 k in 2021 and €219 k in 2020.

Operating income does not include overhead costs and financial costs, in accordance with FASB Topic 932.

The caption "Taxes" includes: oil tax payable in Africa, the Special Participation Tax (SPT) applicable to blocks in Brazil, and income tax in accordance with the tax laws applicable in each country. The amount of taxes has been adjusted to exclude the effect of the financial results.

The operational results exclude interest expenses attributable to oil and gas activities.

Capital expenditure in E&P activities

Capital expenditure in E&P activities by geography, for the years 2022, 2021 and 2020 is as follows:

unit: €k

	Africa	Latin America	Rest of the world	Total
31/dez/22				
Consolidated total contributions				
Acquisitions without proved reserves	-	-	-	-
Exploration	34 814	19 033	-	53 847
Development	142 368	367 511	-	509 878
Total incurred in the period	**177 181**	**386 544**	**-**	**563 725**
31/dez/21				
Consolidated total contributions				
Acquisitions without proved reserves	-	73 323	-	73 323
Exploration	7 056	(2 373)	118	4 802
Development	112 779	373 035	-	485 814
Total incurred in the period	**119 836**	**443 985**	**118**	**563 939**
31/dez/20				
Consolidated total contributions				
Acquisitions without proved reserves	-	-	-	-
Exploration	3 496	25 251	152	28 898
Development	112 892	174 544	-	287 436
Total incurred in the period	**116 387**	**199 795**	**152**	**316 334**

Amounts reported include capitalised costs and costs charged to expense when incurred for the acquisition, exploration and development of oil and gas property. The operating costs presented above include drilling and equipment costs for exploration wells and geological and geophysical expenses.

Effective from 1 January 2018, G&G and G&A costs, mainly related to the exploration activity, started to be accounted as operating costs of the period in which they occur, and ceased to be capitalized.

Development costs include drilling costs and equipment for development wells, as well as the construction of related equipment.

Investments are stated in the Group's functional currency. For companies where the functional currency is not the Euro, assets were accounted for at the corresponding exchange rate at the end of the year, in accordance with the accounting policy defined in note 5 of the notes to the consolidated financial statements. In 2022, an exchange rate of 1.054 EUR:USD was considered for assets in Africa and Brazil.

Capitalized interests were not included in capital expenditure.

Cumulative investments in E&P activities

Cumulative investments include total expenditure in the acquisition of proved or unproved reserves and in exploration and development activities of blocks in which Galp holds a stake.

Exploration costs are fully capitalised in accordance with note 5 from the notes to the consolidated financial statements. Dry wells are recognized as costs and included in the table below, as are impairments. Relinquished blocks are written-off from assets, and consequently, are not included in this information.

Cumulative investments in E&P activities which are reflected in the Group's financial position are as follows:

unit: €k

	Africa	Latin America	Rest of the world	Total
31/dez/22				
Consolidated total contributions				
Assets with proved reserves				
Fixed Assets	2 197 850	4 045 878	-	6 243 727
Work in progress (incomplete wells)	248 662	855 559	-	1 104 221
Assets without proved reserves	439 921	651 042	-	1 090 963
Support equipment	53 838	8 450	-	62 287
Gross cumulative investment	**2 940 270**	**5 560 929**	**-**	**8 501 199**
Cumulative amortisations, depreciations and impairments	(1 843 419)	(2 238 347)	-	(4 081 766)
Net cumulative investments	**1 096 851**	**3 322 582**	**-**	**4 419 433**
31/dez/21				
Consolidated total contributions				
Assets with proved reserves				
Fixed Assets	2 035 051	3 643 562	-	5 678 613
Work in progress (incomplete wells)	186 476	200 266	-	386 742
Assets without proved reserves	379 517	1 030 290	-	1 409 807
Support equipment	50 698	6 831	-	57 528
Gross cumulative investment	**2 651 742**	**4 880 948**	**-**	**7 532 691**

unit: €k

	Africa	Latin America	Rest of the world	Total
Cumulative amortisations, depreciations and impairments	(1 599 861)	(1 692 765)	-	(3 292 626)
Net cumulative investments	**1 051 881**	**3 188 183**	**-**	**4 240 065**
31/dez/20				
Consolidated total contributions				
Assets with proved reserves				
Fixed Assets	1 716 503	2 968 171	-	4 684 674
Work in progress (incomplete wells)	428 260	324 355	-	752 614
Assets without proved reserves	211 588	713 668	1 993	927 249
Support equipment	389	5 989	-	6 378
Gross cumulative investment	**2 356 740**	**4 012 182**	**1 993**	**6 370 915**
Cumulative amortisations, depreciations and impairments	(1 251 483)	(1 297 349)	(1 993)	(2 550 826)
Net cumulative investments	**1 105 256**	**2 714 833**	**-**	**3 820 089**

Investments were classified in accordance with the following assumptions:

1. Assets with Proved Reserves (PR or 1P): assets related to fields which hold proved reserves at the end of each year.

    1.1. Fixed assets with PR: assets related with fields which hold proved reserves at the end of each year, already producing and subject to depreciation;

    1.2. Work in progress with PR (incomplete wells): assets related with fields with proved reserves at the end of each year, which are not yet in production.

2. Assets without PR: assets related with fields without proved reserves, at the end of each year.

3. Support equipment: basic and administrative equipment allocated to E&P activities.

Amounts in the following captions include assets related to transport and production equipment for block BM-S-11 in Brazil and Area 4 in Mozambique, accounted for in companies which were consolidated through the equity method.

In the table above, cumulative investments are stated in the Group's functional currency. Regarding companies whose functional currency is not the Euro, assets were updated taking into account the corresponding exchange rate at the end of the year, in accordance with the accounting policy defined in paragraph 2.12 of the notes to the consolidated financial statements.

In 2022, an exchange rate of 1.054 EUR: USD was considered for assets in Africa and Brazil.

Oil and gas reserves

Total proved reserves (1P) on 31 December 2022, 2021, 2020 which are presented in the tables below, include developed and undeveloped proved reserves. These reserves were determined by the independent entity DeGolyer and MacNaughton (DeMac), whose methodology is in accordance with the PMRS, approved in March

2007 and revised in June 2018 by the Society of Petroleum Engineers (SPE), the World Petroleum Council (WPC), the American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers.

Proven reserves are the quantities of oil that, by analysis of geosciences and engineering data, can be estimated with reasonable certainty to be commercially recoverable in accordance with defined economic considerations, operational methods, and government regulations.

Proven reserves include estimated quantities related to production sharing contracts (PSC) that are reported under the net entitlement method (which is subject to fluctuations in commodity prices and recoverable costs), as well as estimated quantities related to concessions (royalty regime) in which the net entitlement corresponds to the working interest. As of December 31, 2022 approximately 17% of the total proved reserves are related to PSC located in Africa.

As required by Topic 932, the economic limit of reserves is based on the average prices of the last 12 months and current costs. The economic cut-off date affects the reserve estimate. Therefore, as prices and cost levels change from year to year, the estimate of proved reserves may also change.

The reference price used to determine the Company's net entitlement reserves, which are those to be developed as per the agreements signed for the exploration and production activity, was $101.2/bbl, $70.8/bbl and $41.8/bbl and corresponds to the average market price of Brent for 2022, 2021 and 2020 respectively.

Reserves associated with blocks in Brazil correspond to 100% of the stake held by Petrogal Brasil in those blocks, since this company is fully consolidated in the Galp Group.

Africa reserves shown in the below tables include Angola, which was only divested in early 2023.

The impacts of PSC (price effect and/or change in recoverable costs) in reserves associated with this type of agreements are reflected in the caption "Revisions of previous estimates".

Oil reserves (1P proved reserves)

unit: kbbl

	Africa	Latin America	Total
2022			
Reserves on 31 December 2021	**16 265**	**316 728**	**332 993**
Developed	*12 051*	*164 086*	*176 137*
Undeveloped	*4 214*	*152 642*	*156 856*
Extensions and discoveries	-	-	-
Acquisitions and sales	-	-	-
Revisions of previous estimates	3 039	13 641	16 680
Production	(4 400)	(37 166)	(41 566)

unit: kbbl

	Africa	Latin America	Total
Reserves on 31 December 2022	**14 913**	**293 203**	**308 116**
Developed	12 975	130 950	143 925
Undeveloped	*1 938*	*162 253*	*164 191*
2021			
Reserves on 31 December 2020	**16 855**	**270 925**	**287 780**
Developed	*12 711*	*170 116*	*182 827*
Undeveloped	*4 144*	*100 809*	*104 953*
Extensions and discoveries	-	67 117	67 117
Acquisitions and sales	-	(106)	(106)
Revisions of previous estimates	3 474	15 674	19 148
Production	(4 065)	(36 882)	(40 947)
Reserves on 31 December 2021	**16 265**	**316 728**	**332 993**
Developed	*12 051*	*164 086*	*176 137*
Undeveloped	*4 214*	*152 642*	*156 856*
2020			
Reserves on 31 December 2019	**20 552**	**287 587**	**308 139**
Developed	*14 467*	*151 832*	*166 299*
Undeveloped	*6 085*	*135 755*	*141 840*
Extensions and discoveries	-	-	
Acquisitions and sales	-	(85)	(85)
Revisions of previous estimates	780	21 330	22 110
Production	(4 477)	(37 907)	(42 384)
Reserves on 31 December 2020	**16 855**	**270 925**	**287 780**
Developed	*12 711*	*170 116*	*182 827*
Undeveloped	*4 144*	*100 809*	*104 953*

Gas reserves (1P proved reserves)

Gas reserves are presented in millions of cubic feet (mmscf), with one barrel of oil equivalent (boe) corresponding to 6,000 cubic feet of gas.

unit: mmscf

	Africa	Latin America	Total
2022			
Reserves on 31 December 2021	**310 748**	**151 933**	**462 681**
Developed	-	*118 161*	*118 161*
Undeveloped	*310 748*	*33 772*	*344 520*
Extensions and discoveries	-	-	-
Acquisitions and sales	-	-	-
Revisions of previous estimates	(5 516)	1 011	(4 505)
Production	(1 001)	(27 284)	(28 285)
Reserves on 31 December 2022	**304 231**	**125 663**	**429 894**
Developed	-	*89 394*	*89 394*
Undeveloped	*304 231*	*36 269*	*340 500*
2021			
Reserves on 31 December 2020	**349 081**	**231 961**	**581 042**
Developed	-	*149 163*	*149 163*
Undeveloped	*349 081*	*82 798*	*431 879*
Extensions and discoveries	-	-	-
Acquisitions and sales	-	(3 445)	(3 445)
Revisions of previous estimates	(38 333)	(49 727)	(88 060)
Production	-	(26 855)	(26 855)
Reserves on 31 December 2021	**310 748**	**151 933**	**462 681**
Developed	-	*118 161*	*118 161*
Undeveloped	*310 748*	*33 772*	*344 520*

unit: mmscf

	Africa	Latin America	Total
2020			
Reserves on 31 December 2019	**329 168**	**245 222**	**574 390**
Developed	-	*128 701*	*128 701*
Undeveloped	*329 168*	*116 521*	*445 689*
Extensions and discoveries	-	-	-
Acquisitions and sales	-	-	-
Revisions of previous estimates	19 913	15 558	35 471
Production	-	(28 819)	(28 819)
Reserves on 31 December 2020	**349 081**	**231 961**	**581 042**
Developed	-	*149 163*	*149 163*
Undeveloped	*349 081*	*82 798*	*431 879*

Standard measure of discounted future net cash flows

The standard measure of discounted future cash flows has been prepared in accordance with the requirements of Topic 932 of FASB and corresponds to an economic translation of the 1P proved reserves presented in the previous section by the independent entity DeGolyer and MacNaughton (DeMac).

Future cash inflows represent future revenues associated with the production of proved reserves, calculated by applying the average market price of Brent during 2022: $101.19/bbl.

Future production costs correspond to the estimated production costs associated with proved reserves.

Future royalties are estimated considering production revenue.

Future development and abandonment costs correspond to the estimated costs for the development of proved reserves (drilling and installation of production platforms), as well as the estimated costs of field abandonment.

Future income taxes include estimates of oil tax payable calculated according to the existing PSC, SPT (applicable to blocks in Brazil) and income taxes, according to tax laws in each country.

The cash flows were calculated in U.S. Dollars and translated into Euros at the average exchange rate of 2022 (1.054 EUR:USD)

unit: €k

	Africa	Latin America	Total
31/dez/22			
Future cash inflows	3 881 467	29 052 127	32 933 594
Future production costs	(647 285)	(3 912 666)	(4 559 951)
Future royalties	(11 007)	(3 624 849)	(3 635 856)
Future development and abandonment costs	(151 590)	(1 425 855)	(1 577 444)
Future net cash flow before tax	**3 071 586**	**20 088 757**	**23 160 343**
Future income tax	(784 992)	(10 123 902)	(10 908 894)
Future net cash flows	**2 286 594**	**9 964 855**	**12 251 449**
Discount factor (10%)	(1 097 020)	(3 610 796)	(4 707 817)
Standard measure of discounted future cash flows on 31 December 2021	**1 189 574**	**6 354 058**	**7 543 632**

The principles applied are those required by Topic 932 and do not reflect the expectations of the actual revenues of the reserves nor their present value, and thus do not constitute criteria for the investment decision. An estimate of the fair value of reserves should also take into account, among other variables, the recovery of reserves not currently classified as proved, the risks inherent in the estimation of reserves, the expectation of future hydrocarbons price variation and the cost structure, as well as the consideration of an adequate discount factor.

4. Report on payments to public administrations

Under Article 29º-I of the Portuguese Securities Code (following the provisions of Directive 2013/34/EU of the European Parliament and of the Council regarding annual financial statements, consolidated financial statements and related reports of certain types of undertakings, transposed into Portuguese law through Decree-Law No. 98/2015, of June 2)

1. Introduction

Galp believes that values such as accountability and good governance are reinforced by supporting the transparency of revenue flows from oil and gas activities, as such principle allows citizens to access the information they need to hold Public Administrations accountable for the way in which they use funds received through taxes and other frameworks.

Galp has worked with Public Administrations, non-governmental organisations and international agencies to increase transparency, disclosure and accountability of payments made to Public Administrations.

In addition to the Payments stated in this Report, Galp contributes to the economies of the countries in which it operates through other activities on the extractive activity side by making payments to Public Administrations – for example in relation to activities related to the transportation, trading, manufacturing and marketing of products derived from oil and gas. Additionally, Galp contributes to the economies of the countries in which operates by creating employment opportunities, purchasing products and services from local suppliers and undertaking social investment activities.

2. Subject

This Report provides an overview of the Payments (defined below) to Public Administrations (defined below) made by Galp Energia SGPS, S.A., and its subsidiary undertakings (hereinafter together referred to as "Galp"), covering the full year 2021, whenever such companies make payments as a result of their activities of exploration, prospection, discovery, development and extraction of oil, natural gas deposits or other materials (referred to as "Extractive activities").

3. Legislation

This report has been prepared in compliance with the provisions of Article 245-B of the Portuguese Securities Code and its contents in line with the provisions of chapter 10 of the Directive 2013/34/EU of the European Parliament and of the Council regarding the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, transposed into Portuguese law through Decree-Law No. 98/2015 of June 2 (herein together referred to as the "applicable legislation").

4. Reporting entities

This Report includes payments to Public Administrations made by Galp. Excluded from this Report are Payments made by entities over which Galp has joint control and Payments made by entities over which Galp has no operatorship.

5. Public administrations

For the purposes of this report, Public administrations include any national, regional or local authority of a European Union member State or of a third country, and includes any department, agency or entity that is a subsidiary thereof, which includes a national oil company.

6. Project

Payments are reported at project level except those payments that are not attributable to a specific project are reported at entity level.

A "Project" is defined as a set of operational activities which are governed by a single contract, license, lease, concession or similar legal agreement, and forms the basis for payment liabilities to a Public Administration. If such agreements are substantially interconnected, those agreements are to be treated as a single project.

For a fully integrated Project, which does not have a contractual cut off point where a value can be ascribed separately to Extractive activities and to other processing activities, payments to Public Administrations will be disclosed in full.

7. Payments

For the purposes of this Report, a Payment is an amount paid in cash or in kind under the following forms:

Production Entitlements

Include the host government's share of production in the reporting period, derived from projects operated by

Galp. This includes the government's share as a sovereign entity or through its participation as an equity or interest holder in projects within its sovereign jurisdiction (home country). Production Entitlements arising from activities or interests outside of the home country are excluded.

For the year ended December 31, 2021, there were no production entitlements arising from projects Operated by Galp.

Taxes

Taxes paid by Galp on its income, profits or production (which include petroleum income tax in Angola or Corporate income Tax and Special Participation in Brazil), including those settled by a Public Administration on behalf of Galp under a tax-paid concession. Payments are reported net of refunds. Excluded from this Report are the Taxes on transactions and on consumption (including but not limited to Value Added Taxes), personal income taxes, sales taxes, and property taxes.

Royalties

These are payments for the rights to extract oil and gas resources, typically set at a percentage of revenue less any deductions that may be taken.

Bonuses

These are usually paid upon signing an agreement or a contract, when a commercial discovery of oil and gas is declared, or production has commenced, or another milestone has been reached.

License fees, rental fees, entry fees and other considerations for licenses and/or concessions

Taxes and other Fees paid as consideration for acquiring a license to gain access to an area where Extractive Activities are performed. Excluded from this Report are any Administrative government fees that are not specifically related to Extractive Activities, or to access extractive resources.

Infrastructure improvements

Payments which relate to the construction of infrastructure not substantially dedicated to use in Extractive Activities.

8. Other provisions operatorship

When Galp makes a Payment directly to a Public Administration arising from a Project, the full amount paid is disclosed, even where Galp, as operator, is proportionally reimbursed by its non-operating venture partners through a billing process (cash-call).

Cash and in-kind payments

Payments are reported on a cash basis, meaning that they are reported during the period in which they are paid, as opposed to being reported on an accruals basis (which would mean that they would be reported in the period for which the liabilities arise).

Materiality level

This Report includes all types of Payments to Public Administrations, either on a single payment basis or as part of a series of related payments, provided that these are above €100,000.

Exchange rate

For the purposes of this Report, Payments made in currencies other than Euros are translated based on the annual average foreign exchange rate.

Summary report (in k€)

	Production Entitlement	Taxes	Royalties	Bonuses	Fees	Infrastructure Improvements	Total
	a	b	c	d	e	f	
Angola	-	30,087	-	-	-	-	30,087
Brazil	-	736,694	339,025	-	74	-	1,075,792
East Timor	-	-	-	-	-	-	-
Namibia	-	-	-	-	-	-	-
Mozambique	-	748	-	-	-	-	748
Portugal	-	-	-	-	-	-	-
São Tomé e Príncipe	-	-	-	-	-	-	-
Total	**-**	**767,529**	**339,025**	**-**	**74**	**-**	**1,106,627**

Report by Country: Angola

Government report (in k€)

	Production Entitlement	Taxes	Royalties	Bonuses	Fees	Infrastructure Improvements	Total
Governments							
Ministry of Finance	-	30,087	-	-	-	-	30,087
Total	**-**	**30,087**	**-**	**-**	**-**	**-**	**30,087**

Project report (in k€)

	Production Entitlement	Taxes	Royalties	Bonuses	Fees	Infrastructure Improvements	Total
Block 14	-	2,884	-	-	-	-	2,884
Block 14k	-	191	-	-	-	-	191
Block 32	-	27,012	-	-	-	-	27,012
Total	**-**	**30,087**	**-**	**-**	**-**	**-**	**30,087**

Report by Country: Brazil

Government report (in k€)

	Production Entitlement	Taxes	Royalties	Bonuses	Fees	Infrastructure Improvements	Total
Governments							
Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (ANP) - Revenue	-	-	339,025	-	-	-	339,025
Agência Nacional do Petroleo, Gás Natural e Biocombustiveis	-	736,694	-	-	74	-	736,767
Total	**-**	**736,694**	**339,025**	**-**	**74**	**-**	**1,075,792**

Project report (in €k)

	Production Entitlement	Taxes	Royalties	Bonuses	Fees	Infrastructure Improvements	Total
New Ventures	-	-	-	-	35	-	35
Block BM-S-11	-	736,694	328,199	-	38	-	1,064,931
Block BM-S-24 (SEPIA)	-	-	10,805	-	-	-	10,805
Block POT-T479 (SANHAÇU)	-	-	21	-	-	-	21
Total	**-**	**736,694**	**339,025**	**-**	**74**	**-**	**1,075,792**

Report by Country: Mozambique

Government report (in k€)

	Production Entitlement	Taxes	Royalties	Bonuses	Fees	Infrastructure Improvements	Total
Governments							
Ministry of Finance	-	748	-	-	-	-	748
Total	**-**	**748**	**-**	**-**	**-**	**-**	**748**

Project report (in €k)

	Production Entitlement	Taxes	Royalties	Bonuses	Fees	Infrastructure Improvements	Total
Area 4	-	748	-	-	-	-	748
Total	**-**	**748**	**-**	**-**	**-**	**-**	**748**

5. Statement of compliance by the members of the Board of Directors

Under the terms and for the purposes of Article 29-G, paragraph 1, subparagraph c) of the Portuguese Securities Code, each of the below-mentioned members of the Board of Directors declares that, to the fullest extent of his/her knowledge, the Integrated Management Report, the financial statements, the legal certification of the accounts and any further accounting documents regarding 2022 were prepared in compliance with the applicable accounting rules, and gives a true and fair view of the assets, liabilities, financial position and profit or loss of Galp and the companies included in the consolidation, and the Integrated Management Report provides a fair view of the development of the business and of the performance and position of Galp and the companies included in the consolidation, and provides a description of the main risks and uncertainties faced by Galp and the companies included in the consolidation in the course of their operations.

Lisbon, March 31, 2023.

The Board of Directors:

Chairman:

Paula Amorim

Vice-Chairman and Lead Independent Director:

Miguel Athayde Marques

Vice-Chairman:

Filipe Silva

Members:

Thore E. Kristiansen

Teresa Abecasis

Georgios Papadimitriou

Marta Amorim

Francisco Teixeira Rêgo

Carlos Pinto

Luís Todo Bom

Jorge Seabra

Rui Paulo Gonçalves

Diogo Tavares

Edmar de Almeida

Cristina Fonseca

Adolfo Mesquita Nunes

Javier Cavada Camino

Cláudia Almeida e Silva

6. Report and opinion of the Audit Board

Opinion on the management report and accounts related to 2022

Dear Shareholders,

According to the legislation in force and the Company's By-laws, and under our mandate, we hereby present our opinion on the Integrated Management Report that includes the Corporate Governance Report (which includes the information on remunerations), the non-financial information, the individual and consolidated financial statements and the proposed allocation of net profits presented by the Board of Directors of Galp Energia SGPS, S.A., with regard to the year ended on 31 December 2022.

We have met several times with the Statutory Auditor, monitoring the performance of its supervising role, and have evaluated its performance during 2022.

We have monitored the process of preparation and disclosure of financial statements, as well as the legal certification of the accounts, with particular emphasis on the effects and challenges resulting from the context of the war in Ukraine and the gas & electricity markets. To the best of our knowledge, the Statutory Audit has positively contributed to the integrity of the process of preparing and disclosing financial information.

We have verified and supervised the independence of the Statutory Auditor, in compliance with the applicable law, in particular verifying the adequacy and approving the provision of non-audit services.

We have reviewed the legal certification of the accounts of the Statutory Auditor and the External Auditor's audit report on the individual and consolidated accounts for the year of 2022 which do not express any reservation or emphasis, and with which we agree.

Under the terms and for the purposes of Article 420, paragraph 6 of the Portuguese Companies Code, each of the below indicated members of the Audit Board declares that, to the extent of his/her knowledge, the Integrated Management Report, the financial statements, the legal certification of the accounts, the audit report and any further accounting documents regarding 2022 were prepared in compliance with the applicable accounting rules and gives a true and fair view of the assets, liabilities, financial position and profit or loss of Galp and the companies included in the consolidation. Each member of the Audit Board also states that, to the best of his/her knowledge, the Integrated Management Report includes a fair view of the development of the business and the performance and position of Galp and the companies included in the consolidation, and includes a description of the main risks and uncertainties faced by Galp and the companies included in the consolidation in their operations.

Under the scope of our duties, we have verified, and further fully declare of our knowledge, that:

- the accounting principles and the metrical criteria are in line with IFRS, as adopted by the European Union, and are adequate to ensure an accurate representation of the assets and results of both the Company and the other companies included in the consolidation;
- the corporate governance chapter of the Integrated Management Report regarding 2022 includes all the information required by paragraph 1 of Article 29.º-H of the Portuguese Securities Code.

Accordingly, taking into consideration the information received from the Board of Directors and of the departments of the Company, as well as the conclusions set out in the legal certification of the accounts and the audit report on the individual and consolidated financial statements, we express our agreement with the Integrated Management Report, which includes the Corporate Governance Report (which presents the information on remunerations), the non-financial information, the individual and consolidated financial statements and the proposal of the allocation of net profits for the financial year of 2022 of Galp Energia, SGPS, S.A. namely taking into account the provisions of Article 32 of the Portuguese Companies Code, so we are of the opinion that there is nothing to hinder their approval at a General Shareholders' Meeting.

Lastly, the Audit Board wishes to express its gratitude to the Board of Directors and to the Executive Committee of Galp Energia, SGPS, S.A., whose continuing cooperation has greatly facilitated the exercise of the Audit Board's duties.

Lisbon, 31 March 2023.

Chairman

José Pereira Alves

Members

Maria de Fátima Geada

Pedro Antunes de Almeida

Annual activity report of the Audit Board for 2022

In accordance with item g) of paragraph 1 of Article 420 of the Portuguese Companies Code (locally known as "Código das Sociedades Comerciais" or "CSC") and item g) of paragraph 1 of Article 8 of the Regulations of the Audit Board of Galp Energia, SGPS, S.A. (hereinafter referred to as "Galp" or the "Company"), the Audit Board hereby presents its report on the supervisory activities performed during 2022.

I. Introduction

According to the corporate governance model implemented by Galp, which consists of the Latin model set out in item a) of paragraph 1 of Article 278 and item b) of paragraph 1 of Article 413, both of the CSC, the Audit Board is responsible for supervising the Company's activities.

The Audit Board currently in office was elected at the general shareholders' meeting held on 12 April 2019, for the 2019-2022 term of office, being composed by three independent members in view of the criteria set out in paragraph 5 of Article 414 of the CSC.

All members of the Audit Board meet the compatibility criteria for the performance of their duties as laid down in paragraph 1 of Article 414-A of the CSC.

The main duties of the Audit Board stemming from the applicable legislation and the respective Regulations refer to the following key areas:

- continuous monitoring of the Company's activities, monitoring compliance with the law and Bylaws, and overseeing the Company's management;
- monitoring compliance with accounting policies and practices, as well as the preparation and disclosure of financial information, and supervising the review/audit of the Company's accounting documents;
- monitoring the effectiveness of the systems of risk management, internal control, compliance and internal audit, assessing the internal control and audit procedures and any issues that arise directing the recommendations as it may deem fit;
- monitoring and evaluating the corporate governance system;
- receiving and dealing, through the Ethics and Conduct Committee, with communications of irregularities presented by the Company's employees and other stakeholders;
- annually assess the activity of the Company's Statutory Auditor;
- monitoring the independence of the Statutory Auditor, especially regarding the provision of additional services.

II. Activities performed by the Audit Board in relation to the financial year of 2022

In the course of its duties, the Audit Board had access to all information relating to the Company and its collaborators, which enabled the appraisal of the performance, current situation and further development prospects of the Company, and had access to all other documents and clarifications from the persons from which they requested.

During 2022, the Audit Board held 14 meetings and approved one resolution through a vote cast by electronic communications. It also implemented various measures in the course of its duties, of which the following are highlighted:

1. **Continuous monitoring of the Company's activity, monitoring compliance with the law and the Company's By-laws and overseeing the Company's management**

Ongoing monitoring of the Company during 2022 was undertaken, in particular, through meetings with the heads of Galp's corporate centre departments, most regularly the Internal Audit Department and the Risk Management and Internal Control Department. Further, the Audit Board met with the CEO and the CFO.

The Audit Board met also quarterly with the Statutory Auditor/External Auditor and the head of the Accounting and Tax Department to analyse the Company's accounts.

Further, during 2022, the Audit Board attended all meetings of the Board of Directors, namely those where the Company's accounts were analysed, the strategic lines of Galp were debated and updated, the budget for 2023 was approved and the business plan for 2023-2033 was presented, the objectives and levels related to risk-taking were defined and the works developed by its committees were presented.

The access of the Audit Board to the members of the Board of Directors and the Executive Committee, to employees and to the relevant documents of Galp Group's activity was carried out regularly

and without constraints, contributing to the inspection of the Company and showing an adequate relationship between the Board Directors, the Executive Committee and the Audit Board.

During the year, the Audit Board participated in several workshops on projects developed by Galp's business units, namely in the field of renewable energy, which enabled a reinforcement of knowledge on strategic projects for the coming years.

2. Monitoring compliance with the accounting policies and practices and with the requirements for the preparation and disclosure of financial information and the statutory audit of the accounts

The Audit Board monitored the accounting policies, criteria and practices and the reliability of the financial information based on the information received from the Accounts Department and the reports of the Statutory Auditor/External Auditor for the consideration of quarterly and annual accounts and of the findings of the audits and of the evaluation procedures performed during the year by the Statutory Auditor and External Auditor.

The Audit Board reviewed the documents relating to the 2022 audit and the legal certification of the accounts and issued a favourable opinion thereupon.

3. Monitoring and supervising the effectiveness of the internal control system

During 2022, the Audit Board carried out various actions aimed at monitoring, supervising and evaluating the work and adequacy of Galp's internal control, risk management and internal audit system, either based on the reporting of information by the Internal Audit and Risk Management and Internal Control Departments, or using the internal control report issued by the External Auditor.

During 2022, the Audit Board was informed on a quarterly basis of the status of the project to implement the Financial Reporting Internal Control System (locally known as "SCIRF"), with a view to its certification by an external entity.

4. Monitoring and supervising the effectiveness of the risk management system

During 2022, the Audit Board carried out several actions to monitor, supervise and assess the functioning and adequacy of the risk management system, through the quarterly reporting of information by the Risk Management and Internal Control Department, having regularly took knowledge of events in the area of cybersecurity, of the recommendations of the Risk Management Committee and of the top risks and disaster recovery plans.

The Audit Board approved the annual plan of risk management activities for the next year.

As part of its supervisory duties, the Audit Board was also charged with supervising the implementation by the Company of the principles and policies for the identification and management of key financial and operational risks associated with Galp's business, as well as reviewing the measures in place to monitor, control and disclose the risks, in accordance with the objectives established by the Board of Directors.

At the Audit Board's meeting that took place on 14 December 2022, the Audit Board issued a favourable opinion on the risk analysis conducted by the Risk Management and Internal Control Department and the statement of risk appetite, risk goals and risk levels underlying the Group's 2023-2033 Business Plan, which was presented to the Board of Directors on 16 December 2022.

5. Monitoring and supervising the effectiveness of the internal audit system

The Audit Board supervised the activity on the internal audit system carried out by the Internal Audit Department during 2022, through monthly monitoring of the execution of the annual audit activities plan approved by the Audit Board, of the audit work carried out, the follow-up on recommendations and the information on the allocation of resources, having received from this Department monthly reports on the status of the issued recommendations and audits carried out.

The Audit Board provided input to the performance evaluation of the Internal Audit Department concerning 2022.

The Risk Management and Internal Control and the Internal Audit Departments verified that the risk management, internal control and internal audit systems were functioning properly and assessed the effectiveness and efficiency of the implementation of controls and mitigation systems. These activities were carried out independently and systematically, and the most significant comments and recommendations were brought to the attention of the Audit Board, together with opportunities for improvement and corrective measures.

At the meeting held on 14 December 2022, the Audit Board assessed the internal compliance, evolution and performance of the internal

control system and made a positive assessment of it, taking into account its components, the existing controls and the positive evolution recorded throughout 2022.

The Audit Board also believe that the Risk Management and Internal Control and the Internal Audit Department's plan of activities, the assessment of the system of internal control and the use of the resources allocated were performed efficiently and in compliance with the established procedures.

The Chairman of the Audit Board attended the meeting of the Audit Committee held on 15 December 2022, as part of the presentation of the Annual Internal Audit Plan for 2023.

6. Monitoring the performance of the corporate governance system

During 2022, the Audit Board monitored the performance of the corporate governance system and its compliance with legal provisions and regulations and the Company's bylaws, and monitored legislative and regulatory developments in matters of corporate governance.

Also in the context of monitoring corporate governance matters, the Audit Board analysed the Corporate Governance Report for the 2022 financial year, having confirmed that this report includes the elements provided for in paragraph 1 of Article 29.º-H of the Portuguese Securities Code and in Regulation no. 4/2013 of the Portuguese Securities Market Commission.

7. Monitoring and supervising the effectiveness of the compliance system

The Audit Board became aware of the execution of the work in the compliance area provided for in the plan and approved the annual plan of compliance activities for the next year presented by the Corporate Secretary, Compliance & DPO Department, also obtaining information on the allocation of resources to compliance services.

8. Annual monitoring and assessment of the activity of the Company's External Auditor

The Audit Board, at its meeting on 7 February 2023, carried out the annual performance assessment of the External Auditor's activity, with reference to 2022, pursuant to Article 8(1)(q) and (2)(c) of the Regulations of the Audit Board.

The External Auditor's services were provided in accordance with the defined work plan and in compliance with the applicable rules and regulations. The External Auditor's performance revealed technical rigor and quality, opportunity and efficiency in the conclusions and recommendations presented.

The External Auditor confirmed to the Audit Board that it did not detect any relevant irregularities in relation to its duties and that it did not encounter any difficulties whilst carrying out its work.

During 2022, the External Auditor was present at 5 meetings held by the Audit Board, in which the Company's accounts and the identified audit risks were analysed, the internal control issues were debated, the annual audit plan for 2022 was reviewed and the main audit points and recommendations reported were discussed with the External Auditor.

The Audit Board exercised its function as the Company's interlocutor with the External Auditor and the recipient of the information prepared by the latter, regularly monitoring its activity, namely through the assessment of reports and documentation produced by the Statutory Auditor in the performance of its duties.

The Audit Board ensured that the External Auditor was provided with the information and other conditions appropriate to the effective performance of its activity.

As part of verifying the External Auditor's compliance with the rules regarding independence, the Audit Board monitored, during 2022, the provision of non-audit services, for which a prior opinion of the Audit Board is necessary, having analysed compliance the External Auditor's independence requirements, the possibility of any services provided by the External Auditor and their inclusion in the legally established criteria, having confirmed that its independence was safeguarded.

In 2022, the non-audit services represented 37.01% of the average fees paid to the External Auditor in 2021, 2020 and 2019 for the financial audit services provided to Galp and the entities under Galp's control in the same period, below the limit of 70% established by Article 4(2) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 (European Audit Regulation).

9. Company's transactions with related parties

The Audit Board monitored the project led by the Risk Management and Internal Control Department to implement and enforce the internal standards on transactions with stakeholders and the new legal framework, having issued a favourable opinion on the review of the internal standards.

Reports on transactions with related parties of Galp Group as at 30 June and 31 December 2022 were presented to the Audit Board. It evidences that transactions with related parties were carried out within the scope of Galp Group's current activity and under market conditions.

During 2022, no transaction with related parties was subject to prior opinion of the Audit Board.

10. Reporting irregularities

In the course of 2022, Galp's Committee of Ethics and Conduct held 5 meetings with the Audit Board to report its activity on the treatment of communications of irregularities. This Committee also reported several initiatives on the subject of ethics, including the revision of the Code of Ethics and Conduct.

As part of the fulfilment of the reporting obligation provided for in point 8 of Galp's Committee of Ethics and Conduct Regulations, this Committee presented to the Audit Board the reports on the communications received as at 30 June 2022 and 31 December 2022, the procedures adopted and the actions/measures proposed.

Lisbon, 31 March 2023.

Chairman

José Pereira Alves

Members

Maria de Fátima Geada

Pedro Antunes de Almeida

7. Independent report about sustainability information



pwc

Independent Assurance Report

(Free translation from the original in Portuguese)

To the Board of Directors

Introduction

We were engaged by the Board of Directors of Galp Energia, SGPS, S.A. ("Galp" or "Company") to perform a reasonable assurance engagement on the indicator identified below in the section "Responsibilities of the auditor" and a limited assurance engagement on the sustainability information also mentioned in that section, which integrate the sustainability information included in the Integrated Management Report 2022 ("Report"), for the year ended in December 31, 2022, prepared by the Company for the purpose of communicating its annual sustainability performance and demonstrating its alignment with the recommendations of the TCFD - Task Force on Climate Financial Disclosures, the United Nations Global Compact principles (Communication on Progress) and the United Nations Sustainable Development Goals.

Responsibilities of the Board of Directors

It is the responsibility of the Board of Directors to prepare the sustainability information identified below in the section "Responsibilities of the auditor", included in the Integrated Management Report 2022, in accordance with the sustainability reporting guidelines "Global Reporting Initiative" version GRI Standards and with the instructions and criteria disclosed in the Integrated Management Report 2022, and the maintenance of an appropriate system of internal control to enable the adequately preparation of the mentioned information.

Responsibilities of the auditor

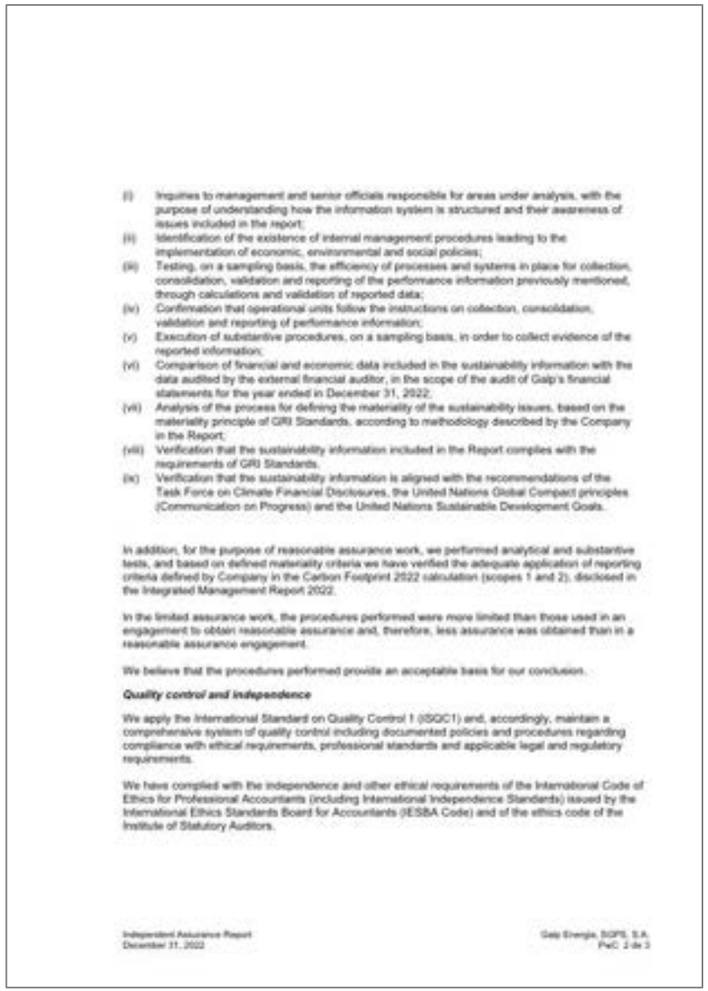
Our responsibility is to issue an assurance report, which is professional and independent, based on the procedures performed and specified in the paragraph below.

Our work was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance engagements other than audits or reviews of historical financial information", issued by the *International Auditing and Assurance Standards Board of the International Federation of Accountants* and we have fulfilled other technical standards and recommendations issued by the Institute of Statutory Auditors. These standards require that we plan and perform our work to obtain:

a) reasonable assurance on whether Galp's Carbon Footprint 2022 (scopes 1 and 2); and
b) limited assurance on whether the remaining sustainability information 2022 is free from material misstatement.

Our limited assurance engagement also consisted in carrying out procedures with the objective of obtaining a limited level of assurance as to whether the Company applied, in the sustainability information included in the Integrated Management Report 2022, the GRI Standards guidelines.

For this purpose the above mentioned work included:



(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) Identification of the existence of internal management procedures leading to the implementation of economic, environmental and social policies;
(iii) Testing, on a sampling basis, the efficiency of processes and systems in place for collection, consolidation, validation and reporting of the performance information previously mentioned, through calculations and validation of reported data;
(iv) Confirmation that operational units follow the instructions on collection, consolidation, validation and reporting of performance information;
(v) Execution of substantive procedures, on a sampling basis, in order to collect evidence of the reported information;
(vi) Comparison of financial and economic data included in the sustainability information with the data audited by the external financial auditor, in the scope of the audit of Galp's financial statements for the year ended in December 31, 2022;
(vii) Analysis of the process for defining the materiality of the sustainability issues, based on the materiality principle of GRI Standards, according to methodology described by the Company in the Report;
(viii) Verification that the sustainability information included in the Report complies with the requirements of GRI Standards;
(ix) Verification that the sustainability information is aligned with the recommendations of the Task Force on Climate Financial Disclosures, the United Nations Global Compact principles (Communication on Progress) and the United Nations Sustainable Development Goals.

In addition, for the purpose of reasonable assurance work, we performed analytical and substantive tests, and based on defined materiality criteria we have verified the adequate application of reporting criteria defined by Company in the Carbon Footprint 2022 calculation (scopes 1 and 2), disclosed in the Integrated Management Report 2022.

In the limited assurance work, the procedures performed were more limited than those used in an engagement to obtain reasonable assurance and, therefore, less assurance was obtained than in a reasonable assurance engagement.

We believe that the procedures performed provide an acceptable basis for our conclusion.

Quality control and independence

We apply the International Standard on Quality Control 1 (ISQC1) and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and of the ethics code of the Institute of Statutory Auditors.



Conclusion on the reasonable assurance work

Based on the work performed, it is our opinion that the Galp's Carbon Footprint 2022 (scopes 1 and 2), identified above in the section "Responsibilities of the auditor", included in the Integrated Management Report 2022, for the year ended in December 31, 2022, was prepared, in all material respects, in accordance with GRI Standards requirements and with the instructions and criteria disclosed on it.

Conclusion on the limited assurance work

Based on the work performed, nothing has come to our attention that causes us to believe that the remaining sustainability information, identified above in the section "Responsibilities of the auditor", included in the Integrated Management Report 2022, for the year ended in December 31, 2022, was not prepared, in all material respects, in accordance with GRI Standards requirements and with the instructions and criteria disclosed on it, and that Galp has not applied, in the sustainability information included in the Integrated Management Report 2022, the GRI Standards, for the option "Reference to GRI Standards".

Restriction on distribution and use

This report is issued solely for information and use of the Board of Directors of the Company for the purpose of communicating the annual sustainability performance in the Integrated Management Report 2022 and should not be used for any other purpose. We will not assume any responsibility to third parties other than Galp by our work and the conclusions expressed in this report, which will be attached to the Company's Integrated Management Report 2022.

March 31, 2023

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Ana Maria Ávila de Oliveira Lopes Bertão, ROC nº. 902
Registered with the Portuguese Securities Market Commission under nº 20160521

(This is a translation, not to be signed)

Glossary

Absenteeism

Ratio between the number of working hours lost by absence and the maximum potential of working hours (number of employees x 21 days x 11 months x 8 hours).

API density

Density expressed in API degrees, defined by the American Petroleum Institute by means of the following formula: API°= (141.5/g) – 131.5, where g is the density of the oil to 60°F (15.6 °C). This is the formula that is internationally used to establish the density of crude oil. The greater the API density, the lighter the crude oil.

Atmospheric distillation

Distillation of crude oil effected under atmospheric pressure, from which oil product fractions are produced (light oil, heavy oil, diesel fuels, and heavy products, for example). After suitable treatment, these fractions are the components of the finished products.

CO_2

Carbon dioxide, colourless gas that is heavier than air, this being one of its natural components. Produced by certain natural processes, such as the carbon cycle, and by the complete burning contained in fossil fuels.

Cogeneration

Power generation technology that allows the combined production of heat and electricity. The advantage of cogeneration is the capacity it has to take double advantage of the heat produced by burning the fuel for the generation of thermal energy for the generation of electricity. This process allows the same installation to comply with the heat (hot water or steam) and electricity needs of both industrial clients and urban settlements. This system improves the energy efficiency of the generation process and reduces the use of the fuel.

Complexity

The complexity of a refinery lies in its capacity to process crude oil and other raw materials and is measured by means of the complexity index, calculated separately by different organisations within the sector, such as energy sector consultants 360 Strategic execution Energy for a changing world To our stakeholders' Strategic framework Solomon Associates and Nelson. A refinery's complexity index is calculated by attributing a complexity factor to each one of the refinery's units, which is based above all on the level of technology used in the construction of the unit, taking as a reference a crude oil primary distillation installation, to which is attributed a complexity factor of 1.0. The complexity index of each unit is calculated by the multiplication of the complexity factor with the unit's capacity. The complexity of a refinery is equivalent to the weighted average of the complexity index of each one of its units, including the distillation units. A refinery with a complexity index of 10.0 is considered to be 10 times more complex than a refinery equipped with just crude oil atmospheric distillation, for the same quality of processed product. Contingent resources

These are quantities of oil that are estimated on a given date to be potentially recoverable from known accumulations but are not currently considered to be commercially recoverable. This may happen for a variety of reasons. For example, maturity issues (the discovery needs further appraisal in order to firm up the elements of the development plan); technological issues (new technology needs to be developed and tested for commercial production); or market-driven issues (sales contracts are not yet in place or the infrastructure needs to be developed in order to get the product to market). 2C contingent resources are those that are calculated based on the best estimate, while 3C resources correspond to the highest estimate, thus reflecting a larger level of uncertainty. Volumes that fall into this category cannot be referred to as reserves.

Conversion

Set of various treatments (catalytic or thermal) where the principal reaction is effected on the carbon connections, with this having the possibility of being more or less deep due to the conditions imposed. This process is typically associated with the conversion of fuel oils in lesser fractions (diesel, gasoline and gases) and fuel oils that are more sophisticated from the perspective of their use. In a modern refinery, these processes have assumed a growing importance.

Cracking

Transformation through a breaking down of the hydrocarbon molecules in long chains, with the objective of obtaining hydrocarbon molecules in shorter chains, thus increasing the proportion of lighter and more volatile products. Distinguishing between thermal cracking and catalytic cracking. Thermal cracking is only caused by the actions of heat and pressure. Catalytic cracking uses catalysers that, at the

same temperature, allow a deeper and more selective transformation of fractions that could be heavier.

Dated Brent

Price of shipments of Brent oil as announced by the price fixing agencies. This is the reference price for the vast majority of crude oils sold in Europe, Africa and the Middle East, and is one of the most important references for the prices on the spot market. Dated Brent oil is the light crude oil from the North Sea that, since July 2006, has included the Fortis and Oseberg branches. The crude mix has an average API density of approximately 38.9°.

Diesel

A mix of liquid hydrocarbons destined for feeding compression ignition engines (Diesel cycle). The behaviour of diesel fuel depends on the temperatures at which it is used.

Distillation

A method for separating (liquid or solid) substances by evaporation followed by condensation. Distillation may take place under atmospheric pressure or in a vacuum, depending on what products are desired. This process produces distillates.

Emissions

Release of gases into the atmosphere. Within the context of climate change, the emissions include the release of greenhouse gases (GHG). A typical example is the release of CO_2 during the combusting of fuels.

Direct emissions (A1)

GHG emissions from sources that are owned or controlled by the company. This category includes emissions from combustion in boilers or furnaces located in facilities owned by the company or the fuel combustion from the company's fleet vehicles, among others.

Indirect emissions (A2)

GHG emissions from the purchase of electricity, cold, heat or steam produced by other companies.

Indirect emissions (A3)

GHG emissions are an indirect consequence of the activities of the company but occur from sources not owned or controlled by the company. This category includes emissions from activities related to the use of sold products, transportation, business travels, and logistics, among others.

FPSO

A floating, production, storage and offloading unit is a floating oil production system, built on a ship structure, with a capacity for oil and natural gas production processing, liquid storage and transfer of oil to tankers.

FLNG

Floating natural gas liquefaction system, built on a ship structure, with a capacity for production, liquefaction and storage of liquefied natural gas. The stored product is exported through the transfer to LNG vessels.

Fuel oil

A mix of hydrocarbons destined to be burnt in a furnace or boiler for the generation of heat or used in an engine for the generation of power. There are various types of fuel oil, due to its viscosity, which conditions their use.

Gasoline

Fuel for automobiles equipped with motors that use the Otto cycle. This should comply with precise specifications concerning its physical and chemical qualities, of which the most important is resistance to self-inflammation.

Hydrocracking

Process of cracking with the use of hydrogen and under the action of catalysts that allows the conversion of less valuable, high boiling-point oil fractions into lighter, more valuable fractions. The hydrogen allows working at lower temperatures and greater selectivity and, therefore, produces better results. The products from the reaction are saturated compounds, which provide them with important stability qualities.

Jet fuel

Fuel for jet motors used in aviation

Liquefied natural gas (LNG)

Natural gas that is changed into its liquid state to enable transportation. Liquefaction is performed by a reduction in the temperature of the gas, to atmospheric pressure, to amounts of less than -160°C. The volume of the LNG is approximately 1/600 of the volume of natural gas.

Liquefied Petroleum Gas (LPG)

Gaseous hydrocarbons, under normal conditions of temperature and pressure, and liquids, by raising the pressure or reduction of temperature, which can legally be transported and stored. The most common are propane and butane.

Lubricants

Products obtained by mixing one or more base oils and additives. This process obeys specific formulas due to the use of the lubricant. The percentage of additives in the lubricating oils reaches 40%. The lubricating oils have three main uses: automobiles, industry and marine.

Naphtha

Oil product fraction that is located between gases and oil. This is also a raw material in the petrochemical industry, from which cracking provides a large variety of products. This can also form part of the composition of engine gasoline (light naphtha) or, in the case of heavy naphtha, serve as a raw material for the production of reformate.

Natural gas

Mix of light hydrocarbons found in the subsoil, in which methane is present at a percentage of more than 70% volume. The composition of natural gas may vary depending upon the field in which it is produced and the processes of production, conditioning, processing and transport.

Net entitlement production

The production percentage of the rights for the exploration and production of hydrocarbons in a concession following production-sharing agreements.

Prospective resources

Quantities of oil that have, on a certain date, been estimated as potentially recoverable from undiscovered accumulations through future development projects. The estimation of a prospect's resources is subject to both commercial and technological uncertainties. Risked mean estimates prospective resources have a higher implied recovery probability than unrisked mean estimate resources. The quantities classified as prospective resources cannot be classified as contingent resources or reserves.

Proven reserves (1P)

Under the definitions approved by the SPE and the WPC, proven reserves are those quantities of oil which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods and government regulations.

If deterministic methods are used, the expression "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. The definition of current economic conditions should include relevant historical oil prices and associated costs. In general, reserves are considered proven if the commercial productivity of the reservoir is supported by actual production or formation tests. In this context, the term "proven" refers to the actual quantities of oil reserves and not just the productivity of the well or reservoir. The area of the reservoir considered as proven includes (1) the area delineated by drilling and defined by fluid contacts, if any, and (2) the undrilled portions of the reservoir that can reasonably be judged as commercially productive on the basis of available geological and engineering data. Reserves may be classified as proven if facilities to process and transport those reserves to market are operational at the time of the estimate or there is a reasonable expectation that such facilities will be installed.

Proven and probable reserves (2P)

2P reserves correspond to the sum of proven (1P) and probable reserves. Under the definitions approved by the SPE and the WPC, probable reserves are a category of unproven reserves. Unproven reserves are based on geological or engineering data similar to those used in estimates of proven reserves but in relation to which technical, contractual, economic or regulatory uncertainties preclude such reserves from being classified as proven. Probable reserves are those quantities of oil that, by analysis of geological and engineering

data, have a lower probability of being recovered than the proven reserves, but higher than the possible reserves.

If probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the 2P estimate.

Proven, probable and possible reserves (3P)

3P reserves correspond to the sum of proven, probable and possible reserves. Under the definition approved by the SPE and the WPC, possible reserves are a category of unproven reserves. Unproven reserves are based on geological or engineering data similar to those used in estimates of proven reserves but in relation to which technical, contractual, economic or regulatory uncertainties preclude such reserves from being classified as proven. Possible reserves have a lower probability of being recovered than probable reserves. If probabilistic methods are used, there should be at least a 10% probability that the quantities actually recovered will equal or exceed the 3P estimate.

Refinery

The installation where the industrial processes designed to transfer the crude oil into products adapted to the needs of the consumers (fuels, lubricants, bitumen, etc.) or into raw materials for other so-called" second generation" industries (for example, the petrochemical industry).

Renewable energy

Energy that is available from permanent and natural energy conversion processes and is economically exploitable under present conditions or in the foreseeable future.

Replacement Cost (RC)

According to this method, the cost of goods sold is valued at the cost of replacement, i.e. at the average cost of raw materials on the month when sales materialise irrespective of inventories at the start or end of the period. The Replacement Cost Method is not accepted by the Portuguese IFRS and is consequently not adopted for valuing inventories. This method does not reflectthe cost of replacing other assets.

Replacement Cost Adjusted (RCA)

In addition to using the replacement cost method, RCA items exclude non-recurring events such as capital gains or losses on the disposal of assets, impairment or reinstatement of fixed assets and environmental or restructuring charges which may affect the analysis of the Company's profit and do not reflect its regular operational performance.

Seismic

Seismic acquisition involves the generation (source) and recording (receiver) of seismic data. A source, such as a vibrator unit, dynamite shot, or an air gun, generates acoustic or elastic waves that travel into the Earth, passe through strata with different seismic responses and filtering effects, and return to the surface to be recorded as seismic data. The receiver may include different configurations, including laying geophones or seismometers on the surface of the Earth or seafloor, pulling hydrophones behind a marine seismic vessel, suspending hydrophones vertically in the sea or placing geophones in a wellbore (as in a vertical seismic profile) to record the seismic signal.

Social Return on Investment (SROI)

Cost-benefit analysis of the social value generated by the intervention of an organisation. This social impact assessment tool compares the social value generated by the intervention with the necessary expense for this benefit through a ratio between the net present value of the benefits and the net present value of the investment.

Solar energy

Renewed and sustainable energy source, proven by the sun's light and heat, which is harnessed and used by means of different technologies, mainly as solar heating, solar photovoltaic energy, heliothermic energy and solar architecture.

Spot market

The name, relating to products such as oil, used to describe the international commerce of products shipped in single cargos, such as crude oil, the prices of which closely follow the respective demand and availability.

Storage facility

Installation used by principal and collector pipeline companies, producers of crude oil, and terminal operators (except refineries) for storage of crude oil and oil products.

Wind farm

Group of wind turbines for the production of electrical energy interlinked by a common network by means of a system of transformers, distribution lines and, usually, a substation. The functions of exploration, control and maintenance are normally centralised by means of a monitored IT system, which is complemented by visual inspections.

Wind power

Kinetic energy – that is, energy that is generated by a movement that is obtained by displacement of the air, or in other words, wind. This can be converted into mechanical energy for the enactment of pumps, mills and electrical energy generators.

Working interest production

The production percentage of the rights for exploration and production of hydrocarbons in a concession before the effect of production-sharing agreements.

Abbreviations and acronyms

%: percentage

@: at

3D: three dimensions

4D: four dimensions

oC: Celsius

ACS: Actividades de Construccion Y Servicios S.A.

ACT: Assessing Low-Carbon Transition initiative.

AIP: Production Individualisation Agreements

AGM: Annual General Shareholders' Meeting

AI: artificial intelligence

Amorim Energia: Amorim Energia, B.V.

APCER: Associação Portuguesa de Certificação (Portuguese Association of Certification)

ANP: Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (Brazilian energy sector regulator)

ANPG: Agência Nacional de Petróleo, Gás e Biocombustiveis (Angolan energy sector regulator)

ANP-SPT: National Petroleum Agency of São Tomé and Príncipe

APEE: The Association of Private Enterprise Education

API: American Petroleum Institute gravity

B2B: Business to Business

B2C: Business to Consumer

b.p.: basis points

bbl: barrel of oil

BBLT: Benguela, Belize, Lobito and Tomboco

bcm: billion cubic metres

BCSD: Business Council for Sustainable Development

BGI: Building Global Innovators

BIOREF: Collaborative Laboratory for Biorefineries

bn: billion

BoD: Board of Directors

boe: barrel of oil equivalent

BRL (or R$): brazilian reais

BSEE: Bureau of Safety and Environmental Enforcement

BU: Business Units

c.: circa

C&L: consumptions and losses

CCS: carbon capture and storage

CCUS: carbon capture, utilisation and storage

CDP: Carbon Disclosure Project

CEC: Ethics and Conduct Committee

CEO: chief executive officer

CESE: Energy Sector Extraordinary Contribution (Portugal)

CFFO: cash flow from operations

CFO: chief financial officer

CGA: Cognitive Geoscience Advisor

CGR: condensate to gas ratio

CGU: cash generating unit

CH4: methane

CITE: Comissão para a Igualdade no Trabalho e no Emprego (Commission for Equality in Labour and Employment)

CLC: Companhia Logística de Combustíveis, S.A.

CLC GB: Companhia Logística de Combustíveis Guiné Bissau, S.A.

CLCM: Companhia Logística de Combustíveis da Madeira, S.A.

CMVM: Comissão do Mercado de Valores Mobiliários (Portuguese Securities Market Regulator)

CNG: compressed natural gas

CNPD: Comissão Nacional de Proteção de Dados

CO2: carbon dioxide

CO2e: carbon dioxide equivalent

COFINS: contribution to social security financing

CONCAWE: Conservation of Clean Air and Water in Europe

COO: chief operating officer

COSO: Committee of Sponsoring Organisations of the Treadway Commission

CRO: chief risk officer

CSC: Commercial Law (Código das Sociedades Comerciais)

CSIRT: CyberSecurity Incident Response Team

CTA: cumulative translation adjustment

CTI: Circular Transition Indicators

CURG: last-resort wholesaler distributors

CURR: last-resort retailers marketers

CVM: Portuguese securities code

CWT: complexity weighted tonne

d: day

DCF: discounted cash flow

DD&A: Depreciation, Depletion, and Amortization

DGS: Direção Geral de Saúde (portuguese national health entity)

DJSI: Dow Jones Sustainability Index

DSIC: Dalian Shipbuilding Industry Corporation

DST: drill stem test

DSU: debt service undertaking

E: Estimate

E&P: Exploration & Production

Ebit: earnings before interest and taxes

Ebitda: earnings before interest, taxes, depreciation and amortisation

EC: Executive Committee

EDP: Energias de Portugal, S.A.

EEZ: Exclusive Economic Zone

EI: Energia Independente

EIA: environmental impact assessment

EIP: European Impact Partners

EIT: European Institute of Innovation & Technology

EMPL: Europe-Maghreb Pipeline

EMTN: Euro Medium Term Note

EMV: Expected Monetary Value

ENH: Empresa Nacional de Hidrocarbonetos (National hydrocarbons company of Mozambique)

Eni: Eni, S.p.A.

EQS: Environment, Quality and Safety

ERSE: Entidade Reguladora dos Serviços Energéticos (Portuguese energy market regulator)

ERU: emission reduction units

ESCO: energy service company

ESG: Environmental, social and governance

ESHIA: Environmental, Social and Health Impact Assessment

ESIAS: Environmental and Social Impact Assessments

EU: European Union

EU ETS: European Union Emissions Trading System

EUA: emission unit allowances

EUR (or €): Euro

EV: Electric Vehicles

EWT: extended well test

FAME: fatty acid methyl ester

FASB: Financial Accounting Standards Board

FCF: free cash flow

FCP: Fast charging points

FEED: front-end engineering design

FID: final investment decision

FLNG: floating, liquefied natural gas unit

FPSO: floating, production, storage and offloading unit

FSB: Financial Stability Board

FUNAE: Fundo Nacional de Energia (Mozambique)

FX: exchange rate

g: grams

G&A: general and administrative

G&G: geological and geophysical studies

Galp: Galp Energia, SGPS, S.A., Company, Group or Corporation

GDP: Gross domestic product

GDP: Gás de Portugal, SGPS, S.A.

GDPR: General Data Protection Regulation

GGND: Galp Gás Natural Distribuição, S.A.

GHG: greenhouse gases

GRI: Global Reporting Initiative

GVA: Galp Added Value

Gtoe: giga tonne of oil equivalent

GW: gigawatt

GWh: gigawatt-hour

GWp: gigawatt-peak

h: hour

H2: hydrogen

HSE: Health, Safety and the Environment

HVO: hydrogenated vegetable oil

IAS: International Accounting Standards

IASB: International Accounting Standards Board

IASC: International Accounting Standards Committee

IBAT: Integrated Biodiversity Assessment Tool

IBM: International Business Machines Corporation

ICE: Intercontinental Exchange

IFA: Accident Frequency Index

IFAT: Total Accident Frequency Index

IFRIC: International Financial Reporting Interpretation Committee

IFRS: International Financial Reporting Standards

IGEN: Business Forum for Equality

IIA: The Institute of Internal Auditors

IIRC: International Integrated Reporting Council

IMO: International Maritime Organisation

IMPEL: Integrated Water Approach and Urban Reusz

IMS: Integrated Management System

IOC: International Oil Company

IOGP: International Association of Oil and Gas Production

IPCEI: Important Project of Common European Interest

IPCG: Portuguese Institute of Corporate Governance

IPIECA: Global Oil and Gas Industry Association for Environmental and Social Issues

IRC: corporate income tax

IRP: oil income tax (Angola)

ISIN: International securities identification number

ISO: International Organisation for Standardisation

ISP: Portuguese Tax on Oil Products (Imposto sobre Produtos Petrolíferos)

IsPG: Instituto do Petróleo e Gás (Brazilian Institute of Oil and Gas)

ISQ: Instituto de Soldadura e Qualidade

IT: Information Technology

IUCN: International Union for Conservation of Nature

JDZ: Joint Development Zone

JV: joint venture

k: thousand/thousands

kbbl: thousand barrels of oil

kboepd: thousand barrels of oil equivalent per day

kbpd: thousand barrels of oil per day

kg: kilogram

km/km^2: kilometres/square kilometres

Kosmos: Kosmos Energy

Kton/kt: thousand tonnes

LNG: liquefied natural gas

LPG: liquefied petroleum gas

LRO: local risk officer

LTIF: Lost Time Injury Frequency

m: million

m^3: cubic metres

M&A: mergers and acquisitions

MaaS: Mobility as a Service

mboe: million barrels of oil equivalent

mbpd: million barrels of oil per day

mbtu: million British thermal units

mbbl: million barrels of oil

mscf: millions of cubic feet

MIBEL: Mercado Iberico de electricidade

MJ: Megajoules

mm^3: million cubic metres

MPDP: Market Production Data Platform

MRV: Mozambique Rovuma Venture S.p.A.

MTM: mark-to-market

mton/mt: million tonnes

mtpa: million tonnes per annum

MW: megawatt

MWh: megawatt-hour

MWp: megawatt-hour

n.m.: not meaningful

NAMPOA: Namibia Petroleum Operators Association

NAMCOR: National Petroleum Corporation of Namibia

NCP: Normal charging points

NE: net entitlement

NG: natural gas

NGDO: Non-governmental development organisations

NHS: National health service

NO_x: Nitrogen oxides

NPV: Net Present Value

OECD: Organisation for Economic Cooperation and Development

OHSAS: Occupational Health and Safety Assessment Services

OMEL: spot market Iberian electricity market

OMIP: forward market Iberian electricity market

op.: operator

OTC: over-the-counter

OU: organisational units

p.a.: per annum

p.p.: percentage points

Parpública: Parpública – Participações Públicas, SGPS, S.A.

PCR: polymerase chain reaction

Petrobras: Petróleo Brasileiro, S.A.

Petrogal: Petróleos de Portugal – Petrogal, S.A.

PIA: production individualisation agreement

PoD: Plan of Development

POS: Probability of Geological Success or probability of success

PPA: purchase power agreement

PPSA: Pré-Sal Petróleo S.A.

PSA: production sharing agreement

PSC: production sharing contracts

PSI-20: Portuguese stock market reference index

PV: Photovoltaic

PwC: PricewaterhouseCoopers

PWN: Lisbon's Professional Women's Network

RED: Renewable Energy Directive

R&D: Research & Development

R&M: Refining & Midsream

R&NB: Renewables & New Businesses

RAB: regulatory asset base

RC: replacement cost

RCA: replacement cost adjusted

RDA: Reservoir Data Acquisition

RED: Renewable energy directive

REN: Redes Energéticas Nacionais, SGPS, S.A.

ROACE: Return on capital employed

ROC: statutory auditor

ROI: return on investment

S: sulfur

S4G: Supply 4 Galp

SaaS: Software as a Service

SASB: Sustainability Accounting Standards Board

SDG: Sustainable Development Goals

SDS: sustainable development scenario

SGPS: Sociedade Gestora de Participações Sociais (Holding company)

SIC: Standing Interpretation Committee

SO_2: Sulfur dioxide

SPPI: Solely Payments of Principal and Interests

STP: São Tomé and Príncipe

SPT: Special Participation Tax (Brazil)

STEPS: Stated Policies Scenario

SROC: firm of statutory auditors

SURF: subsea, umbilical, risers e flowlines

SXEP: STOXX Europe 600 Oil & Gas Index

tcf: trillion cubic feet

TCFD: Task Force on Climate-related Financial Disclosure

TJ: terajoule

TL: Tomboa-Landana

toe: tonne of oil equivalent

tonCO_2/tCO_2: tonnes of carbon dioxide

tonCO_2e/ tCO_2e: tonnes of carbon dioxide equivalent

ton/t: tonne

TPED: total primary energy demand

TRIR: Total Recordable Injury Rate

TSR: total shareholder return

TTF: title transfer facility

TVI: Televisão Independente (Independet television)

TWh: terawatt-hora

UCO: used cooking oils

U.S.A.: United States of America

U.K.: United Kingdom

UN: United Nations

UNESCO: United Nations Educational, Scientific and Cultural Organisation

UNGC: United Nations Global Compact

Up: Upcoming energies

URD: distribution network use

USSR: Union of Soviet Socialist Republics

URT: transportation network use

USD (or $): United States Dollar

V2G: Vehicle-to-Grid

Var.: variation

VAT: value added tax

VLSFO: very low sulphur fuel oil

VUCA: Volatility, Uncertainty, Complexity, Ambiguity

WAC: weighted average cost

WACC: weighted average cost of capital

WBCSD: World Business Council For Sustainable Development

WHO: World Health Organization

WI: working interest

WRI: World Resources Institute

wt: weight

WWF: World Wildlife Fund

YoY: year-on-year