

Galp's Participation in Industry Associations: Climate Change



Index

Introduction.....	4
Our approach to climate change.....	4
Our involvement with industry associations.....	6
Evaluation of industry associations' alignment with climate change.....	7
Goals	7
Evaluation methodology	7
Scope - Industry associations assessed.....	8
Evaluation limitations	8
Findings	8



Introduction

Over the past few decades, there has been growing concern about global warming and its inevitable consequences.

The last decade was particularly marked by decisions for sustainable development, namely with the negotiation and signing of the Paris Agreement in 2015, which aims to decarbonise the world's economies and limit the rise in global average temperature below 2°C compared to pre-industrial levels, and with the definition, in the same year, of the United Nations Sustainable Development Goals (SDGs). The Paris Agreement, ratified by 195 States, also propelled the well-known European Green Deal in 2019, which established a set of European Commission policies and strategies and gave rise, more recently, to the European Climate Law.

We aim to continue delivering energy solutions that meet the needs of communities while creating value for both shareholders and stakeholders, through the development of systems that provide affordable and reliable energy in an economically and environmentally sustainable manner.

The energy transition depends on everyone's commitment. Galp, as a fundamental pillar in the economy, intends to play its part in this transition,

growing through an efficient portfolio and aspiring to be at the forefront of our future.

Our approach to climate change

We recognise the importance of changes in the energy system and aim to play an active role in this transition while responding to climate challenges.

Our commitment to sustainable development is reflected in our 2030 decarbonisation target, a part of our ambition to achieve Net Zero Emissions (scopes 1, 2 and 3) by 2050:

- Reduction of 40%¹ of absolute emissions from operations (scope 1 and 2)

¹ The reduction refers to 2017 as the base year, the year Galp announced its portfolio diversification beyond Oil & Gas and which will be considered the base year for any analysis of the evolution of carbon intensity in the future.

Galp's long-term target to reduce carbon emissions will be achieved primarily by implementing our main strategic guidelines, namely, the transition from our current portfolio to a more electrified and diversified global portfolio.

We want to be leaders in our industry towards a sustainable future. Hence, our intention is to engage in a strong growth plan while decarbonising the products we produce and sell.

At Galp, we participate in the climate debate

The focus on sustainability and the development of clean and affordable energy solutions leads us, as a company, to commit ourselves to this great climate debate.

In this sense, besides our participation in initiatives and associations focused on the objectives of the Paris Agreement, the Climate Law, and the SDGs, we participate in technical working groups that promote the implementation of these same ambitious targets.

At Galp, we actively promote transparency

Communication and transparency on sustainability, including climate issues, are imperative in today's reality. We established a network with an increasingly active, informed, and participative group of stakeholders (e.g., investors, employees, communities, society). We are also facing several changes in the reporting and communication model that imply our effective commitment, as a company, to actively foster the transparency of our information, as evidence of our performance and resilience to future challenges.

Galp discloses its non-financial performance in accordance with internationally recognised standards and reporting structures, following best practices, and contributing to an ongoing, and transparent dialogue with its stakeholders:

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



Our involvement with industry associations

Industry associations play a key role in society, as players for the development of collaborative platforms and to promote the best practices in different sectors of activity.

At Galp, we believe that it is essential to understand the dynamic nature and context of the sustainable development and its current and future challenges.

Thus, Galp promotes corporate citizenship through its membership in several associations and relationships with various industry partners. As a result, Galp benefits from a network of cooperation and knowledge-sharing, allowing us to develop the highest standards of performance and to promote relevant debates, within and outside the organisation.

Additionally, Galp, jointly with Industry Associations, supports the development of strategies aligned with the international community's goals, mainly those regarding the energy transition and carbon neutrality.

As for future association memberships, Galp focuses its choice on a set of criteria aligned with the Paris Agreement, the European Climate Law and Galp's strategy.



Evaluation of industry associations' alignment with climate change

Goals

The fast transition to a sustainable development paradigm requires companies to reflect on the commitments they subscribe to as well as on the decision to join and participate in associations. Accordingly, Galp carried out an analysis of its main associations regarding their climate positioning, to:

- Identify the industry associations aligned with sustainable development criteria such as the Paris Agreement and the European Climate Law, as well as Galp's strategy;
- Promote transparency about Galp's participation in industry associations;
- Encourage a sense of commitment and engagement to the challenge of combating climate change.

Evaluation methodology

Following the analysis described above, Galp established a set of objective criteria that provides a fair evaluation of the associations.

A) Paris Agreement

1. Support the development of mechanisms promoting sustainable development.

B) European Climate Law

1. Support the carbon neutrality by 2050 target.

C) Galp Strategy

1. Alignment with Galp's strategy.

The associations were evaluated according to the criteria listed above by a multidisciplinary Galp's team, as follows:

- **Aligned:** The association has explicit references supporting criteria A. Paris Agreement or B. European Climate Law and is aligned with the Galp Strategy criteria (C.).
- **Partially Aligned:** The association is aligned with the Galp Strategy criteria (C.) but doesn't have explicit reference to criteria A. Paris Agreement or B. European Climate Law within their purpose or, alternatively, without explicit reference to criteria A. or B. and without alignment with criteria C.
- **Non-aligned:** The association has public positions contrary to criteria A. Paris Agreement or B. European Climate Law or lacks explicit alignment with criteria C. Galp Strategy.

Disclaimer: The information in this report was gathered as a result of a research of evidence, by consulting the respective associations' websites. For the purpose of this exercise, failure to publicly verify the criteria does not mean that the association is not committed to those criteria.

Scope - Industry associations assessed

The industry associations described in this report were selected based on their relevance to Galp's business and strategy, as well as their active role in energy policy debates.

Twenty-four (24) organisations were selected and evaluated, whose geographical distribution is diverse, both nationally and internationally. These organisations represent more than 80% of Galp's monetary contribution to industry associations (with around €1.9 m of total contributions paid in 2023).

Evaluation limitations

The opinions and conclusions expressed in this review are those of Galp. This report offers a fair, and coherent evaluation, although necessarily subject to interpretation and judgments of opinion.

Galp will annually review the alignment of associations in which it participates in accordance with climate and sustainable development criteria.

Findings

Out of the twenty-four (24) associations analysed, we concluded that twenty-three (23) are aligned and one (1) is partially aligned.

Aligned	Region
Fuel Europe (ex-EPRA European Petroleum Refiners Association)	EU ●
AOP - Asociación Española de Operadores de Productos Petrolíferos	ES ●
WEF - World Economic Forum	GLB ●
APETRO - Associação Portuguesa De Empresas Petrolíferas	PT ●
APEG - Associação Portuguesa de Empresas de Gás Natural (ex-AGN)	PT ●
WBCSD - World Business Council for Sustainable Development	GLB ●
CIP - Confederação Empresarial de Portugal	PT ●
Instituto Acende Brasil	BR ●
IATA - International Air Transport Association	GLB ●
ATIEL - Association Technique de L'industrie Europeene des Lubrifiants	EU ●
HC - Hydrogen Council	EU ●
ABEEólica - Associação Brasileira de Energia Eólica	BR ●
FGC - Foundation for The Global Compact	GLB ●
UNEF - Union Española Fotovoltaica	ES ●
APREN - Associação Portuguesa de Energias Renováveis	PT ●
EFET - European Federation of Energy Traders	EU ●
ABA - Associação de Bioenergia Avançada	PT ●
SolarPower Europe	EU ●
ABSOLAR - Associação Brasileira de Energia Solar Fotovoltaica	BR ●
APPA - Asociación de Empresas de Energías Renovables	ES ●
APE - Associação Portuguesa da Energia	PT ●
ECH2A - European Clean Hydrogen Alliance	EU -
HE - Hydrogen Europe	EU -
Partially Aligned	Region
ABEP - Associação Brasileira de Empresas de Exploração e Produção de Petróleo e Gás	BR ●
Non-aligned	Region
none	

Range of contribution: ● 5,000 - 20,000 €; ● 20,000 - 50,000 €; ● 50,000 - 150,000 €; ● 150,000 - 250,000 €; ● above 250,000 €

Note: EU – European Union, ES – Spain, GLB – Global, PT – Portugal, BR – Brazil

Annex

ABEP – Associação Brasileira de Empresas de E&P de Petróleo e Gás

Description: ABEP – Brazilian Association of Oil and Gas Companies integrates the IBP – Brazilian Institute of Petroleum and aims to promote the development of a competitive, ethical, and socially responsible oil, natural gas, and biofuels industry.

Alignment: Partially aligned

Detail: ABEP was classified as partially aligned since it was not found explicit references to the climate related criteria. However, ABEP integrates IBP and this last one has been taking steps to meet the challenge of combating climate change. As such, Galp will continue to work actively with ABEP and IBP towards these goals.

ABEEólica – Associação Brasileira de Energia Eólica

Description: ABEEólica is a non-profit Brazilian entity, bringing together and representing the wind energy industry in Brazil, including companies from the entire production chain, having contributed effectively to the development and recognition of wind energy as a clean, renewable, low environmental impact, competitive and strategic source for the composition of the national energy matrix.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

ABSOLAR – Associação Brasileira de Energia Solar Fotovoltaica

Description: ABSOLAR is a non-profit Brazilian entity, that brings together companies from the entire value chain of the photovoltaic solar sector operating in Brazil. The association coordinates, represents and defends the interests of its members within the scope of market and sector development by promoting solar energy.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

ABA – Associação de Bioenergia Avançada

Description: ABA is a non-profit Portuguese entity with a fundamental concern: to promote bioenergy in the energy transition towards the circular economy. This association intends to combat Portugal's great energy dependence, creating conditions to transform the national energy industry and contribute decisively to a green economy.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

APPA– Asociación de Empresas de Energías Renovables

Description: The Association of Renewable Energy Companies (APPA) is a Spanish association that brings together companies and entities that aim to take advantage of renewable energy sources.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

AOP – Asociación Española de Operadores de Productos Petrolíferos

Description: The main goal of AOP - Spanish Association of Petroleum Products Operators is to secure the general interests of the associated companies, through the follow-up of oil legislation and cooperation with the competent authorities in Spain.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

APE– Associação Portuguesa da Energia

Description: The Portuguese Association of Energy is a non-governmental, non-profit and public utility institution, aiming to stimulate reflection and debate on the sustainable energy transition, being a committee member of the World Energy Council, an international organization in which Portugal has been represented since the 1930s.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

APEG – Associação Portuguesa das Empresas de Gás Natural

Description: The Portuguese Association of Natural Gas Companies (AGN) brings together companies, entities and individuals interested in the promotion and development of natural gas as a safe, efficient, and sustainable energy source.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

APETRO – Associação Portuguesa de Empresas Petrolíferas

Description: APETRO - Portuguese Association of Oil Companies is assumed as a national reference in all the discussions and decision-making concerning the oil sector. It fosters the establishment and development of proper conditions for a responsible operation.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

APREN – Associação Portuguesa de Energias Renováveis

Description: The Portuguese Renewable Energy Association (APREN) coordinates, represents, and defends the common interests of its members in the development of renewable energies in Portugal.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

ATIEL - Association Technique de L'industrie Europeene des Lubrifiants

Description: ATIEL is a non for profit association, technical hub of the manufacturers, the developers, and marketers in the European Lubricants industry.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

CIP – Confederação Empresarial de Portugal

Description: The CIP - Confederation of Portuguese Business is Portugal's foremost business confederation, representing more than 150,000 Portuguese companies through its members, advocating for the interests of various member associations, including sectoral and regional associations.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

EFET - European Federation of Energy Traders

Description: The European Federation of Energy Traders (EFET) is an association of energy traders in markets for wholesale electricity and gas, advocating policies and regulatory measures which allow electricity and gas trading to develop freely while encouraging good risk management practices and responsible corporate governance.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

ECH2A - European Clean Hydrogen Alliance

Description: The European Clean Hydrogen Alliance aims to support the large-scale deployment of clean hydrogen technologies, bringing together renewable and low-carbon hydrogen production, demand in industry, mobility and hydrogen transmission and distribution with members from industry, public authorities, civil society, and others.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

Fuels Europe (ex-EPRA – European Petroleum Refiners Association)

Description: Fuels Europe, ex-EPRA is an international non-profit association that represents the EU fuels & industrial value chains products manufacturing industry in the policy debate with EU Institutions and other stakeholders, providing an expert opinion on the production process, distribution and use of our industry's products.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

FGC – Foundation for the Global Compact

Description: The Foundation for the Global Compact provides funds for Global Compact projects that seek to raise awareness of the UN Global Compact, deepen engagement in the initiative by companies and other stakeholders and assist participants in implementing the UN Global Compact's Ten Principles and undertaking partnerships.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

HC – Hydrogen Council

Description: Hydrogen Council is a global CEO-led initiative of leading energy, transport and industry companies with a united vision and long-term ambition for hydrogen as part of the solution to foster the energy transition.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

HE – Hydrogen Europe

Description: Hydrogen Europe brings together several industry players, large companies, and SMEs, who support the delivery of hydrogen and fuel cells technologies. Their main goal is to enable the adoption of abundant and reliable energy which efficiently fuels Europe's low carbon economy.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

Instituto Acende Brasil

Description: Instituto Acende Brasil is a Think Tank (study centre) aimed at developing actions and projects to increase the degree of Transparency and Sustainability of the Brazilian Electric Sector.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

IATA – International Air Transport Association

Description: IATA - the International Air Transport Association is the trade association for the world's airlines, representing more than 300 airlines and 80% of total air traffic, supporting many areas of aviation activity and helping formulate industry policy on critical aviation issues.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

SolarPower Europe

Description: SolarPower Europe's goal is to ensure the growth of solar energy. Their ambition is to position it as the most generated energy source in Europe by 2030.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

UNEF – Unión Española Fotovoltaica

Description: UNEF is the spokesperson for the photovoltaic sector in Spain, representing about 90% of the activity in this country with the main goals of activating industrialisation, boosting and enabling the creation of employment and economic value in the sector, as well as disseminating the technological innovations in the sector.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

WBCSD – World Business Council for Sustainable Development

Description: WBCSD is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.

WEF – World Economic Forum

Description: WEF, the world's organisation for public-private cooperation, involves leading business, political, cultural, and other leaders in society to shape today's political and economic challenges.

Alignment: Aligned

Detail: Association aligned with the objectives of the Paris Agreement or the European Climate Law, as well as alignment with Galp's strategy criteria.



galp.com