galp

Task Force on Climate-related Financial Disclosures

TCFD
2023 Report

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Introduction

The reported information was **subject to verification of its alignment** with the recommendations of the Task Force on Climate Financial Disclosures (TCFD) by the audit firm PwC.

Climate and other nature-related risks are perceived as the most rapidly increasing risks during this decade, intensifying both the frequency and severity of extreme weather events.

According to the World Economic Forum (WEF) Global Risks Report 2024, the top risks over the short term (2 years) ranked "Extreme weather events" in second place, while the long-term (10 years) risk ranked "Extreme weather events", "Critical changes to Earth systems", and "Biodiversity loss and ecosystem collapse" topped the list, all of which can have a direct relation to climate change.

The integration of climate-related considerations into financial disclosures has become a key concern for investors and companies alike. Companies are increasingly expected to report on how they are identifying and managing the risks and opportunities arising from climate change, including the physical impacts of extreme weather events, along with the ones related with significant changes in regulation, customer preferences and energy demand and supply.

Galp recognizes climate change as a key risk and emphasizes the significance of TCFD recommendations for enhancing reporting on climate-related risks and opportunities. This alignment process began in 2018 with Galp's inaugural report, aimed at providing crucial information for investors, financial institutions, and other stakeholders.

About this report

This report aims to **provide a transparent overview of how Galp is implementing the TCFD recommendations**, namely its climate-related risk policies, processes and practices in each of the four thematic areas, which are:

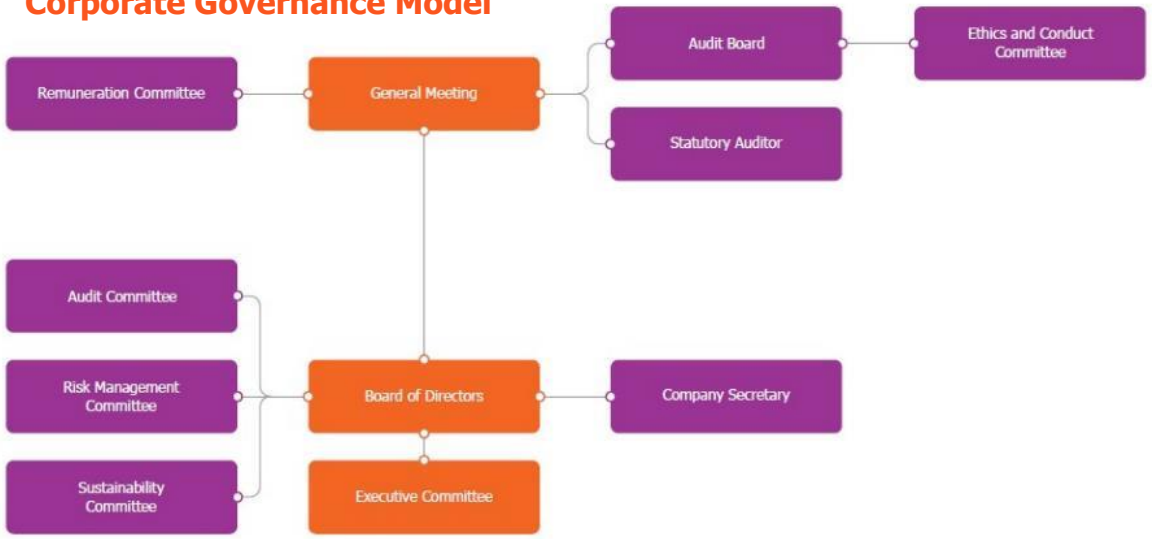
- ✓ Governance
- ✓ Strategy
- ✓ Risk Management
- ✓ Metrics and Targets

Failing promptly to address climate-related risks and opportunities can compromise a company's capacity to sustain long-term value creation, attract investments, retain top talent, safeguard its reputation, and maintain its licence to operate.

Galp recognises that responsible leadership is vital to oversee and address climate and energy transition related risks and opportunities – over the short, medium and long term – and has integrated these into the Company's strategic formulation process and investment planning. These responsibilities, overseen by the Board of Directors and the Executive Committee, are managed at board level by the Sustainability Committee, supported by the Risk Management Committee. Galp's Chief Financial Officer supervises both sustainability and risk management teams.

The above-mentioned committees play a key role in helping the Board of Directors integrate sustainability principles into its decision-making process, ensuring the company consistently identifies and manages its key risks and opportunities.

Corporate Governance Model



Board of Directors

The **Board of Directors** plays a central role in reviewing, overseeing and approving the Company's strategy, including the annual budget and the Business Plan, to ensure that it is compatible with the generation of long-term value and thus promoting a sustainable business model towards decarbonisation and a successful energy transition.

The Board of Directors also oversees the investment proposals to guarantee the incorporation of main objectives and planned actions in the budget and plan, including those related to sustainability topics. This is ensured, among other analyses, by evaluating the impact of a project on carbon metrics and climate-related ambitions before an investment decision is made.

Regarding the Internal Control and Risk Management system, the Board of Directors plays a guiding role in assessing its adequacy. This includes defining the nature and levels of risk aligned with strategic objectives and ultimately approving Galp's risk appetite.

Furthermore, the Board of Directors defines the short- and long-term incentives and oversees the Company's consolidated performance as reported in the annual Integrated Management Report.

When reviewing Galp's business plan, the Board evaluates its alignment with the internal sustainability roadmap.

The Board and its Sustainability Committee frequently participate in sessions to deepen the knowledge of key sustainability and ESG matters. The numerous meetings held with board members throughout 2023 included workshops and upskilling sessions covering topics such as deep dives on the internal sustainability roadmap, the role of renewable hydrogen applied to harder-to-abate sectors, the voluntary carbon market and biodiversity protection. Additional deep dive sessions were conducted for Sustainability Committee members to cover pre-identified topics such as GHG emissions fundamentals, Galp's decarbonisation performance and metrics, and the impacts of the development of key projects.

Executive Committee

The Executive Committee is entrusted with the day-to-day management of the company, as delegated by the Board of Directors.

Galp´s progressive decarbonisation is a strategic goal directly managed by the Executive Committee. This governing body proposes the strategy and objectives to the Board of Directors and oversees its implementation. It closely monitors the performance of carbon metrics, the achievement of climate ambitions, and the progress of key decarbonisation projects.

Additionally, the Executive Committee oversees business and annual investment plans to ensure alignment with the energy transition and climate targets.

Sustainability Committee

The Sustainability Committee, composed by three non-executive directors, is the board-level committee responsible for climate and nature related issues, being key in informing on and assisting the Board of Directors in integrating sustainability principles into the decision-making process. It also ensures that the main climate-related risks and opportunities that we face are identified and continually managed, with the support of the Risk Management Committee.

The Committee is responsible for evaluating and monitoring progress towards the ambitions, objectives and targets of the sustainability roadmap, including climate-related objectives. It also oversees the monitoring and reporting of sustainability performance, including aspects related to climate change, in line with established policies, commitments, objectives, and targets.

Additionally, it monitors the alignment of Galp's strategic plan with its sustainability commitments, and issues appropriate opinions and recommendations.

In 2023, the Sustainability Committee met 7 times and the following matters were discussed and presented:

- Discussion of Sustainability perspective concerning 2024-2028 business plan
- Assessment of sustainability regulations and international frameworks and their impact on Galp's internal processes and external disclosures
- Review of Galp's sustainability roadmap for 2023-2025, including performance highlights across its foundation pillars
- Context and organisational response level analysis on the disclosure of non-financial information, focusing on the legislation and regulation
- Analysis of Galp's sustainability performance, including results obtained from relevant sustainability indexes and identification of performance gaps
- GHG emissions fundamentals and analysis of Galp's metrics and progress toward decarbonisation targets
- Analysis of the most relevant outcomes from COP 28 and their potential implications for Galp's activities
- Overview of external engagements and recent interactions with the capital market and investment funds, emphasizing ESG-focused discussions

Chief Sustainability Officer

Galp's Chief Sustainability Officer (CSO) serves as the Director of Sustainability and Investor Relations teams. The CSO is responsible for the corporate management of sustainability risks and for establishing and proposing assessment and monitoring methodologies. These are implemented in coordination with all relevant corporate and business units, including the Corporate Risk Management team, thereby ensuring that an action plan is established to minimise and mitigate these risks.

Risk Management Committee

The Risk Management Committee, comprising 3 non-executive Board members, is responsible for advising the Board on the oversight and monitoring of Galp's main risks; evaluating the compliance with the tolerance levels and the execution and effectiveness of decided mitigation actions; assessing Galp Group's internal control and risk management systems; issuing appropriate opinions and recommendations; and evaluating compliance with Galp's risk management policy.

It collaborates with the Sustainability Committee in identifying and quantifying climate-related risks. In 2023, the Committee analysed the Risk Profile of the Business Plan and the Risk Appetite Statement for the strategic objectives inherent to the business plan, including a Carbon Intensity Assessment through sensitivity analysis of key projects and variables.

Chief Financial Officer

The Chief Financial Officer (CFO), a member of the Board of Directors and the Executive Committee, is also the Chief Risk Officer and ensures, among others, that the strategic action plans that minimise risks are in place and that risk management appetite and priorities are considered in decision-making. The CFO supervises the Sustainability and Risk Management teams, among others.

Audit Board and Audit Committee

The Audit Board supervises internal risk management (including climate-related risk), internal control and internal auditing systems while also controlling the Company's financial information. It also supervises the company's activity, receives and processes reports of irregularities, and is the internal body responsible for assessing corporate governance matters. The Audit Committee oversees the supervision of the internal auditing system and reports to the Board of Directors.

Sustainability and Investor Relations team

The Sustainability and Investor Relations team, with the support of the Risk Management team, when necessary, is responsible for informing these governing bodies and providing technical support regarding any key climate change-related issues. The Executive Committee and Sustainability Committee receive from this team regular updates on carbon metrics performance, the progress on decarbonisation roadmap, and any significant climate-related risks and opportunities.

Galp has in place an ambitious but pragmatic energy transition strategy. The carbon intensity performance of Galp's current portfolio is already one of the lowest in the sector. Our upstream portfolio has a carbon intensity over 40% lower than the industry average, according to International Association of Oil & Gas Producers (IOGP). Adding to this, the integration of renewables at Galp is currently over four times superior to the average of the peers, in relative terms based on hydrocarbons production.
Starting from this vantage point, Galp sought to guide its transition journey using independent metrics which will reflect its progress towards a lower carbon future, focused on the gradual decarbonisation of our industrial operations and of the energy that we produce and sell.

In 2022, we refreshed our **Sustainability Roadmap** focused on longer-term priorities & ambitions, covering environmental (including climate), social and governance and economic-related topics. In 2023, we started implementing the roadmap, which will include > 20 monitored climate-related key results across all Business Units and Corporate Centre, further embedding climate-related objectives within the organization.

Galp's strategic planning is periodically reviewed, and the risks and opportunities of climate change across three time horizons (short-, medium- and long-term) are considered, as well as their impact on strategic lines and competitiveness.

A business plan is developed every year, including the short-term outlook and annual budget. The long-term planning associated with > 5-year cycles is regularly reassessed to incorporate new, relevant data from updated reference scenarios**.** Business Plans and relevant investment decisions incorporate carbon price assumptions. They are accompanied by an analysis of their impact on the Company's emissions and climate-related ambitions, ensuring that they are aligned with the Company's overall decarbonization and transition strategy.

The main risks for Galp[1]

Table 1

Climate Change	The physical risks (acute or chronic) associated with climate change may have a potential impact on Galp's activities and assets by 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 — which could jeopardise Galp's business model and require significant "green" investments to support the transition to lower-carbon businesses and avoid "stranded assets".
Legal and Regulation	Galp is subject to a wide range of international laws and standards, either industry-specific or comprehensive, in the various countries where it operates. These regulations are changing at a rapid pace, and failing to meet national or international regulatory compliance requirements could impact the Company's reputation and financial performance. Additionally, part of Galp's activity is conducted in emerging or developing economies, with a relatively unstable legal and regulatory framework. This may lead to legislative and regulatory changes that can alter the business context in which Galp operates.
Innovation & Technology	An inability to identify, capture and integrate new digital transformation trends, particularly in terms of automation and solving complex industrial challenges or developing new work practices that speed up processing times and reduce manual work, would affect Galp's efficiency, products and services time-to-market and its competitive position.
Reputation and Image	Actual or perceived governance failures (including money laundering, fraud, etc.) due to unethical behaviour by people, regulatory non-compliance, or lack of understanding of how Galp's operations affect communities and the environment, or how the Company is responding to expectations from customers, stakeholders, and society, namely, with regard to energy transition, could damage the Company's brand and reputation.
Commodity price	Galp's business portfolio is exposed to volatility of the price of crude oil, natural gas, LNG, electricity, CO2, and other raw materials. 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.
Economic context	The energy sector is particularly exposed to the economic context, with supply and demand conditioned by the macro environment. Galp's competitive position and financial performance may be harmed, if the Company is unable to respond adequately to disruptive changes in the market, including the impacts from adverse geopolitical context. Changes in exchange rates and uncertain path of inflation, and interest rates, also pose a challenge to the liquidity of households and businesses.
Sourcing and Supply	The significant increase of 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 impact the fulfilment of supply commitments to its customers, and have a major impact on Galp's operations and its financial performance.
Project Execution & Management	Implementation of Galp's projects is exposed to several risks (market, liquidity, political, legal, technical, commercial, climate and others) that may compromise compliance with budget, deadlines, defined specifications, and its operational reliability.
Tallent Attraction & Retention	Failure to monitor and measure critical points along employees' journey at Galp, or to ensure employee engagement and maximum productivity, while building a holistic culture around a new work model, could lead Galp to fail to attract and retain talent, compromise its ability to execute its strategy effectively and also impact its financial performance and reputation.
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, capitalising on the Company's existing competitive advantages (high quality assets), 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.

[1]The selection of the Gap's main risks was based on their risk appetite rating and relation with climate topics.

The two major **climate-related risk categories - transition risks and physical risks** - have been identified, assessed and quantified within the scope of the climate related risk analysis and in the context of Galp's overall risk management process. Although initial assessments have been made, the company is implementing processes and tools that will allow it to improve physical and transition climate-related risk assessments. This will provide additional support for investment and other management decisions as well as prepare future disclosure.

At group level, the following material climate-related risks have been identified:

(1) The review of physical risks concluded that the Organization has relatively low exposure to **chronic** risks and that the most significant **acute** risks identified are **extreme wind and rain events**. These potentially damaging events could affect our assets causing damage to facilities and equipment, changes in swell patterns that could disrupt accessibility to ports, interrupt operations and logistics chains and compromise raw material supplies, among others.

(2) Current and emerging national and international climate-related laws and regulations are risk factors of high importance for OPEX and investment and/or divestment decision-making, as they can affect, for example, the project location, the form of exploitation, the means used and the repatriation of capital.

The approval of international agreements and/or new regulations, encouraging the use of low-carbon energies is an additional risk factor for Galp. For example, Galp's activities, namely its refining operations, are covered by the EU-ETS and directly impacted by CO_2 prices. The increased ambition in emissions reduction announced by the EU Commission recently and the accompanying revision of the ETS directive will put increased pressure on CO_2 prices, which are likely to rise, as well as on the allocation of free emission allowances, which might decrease. The extension of the ETS to shipping activities and the creation of an ETS 2 that includes road transport and building can also impact the company's Midstream energy management (shipping) and Commercial (road transport fuels sales) businesses.

Furthermore, any failures by the Company, its employees, governing bodies, suppliers/service providers, or counterparties relating to compliance with ESG-related laws and standards, or failure to respond to ESG topics, may adversely affect the Company's investment case and reputation.

(3) The development of technology and/or the emergence of **disruptive technologies** that support the transition to a lower carbon economy can significantly impact Galp's performance. New technologies are an important strategic lever to drive business transformation, especially in researching and developing new renewable energy sources and low-carbon technologies that can affect Galp's competitiveness and, ultimately, the demand for their products and services from end users. In parallel, the inability to identify, capture and integrate new digital transformation trends, particularly in terms of automation and solving complex industrial challenges or developing new work practices that speed up processing times and reduce manual work, would affect Galp's efficiency, products and services time-to-market and its competitive position.

(4) The dynamics of **supply and demand** in the **market** affect the prices of oil, natural gas, LNG, petroleum products, and electricity, all of which influence Galp's performance. In this context, the potential impact on demand for oil and gas, due to changes in consumption patterns, namely by higher demand for low carbon intensity solutions, is a major risk for Galp.

On the other hand, the increase in oil, natural gas, CO_2, and electricity **prices** may affect the value and profitability of Galp's assets. Even though the prices that the Company charges its clients reflect market prices, they may not be adjusted immediately or entirely reflect the changes in market prices.

Factors such as macroeconomic, geopolitical and technological uncertainties, supply constraints and operational circumstances may affect the supply and demand for products and consequently their prices.

(5) Galp can be subject to negative impacts on its **reputation** due to a lack of non-compliance (actual or perceived) with laws and regulations related to climate change. Particularly in a context of increasing stakeholder influence and increased awareness of society about climate change related topics, this may lead to a **change in consumer behaviour**, increasing preference for alternative fuels (e.g. biofuels) and renewable energy (low carbon electricity), or even to reduced investor interest in the company, which could potentially impact Galp's access to capital.

Regarding **opportunities**, Galp has also conducted an analysis of climate change related issues that have the potential to generate a substantive positive change in its business operations, revenue, and/or expenditure.

Galp identified several opportunities arising from the development and/or expansion of low-carbon projects, the ability to diversify business activities, and the shift in consumer preferences.

Keyprojectsand milestones

- Integrating renewable power generation to support the group's activities, with 1.4 GW of solar PV plants already in operation and holding a total projects portfolio of 7.1 GW (inc. in operation, construction and under development)
- Development of green hydrogen solutions, with a 100 MW electrolyser capacity with FID taken in 2023;
- Development of an HVO production unit with a 270 ktpa capacity at Sines refinery with the capacity of producing advanced biodiesel and SAF with FID taken in 2023 (JV with Mitsui)
- Supporting customers in this transition by developing decentralised solar power generation and storage solutions, offering e-mobility solutions and leading the expansion of EV charging points network, supplying low-carbon fuels for transportation uses including maritime and aviation;
- Development of a Lithium processing facility with a capacity of up to 35 ktpa of battery grade lithium hydroxide production, sufficient to support battery production for approximately 700 k electric vehicles/year (JV with Northvolt)

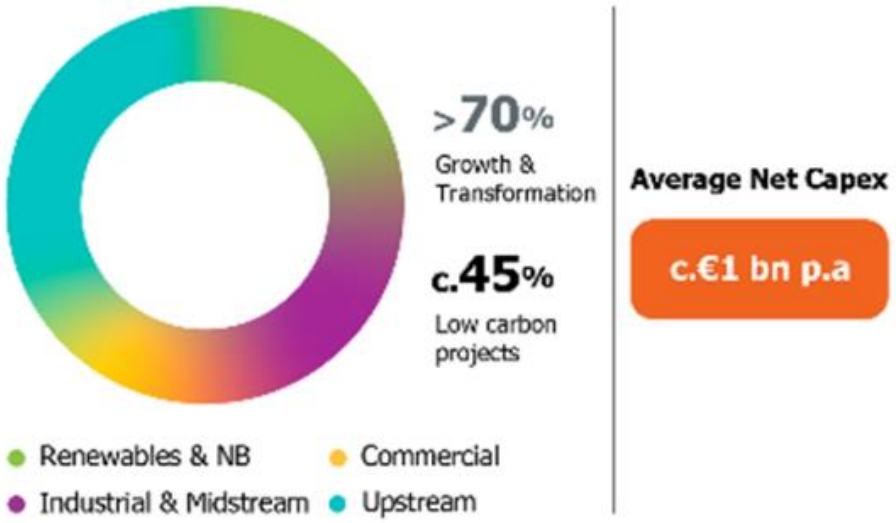
Capital stewardship

Galp's transformational journey is steered by strategic capital allocation and investment guidelines, and continuously reviewing its integrated portfolio with financial discipline and a strong focus on profitable growth. We are implementing risk reduction measures as we move forward in line with the European commitment to reach net zero emissions by 2050.

Over 70% of Galp's 2023-25 investment plan is allocated to projects that will enable Galp to grow and transform — most of which have already been identified (see Integrated Management Report 2023, part I –2. and 3.) — and targeting competitive returns across the different business segments. In this plan, approximately 45% of the total investments are estimated to be directed towards low-to-no carbon developments considered to be aligned with the energy transition, such as the investment towards increasing renewable energy generation, sustainable biofuels, in energy efficiency, electric mobility and in the production of green hydrogen.

It should be noted that, in addition to the categories eligible under the EU Taxonomy regulation, Galp also considers activities that may contribute significantly to mitigating climate change, such as investments in hydrogen, energy efficiency projects and the battery value chain.

Investments weight 2023-2025 (net CAPEX)[1]



[1] for more information on alignment oif Calp's CapEx, OpEx and turnover with the EU Taxonomy, please see Integrated Management Report 2023, part V - Appendices, 1. Non-financial consolidated information.

Integrating carbon pricing and targets in investment approval

Galp believes that internalising the costs of GHG emissions, namely through an internal carbon price, is a powerful tool to incentivise investments in lower-carbon solutions while maintaining technological neutrality. In line with this belief, Galp incorporates a global carbon price into the evaluation of new projects and modifications to existing ones. This allows the Company to ensure the resilience of its investments, even in geographies without emissions trading schemes in place.

The CO_2 prices considered are consistent with external long-term energy transition scenarios (c. €90/tonne of CO_2 by 2025, c. €110/tonne of CO_2 by 2030, c. €190/tonne of CO_2 by 2050) and incorporate current legislation, while simultaneously aiming to anticipate future regulatory trends.

Additionally, when evaluating investments in new project developments, expansions, or upgrades of existing assets, Galp stress tests the impact of the related CO_2 emissions on its emissions related metrics and ambitions before any investment decision. This approach ensures the prioritisation of low carbon intensity projects, aiming at achieving its decarbonisation ambitions.

As a global integrated energy company, present in several geographies, Galp is exposed to a set of internal and external risks, including climate-related risks, which may bring uncertainty to its performance, involve personal or process safety incidents, environmental impacts, damage to assets, jeopardizing the accomplishment of strategic objectives, possibly even impacting its reputation, financial results and market capitalisation.

The management of these risks is based on a Risk Management Model, which follows internationally recognized standards and guidelines (ISO 31000 and COSO - Committee of Sponsoring Organizations of the Treadway Commission) and the three-lines-of defence risk governance model.

Risk management within Galp is framed within a regulatory environment that encompasses a set of policies, standards, and procedures supported by the Risk Management Policy and the Risk Management Governance Model, approved by the Board of Directors.

Galp's Risk Management Policy defines risk management processes that ensure inherent risk exposure is managed in line with the company's risk appetite, while guaranteeing that regulatory and ethical conduct requirements are met.

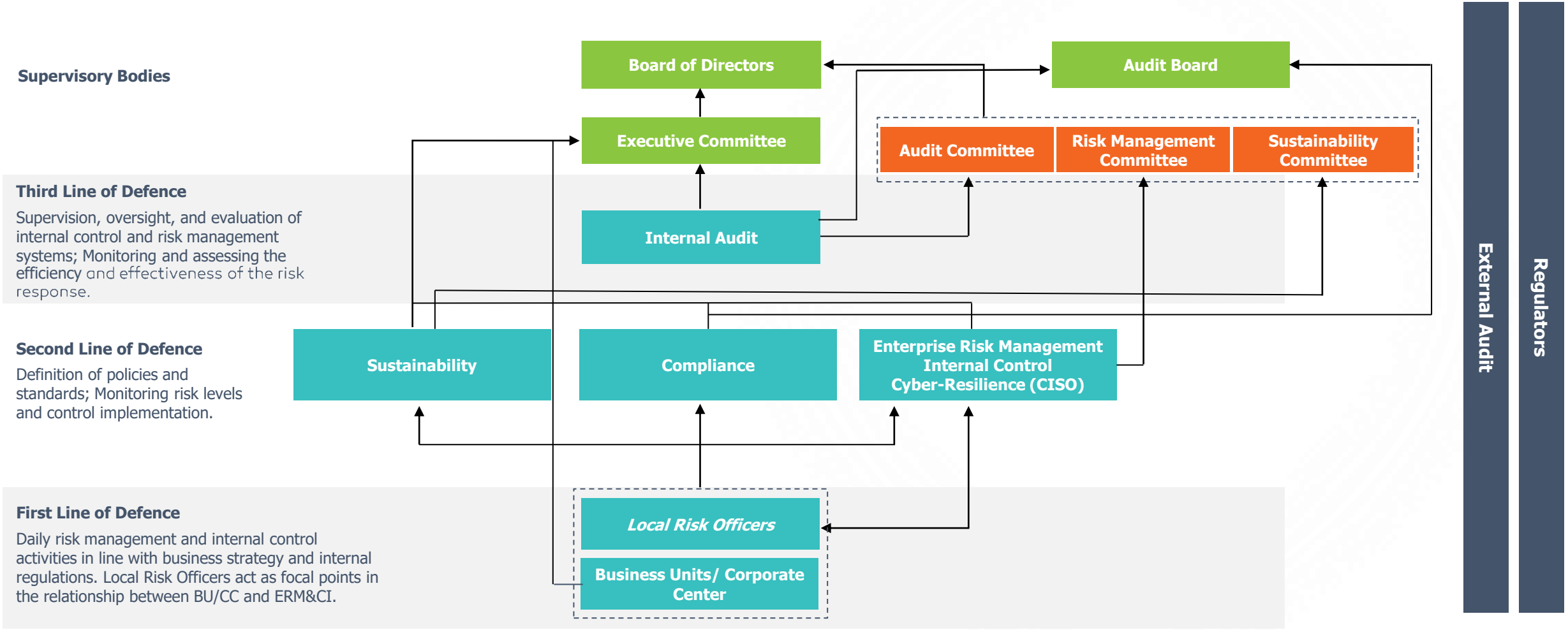
Galp's governance structure, procedures, and systems support the Company in managing the risks to which it is exposed so risk management is an integral part of the decision-making processes.
Based on the guidelines established in the Risk Management Policy, Galp identifies, assesses and manages the risks and opportunities inherent to its strategy, including emerging risks and opportunities. **Climate change has been identified as a top risk**.

Three lines model

Galp developed a systematic and ongoing process for identifying, assessing, and managing risks and opportunities, carried out across the three lines model that enables a consistent relationship between risk management activities developed at different levels and of different periodicity. It assures that any relevant climate-related (or other) risk identified by those responsible for Organisational Unit (OU) risks and processes with the support of the respective Local Risk Officer (LRO) is analysed and assessed at the OU level. The LRO is responsible for reporting periodically to the corporate risk department OU risk exposure.

- the first line is responsible for the daily risk management and internal control activities. Those responsible for the Organisational Unit risks and processes, for 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 is responsible for defining compliance, risk and internal control standards.
- the third line oversees, monitors and evaluates the effectiveness of the risk management and internal control processes.

Three lines model



Risk management process

The company's risk management processes encompasses the identification of risks and opportunities, their assessment, the consequential definition of response measures, the monitoring and reporting of the identified risks and opportunities and the supervision and review.

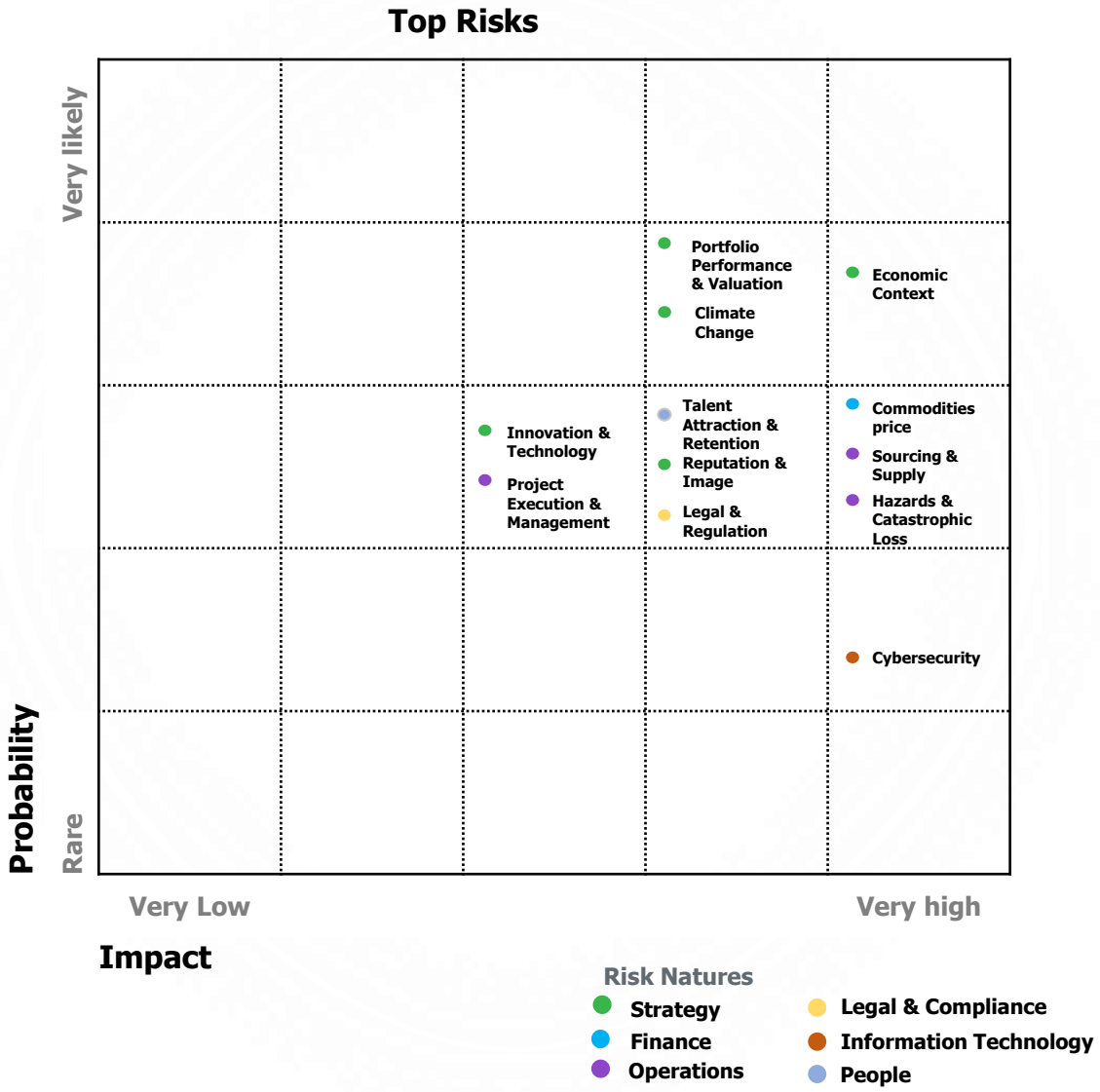
- **Identification of risks and opportunities:** involves understanding both external and internal environments, assessing potential changes in these environments, as well as considering Galp's strategic and business objectives. It is conducted continuously in all businesses and activities and particularly during the assessment of a new investment project or business and in the Budget and Plan (B&P) risk analysis phase. Based on a 2024 outlook, Galp conducted a risk assessment to identify the risks that could impact achieving its strategic and business objectives set for the year. The results are presented in Table 1 (page 8).

- **Assessment of risks and opportunities:** following risk identification, Galp defines its risk appetite. For the assessment of its risks, Galp uses a methodology that allows the Company to obtain an overview of its main risks, characterising them in a comprehensive and robust manner, assessing the probability of occurrence and 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.

The results are integrated by the Enterprise Risk Management team (ERM) in a risk matrix along two axis, one materializing the probability of the risk from rare to very likely while the other reflects the impact of the same risk from very low to very high. This risk analysis and the resulting risk matrix are regularly discussed with the Executive Committee and the Risk Management Committee.

Climate change has been identified as a risk with high probability and high impact.

Risk Matrix



- **Definition of risk response measures:** Risk response measures comprehend the identification and implementation of actions to modify risk level, ensuring its reduction to a level as low as reasonably practicable and aligned with risk appetite. Based on the probability and impact of the risk versus the risk appetite, different risk response measures can be defined:
    i. Accept;
    ii. Mitigate;
    iii. Transfer;
    iv. Avoid.

  Regarding opportunities, the response should include the definition of actions to ensure their capture.
- **Monitoring and reporting risks and opportunities:** this step aims to identify and respond to changes in conditions that may affect previously identified risks/opportunities and, thus, take measures to mitigate potential negative impacts or leverage opportunities. In parallel and continuously, information regarding exposure to risks/opportunities is reported to both internal and external stakeholders.
- **Supervision and review:** the Enterprise Risk Management model is audited periodically (including audits of the risk management process carried out by Internal Audit) to assess its functioning and the degree of contribution to the achievement of the Company's strategic and business objectives, with necessary improvements being implemented, namely through the review of risk taxonomy or the revisions of risk management regulations.

Climate risks assessment

Galp has been working on identifying climate-related risks (including acute and chronic physical risks, and transition risks), considered as strategic risks for the Company. This procedure aims to analyse the resilience of the Company's strategy to different climate scenarios, identify related opportunities, and integrate the most relevant associated risks in the risk management framework.

- **Climate physical risks** (chronic and acute) 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.
    - Chronic: e.g. longer-term shifts in climate patterns like sea level and mean temperatures rise, changes in wind and precipitation patterns, etc
    - Acute: e.g. increase severity of extreme weather events such as cyclones, hurricanes, or floods
- **Climate transition risks** (market, legal and regulatory, technology related and reputational risks) may profoundly affect the Oil & Gas sector due to changes in consumer behaviour, reducing demand and potentially affecting hydrocarbon 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 economy; and could drive the creation of "stranded assets".

Although initial assessments have been made, the Company is implementing processes and tools that will allow us to improve physical and transition climate-related risk assessments. This will provide additional support for internal investments and other management decisions as well as prepare future disclosure.

Risk Taxonomy

Galp has a Risk Taxonomy that is a dynamic tool to support risk management and systematises the Company's key risks.
The risks are grouped into categories according to their nature:

- Strategy
- Finance
- Operations
- Legal & Compliance
- Information Technology
- People

Note: Physical (acute and chronic) and transition risks are included in risk natures "Strategy" and "Operations".

For the process of identifying and evaluating climate-related opportunities, Galp uses the reference dictionary based on the recommendations of the TCFD. Galp's Risk Taxonomy is aligned with Oil & Gas peers and international standards.

All values of physical variables were obtained considering the geographic coordinates of the different assets across all business units, and the data was collected from reliable sources, such as initiatives developed and sponsored by the EU (Copernicus) and the WMO (Cordex).

LROs and other relevant experts from all BUs and OUs assessed the impact and probability of relevant physical risks for their units. Transition risks were evaluated at the business and group level. 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.

Climate-related physical and transition risks have been assessed for all business units and geographies, supported by respective Local Risk Officers using scenario-based modelling (including one 1.5ºC and one well-bellow-2ºC scenario) comprehending relevant scenarios for physical variables and reference scenarios for market variables. 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 quantification of climate-related risks and opportunities aim to test the resilience of the Company's strategy to different climate scenarios, identify relevant opportunities and integrate the most significant associated risks in the risk management framework.

Following the assessment and the analysis of the calculated climate value at risk, Galp prioritises the risks and develops action plans and mitigation measures according to the expected loss and climate value at risk.

It is also at this stage that decisions regarding risk transfer are made, through the contracting of insurance policies. Although the contracts established by Galp already include damage caused by climate risks, they can be reviewed to ensure their alignment with risk assessment results.

Water, Biodiversity and Circularity

According to the Global Risks Report 2024, by World Economic Forum, climate- and nature-related risks lead the top 10 risks, by severity, expected to manifest in the next decade. The interplay between biodiversity loss, pollution, natural resource consumption, climate change, and socioeconomic drivers will constitute a dangerous mix.

Galp is conscious of increasing water and biodiversity risks and the impact that new, energy transition-related projects can have in these dimensions. Also, Galp, like other companies, depends on natural capital and generates both positive and negative impacts. Analysing the potential dependencies and impacts on natural capital is key for Galp to assess the associated risks & opportunities properly and consequently to prepare and respond effectively, strengthening the group's resilience and conserving at the same time the ecosystems.

Therefore, adding to the regular risk assessment, Galp updated its assessment this year and included an analysis of potential nature-related dependencies & impacts associated with its sector and business activities in its direct operations. Finally, the scope has undergone minor changes compared to the previous assessment, due to changes in Galp's consolidation perimeter.

Nature-related potential dependencies & impacts

For this analysis, we used several tools, including ENCORE, SBTN Materiality Screening Tool and the TNFD LEAP risk assessment methodology. This is a **key starting point** for a risk assessment process. It is important to compile and analyse company data (i.e., location of company sites, industry classification and business importance of the site, ecoefficiency performance) and consider site-specific location factors.

The main potential impact drivers associated with the business activities on Galp and the potential ecosystem services that the organization may depend on are:

		Refinery	Solar PV	Onshore wind	Service Stations	Storage Facilities	Upstream
Impact drivers							
1. Disturbances				●			●
2. Use and change the ecosystem	Terrestrial ecosystem use	●	●			●	
	Freshwater ecosystem use						
	Marine ecosystem use						●
3. GHG air emissions		●					●
4. Pollution	Non-GHG air pollutants	●				●	●
	Soil pollutants	●			●	●	●
	Water pollutants	●			●	●	●
	Solid waste	●					●
5. Resources	Water use	●					
Ecosystem services							
1. Provisioning services	Water supply	●					
2.Regulating & maintenance services	Climate regulation		●	●			
	Mass stabiliza-tion & erosion control				●	●	

Water-related risks

We are planning and developing measures and strategies to address the issues related to water usage associated with our activities, particularly in the water-stressed areas where we operate. In our annual nature risk assessment, we continued to use the WRI Aqueduct Water Tool (developed by the World Resources Institute) to map and assess water risks in our operated assets (link here). In 2023, 36% of Galp's operated sites were in areas with high or extremely high overall water risks, mainly explained by their location in Iberia, in areas with physical water quantity risk (particularly water stress). Most of these sites correspond to Service Stations in Iberia.

The company annually reports comprehensive metrics on water consumption and liquid effluent production, including details on water withdrawals, water sources and waste-water (see our website for more information).

Biodiversity risk screening

In 2024, we reaffirmed our position on biodiversity with the approval of our Biodiversity Policy (link here), centered around the following three fundamental principles: Respect protected zones; Identify, assess, and manage existing and newly operated sites; Promote collaboration and spread knowledge.

In the case of the first principle, we have the objective not to operate/ explore/ mine/ drill inside the boundary of UNESCO's World Heritage areas and avoid IUCN (International Union for Conservation of Nature) Category I-IV protected areas. We accomplish this by intersecting projects' locations with these biodiversity-relevant areas using the IBAT tool (Integrated Biodiversity Assessment Tool).

In parallel, we also perform a biodiversity risk screening annually, covering 100% of our operated sites. In this exercise, we map the sites with biodiversity-relevant areas[1], up to a 50 km radius, using the IBAT tool. The number of threatened species surrounding our operations is also monitored according to the IUCN Red List. **None of our operated sites are situated within or adjacent to UNESCO's World Heritage Areas.** Regarding IUCN Category I-IV protected areas, **29 sites (6%) are located in or near (within a 1km radius) of these regions,** predominantly service stations in Spain.

We plan to develop Biodiversity Action Plans (BAP) for sites adjacent to protected areas. For new projects located in or adjacent to protected areas, we are focused on developing a strategy to produce a positive impact on biodiversity (see our website for more details, including case studies)

The company annually reports comprehensive metrics on biodiversity, including no. sites in UNESCO, IUCN Cat I-IV and examples of Galp's projects with BAP or net positive impact action plans implemented (see our website for more details).

Circularity

Galp is focused on making materials last longer by using resources responsibly and incorporating circular principles from design to disposal. We strive to collaborate with partners to share experiences and best practices and create opportunities aligned with this objective. Additionally, we strategically reconsider the traditional business models through a circular lens by exploring solutions through Innovation initiatives.

We plan to boost our circular business model by implementing a new circular economy strategy by 2030 and working on an action plan focused on key priority areas. Despite this, we are already implementing processes and products to boost circularity across various businesses within Galp. The Company also reports several metrics related to circularity annually, such as raw materials and resource consumption and the production of reused or recycled waste (see our website for more details).

More detailed information about water and biodiversity-related risks assessment can be consulted in the links below:

- Galp's Nature Risk Screening 2023 (link)

[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, Ramsar, Natura 2000 network, and UNESCO World Heritage).

2017

- Industrial Reconfiguration
- Energy efficiency
- Renewable electricity
- Low carbon fuels
- New energies

2030

Absolute emissions (CO_2e)
Scope 1 and 2 (vs 2017)

-40% from operations

Carbon intensity (gCO_2e/MJ)
Scope 1, 2 and 3 (vs 2017)

-40% Production based approach

-20% Downstream sales based approach

2050

Net Zero Emissions
in line with EU ambition

Water

Effective Water Stewardship by **2030**

Improve **water efficiency**

Biodiversity

Protect Biodiversity and ensure the sustainable development of our projects

No operations in World Heritage sites and avoid IUCN categories I-IV protected areas **in new sites**

Avoid all deforestation of indigenous species and compensate with future reforestation, wherever it is impossible to evade deforestation

From 2023, aim to produce a **positive impact** on biodiversity

Supply Chain

Evaluate **100% tier 1 suppliers** in terms of ESG **by 2025**

Decarbonisation journey

2030 targets

Galp has in place an ambitious but pragmatic energy transition strategy. The carbon intensity performance of Galp's current portfolio is already one of the lowest in the sector. Our upstream portfolio has a carbon intensity over 40% lower than the industry average, according to International Association of Oil&Gas Producers (IOGP). Adding to this, the integration of renewables at Galp is currently over four times superior to the average of the peers, in relative terms based on hydrocarbons production.

With a pragmatic and realistic approach to the energy sector and a significant emission reduction plan already underway, Galp has the ambition to reduce its absolute operating emissions by 40% until 2030[1].

This target is based on the development of already identified projects and reflects the company's current focus on reducing its carbon footprint, demonstrated through recent investment decisions on key projects like the first 100 MW electrolysers for green hydrogen production and an HVO unit capable of producing both advanced biodiesel and sustainable aviation fuel. Additionally, substantial investments in operational energy efficiency, electrification, and a robust commitment to renewable electricity generation will ensure the right direction towards further reducing our emissions and decarbonise our portfolio throughout the decade.

In addition, Galp defined two carbon intensity reduction targets which reflect its progress towards a lower carbon future, of the energy that we produce and of the energy that we sell to our customers, also with reference to 2017.

For more information on the carbon intensity metrics, please refer to our website.

[1] This target considers 2017 as a baseline, as it marks the start of the diversification of our portfolio and commitment to the development of a transition strategy.

2050 net zero ambition in line with society

The current short and mid-term ambition is the first and critical step towards the ambition to be net zero by 2050, in line with society demand evolution. As the energy transition accelerates and society moves towards a low carbon future, Galp will adapt its businesses accordingly and our investments and portfolio will mirror this progress. However, for longer time horizons, the level of uncertainty of the relevant variables is so high that it is not feasible to make realistic projections in terms of specific projects and related investments. This is especially pertinent given that it may not be technically and/or economically feasible at present to develop some of the low carbon solutions and technologies that will become available in the future.

Our energy mix will continue to change over time and Galp will remain committed to supplying affordable, reliable and sustainable energy to its customers.

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 representing only 0.85% of its total, Galp aims to reduce methane emissions from its operated assets (23% of total current CH_4 emissions) in line with industry expectations. Furthermore, all our CO_2 reduction ambitions are expressed on a CO_2e basis that incorporates the impact of methane. The Sines refinery is the asset operated by Galp where methane emissions are most relevant. As such, several measures have been put in place to mitigate these emissions over the years. The refinery has installed a flare recovery unit in one of its flares to reduce flaring and associated methane emissions, as well as a vapour recovery unit to minimise the emissions of diffuse volatile organic compounds (VOC) including methane from loading and unloading hydrocarbons. Fugitive and diffuse emissions are also monitored and addressed by its annual LDAR (Leak Detection and Repair)Program. The refinery is developing a VOC management plan for the integrated management of all fugitive and diffuse emissions reduction and monitoring initiatives, to further minimise operating VOC emissions.

Performance against targets

	2023	2030 ambition
Absolute Emissions[1] reduction from operations (Scope 1 & 2 – equity based)	-30% c.2.9 mtonCO_2e	-40%
Carbon Intensity[1] Production-based approach	-19% 75.3 gCO_2e/MJ	-40%
Carbon Intensity[1] Downstream sales-based approach	-4% 73.2 gCO_2e/MJ	-20%

During 2023, the Sines refinery was able to resume its normal energy consumption profile, and registered planned shutdowns to perform recurrent unit turnarounds, which led to a significant reduction of its operating emissions.

The commissioning of the Coral South FLNG extended through the first half of 2023 but the asset is now operating in plateau conditions.

Overall, Galp's operating emissions (equity) were 13% lower than in the previous year and 30% lower in relation to the 2017 baseline.

The carbon intensity of the produced energy reduced 19% in relation to the 2017 baseline and 6% year-on-year, while the carbon intensity of the energy sold downstream decreased by 4% from the baseline and 1% from the previous year. These results reflect the aforementioned decrease in absolute operating emissions, as well as increases in the production and sales of low-carbon energy, like renewable electricity and biofuels.

Upstream carbon intensity

The Upstream carbon intensity was c. 9 kgCO_2e/boe in 2023, almost half the value of the industry's average of c. 18 kgCO_2e/boe reported by IOGP.

Upstream carbon intensity follows IOGP guidelines for its calculation and only considers emissions from upstream processes. This means that, in the case of the Coral South FLNG emissions, the emissions from midstream processes such as secondary liquid separation, condensate fractionation and operations associated with the processes used to obtain Liquefied Natural Gas (LNG) are excluded from this scope.

[1] This target considers 2017 as a baseline, as it marks the start of the diversification of our portfolio and commitment to the development of a transition strategy.

Galp's Carbon Footprint

Our carbon footprint and intensity metrics are calculated and externally audited[1] every year, while the performance against targets is also monitored and communicated every trimester. They incorporate guidance from the methodological framework established by The Greenhouse Gas Protocol, supplemented by the relevant sector-specific guidelines from IPIECA, and the emissions considered cover all the pertinent businesses, value chains and geographies.

Carbon Footprint[1]

	Unit	2020	2021	2022	2023
Scope 1					
Total	**mtonCO_2e**	3.6	3.2	3.4	3.0
Upstream	mtonCO_2e	0.5	0.5	0.7	0.61
Industrial & Midstream	mtonCO_2e	3.1	2.7	2.7	2.38
Commercial	mtonCO_2e	-	-	<0.001	<0.001
Renewables & New Businesses	mtonCO_2e	-	-	-	<0.001
Other	mtonCO_2e	0.004	0.005	0.005	0.006
Scope 2 (market based)					
Total	**mtonCO_2e**	0.042	0.009	0.009	0.010
Upstream	mtonCO_2e	0.003	0	0	0
Industrial & Midstream	mtonCO_2e	0.035	<0.001	<0.001	<0.001
Commercial	mtonCO_2e	0.007	0.009	0.009	0.008
Renewables & New Businesses	mtonCO_2e	-	-	-	0.001
Other	ktonCO_2e	<0.001	<0.001	<0.001	<0.001
Relevant Scope 3 categories					
Purchased good and services	mtonCO_2e	4.6	5.6	4.7	4.16
Fuel and energy-related activities	mtonCO_2e	0.9	1.1	1.0	0.96
Business travel	mtonCO_2e	0.002	0.001	0.002	0.007
Transportation and distribution (upstream+downstream)	mtonCO_2e	0.3	0.3	0.6	0.68
Processing of sold products	mtonCO_2e	1.5	1.5	1.3	1.17
Use of sold products	mtonCO_2e	39.6	37.8	38.6	35.16
Investments	mtonCO_2e	0.2	0	0	0

[1] Reasonable assurance on scopes 1 and 2 emissions and limited assurance on scope 3 emissions

Note: In 2021, Galp revised its carbon footprint boundaries to better align them with the emissions values used in calculating carbon intensity metrics. Therefore, the emissions from non-operated Upstream assets were included in the Scope 1 and 2 emissions calculation (previously accounted for in Scope 3 – Category 15 – Investments). The calculation of Scope 3 – Category 11: Use of sold product emissions is now aligned with IPIECA's throughput method, meaning that emissions from all refinery output are being considered in the calculation of this category. The calculation of Scope 3 – Category 10: Processing of sold products was also changed to reflect the processing of sold crude in third-party refineries. In 2023, Galp added to its carbon footprint scope 1, 2 and 3 emissions associated with energy consumption during the building and operation of its renewable energy projects by itself and 3rd party contractors.

Refining decarbonisation efforts

Galp is reconfiguring its industrial segment, concentrating its refining activities in Sines, and improving the energy efficiency of its operations, as well as progressively replacing fossil with renewable feedstocks through the integration of green hydrogen and the development of low carbon fuels. From 2017 to 2030, we aim to reduce the operating carbon emissions from industrial activities by 50%.

In 2023, Galp took FID on two large scale projects to reduce the carbon footprint of the Sines refinery and its products. The projects include a 270 ktpa advanced biofuels unit, in partnership with Mitsui, which will contribute to decarbonise the output of the refinery, adding renewable fuels with much lower life cycle emissions, making it possible to avoid approximately 800 ktpa of greenhouse gas emissions compared to its fossil fuels alternatives. Investments in this new plant are estimated at c. €400 m, with Galp as its operator.

There will also be a key investment in 100 MW of electrolysers for the production of green hydrogen capable of producing up to 15 ktpa of green hydrogen. This large-scale project will make it possible to replace approximately 20% of the existing grey hydrogen production at the Sines refinery and may lead to a greenhouse gas emissions reduction of c.110 kt CO_2 (Scope 1). The total investment requirement for this green hydrogen project is estimated at c.€250 m.

Both units are expected to have their initial startup during 2025.

Despite all the challenges posed by the current energy crisis, the Sines Refinery has continuously focused on improving the efficiency of its operations. During the planned shutdown, considerable investments to improve the energy efficiency of the refinery were made, including a technological upgrade of several heat exchanger bundles in the crude unit and hydrocracker, the execution of a hot feed project on the diesel desulphurisation unit and installing a new and more efficient flue gas heat recovery boiler on the fluid catalytic cracking unit. These projects, expected to reduce emissions by c. 70 kton CO_2e/year when entirely online, amounted to c. €20 m invested during 2023, totaling c. €50 m spent since implementation.

The installation maintained the continuous improvement trend, showing a 4% year-on-year reduction in carbon intensity about 2022 to 30.9 kgCO_2/CWT.

The refinery's dedicated technology teams have identified further energy efficiency investments, some of which have already been approved and are scheduled to be implemented between 2024-25. These include pre-flash gas re-routing and electrification projects, representing an investment of a further c. €20 m with an associated emissions reduction of c. 40 kton CO_2e.

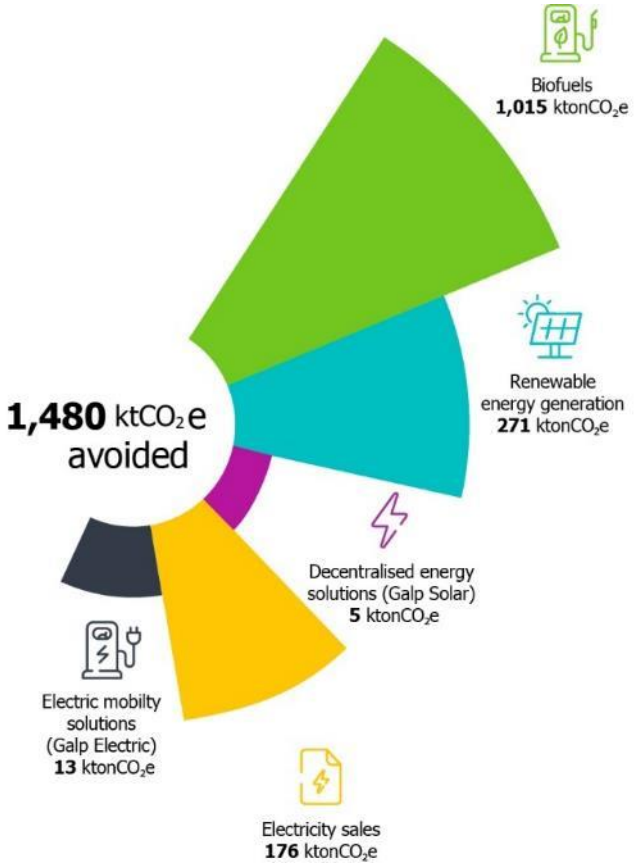
Furthermore, in 2023 a site-wide energy assessment was carried out to evaluate and identify additional opportunities to improve energy efficiency to complement the refinery's decarbonisation roadmap.

Progress in the digitalisation of the operations was also made, with the ELLA (Energy Lean & Live Advisor) tool supporting the management of utilities allowing for more versatility, efficiency and robustness in their usage.

The refinery's dedicated technology teams have identified further energy efficiency investments, some of which have already been approved and are scheduled to be implemented between 2024-25. These include pre-flash gas re-routing and electrification projects, representing an investment of a further c. €20 m with an associated emissions reduction of c. 40 kton CO_2e.

Avoided emissions

In 2023, Galp's products avoided the emission of approximately 1,500 ktonCO_2e through the integration of biofuels, including its own HVO and FAME production, inroad transportation fuels, the production and sale of renewable energy, the supply of decentralised energy production and storage equipment and the delivery of electricity for electric mobility.



- **Integration of biofuels into road fuels:** During the year c.356 000 m3 of biofuels were integrated into the diesel (biodiesel and HVO) and gasoline (bioethanol) sold by the Company in Iberia. This represents approximately 1000 kton of avoided CO_2 emissions on a life-cycle basis compared to a 100% fossil equivalent.
- **Production of renewable electricity:** Galp already has 1.4 GWp in operation and generated c.2340 GWh during 2023, resulting in c. 271 kton CO_2e of avoided emissions compared to the amount emitted by producing an equivalent amount of electricity in the location where it was generated.
- **Sales of electricity:** Galp's electricity offer to its customers includes 100% renewable electricity options. In 2023 the electricity sold by the Company in Portugal avoided c.243 kton CO_2 when compared to the emissions from the same amount if consumed from the regulated market (universal service).
- **Sales of equipment for decentralised electricity production and storage:** The decentralised renewable electricity production equipment sold is estimated to have produced c. 55 GWh during 2023 and avoided 5 ktCO_2e in comparison to the same amount of electricity purchased from the grid in the locations where the sales took place.
- **Galp electric (mobility):** Electricity sales for mobility in 2022 climbed to 17 GWh and avoided an estimated 13 kton of CO_2e emissions when compared to the same energy used on an ICE vehicle on a life cycle basis

Other relevant metrics

Galp discloses its ESG performance in key areas following several ESG reporting standards.
To facilitate access to information, the table on this page summarises relevant metrics, including the ones used to set and monitor targets related to:

- GHG emissions
- Water usage
- Biodiversity
- Renewables installed capacity
- Biofuels production and electricity production
- Investment in R&D

Other relevant metrics

	Unit	2020	2021	2022	2023
Emissions related metrics					
Scope 1+2 emissions – equity	kton Co_2e	3 499	3 063	3 298	2 868
Scope 1 emissions under EU-ETS	kton Co_2e	3064	2 674	2 664	2 360
Scope 1 emissions – Methane	ton CH_4	682	491	1 318	1022
Net scope 3 emissions[1]	mton Co_2e	41	38	40	35
Carbon intensity – Upstream	ton Co_2e/boe	9.9	10.3	10.1	9.1
Flared gas – Upstream	Mm^3	40.2	34.5	116.6	74
Environment related metrics					
Total water withdrawal	10^3m^3	9 881	9 435	9 343	9 125
Total freshwater withdrawal	10^3m^3	9 743	9 321	9 219	9 032
Freshwater withdrawals in regions of high or extremely high baseline water stress	10^3m^3	-	-	8 078	8 353
Total water recycled	%	15	14	14	12
Sites in World Heritage UNESCO areeas	No.	0	0	0	0
Existing Sites in IUCN Category I-IV areas	No.	0	0	2[3]	29[4]
Pilot projects with Positive Impact plans in place	No.	-	-	1	1
Renewable Energy production metrics					
Biofuels produced	kton	51	31	126	133
Renewable installed capacity	GW	0.9	1.0	1.4	1.4
Investment related metrics					
EU Taxonomy CapEX[2]	%	-	10.5	33.5	19.0
Investment in R&D	M€	14.6	16.9	29.7	31

[1] Net Scope 3 emissions represent an estimate of life-cycle emissions for the different value chains represented in Galp's sales of energy products where its own energy production is integrated and netted, and 3rd party purchases are assumed to be the difference between energy sales/inputs and production.
[2] The 2021 value refers to eligible CapEX. The 2022 value refers to eligible and aligned CapEX. Most of the 2023 value is eligible and aligned. Only 0.2% are eligible, with a high potential to qualify as aligned shortly.
[3] Service Stations in Iberia
[4] There are no new sites located in these protected areas

Climate-related incentives

The Remuneration Committee is responsible for setting the remuneration owed to the members of Galp's Board of Directors and approving the Remuneration Policy, which includes criteria for attributing and measuring the variable component of their remuneration.

Galp's commitment to decarbonisation and driving the energy transition is mirrored by its Remuneration Policy, which aims to reinforce the values and enable skills, abilities, and behaviours, given the Company's culture, long-term interest, strategy and sustainability.

On an annual basis, the remuneration policy is reviewed, and the objectives are defined for the subsequent three-year period, with the final three-year assessment being made at the end of each three years.

The 2023 scorecard, which is key in defining the variable remuneration for all employees, continued to emphasise Sustainability-related metrics, namely safety and decarbonisation, which represented a total of 25% of the weight of all annual performance indicators. In addition, 35% of the employee scorecard was allocated to achieving strategic milestones including, among others, topics related to the renewable energy portfolio, cybersecurity and the engagement level of employees.

Additionally, to fully align with Galp's long-term goals and sustainability objectives, the executive directors (including the CEO) have a specific long-term incentive in the form of Galp shares, vested after four years. The calculation of the number of shares attributed includes several graded factors, one of them corresponding to a decarbonisation KPI.

The remuneration policy of Galp's corporate Board of Directors members is made publicly available (link here).

Objective Key Results (OKR)

The OKR methodology has been fully implemented in Galp's business units to engage the broader organisation in delivering the Company's energy transition pathway and associated strategic milestones. By leveraging visibility on key results and objectives, teams worked with high focus and recognised their efforts in Galp's results.

In 2023, some of the Business Units already had OKRs related to implementing the Sustainability Roadmap. By 2024, all businesses will have strategic sustainability-related OKRs that will measure the implementation of the sustainability roadmap, focusing on its five foundations, namely: Our Decarbonisation Journey; Biodiversity, Water, Circular Economy; People, Communities, Human Rights; Protect and empower our people and Promote a value adding conscious business. This is a crucial step in effectively embedding sustainability across the organization and, therefore, climate and nature-related topics.

TCFD Recommendations

Governance	
a) Describe the board's oversight of climate-related risks and opportunities	**TCDF Report 2023** - Page 4-6 Galp's Integrated Management Report 2023 (Part II – 1. Decarbonisation Journey ; Part I – 2.4 How we manage risk) Galp's Corporate Governance Report 2023 Galp's Answer to CDP Climate Change 2023 Galp's website | Our decarbonisation Journey Galp's website | Polices
b) Describe management's role in assessing and managing climate-related risks and opportunities	**TCDF Report 2023** - Page 4-6 Galp's Integrated Management Report 2023 (Part II – 1. Decarbonisation Journey ; Part I – 2.4 How we manage risk) Galp's Answer to CDP Climate Change 2023 Galp's website | Decarbonisation Journey
Strategy	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	**TCDF Report 2023** - Page 7-11 Galp's Integrated Management Report 2023 (Part II – 1. Decarbonisation Journey ; Part I – 2.4 How we manage risk) Galp's Corporate Governance Report 2023 Galp's Answer to CDP Climate Change 2023
b) Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning	**TCDF Report 2023** - Page 7-11 Galp's Integrated Management Report 2023 (Part II –1. Decarbonisation Journey ; Part I – 2. Strategic framework) Galp's Corporate Governance Report 2023 Galp's Answer to CDP Climate Change 2023 Galp's website | Our decarbonisation Journey
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	

TCFD Recommendations

Risk Management	
a) Describe the organization's processes for identifying and assessing climate-related risks	**TCDF Report 2023** - Page 12-17 Galp's Integrated Management Report 2023 (Part II – 1. Decarbonisation Journey & 2. Biodiversity, Water, Circular Economy; Part I – 2.4 How we manage risk) Galp's Corporate Governance Report 2023 Galp's Answer to CDP Climate Change 2023 Galp's website | Our decarbonisation Journey Galp's website | Biodiversity, Water, Circular Economy
b) Describe the organization's processes for managing climate-related risks	
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	

Metrics and Targets	
a) Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process	**TCDF Report 2023** - Page 18-24 Galp's Integrated Management Report 2023 (Part II – 1. Decarbonisation Journey & 2. Biodiversity, Water, Circular Economy; Part I – 2.3 Our approach to ESG) Galp's Answer to CDP Climate Change 2023 Galp's website | Our decarbonisation Journey Galp's website | Biodiversity, Water, Circular Economy
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	**TCDF Report 2023** - Page 18-24 Galp's Integrated Management Report 2023 (Part II – 1. Our Journey to Net Zero by 2050) Galp's Answer to CDP Climate Change 2023 Galp's website | Our decarbonisation Journey
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	**TCDF Report 2023** - Page 18-24 Galp's Integrated Management Report 2023 (Part II – 1. Decarbonisation Journey & 2. Biodiversity, Water, Circular Economy; Part I – 2.3 Our approach to ESG) Galp's Answer to CDP Climate Change 2023 Galp's website | Our decarbonisation Journey Galp's website | Biodiversity, Water, Circular Economy

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