



OUR ENERGY  
CREATES  
FUTURE

Annual Management  
Report and Accounts 2018





THE FUTURE  
IS BEING BUILT  
EVERY DAY



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Our mission at **Fundação Galp** (Galp Foundation)  
is to create a more just society with happier  
people living in a more sustainable world.

Our capacity of looking at the world we live in  
and the responsibility we feel toward others,  
makes us act today.

Observing, listening, identifying, correcting,  
helping, protecting, supporting, preserving,  
respecting, sharing, teaching, investing,  
innovating, **we move forward, towards the future.**

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WE WANT  
A BETTER  
WORLD







WE INTERVENE AT A SOCIAL LEVEL.  
WE SUPPORT DEVELOPMENT.  
WE INVEST IN ENVIRONMENTAL PROTECTION.  
WE PROMOTE EDUCATION AND KNOWLEDGE.  
FOR THE HAPPINESS OF ALL OF US.



1.

# About this Report

THE BEST  
OF OUR  
ENERGY



**CREATES FUTURE**

The purpose of the Galp Foundation's report is to disseminate and report to all Stakeholders its growth and contribution to the sustainable development of the communities where Galp Foundation is present, with transparency and rigour. The report content refers to the calendar year 2018 and includes, where possible, appropriate and relevant information on the key indicators for 2016 and 2017 and the global impacts of each project.

Throughout this report, the main social impacts of the projects developed by Galp Foundation, in partnership with its partners and the communities aiming at creating social value are identified.

Galp Foundation believes that the information provided will contribute to the strengthening of its relationship with the community and other stakeholders.

## Your opinion

Galp wishes to establish an ongoing and inclusive dialogue with its stakeholders, enhancing and seeking to respond to their expectations and needs. You can send your opinion about this report, as well as clarify questions about your projects, via the following contacts: Galp Foundation, Rua Tomás da Fonseca, Torre C, 15º. 1600 – 209 Lisbon Tel.: +351 217 242 500 e-mail: [fundacaogalp@galp.com](mailto:fundacaogalp@galp.com)



[www.fundacaogalp.com/en/](http://www.fundacaogalp.com/en/)




<https://www.facebook.com/fundacaogalp/>



WE ANTICIPATE  
A BRILLIANT  
FUTURE





A person wearing an orange jacket and blue jeans is walking away from the camera through a field. They are holding a black bucket in their right hand. The field is filled with green markers, each with an orange ribbon tied around it. The ground is uneven and appears to be a mix of dirt and grass. In the background, there is a line of trees under a dramatic sky with large, dark clouds and a bright sun or moon low on the horizon, creating a lens flare effect. The overall mood is one of environmental stewardship and hope.

**WE SEEK BALANCE WITH NATURE. WE REDUCE  
THE CARBON FOOTPRINT. WE PROMOTE AN EFFICIENT  
AND RESPONSIBLE ENERGY CONSUMPTION.  
WE PRESERVE THE PLANET.  
WE BELIEVE IN THE FUTURE.**





## 2.

# Executive summary

The sustainability challenge that we face today requires, on a global scale, that governments, companies and civil society work in partnership and cooperation. Only then will it be possible to guarantee quality of life to all the citizens of the world and to those who are yet to come, within the limits of the planet.

The Sustainable Development Goals that define the global priorities and aspirations of our society are, therefore, increasingly important foundations in the **development** of Galp Foundation's projects, as well as its commitments and objectives.

Throughout 2018, Galp Foundation renewed partnerships and embraced new and challenging projects. The energy and education have taken on a major role in its strategic role, in a social perspective to combat **poverty** and inequality.

Promoting the sustainable use of energy, preservation of the oceans and life on earth, education and culture are also central areas of the Foundation's social investment.

In the last two years, the internationalisation of Galp Foundation projects has seen significant progress, particularly with the development of the **Energiza Project** in Mozambique and of the **Fumukaba Project** in Guinea-Bissau. These are two projects that make us very proud and that, within the Sustainable Development Objectives of these two countries, will allow for social and environmental development in their communities through the **access to sustainable energy by over 225,000 inhabitants**.

The environmental concerns that guide Galp Foundation have also had strong expression in Portugal in the last year, particularly through the initiatives developed under the Terra de Esperança movement.

Launched in late 2017, after the fateful fires of the summer of 2017, with the mission to help in the recovery and reforestation of the burned areas, this movement is based on a volunteer basis and takes on the aim of planting in Portugal about 500 thousand trees offered by Galp.

In 2018, we reached the **74.6 hectares planted and we totalled 3,800 hours of volunteer work under the Terra de Esperança movement**.

In terms of education, Galp Foundation believes that it is through the promotion of access to education that we all contribute to the reduction of inequalities and to the promotion of inclusive learning opportunities, thus making the world more humane. To that effect, partnerships were continued with entities that work closely with this reality, namely with EPIS - Entrepreneurs for Social Inclusion and the Bagos d'Ouro Association.

As the role of the young people and their teachers is decisive in building a better future, in 2018 Galp Foundation called for the continuity of the Galp Educational Projects, aimed at primary and secondary schools, and, for the first time, launched in partnership the Global Teacher Prize in Portugal.

The Up Mission, Power Up and Switch Up educational projects aim to promote student involvement and awareness towards attitude and behaviour change in favour of sustainable consumption improvement at school, at home, and in the surrounding community.

Implemented over the last eight years, the *Up Mission, Power Up and Switch Up* projects have already impacted more than one million students, involved in competitions that each year select and award the most relevant projects to their communities - schoolchildren and more. In the 2018/2019 school year, **1,430 schools, 135,000 students and 6,400 Portuguese teachers** will once again be challenged by Galp Foundation and its partners to submit social impact projects in the field of energy, sustainable mobility and the preservation of natural resources, in particular the oceans.

For Galp Foundation, acknowledging the merit of teachers is a way to give visibility and motivate those who are committed to creating a better future through their talent. In order to reinforce the importance of the teacher's role in the development of children and society, to share success stories in responding to new needs and promote a fruitful debate on the future of education, Galp Foundation



supported in 2018 the Global Teacher Prize – a kind of “Nobel of Education” that distinguishes and awards the best teacher in the world with one million dollars.

The first edition in Portugal mobilized **110 teachers, 450 schools and 30 innovative educational projects were distinguished** by the way they motivate and excite young people for learning, problem solving and innovative ways of thinking about solutions to the challenges they face.

In 2019, a second edition of the Global Teacher Prize Portugal will be held, thus giving continuity to the commitment to education and citizenship as engines for the development of a more sustainable society.

Also, in the scope of investment in education and culture, in 2018 Galp Foundation established a partnership with the Serralves Foundation to develop an educational program that integrates **arts, culture and the environment**. The educational program has already received 140,000 **students and 6,400 teachers from 570 schools** of 20 districts of Portugal.

In 2018, Galp Foundation completed the project to publish the book “Livro dos 40 anos da marca Galp” (40 years of the Galp brand), a 40-year journey since the creation of the Galp brand to this day and that links the past to the future through an interactive experience with augmented reality. A tribute and recognition to all those who contributed to the growth of a brand that is part of Portuguese culture.

The implementation of the different projects and activities carried out in 2018, reflected in this report, was only possible thanks to the involvement and support of many

people, partners, institutions, volunteers and friends. Galp Foundation would like to thank all those who, either directly or indirectly, contributed to the fulfilment of their projects in Portugal, but also in Mozambique and Guinea-Bissau, the geographies where a new path was started, one that is intended to be long lasting and have an impact on the communities.

Special thanks to the founding group, the Galp group, and in particular to the three patron companies (Galp Energia SGPS, S.A., Galp Gás Natural, S.A. and LisboaGás Comercialização, S.A.), which provided Galp Foundation with the necessary financial resources for its activity in 2018.

To the Galp employees who participated and engaged in the Foundation’s various actions throughout the year,

we extend our gratitude for their invaluable contribution and for all the energy they shared.


To the members of the Foundation’s governing bodies, it is also important to register a note of thanks for the contribution and incentive that they provided during the year.

Galp Foundation will continue to contribute to the development of the communities where Galp operates in, by way of promoting, supporting, collaborating and participating in community development actions, through its own activities or in partnership, above all in supporting communities in need and for the sake of energy and environment, education and culture.

ALL  
PEOPLE  
COUNT





A close-up photograph of a woman with dark, curly hair hugging a young child. The child is wearing a grey baseball cap with a black logo on the front. The woman is smiling and has her eyes closed, conveying a sense of joy and affection. The background is blurred, showing other people in a crowd.

**WE IMPROVE THE LIVING CONDITIONS OF PEOPLE  
AND COMMUNITIES. WE SOLVE SOCIAL EMERGENCY  
SITUATIONS. WE FIGHT AGAINST POVERTY,  
SOCIAL EXCLUSION AND INEQUALITY.  
WE GIVE OUR BEST FOR THE PEOPLE.**



3.

## The Energy that creates future Results and commitments 2018

Energy is the common denominator of the projects and initiatives of Galp Foundation: the energy of our planet, the communities, the Foundation's partner institutions, the people and the volunteers that associate with it. It is this Energy that makes projects become lasting and sustainable social impact.

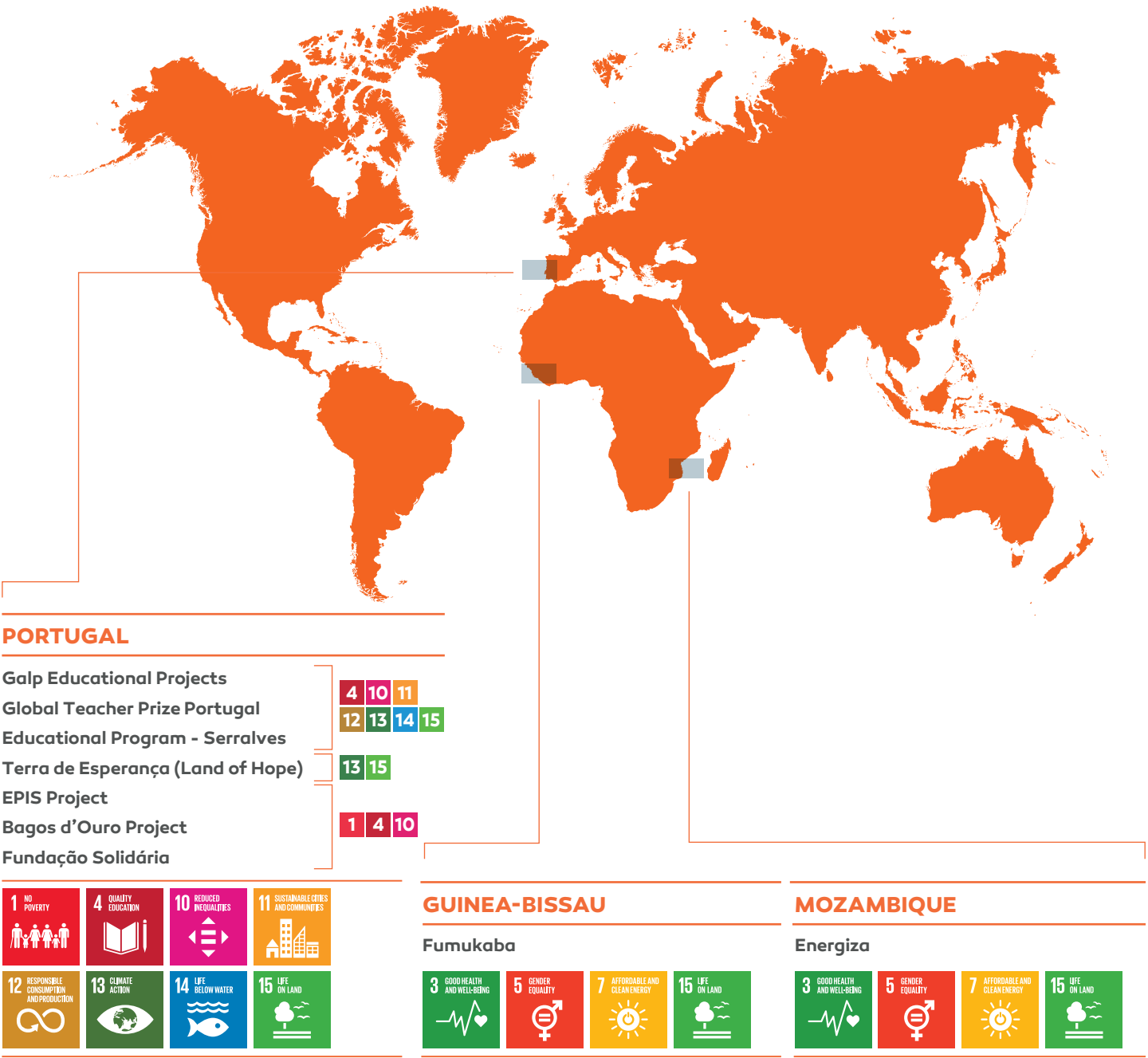
In 2018, Galp Foundation reinforced its commitment to community development, focusing social investment decisions on its contribution to the achievement of the Sustainable Development Goals (SDG) in the different countries it is present in, supporting the Galp Group in its purpose of generating shared value.

Guided by its social mission and the SDG, Galp Foundation developed and continued a wide range of projects and initiatives in its main areas of activity: energy and environment, education, knowledge and culture and social development.

Following are the projects with the greatest social impact, and the context that led to its development is identified, as well as its objectives and results.



# The Energy that creates future



### 3.1.

## Sustainable energy and environmental protection



Promote the social development of communities, through access to sustainable energy sources and the preservation of natural ecosystems.

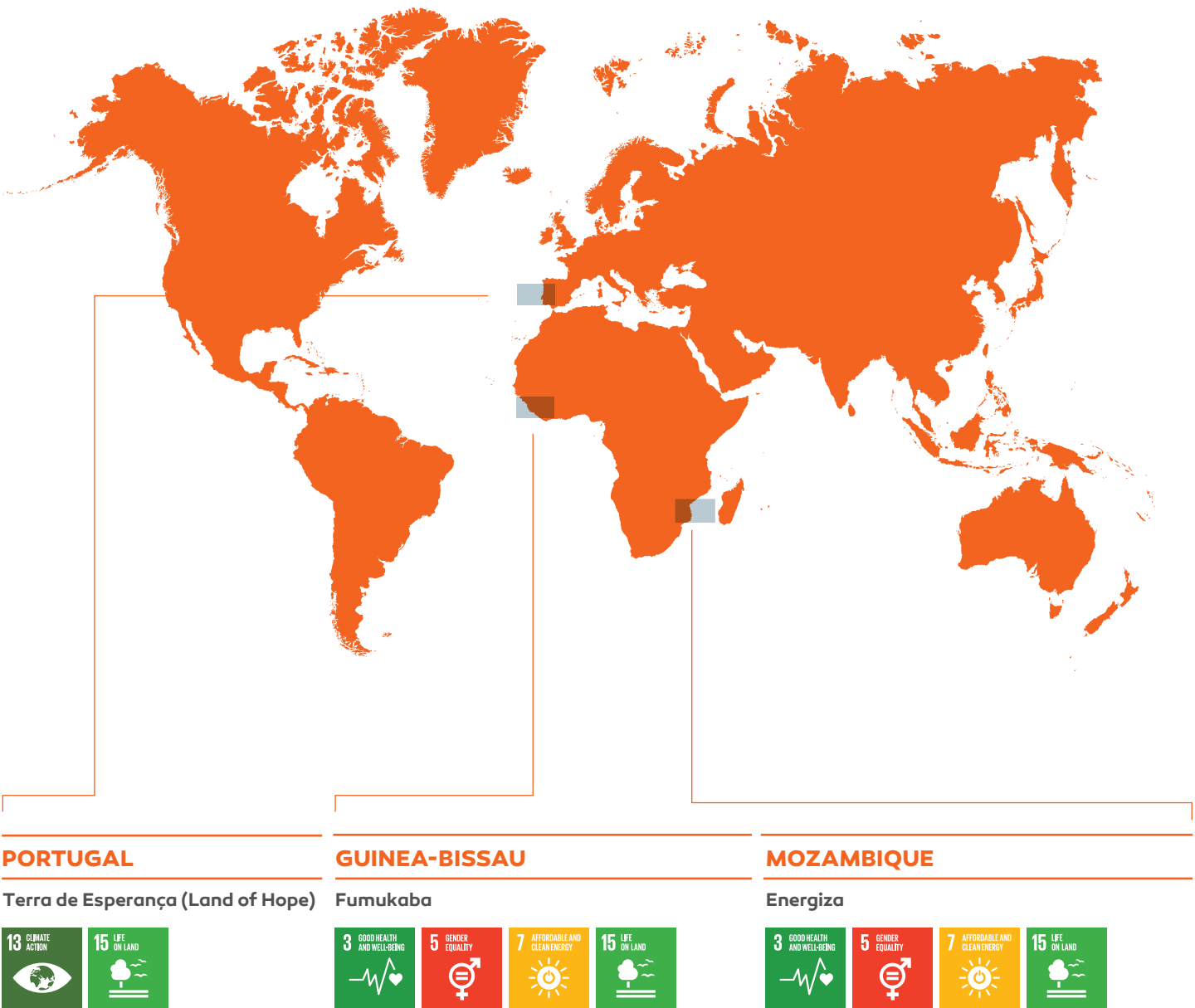
This is one of the Foundation's strategic social investment areas: promoting access to energy, energy transition and preservation of natural resources; particularly in vulnerable and disadvantaged communities, where investment in this area is key to improving their quality of life, eradicating

poverty and reducing inequalities, namely gender inequalities.

In 2018, two Galp Foundation projects, Energiza and Fumukaba are worth noting, which together will impact 225,000 inhabitants of communities located in Guinea-Bissau and Mozambique.



# Sustainable energy and environmental protection



# Energiza

## Community development and the fight against poverty through access to energy – Mozambique

With a total population of about **29 million**, Mozambique faces a huge challenge in terms of access to energy. Nearly **70% of the population lives in rural areas** and approximately **16 million** Mozambicans live without access to electricity. (Source: World Bank)

The **Energiza Project** aims, for the first time, to install solar photovoltaic systems and access to electricity in communities in the provinces of Cabo Delgado, Manica and Sofala.

Having started in 2017, the project that was implemented in four villages (Ninga, Chivule, Inhamuchindo and Chissinguane) will enable the significant improvement of the quality of services essential to its development in the social and economic area of education and health.

The project, which started in 2017, is being developed in partnership with FUNAE - Fundo Nacional de Energia (National Energy Fund), a Mozambican public institution, active since 1997, which implements energy projects with the aim of increasing access to energy in rural and urban areas inhabited by populations of low profit.

Access to energy is provided in a sustainable and rational manner, thus contributing to the economic and social development of communities and to the environmental protection of ecosystems.

In 2018, infrastructure was completed in three of the villages and, in early 2019, the infrastructure located in the province of Cabo Delgado will be completed.










<https://www.fundacaogalp.com/en/sustainable-energy/energiza>



*The energy that connects us.*

*Energiza is the project that takes solar energy to the homes of the provinces of Manica, Sofala and Cabo Delgado.*

<b>PROJECT</b>	
<b>SOCIAL OBJECTIVE</b>	Ensure electricity to <b>schools, health units</b> and <b>domestic homes</b> .
<b>SOCIAL IMPACT</b>	<p>+ <b>6,000</b> Mozambicans will have access to renewable energy sources.</p> <p>+ <b>1,017 families</b> will improve their quality of life in terms of health and education.</p> <p>+ <b>54ton CO<sub>2</sub>/year will be avoided</b> by the non-use of non-renewable fuels in electricity production.</p> <p>+ <b>123 Infrastructures affected</b> (e.g. schools, hospitals, houses, public lighting).</p>
<b>SUSTAINABLE DEVELOPMENT GOALS (SDG)</b>	     
<b>GALP FOUNDATION SOCIAL INVESTMENT</b>	Project value €600,000 (around 40 million meticaís). In 2018 €100,000 were paid
<b>INVESTMENT PERIOD</b>	2016-2019



# Fumukaba

## Promoting energy transition and social development through the use of sustainable household energy – Guinea-Bissau

Currently, around **95% of the population living in Guinea-Bissau uses firewood and charcoal for cooking and to meet other energy needs**, due to the low electricity production and the almost non-existent supply and regular use of butane gas, both in urban centres as in rural areas.

The **Fumukaba Project** promotes the substitution of charcoal for butane gas in making food and cooking in Guinea-Bissau homes. It is an initiative that fits the Sustainable Development Objectives and the concern with the communities that guide Galp Foundation.

Started in April 2018, the **Fumukaba Project** will last 24 months and have an impact on more than 25 thousand households of neighbourhoods in that country's capital city,

which represents about 220 thousand people. That is, about 50% of the inhabitants of the region. As well as having a direct impact on the health benefits of Guineans and reducing forest devastation in Guinea-Bissau, the project promotes energy transition and encourages the community to adopt cleaner energy solutions.

Developed in partnership with the European Union, the Union of Portuguese-Speaking Capital Cities and the Municipality of Bissau, the project is developed under the program "Covenant of Mayors for Sub-Saharan Africa – Phase II". In short, it is a project that involves a set of local partners, for a more sustainable future and that promotes the well-being of the community, with a very significant potential impact on the health of the population.



<https://www.fundacaogalp.com/en/sustainable-energy/fumukaba>



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## PROJECT



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## SOCIAL OBJECTIVE

To promote the use of sustainable domestic energy, gender equality, by creating business opportunities and encouraging female entrepreneurship and the reduction of forest devastation in Guinea-Bissau.

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## SOCIAL IMPACT – 1st EDITION

- + **220,000** Guineans covered by the project.
- + **25,000 families** will improve their quality of life.
- + **530 thousand tonCO<sub>2</sub> avoided** due to the non-use of charcoal and firewood.
- + **100 thousand hectares** of deforestation avoided.

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## SUSTAINABLE DEVELOPMENT GOALS (SDG)



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## SOCIAL INVESTMENT GALP FOUNDATION

Project value to be paid in 2019 €100,000, European Union – €900,000

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## INVESTMENT PERIOD

2018-2019



# Terra de Esperança (Land of Hope)

## To reforest and promote environmental citizenship through volunteering – Portugal

The environmental and sustainability concerns that guide Galp Foundation have also had strong expression in Portugal in the last two years, particularly through the initiatives developed under the **Terra de Esperança** movement.

Launched at the end of 2017 by Galp Foundation in partnership with the National Association of Forest, Agricultural and Environmental Enterprises (ANEFA) after the fateful fires of the summer of 2017, the mission is to assist in the recovery and reforestation of the burned areas. **Terra de Esperança** is based on a volunteer basis and takes on the objective of planting in Portugal about 500 thousand trees offered by Galp. When this goal is achieved, the volunteers will have contributed to the planting of a new green area with a size equal to 600 football fields.

The **Terra de Esperança** movement has already planted more than 80,000 trees. Initiatives developed initially included reforestation projects in areas affected by fires such as the Açor Mountains, Arganil, or the Leiria Pine Forest.

The volunteers of the **Terra de Esperança** movement have already passed through the districts of Aveiro, Coimbra, Leiria, Santarém, Viseu and Setúbal, with their latest action of afforestation taking place in the municipalities of Sines and Santiago do Cacém on December 19th, 2018.

On that day, 200 volunteers planted another 10,000 trees of six different species, thus occupying an area of 14 hectares in the Sines area.

The initiative, which had the logistical support of the municipalities of Sines and Santiago do Cacém, also served to strengthen ties with the local community. It was another reflection of the trust, proximity and partnership that Galp Foundation establishes with the communities where its patrons are active.

In addition to the donation of trees, the Galp group has developed a digital platform that allows ANEFA (National Association of Forest, Agricultural and Environmental Enterprises) to streamline new volunteer actions that will help the areas that have burned in the last two years to face the future with hope.

The Terra de Esperança movement is available to all who wish to participate in it. All you need to do is visit [www.terradeesperanca.pt](http://www.terradeesperanca.pt) and register as a volunteer.



Click here to visit the website  
<http://www.terradeesperanca.pt/>



<https://www.fundacaogalp.com/en/sustainable-energy/land-of-hope>

PROJECT	
SOCIAL OBJECTIVE	To reforest and promote environmental citizenship through volunteering.
SOCIAL IMPACT	<p>+ <b>500,000 trees</b>, as final plantation objective.</p> <p>+ <b>80,000 trees already planted.</b></p> <p>+ <b>7 thousand tons of CO<sub>2</sub> avoided</b> – (for 30 years).</p> <p>+ <b>74.6 hectares</b> already planted.</p> <p>+ <b>3,138 volunteers</b> already engaged.</p>
SUSTAINABLE DEVELOPMENT GOALS (SDG)	<div>   </div>
SOCIAL INVESTMENT GALP FOUNDATION	€204,346.16
INVESTMENT PERIOD	2017-2018
	



### 3.2.

## Education, knowledge and culture

As a major driver of human development, education is central to Galp Foundation's strategy. The educational projects of Galp Foundation have in essence the promotion of access to inclusive and quality education. All the initiatives are promoted and fulfilled with the mission of raising awareness and making the whole community responsible for the importance of education and citizenship.

The focus of the projects developed is based on the sustainability challenges posed by the energy needs and the preservation of the planet. The goal is to recognise the merit of the students and teachers involved in the projects and to promote entrepreneurship and innovation.

Among the several projects we highlight the major ones in social impact.



### PORTUGAL

**Galp Educational Projects**  
**Global Teacher Prize Portugal**  
**Educational Program – Serralves**



# Global Teacher Prize Portugal

## Investing in education by promoting and acknowledging teachers

Teachers are at the forefront of one of society's noblest missions: the ability to motivate and excite young people for learning, problem solving, and innovative ways of thinking about solutions. A better future is not built without the new generations acquiring these precious tools.

The **Global Teacher Prize** is a stimulating project in the area of education that Galp Foundation embraced in 2018: a teacher award that was born at the initiative of the non-profit organisation Varkey Foundation.

Regarded by many as the “Nobel Prize for Teaching”, the **Global Teacher Prize** is an initiative that awards teachers with excellence in education. In order to reinforce the importance of the teacher's role in the development of children and society, to share success stories in responding to new needs and promote a fruitful debate on the future of education. In this context, the best teacher in the world is annually distinguished with a prize of one million dollars.

In Portugal, the competition had its first edition in 2018 with the support of Galp Foundation and distinguished with a prize of 30 thousand Euros the Portuguese teacher who was elected as the best of the year.

The project aims to value the role of teachers in education and to young people, invest in relevant pedagogical initiatives and mobilize Portuguese society around education, in order to provide greater and better social inclusion and a more prosperous and sustainable society.

A study carried out within the project by GfK – Growth from Knowledge, with a sample of 750 people, showed that the Portuguese and Galp Foundation are in tune in what concerns the importance of teachers and that there is a significant deficit in the acknowledgement of their role:

- teachers are in the top 3 of the professions in which the Portuguese trust, along with firemen and doctors;
- there is a gap between the degree of confidence and the perception of social status of teachers: in the index of respectability of professions presented in the study,
- the Portuguese rank teachers only in the fifth place. That is, there is trust in teachers, but the profession is not that respected;
- although the Portuguese trust teachers and 86% of respondents assume that teachers were important in their lives, the study also concludes
- that 76% of the Portuguese never thought of becoming teachers. The margin of respondents who would admit to encouraging their children to be teachers is far from the confidence levels in the profession: only 68% admit to encouraging their children to follow that job.

Galp Foundation therefore considers that there is a long way to go in terms of the acknowledgement of teachers and their importance in the development of children and society.



*Thank you teacher, for teaching us how to experiment.*



In the first edition in Portugal, applications were open to any teacher, from early childhood through high school, public and private, through special education, with a project or a pedagogical method of their own.

The annual prize of €30,000 for the best Portuguese teacher was awarded to Jorge Teixeira, physics and chemistry teacher at the Secondary School Dr. Júlio Martins in Chaves and collaborator of the Didactic Laboratory of Science and Technology of the University of Trás-os-Montes and Alto Douro. Jorge Teixeira was also included in the international list of 50 finalists of the Global Teacher Prize, which will elect the best teacher in the world in 2019.

In the Portuguese edition of the **Global Teacher Prize**, there was also an honourable mention worth €5,000, promoted by Galp Foundation, for the best project related to the topics of energy efficiency and technology, as an incentive for them to be developed and disseminated educational projects in this area, especially among communities with greater social challenges.

Following the success of the first Portuguese edition of the **Global Teacher Prize**, the second edition formally started on 17 January 2019, thus giving continuity to the commitment to education and citizenship as engines for the development of a more sustainable society.



<https://www.fundacaogalp.com/en/education-and-knowledge/global-teacher-prize>



<https://www.energiser.pt/en/energisers/2019-01-16-Working-as-a-teacher-in-Portugal>



<b>PROJECT</b>	
<b>SOCIAL OBJECTIVE</b>	<p>To promote the importance of the teaching profession through the acknowledgement of teachers who are inspiring examples for education in Portugal, from early childhood education to the 12th year of schooling.</p>
<b>SOCIAL IMPACT – 1st EDITION</b>	<ul style="list-style-type: none"> <li>+ <b>110 teachers</b> envolved.</li> <li>+ <b>450 schools</b> were involved.</li> <li>+ <b>30 educational projects</b> distinguished.</li> </ul>
<b>SUSTAINABLE DEVELOPMENT GOALS (SDG)</b>	<div>   </div>
<b>SOCIAL INVESTMENT GALP FOUNDATION</b>	<p>€353,035 (1st edition, €123,035, 2nd edition €230,000)</p>
<b>INVESTMENT PERIOD</b>	<p>2018-2019</p>





# Galp Educational Projects

## “Give your Energy for the Planet”

Having regard to the commitments made by Portugal in the field of sustainability, such as the Paris Agreement and the 2030 Sustainable Development Agenda, education emerges as a key strategic vector for the mobilisation of the Portuguese society.

Based on this challenge and the Portuguese Strategy for Environmental Education (ENEA 2020, published in 2017)<sup>1</sup>, Galp Foundation started coordinating and developing the **Galp Educational Projects** in 2018.

The **Galp Educational Projects**, aimed at primary and secondary schools, intend to promote the involvement of students and their awareness of behaviours and behaviour change in order to improve sustainable consumption at school, at home and in the community.

Galp Foundation has elected the following key areas of activity for **Galp Educational Projects** for the next three school years:

- Promoting Sustainable Consumption (SDG 12) of natural resources;
- Promoting Energy Transition (SDG 7 and 13) by promoting sustainable mobility and energy efficiency;
- Promoting the Protection of Oceans and Ecosystems (SDG 14 and 15), through the reduction of the ecological footprint.

In the 2018/2019 school year, all schools that join will have access to content and dynamics related to the key areas of the project, framed by the overall concept of the Sustainable Development Objectives. The activities should be developed during the school year by teams of students – formed by the schools – with the accompaniment and guidance of teachers, promoting social entrepreneurship among youngsters.

The 2018/2019 school year will culminate in the selection of five finalist projects per teaching cycle, which will be presented at an Energy Boot Camp, where the winners will be chosen by a jury and will receive funding for the implementation of their project, in a value between one thousand and seven thousand Euros, among other prizes.

Being the only educational project with national coverage and present in primary and secondary schools, it has impacted over the last eight years more than 1 million students, 108 thousand teachers and 6,651 Portuguese schools.

The project has the partnership of the General Directorate of Educational Services, Portuguese Environment Agency, Directorate General of Energy, ADENE - Energy Agency, UNESCO and, in the 2018 – 2019 school year, with CEiiA – Centre for Engineering and Development.



<https://www.fundacaogalp.com/en/education-and-knowledge>

<sup>1</sup> [https://www.apambiente.pt/\\_zdata/DESTAQUES/2017/ENEA/AF\\_Relatorio\\_ENEA2020.pdf](https://www.apambiente.pt/_zdata/DESTAQUES/2017/ENEA/AF_Relatorio_ENEA2020.pdf)

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## PROJECT

### Galp Educational Projects “Give your Energy for the Planet”

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## SOCIAL OBJECTIVE

Promote education for environmental citizenship and social entrepreneurship in the context of energy transition, protection of the oceans and ecosystems.

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## SOCIAL IMPACT 2018-2019 SCHOOL YEAR

+ **134,856 students.**

+ **6,412 teachers.**

+ **1,437 schools.**

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## SUSTAINABLE DEVELOPMENT GOALS (SDG)



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## SOCIAL INVESTMENT GALP FOUNDATION

€60,000, in the 18/19 school year (to be paid in 2019);  
remaining years €270.00/year

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## INVESTMENT PERIOD

2019-2020

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# Partnership Project with the Serralves Foundation

## Educating for environmental culture and citizenship

Galp Foundation is partners with the Serralves Foundation to develop an educational program that integrates **arts, culture and the environment**. With the belief that energy is the driving force that links reflection and knowledge to practice, the program reinforces the link between **energy and environmental citizenship** and the educational activities promoted by non-formal education experimentation.

The activities of the educational service are aimed at a wide range of publics - school community, families, babies and children, adolescents and young people, adults and seniors - with the aim of promoting knowledge, as a cultural component, with a special vocation in social intervention in disadvantaged communities or with special support needs.

According to a strategy based on the concept of “Hands on/ Minds on”, this project’s main lines in 2018 were translated into four vectors of socio-educational activity:

**Trying:** activities intended for the school community, consisting in guided visits that promote knowledge about

the artistic, architectural and environmental heritage of the Serralves Foundation. Holding workshops and experimental laboratories that aim to stimulate curiosity and creativity, highlighting those that are integrated in the annual project of schools and, dealing with the themes of energy, protection of biodiversity and sustainability of cities, promote the learning of science content and environmental citizenship;

**Integrating:** activities to promote social and intellectual inclusion through programs of activities for groups with special needs or in situations of social vulnerability;

**Sharing:** activities for families, youngsters and children, aimed at promoting sharing as an educational, ethical, pedagogical and social value;

**Involving:** activities for the adult public, promoting the approach of the community to the Museum and Park of Serralves, through participation and joint reflection.



<https://www.fundacaogalp.com/en/education-and-knowledge>



## PROJECT

### Partnership Project with the Serralves Foundation Educating for environmental culture and citizenship

## SOCIAL OBJECTIVE

Promote education, environmental citizenship and culture, based on the principles of sustainability and social inclusion.

## SOCIAL IMPACT

+ **140,000 students** and teachers, from pre-school to higher education.

+ **570 schools.**

+ **20 districts** of the country covered.

## SUSTAINABLE DEVELOPMENT GOALS (SDG)



## SOCIAL INVESTMENT GALP FOUNDATION

€300,000, in the three 2017 to 2020 school years (€100,000 paid in 2018)

## INVESTMENT PERIOD

2017-2020



### 3.3.

## Social development

In partnership with social economy entities, non-governmental development organizations and social solidarity institutions, Galp Foundation develops projects aimed at the social development of communities based on their socio-economic context and the Sustainable Development Goals.

Among the different initiatives and social projects that we support, this year we highlight the main partnerships that promote social inclusion through education and that respond to social emergency.

In 2018, Galp Foundation maintained and strengthened the several-years-long partnerships with the **Bagos d'Ouro Association** and the **EPIS Association – Empresários pela Inclusão Social (Entrepreneurs for Social Inclusion)**, for the social inclusion of children and youth, in the fight against poverty and in the promotion of educational attainment. In the context of social emergency, we continued the social support provided under the collective protocol **Galp Foundation Solidária**, covering 12 social entities located in the North and South of Portugal.



#### PORTUGAL

EPIS Project  
Bagos d'Ouro Project  
Solidarity Foundation



# Partnership Project with the EPIS Association

## Promoting educational attainment and social inclusion

Since 2009, Galp Foundation has been an associate of EPIS – Empresários pela Inclusão Social (Entrepreneurs for Social Inclusion), monitoring and contributing to its activity to fight school drop-out and failure, through a network of professional mentors and the dissemination of good management practices in schools.



Every year, around 40 Galp employees accept the challenge and embrace the project, becoming also mentors and mentors of curricular internships. Since 2016, Galp has hosted approximately 24 youths each week at its headquarters, students of the school Mães d'Água, in Amadora, and integrated in the EPIS program. Each student is monitored by Galp volunteers, receiving support for the study in the subjects of secondary education (3rd education cycle).

In addition to this program, Galp Foundation awards two social grants for three years to two 9th grade students in schools in the municipalities of Matosinhos and Sines.

The EPIS social grants - Schools of the Future have been designed to meet the basic objectives of the two main EPIS programs in the field: (1) provide support to students in need throughout their career in secondary and university education; (2) refer good practices in promoting social inclusion.

These students are awarded based on their socio-economic conditions and on the merit and high academic success achieved at the end of the 9th year of schooling, as well as on the demonstrated ambition to continue the studies. In 2018, we recognise the merit and commitment of the following students in the school process:

- Bernardo Manuel Pinto Ribeiro - student of the municipality of Sines, who finished 9th grade with an average of 4.27 and is attending the 10th year at the Poeta Al Berto Secondary School in Sines;
- José Miguel Dias Ribeiro - Matosinhos student who finished 9th grade with an average of 3.12 and is attending the 10th grade at Matosinhos Vocational School.

Over the past eight years, the program has distinguished and awarded 67 schools and institutions and awarded 269 merit social grants.

The social impact results in the last school year are quite significant and positive: 90% success rate from primary school to university education, and 63% of students performed well, very well and exceptionally, with 74% rising or maintaining the overall annual grade average.



<https://www.fundacaogalp.com/en/social-development>



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## PROJECT

### Partnership Project with the EPIS Association Promoting educational attainment and social inclusion

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## SOCIAL OBJECTIVE

Promoting educational attainment and social inclusion, with the goal of reducing the school failure and dropout rate in Portugal.

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## SOCIAL IMPACT

- + **39 youngsters** supported by the Galp Mentoring Program (2018-2019).
- + **86 Galp employees**, on a corporate volunteering basis (2018-2019).
- + **4 professional internship scholarships and 2 social merit scholarships** (2018).

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## SUSTAINABLE DEVELOPMENT GOALS (SDG)



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## SOCIAL INVESTMENT GALP FOUNDATION

€12,000/year (the project has the support of more partners)

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## INVESTMENT PERIOD

---

Continuity partnership



# Partnership Project with the Bagos d'Ouro Association

## Change the history of the Douro children

About a quarter of the Portuguese population, 23%, are at risk of poverty or exclusion, and the most affected ones are single-parent families and those with three or more dependent children. The Northern Region is one of the regions with the highest poverty rate in the country and in Europe, particularly in the communities located in the Douro 2.

The promotion of education is one of the most valid ways to reverse the cycle of social exclusion. And this is a cause that Galp Foundation and the **Bagos d'Ouro Association** share.



The Bagos d'Ouro Association is a Private Institution of Social Solidarity (IPSS), whose mission is to promote the education of children and young people in need in the Douro region as a form of social inclusion in the territory.

The partnership with Galp Foundation enables school follow-up and support to 150 children and young people and the acknowledgement of their merit by awarding them social grants. In this way, we seek to ensure that young people oppose destiny and build a path of success. Currently, Bagos d'Ouro operates in six districts of the Douro - Alijó, Armamar, Murça, Sabrosa, São João da Pesqueira and Tabuaço - and impacts the lives of more than 70 families, corresponding to about 300 people.



<https://www.fundacaogalp.com/en/social-development>

2 Eurostat, 2015 e 2017

<b>PROJECT</b>	
<b>SOCIAL OBJECTIVE</b>	<p>Promoting the education of children and young people in need in the Douro region as a form of social inclusion in the territory.</p>
<b>SOCIAL IMPACT</b>	<ul style="list-style-type: none"> <li>+ <b>150 children and youngsters</b> comprehended in 6 municipalities.</li> <li>+ <b>670 sessions of individual follow-up.</b></li> <li>+ <b>260 follow-up home visits</b> to the family.</li> <li>+ <b>90% educational attainment</b> from primary school to the university level.</li> <li>+ <b>63% of students</b> had a good, very good or exceptional performance.</li> <li>+ <b>74% rose or maintained</b> their annual overall grade average points.</li> </ul>
<b>SUSTAINABLE DEVELOPMENT GOALS (SDG)</b>	<div>   </div>
<b>SOCIAL INVESTMENT GALP FOUNDATION</b>	<p>€29,200 in 2018 (the project has the support of more partners)</p>
<b>INVESTMENT PERIOD</b>	<p>Continuity partnership</p>





# Collective protocol Fundação Galp Solidária

## Support those who do good

The **Fundação Galp Solidária** (Solidarity Galp Foundation) is an initiative developed with the goal of supporting social solidarity institutions and civil society organisations that contribute to social causes and respond to situations of social emergency.

Committed to its social mission, since late 2015, Galp Foundation has developed a collective and specific project for responding to social emergency situations, committed to the fight against poverty, social exclusion and inequality, supporting groups of citizens at risk – Protocol **Solidarity Galp Foundation**.

This initiative takes place in two central geographic poles: Solidarity Galp Foundation North and Solidarity Galp Foundation South and it is a continued partnership of social support in favour of the most disadvantaged and vulnerable groups of society, seeking to contribute to the sustainable development of the community.

Throughout 2018, Galp Foundation has followed and participated in the work of the twelve social institutions covered, whose missions aim to help and support the most deprived cases in society, and which include, among others, situations of profound disability, abandonment, extreme poverty, solitude.

Here are some of the institutions covered by the protocol  
**Solidarity Galp Foundation:**



Irmãs Hospitaleiras



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THE ENERGY OF  
KNOWLEDGE IS  
INEXHAUSTIBLE

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WE FACILITATE ACCESS TO QUALITY EDUCATION. WE RAISE  
AWARENESS AMONG COMMUNITIES ON THE IMPORTANCE  
OF TEACHING YOUNG PEOPLE AND CHILDREN.  
WE ACKNOWLEDGE THE MERIT OF STUDENTS AND TEACHERS.  
WE FOSTER ENTREPRENEURSHIP AND INNOVATION  
THROUGH KNOWLEDGE.



4.

## Governance

Galp Foundation is a private, non-profit foundation of social interest, incorporated on January 8th, 2009, under the terms of the Portuguese Civil Code and complying with the provisions of the Foundations Law. Its founders are the following entities:

- Galp Energia, SGPS, S.A.
- Galp Exploração e Produção Petrolífera, S.A.
- Petróleos de Portugal – Petrogal, S.A. (renamed Petrogal, S.A. in 2018)
- Galp Gás Natural, S.A.
- Galp Power, S.A.
- Galp Energia, S.A.

On July 5, 2013, Galp Foundation was granted the status of public utility, and its renewal is in progress. Also on the institutional theme, it should be noted that Galp Foundation has been obtaining declarations of recognition of cultural interest for its various activities, issued on October 23rd, 2013 by the Secretary of State for Culture, on December 30th, 2016 and February 7th, 2018 by the Minister of Culture.

Galp Foundation is a legally independent entity, with its own governance model, defined in its by-laws. However, it is an entity linked to the organisational culture of the founding group with whom it shares its name.



## 4.1.

# Code of Ethics of Galp Foundation

Galp Foundation acts primarily in the areas of energy and environment, education and culture and social development. In its Code of Ethics, approved and published in 2018, Galp Foundation outlines the fundamental ethical guidelines of its operations in a context of ethical commitments and conduct in relation to the:

- (1) the people of the Foundation;
- (2) the will of the Foundation's founders and other funders;
- (3) the partners of the Foundation;
- (4) the Foundation's suppliers;
- (5) the beneficiaries of the Foundation's activity; and
- (6) society in general, present and future.

The Code of Ethics affirms the importance of clearly defining the principles and responsibilities which Galp Foundation recognises, accepts, shares and takes on in its relations with its persons and all other stakeholders in the Foundation's purposes, considering the specific nature of its institutional mission. The Code establishes, for each of the situations listed therein, commitments and responsibilities but also, no less importantly, how they are to be implemented at a legal level.

## Ethics and Conduct Committee of Galp Foundation

The Ethics and Conduct Committee is the independent and impartial internal structure responsible for monitoring the implementation and interpretation of the Code of Ethics and Conduct, and its three members appointed by the Galp Foundation's Audit Board, under proposal of the Board of Directors.

## 4.2.

# Governing bodies

On this date, the governing bodies of Galp Foundation are composed by the following:

## Board of Directors:

### Chairman:

Paula Fernanda Ramos Amorim

### Members:

Carlos Nuno Gomes da Silva

Filipe Quintin Crisóstomo Silva

## Audit Board:

### Chairman:

Daniel Bessa Fernandes Coelho

### Members:

Gracinda Augusta Figueiras Raposo

Pedro Antunes de Almeida

### Alternate:

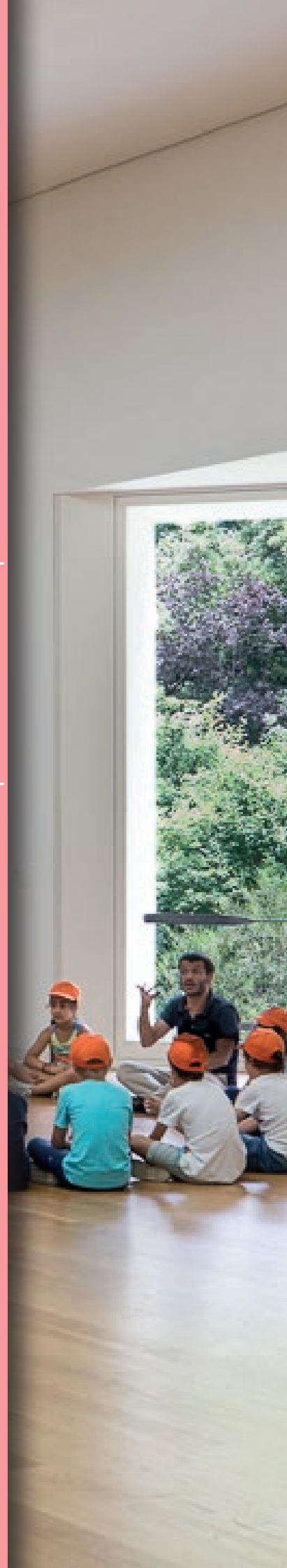
Amável Alberto Freixo Calhau

## Managing Board:

Joana Maria Soares de Oliveira da Rosa Garoupa e Silva



WE KNOW WHO  
WE ARE AND WHERE  
WE ARE HEADED



A group of approximately 20 children, mostly wearing orange baseball caps, are sitting in a large circle on a light-colored wooden floor in a bright, modern gallery. They are all looking towards an adult male who is sitting on the floor to the right, gesturing with his hands as if speaking. The gallery has white walls and a large skylight on the ceiling. Two large abstract paintings are visible on the walls. A large window on the right side of the frame looks out onto a lush green landscape with trees and purple flowers.

WE VALUE CULTURE AS AN INDISPENSABLE TOOL FOR  
ECONOMIC DEVELOPMENT AND SOCIAL TRANSFORMATION.  
WE SUPPORT ARTISTIC OR INTELLECTUAL MANIFESTATIONS.  
WE PRESERVE HERITAGE. WE REFRESH THE MEMORY  
AND ENLIVEN TRADITION TO GET TO THE FUTURE AWARE  
OF WHO WE ARE.

5.

## Proposal for application of results

Galp Foundation closed the 2018 financial year with a net profit of EUR 186,907.76.

The Board of Directors proposes that the net profit of EUR 186,907.76 is transferred to retained earnings.

Lisbon, 29 March 2019

The Board of Directors

### **Chairman**

Paula Ramos Amorim

### **Members**

Carlos Nuno Gomes da Silva

Filipe Quintin Crisóstomo Silva



WE HAVE THE  
ENERGY TO GO  
FURTHER







WE ENCOURAGE COOPERATION AND THE  
SHARING OF KNOWLEDGE. WE PRACTICE  
SUSTAINABILITY WITH OUR PARTNERS AND IN THE  
COMMUNITY. WE WANT TO GO FURTHER.



6.

## Appendices





## 6.1

# Financial statements

## Balance sheet

### Balance sheet on 31 December 2018

(Currency, Euros)

Assets	Notes	31 December 2018	31 December 2017
<b>Non-current assets</b>			
Historical and cultural heritage assets	4	1,788,325.00	1,788,325.00
<b>Total non-current assets</b>		<b>1,788,325.00</b>	<b>1,788,325.00</b>
<b>Current assets</b>			
Accounts receivable	16.6	6,319.00	4,864.04
Deferrals	16.10	35,001.20	35,001.20
Other financial Assets			
Cash in hand and at bank	16.3	1,047,684.75	1,055,548.36
<b>Total current liabilities</b>		<b>1,089,004.95</b>	<b>1,095,413.60</b>
<b>Total assets</b>		<b>2,877,329.95</b>	<b>2,883,738.60</b>
<b>Asset Funds and Liabilities</b>			
<b>Asset funds</b>			
Funds	16.8	7,188,325.00	7,188,325.00
Retained earnings		(4,512,368.43)	(4,325,568.53)
Net Profit for the year		186,907.76	(186,799.90)
<b>Total equity</b>		<b>2,862,864.33</b>	<b>2,675,956.57</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Suppliers	16.4	12,606.75	4,618.96
Other payables	16.2	1,858.87	203,163.07
<b>Total current liabilities</b>		<b>14,465.62</b>	<b>207,782.03</b>
<b>Total liabilities</b>		<b>14,465.62</b>	<b>207,782.03</b>
<b>Total asset funds and liabilities</b>		<b>2,877,329.95</b>	<b>2,883,738.60</b>

Notes to the financial statements are an integral part of the balance sheet.

## Income Statement by Nature

### Income Statement by nature for the period ended on 31 December 2018

(Currency, Euros)

	Notes	31 December 2018	31 December 2017
<b>Income and expenses</b>			
Grants, donations and legacies to exploration	8	822,814.79	510,000.00
External supplies and services	8	(178,546.57)	(39,487.34)
Other income and earnings		-	-
Other expenses and losses	8	(456,715.14)	(656,408.90)
<b>Earnings before depreciation, funding expenses and taxes</b>		<b>187,553.08</b>	<b>(185,896.24)</b>
Interest and similar income obtained	16.7	-	-
Interest and similar expenses supported	16.7	(645.32)	(903.66)
<b>Earnings before taxes</b>		<b>186,907.76</b>	<b>(186,799.90)</b>
Income tax for the year		-	-
<b>Net profit for the year</b>		<b>186,907.76</b>	<b>(186,799.90)</b>

Notes to the financial statements are an integral part of the income statement by nature.

## Statement of Changes in Own Capital

### Statement of changes in own capital in the year 2018

	Notes	Asset Funds awarded to the entity founders			Unit, Euros
		Funds	Retained Earnings	Net income for the year	Total Asset Funds
Financial position at the start of the year 2018		7,188,325.00	(4,325,568.53)	(186,799.90)	2,675,956.57
Changes in the year					
Other changes recognised in the asset funds			(186,799.90)	186,799.90	-
		-	(186,799.90)	186,799.90	-
Net profit for the year				186,907.76	186,907.76
Comprehensive earnings				186,907.76	186,907.76
Financial position at the end of the year 2018		7,188,325.00	(4,512,368.43)	186,907.76	2,862,864.33

### Statement of changes in own capital in the year 2017

	Notes	Asset Funds awarded to the entity founders			Unid, euros
		Funds	Retained Earnings	Net income for the year	Total Asset Funds
Financial position at the start of the year 2017		7,188,325.00	(4,562,947.62)	237,379.09	2,862,756.47
Changes in the year					
Other changes recognised in the asset funds			237,379.09	(237,379.09)	-
		-	237,379.09	(237,379.09)	-
Net profit for the year				(186,799.90)	(186,799.90)
Comprehensive earnings				(186,799.90)	(186,799.90)
Financial position at the end of the year 2017		7,188,325.00	(4,325,568.53)	(186,799.90)	2,675,956.57

Notes to the Financial Statements are an integral part of the statement of changes in own capital.



## Statement of Cash Flows

### Statement of cash flows for the year ended 31 December 2018 (Currency, Euros)

	Notes	December 2018	December 2017
<b>Cash flows from operations</b>			
Payments to suppliers		(188,740.58)	(64,300.75)
Cash flow from operations		(188,740.58)	(64,300.75)
Other receipts/payments		(641,292.50)	(445,396.26)
Cash flows from operations (1)		(830,033.08)	(509,697.01)
<b>Cash flows from investment activities</b>		-	-
<b>Receipts from</b>			
Interest and similar income		-	-
Cash flows from investment activities (2)		-	-
<b>Cash flows from financing activities</b>		-	-
<b>Receipts from</b>			
Community Grants		312,814.79	-
Fund provisions - Donations	8	510,000.00	510,000.00
<b>Payments regarding</b>			
Funding obtained		-	-
Interest and similar expenses		(645.32)	(903.66)
Cash flows from financing activities (3)		822,169.47	509,096.34
<b>Change in cash and cash equivalents (1 + 2 + 3)</b>		<b>(7,863.61)</b>	<b>(600.67)</b>
<b>Exchange rate differences effect</b>			
Cash and cash equivalents at the beginning of the period	16.3	1,055,548.36	1,056,149.03
Cash and cash equivalents at the end of the period	16.3	1,047,684.75	1,055,548.36

Notes to the financial statements are an integral part of the statement of cash flows.

## Appendix

### 1. Identifying the Foundation

Fundação Galp, hereinafter referred to as “the Foundation”, is a non-profit, private legal entity for an undetermined period, created by the companies Galp Energia, SGPS, S.A., Galp Exploração e Produção Petrolífera, S.A., Petrogal, S.A., Galp Power, S.A., Galp Energia, S.A. and Galp Gás Natural, S.A. in January 2009, having its registered office in Lisbon, Portugal, at Rua Tomás da Fonseca, Torre C, under the name of Fundação Galp Energia, and in September of 2017, adopted its current name – Fundação Galp.

The Foundation was recognised through Ordinance No. 14158/2010 of August 27th, 2010, issued by the Secretary of State of the Presidency of the Council of Ministers, published in the Diário da República (Official Gazette), Series II, dated September 10th, 2010, and declared a public entity with public utility by Ordinance No. 9537/2013, of July 5th, of the Minister for Presidency and Parliamentary Affairs, DR, Series II, No. 139, of July 22nd, 2013.

The Foundation has also obtained the Declarations of Recognition of Cultural Interest from its various activities, issued on October 23rd, 2013 by the Secretary of State for Culture, on December 30th, 2016 and on February 7th, 2018 by the Minister in accordance with article 62, paragraphs 6, a) and 7 and 10 of the Tax Benefits Statute (TBS).

The purpose of the Foundation is to express and carry out the commitment of social intervention and development support of the Galp Group, promoting and supporting, both in Portugal and abroad, where the Group operates in and, in particular, in the Portuguese-speaking countries, action programs, initiatives and activities aimed at or favouring energy advances, awareness-raising and promotion of practices of energy efficiency, rational use of energy and alternative energies, in particular for fostering technological and cultural education and training, as well as initiatives and activities which promote innovation and the development of tourism, health, culture, sports, among others, directly or in partnership with other Foundations that have similar aims.

The accompanying Financial Statements are presented in Euros (functional currency), as this is the most used currency in the economic environment the Foundation operates in.

### 2. Accounting Basis for the Preparation of Financial Statements

In 2018, the Financial Statements were prepared on the assumption of continuity of operations based on the Foundation's accounting books and records and in compliance with the Accounting and Financial Reporting Standard for Non-Profit Organisations (AFRS-NPO).

There were no exceptional cases directly involving the waiver of any provision set forth by the AFRS-NPO in the course of the financial year concerned in these Financial Statements.

### 3. Summary of Significant Accounting Policies

The main accounting policies applied by the Foundation in the preparation of the Financial Statements were as follows:

#### 3.1. Basis of Presentation

##### 3.1.1. Continuity:

Based on available information and future expectations, the Foundation will continue to operate for the foreseeable future, assuming there is no intention or need to liquidate or substantially reduce the level of its operations. For Non-Profit Entities, this assumption does not correspond to an economic or financial concept, but to the maintenance of the service rendering activity or the capacity to fulfil its purposes.

### 3.1.2. Accrual Basis of Accounting (economic timeframe):

The effects of transactions and other events are recognised when they occur (the definitions and recognition criteria are met according to the conceptual framework, regardless of the time of payment or receipt) and are recorded in the Financial Statements of the periods they relate to. The differences between the amounts received and paid and the corresponding income and expenses are recorded in the respective accounts under "Accounts receivable/Other payables".

### 3.1.3. Presentation Consistency

The Financial Statements are consistent from one period to the other, both in terms of the presentation and the accounting movements that give rise to them, except when there are significant changes in nature that, in this case, are duly identified and justified in this Annex. This provides reliable and more relevant information to users.

### 3.1.4. Materiality and Aggregation

The relevance of the information is affected by its nature and materiality. The materiality depends on the quantification of the omission or error. The information is material if its omission or inaccuracy influences the economic decisions made by the users based on the Financial Statements. Items that are not materially relevant to justify their separate presentation in the Financial Statements may be materially relevant for them to be described in the notes to this Annex.

### 3.1.5. Compensation

Due to the importance of the assets and liabilities being reported separately, as well as the expenses and the income, they should not be compensated.

### 3.1.6. Comparative Information

The comparative information should be disclosed in the Financial Statements with respect to the previous period. While respecting the principle of the Foundation's continuity, accounting policies must be consistently pursued throughout the Foundation over time. In the event of changes in accounting policies, the comparative amounts affected by the reclassification shall be disclosed, taking into account:

- a) the nature of the reclassification;
- b) The amount of each item or class of items that has been reclassified; and
- c) Reason for reclassification.

## 3.2. 3.2. Recognition and Measurement Policies

### 3.2.1. Historical and cultural heritage assets

The "Historical and cultural heritage assets" are valued at their historical cost. This cost was determined on the date of the input in kind made by the founder Petrogal, S.A., by a competent and independent entity.

The works carried out on these assets are only considered as assets if and only if they generate an increase in the asset's productivity, capacity or efficiency or an increase in its lifespan. Whenever these additions do not occur, these maintenance works, and repairs are recorded as expenses for the period.

Since it is not possible to evaluate these assets' actual lifespan with a minimum of certainty, these are not depreciable. However, the Foundation considers the ability to allow present and future activities and the technical means necessary for conservation and maintenance.

### 3.2.2. Provisions

Periodically, the Foundation analyses any obligations arising from past events and which should be subject to recognition or disclosure. Accordingly, the Foundation recognises a provision when it has an occurring obligation (legal, contractual or constructive) resulting from a past event and from which it is likely that, for the settlement of that obligation, there will be an outflow that is reasonably estimated.

The current value of the best estimate at the reporting date of the resources required to settle the obligation is the amount that the Foundation recognises as a provision, considering the risks and uncertainties inherent to the obligation.



At the reporting date, provisions are reviewed and adjusted so that they may better reflect the estimate at that date.

In turn, contingent liabilities are not recognised in the Financial Statements; however, they are disclosed whenever there is a possibility of an outflow of resources that incorporate contributions to the development of the Foundation's current and future activities. Similarly to contingent liabilities, contingent assets are also not recognised in the Financial Statements, and their disclosure occurs only when an inflow is probable.

### 3.2.3. Financial assets and liabilities

Financial assets and liabilities are recognised in the Balance Sheet when the Foundation becomes a contractual party to the respective financial instrument.

#### a) Third-party debts:

Third-party debt is initially recorded at fair value and subsequently measured at amortised cost and less impairment losses recognised in the account of impairment losses on accounts receivable.

Usually, the amortised cost of these assets does not differ from their nominal value.

#### b) Classification of asset funds or liabilities

Financial liabilities and asset funds' instruments are classified according to the contractual substance, regardless of the legal form they take on.

#### c) Accounts payable to suppliers and other debts to third parties

Accounts payable are initially recorded at fair value and subsequently measured at amortised cost. Usually, the amortised cost of these liabilities does not differ from their nominal value.

#### d) Cash and cash equivalents

The amounts included in the account of cash and cash equivalents correspond to cash values, bank deposits, time deposits and other cash investments, which mature in less than three months and can be immediately disposed of with insignificant risk of change.

For the purposes of the statement of cash flows, the item "Cash and cash equivalents" also includes bank overdrafts included in the item "Funding obtained" in the Balance Sheet.

### 3.2.4. State and other Public Entities

Tax returns are subject to review and correction, in accordance with the applicable law, for a period of four years (five years from 2001), except when inspections, claims or challenges are under way. In these cases, and depending on the circumstances, the deadlines are extended or suspended. That is, the Foundation's tax returns for the years 2015 to 2018 may still be subject to revision. However, it is the management's understanding that the corrections of eventual revisions/inspections by the Tax Authority will not have a significant effect in these Financial Statements.

### 3.2.5. Balance Sheet Classification

Assets and liabilities payable more than one year from the date of the Financial Statements are classified, respectively, as non-current assets and liabilities.

### 3.2.6. Subsequent events

The events after the date of the Financial Statements that provide additional information on conditions that existed at the date of the Financial Statements are reflected in the Financial Statements. The events after the date of the Financial Statements that provide information on conditions occurring after the date of the Financial Statements are disclosed in the notes to the Financial Statements, if significant.

### 3.2.7. Estimates and judgements

The preparation of Financial Statements in accordance with generally accepted accounting principles requires that estimates be made that affect the amounts of assets and liabilities recorded, presenting contingent assets and liabilities at the end of each year, as well as the income and costs recognised in the course of each year. The current results could be different depending on the estimates currently made.

Certain estimates are considered critical if: (i) the nature of the estimates is considered significant due to the levels of subjectivity and judgements required to account for situations where there is great uncertainty or because of the high susceptibility of variation in these situations; and (ii) the impact of the estimates on the financial situation or operating performance is significant.

The Foundation does not identify the existence of estimates deemed critical.

## 4. Historical and cultural heritage assets

In the financial years ended 31 December 2018 and 2017, the following movements occurred in the “Heritage, historical, artistic and cultural assets”:

### Tangible Assets

31 December 2018			
Tangible assets	Balance on 01-01-2017	Acquisitions / Allocations	Balance on 31-12-2017
Assets Artistic – Artworks	1,663,325.00	-	1,663,325.00
Other tangible fixed assets	125,000.00	-	125,000.00
<b>Total</b>	<b>1,788,325.00</b>	<b>-</b>	<b>1,788,325.00</b>

31 December 2017			
Tangible assets	Balance on 01-01-2016	Acquisitions / Allocations	Balance on 31-12-2016
Assets Artistic – Artworks	1,663,325.00	-	1,663,325.00
Other tangible fixed assets	125,000.00	-	125,000.00
<b>Total</b>	<b>1,788,325.00</b>	<b>-</b>	<b>1,788,325.00</b>

The amounts of 1,663,325.00 Euros and 125,000.00 Euros refer to the entry in kind, as an initial endowment, by the founder Petrogal, SA, constituted by the artistic and historical heritage, collections evaluated by an independent entity, by the said amounts.

## 5. Intangible Assets

Not applicable.

## 6. Borrowing costs

Not applicable.

## 7. Inventories

Not applicable.

## 8. Income and expenses

### External supplies and services

The breakdown of “External supplies and services” for the periods ended December 31st, 2018 and 2017, was as follows:

	2018	2017
Cultural book “40 anos Galp” (40 years of Galp)	116,648.42	-
Galp Foundation Website	31,617.08	-
Specialised services	12,537.00	11,646.59
Tower facilities	6,465.72	6,465.72
Insurance	1,354.92	2,709.88
Other services	9,923.43	16,665.15
<b>Total</b>	<b>178,546.57</b>	<b>39,487.34</b>

### Grants, donations and legacies to exploration

The item “Grants, donations and legacies to exploration” is divided the following way:

	2018	2017
Grants, donations and legacies to exploration	822,814.79	510,000.00
<b>Total</b>	<b>822,814.79</b>	<b>510,000.00</b>

The amount of 822,814.79 Euros refers to donations and grants from the following entities:

	2018	2017
<b>Donations:</b>	<b>510,000.00</b>	<b>510,000.00</b>
Galp Gás Natural, S.A.	360,000.00	360,000.00
Lisboagás, S.A.	135,000.00	135,000.00
Galp Energia, SGPS, S.A.	15,000.00	15,000.00
<b>Grants:</b>	<b>312,814.79</b>	<b>-</b>
European Union - Fumukaba Project	312,814.79	-
<b>Total</b>	<b>822,814.79</b>	<b>510,000.00</b>

These amounts are intended for the Foundation’s activities in accordance with its statutory purposes.

## Other expenses and losses

The item “Other expenses and losses” is divided the following way:

	2018	2017
<b>Partnerships:</b>		
Global Teacher Project	123,035.00	-
FUNAE - Fundo Nacional de Energia (National Energy Fund) - Mozambique	100,000.00	300,000.00
Serralves Foundation	100,000.00	-
Terra de Esperança (Land of Hope) Reforestation Volunteer Action	31,787.00	172,559.16
Casa da Música Foundation	-	75,000.00
Bagos d'Ouro Association	29,200.00	24,000.00
EPIS – Empresários pela Inclusão Social (Entrepreneurs for Social Inclusion)	12,000.00	14,700.00
Irmãzinhas dos Pobres Retirement Home		10,000.00
Irmãs de Santa Cruz - Nun Congregation	8,250.00	8,250.00
Irmãs do Cottolengo do Padre Alegre, Servidoras de Jesus – Nun Congregation	5,000.00	6,500.00
Missionaries of Charity (Mother Theresa of Calcutta)	6,000.00	6,000.00
Filhas de Maria Auxiliadora – Laura Vicuña Centre	6,000.00	5,000.00
Mais Proximidade, Melhor Vida Association	5,500.00	5,000.00
Santa Teresinha Carmel	4,200.00	3,850.00
Imaculada Institute for People with Special Needs	3,000.00	2,750.00
Raízes – Association for Child and Youth Support	3,000.00	2,750.00
Irmãs Hospitaleiras do Sagrado Coração de Jesus – Nun Congregation	3,250.00	2,750.00
Obra do Frei Gil – Social Promotion Organization	1,800.00	1,650.00
Obra da Rua – Casa do Gaiato of Porto – private social solidarity institution	1,950.00	1,650.00
Aldeia de Crianças SOS – Guinea-Bissau	-	1,250.00
<b>Others:</b>		
Other expenses	12,743.14	12,749.74
<b>Total</b>	<b>456,715.14</b>	<b>656,408.90</b>

## 9. Provisions, contingent liabilities and contingent assets

Not applicable.

## 10. Government grants and Government support

Not applicable.

## 11. Financial Instruments

The Foundation does not hold financial instruments in addition to the financial assets and liabilities referred to in Note 16.

## 12. Employee benefits

Not applicable.

## 13. Events after the Balance Sheet date

No subsequent events with a significant impact on the Financial Statements of December 31st, 2018 are known at the date of approval of these Financial Statements.

After the end of period, and until the preparation of this Annex, no facts were registered that could change the situation described in the accounts.

The Financial Statements for the period ended December 31st, 2018 were approved by the Board of Directors on March 29th, 2019.



## 14. Agriculture

Not applicable.

## 15. Disclosures required by other legal acts

The Foundation does not have debts to the State in default, under the terms of Decree-Law 534/80, of November 7th.

In compliance with the provisions of Decree-Law 411/91, of October 17th, it is hereby informed that the Foundation's situation with regard to Social Security is settled and up to date, within the legally stipulated deadlines.

## 16. Other disclosures

In order to better understand the other Financial Statements, the following information is disclosed.

### 16.1. Founders

Please view Note 16.8.

### 16.2. Other payables

On 31 December 2018 and 2017, this item comprised the following balance:

	2018	2017
<b>Creditors for accrued costs</b>		
Insurance to settle	1,583.87	1,583.87
Others	275.00	54.20
<b>Sub-total</b>	<b>1,858.87</b>	<b>1,638.07</b>
<b>Other creditors</b>		
Other creditors	-	201,525.00
<b>Sub-total</b>	<b>-</b>	<b>201,525.00</b>
<b>Total</b>	<b>1,858.87</b>	<b>203,163.07</b>

## 16.3. Cash in Hand and at Bank

The item "Cash in Hand and at Bank", on 31 December 2018 and 2017, had the following balance:

	2018	2017
Demand deposits	1,047,684.75	1,055,548.36
<b>Total</b>	<b>1,047,684.75</b>	<b>1,055,548.36</b>

## 16.4. Suppliers

The balance for the item "Suppliers" is broken down as follows:

	2018	2017
Suppliers c/c	12,606.75	4,618.96
<b>Total</b>	<b>12,606.75</b>	<b>4,618.96</b>

## 16.5. State and Other Public Entities

Not applicable.

## 16.6. Accounts Receivable

The item "Accounts Receivable" had the following balance:

	2018	2017
Other debtors	6,319.00	4,864.04
<b>Total</b>	<b>6,319.00</b>	<b>4,864.04</b>

## 16.7. Financial Results

In the 2018 and 2017 periods, the following interest and similar expenses and income were acknowledged:

	2018	2017
<b>Interest and similar expenses incurred</b>		
Other expenses and losses related to financing	645.32	903.60
<b>Financial results</b>	<b>645.32</b>	<b>903.60</b>

## 16.8. Funds

The Foundation's Capital as of December 31st, 2018 consists of the initial input by the founders in a total amount of 7,188,325.00 Euros, including the input in kind made by the founder Petróleos de Portugal - Petrogal, S.A., in the amount of 1,788,325.00 Euros (Note 4) and has the following composition:

	Unid: €m				
	Paid-up in 2009	Paid-up in 2010	Paid-up in 2011	Paid-up in 2012	Total subscribe
<b>Contribution in cash</b>					
Galp Energia, S.A.	1,060,000.00	781,320.23	572,211.11	967,255.13	3,380,786.47
Galp Energia, SGPS, S.A.	200,000.00	135,979.87	95,368.53	62,238.72	493,587.12
Galp Power, S.A.	200,000.00	135,979.87	138,839.37	18,767.88	493,587.12
Galp Gás Natural, S.A.	200,000.00	135,979.87	138,839.37	18,767.88	493,587.12
Galp Exploração e Produção Petrolífera, S.A.	200,000.00	135,979.87	138,839.37	18,767.88	493,587.12
Petrogal, S.A.	-	-	-	44,865.05	44,865.05
<b>Sub-total</b>	<b>1,860,000.00</b>	<b>1,325,239.71</b>	<b>1,084,097.75</b>	<b>1,130,662.54</b>	<b>5,400,000.00</b>
<b>Contributions in kind</b>					
Petrogal, S.A.	1,788,325.00	-	-	-	1,788,325.00
<b>Sub-total</b>	<b>1,788,325.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,788,325.00</b>
<b>Total</b>	<b>3,648,325.00</b>	<b>1,325,239.71</b>	<b>1,084,097.75</b>	<b>1,130,662.54</b>	<b>7,188,325.00</b>

## 16.9. Income Tax

The Foundation is a taxpayer subject to the Corporate Tax in the capacity of a legal person that does not primarily carry out commercial, industrial or agricultural activity, and, pursuant to article 3 b) of the Portuguese Corporate Tax Code, is taxed on its overall income, 16.10. corresponding to the algebraic sum of the income of the various categories considered for income tax purposes and of the capital increases obtained free of charge. However, until 2018, the Foundation only received support (appropriations and donations) to finance the fulfilment of statutory purposes, which are not considered income subject to Corporate Tax, hence no taxation.

Tax returns are subject to review and correction, in accordance with the applicable law, for a period of four years (five years from 2001), except when inspections, claims or challenges are under way. In these cases, and depending on the circumstances, the deadlines are extended or suspended. That is, the Foundation's tax returns for the years 2015 to 2018 may still be subject to revision. However, it is the management's understanding that the corrections of eventual revisions/inspections by the Tax Authority will not have a significant effect in these Financial Statements.

## 16.10. Deferrals

The item "Deferrals" had the following balance:

	2018	2017
<b>Expenses to recognise</b>		
"Concise History of Angola"	35,001.20	35,001.20
	<b>35,001.20</b>	<b>35,001.20</b>

## The Board of Directors

### Chairman

Paula Ramos Amorim

### Members

Carlos Nuno Gomes da Silva

Filipe Quintin Crisóstomo Silva

## Certified Accountant

Carlos Alberto Nunes Barata



6.2.

## Audit Board Report and Opinion and Audit Report

## REPORT AND OPINION OF THE AUDIT BOARD

Honoured Founders,

In compliance with the legal and statutory provisions, the Audit Board hereby presents the Report and Opinion on the financial statements submitted by Galp Foundation for the period from January 1st to December 31st, 2018, which are the responsibility of the Board of Directors.

As part of our duties, we have monitored, as often and as extensively as we deemed appropriate, the evolution of Galp Foundation's activity, the regularity of its accounting records and the compliance with legal and statutory regulations in force.

We have also analysed the Financial Statements (Balance Sheet, Income Statements by Nature, Statement of Changes in Own Capital, Statement of Cash Flows and the Annex) and the Management Report for the period from January 1st to December 31st, 2018, as well as the Audit Report issued by the statutory audit firm PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda., which we agree with. Considering the aforementioned financial statements, our opinion is that the Financial Statements and the Management Report are in accordance with the applicable accounting, legal and statutory provisions, and we propose that they are approved by the Board of Directors.

Lisbon, 29 March 2019

Daniel Bessa Fernandes Coelho

Chairman

Gracinda Augusta Figueiras Raposo

Member

Pedro Antunes de Almeida

Member

## ***Auditors' Report***

***(Free translation from the original in Portuguese)***

### ***Report on the audit of the financial statements***

#### ***Opinion***

We have audited the accompanying financial statements of Fundação Galp (the Foundation), which comprise the balance sheet as at December 31, 2018 (which shows total assets of Euros 2,877,330 and total asset funds of Euros 2,862,864 including a net profit of Euros 186,908), the income statement by nature, the statement of changes in asset funds and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Fundação Galp as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Accounting and Financial Reporting Standard for Non-Profit Organisations accepted in Portugal.

#### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section below. In accordance with the law we are independent of the Foundation and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Responsibilities of management and supervisory board for the financial statements***

Management is responsible for:

- a) the preparation of the financial statements, which present fairly the financial position, the financial performance and the cash flows of the Foundation in accordance with Accounting and Financial Reporting Standard for Non-Profit Organisations accepted in Portugal;
- b) the preparation of the Directors' Report in accordance with the applicable law and regulations;
- c) the creation and maintenance of an appropriate system of internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

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*PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda.*

*Sede: Palácio Sottomayor, Rua Sousa Martins, 1 - 3º, 1069-316 Lisboa, Portugal*

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*Matriculada na CRC sob o NUPC 506 628 752, Capital Social Euros 314.000*

*Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485*

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. pertence à rede de entidades que são membros da PricewaterhouseCoopers International Limited, cada uma das quais é uma entidade legal autónoma e independente.



- d) the adoption of appropriate accounting policies and criteria; and
- e) the assessment of the Foundation's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Foundation's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Foundation's financial information.

***Auditor's responsibilities for the audit of the financial statements***

Our responsibility is 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:

- a) 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;
- b) 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 Foundation's internal control;
- c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in accordance with Accounting and Financial Reporting Standard for Non-Profit Organisations accepted in Portugal;
- d) 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 Foundation'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 Foundation to cease to continue as a going concern;

e) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, in accordance with Accounting and Financial Reporting Standard for Non-Profit Organisations accepted in Portugal; and

f) communicate with those charged with governance, 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.

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the financial statements.

### ***Report on other legal and regulatory requirements***

#### ***Director's report***

It is our opinion that the Director's report has been prepared in accordance with applicable requirements of the law and regulation and that the information included in the Directors' report is consistent with the audited financial statements and, taking into account the knowledge and assessment about the Foundation, no material misstatements were identified.

March 29, 2019

PricewaterhouseCoopers & Associados  
- Sociedade de Revisores Oficiais de Contas, Lda.  
represented by:

António Joaquim Brochado Correia, R.O.C.



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