

CAIXA GERAL DE DEPÓSITOS

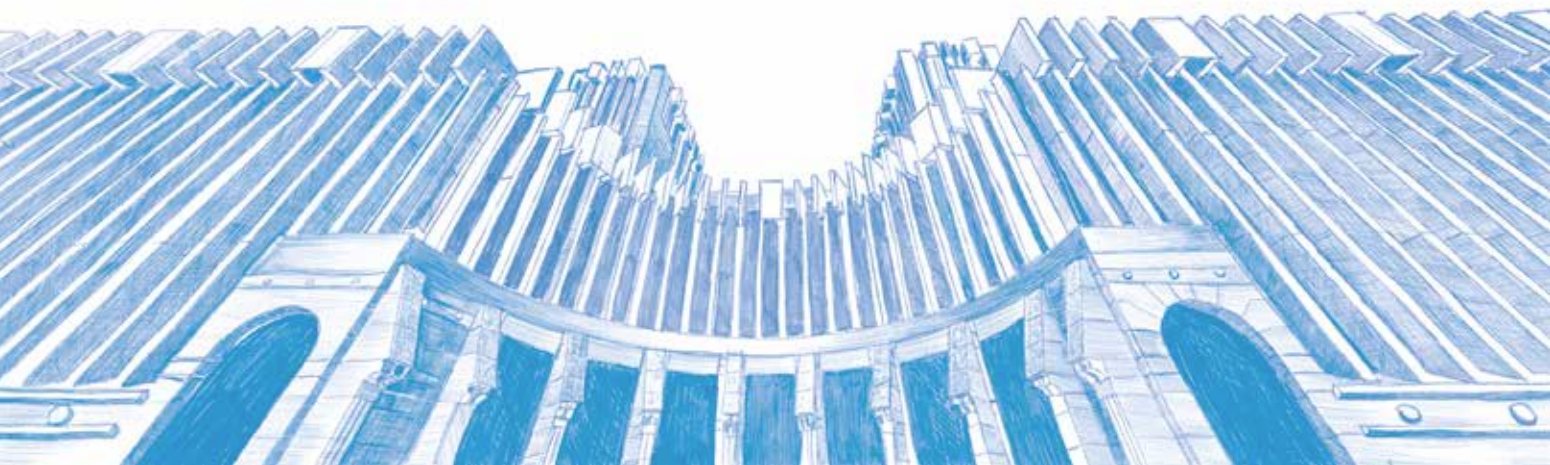
SUSTAINABILITY
PERFORMANCE
HIGHLIGHTS 2021





All actions count

Because at Caixa [#weinvestinthefuture](#)



FOR MORE INFORMATION:

The 2021 Sustainability Report discloses additional information on the projects highlighted in this document.



Caixa has a specific area dedicated to Sustainability at its corporate website. Caixa shares regular publications on its sustainability initiatives on the social network.



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colorADD
This document uses the colour code ColourADD. In this way, it promotes inclusive principles and the understanding of its content by colour-blind readers.



The information in this document was verified by Ernst & Young Audit & Associados, SROC, S.A. as part of the independent review process for the 2021 Sustainability Report.

FRAMEWORK

Caixa Geral de Depósitos (Caixa) has been committed to contributing to a better society since 1876, providing banking products and services designed to improve the well-being of households and the development of the business sector.

With this forward-looking, responsible purpose, Caixa has been gearing its activity to providing an efficient, innovative and integrated response to the main challenges faced by society, whether economic, environmental or social.

This document aims to provide stakeholders with an overview of the main activities developed by Caixa in Portugal in 2021 and which contribute to the various dimensions of sustainable development.

MAIN INITIATIVES AND COMMITMENTS UNDERTAKEN

Founding Signatory of:



PRINCIPLES FOR
RESPONSIBLE
BANKING

Signatory of:



Principles for
Responsible
Investment



WE SUPPORT



ALIANÇA
OBJETIVOS DE
DESENVOLVIMENTO
SUSTENTÁVEL PORTUGAL

BUSINESS AMBITION FOR **1.5°C**



In support of

**WOMEN'S
EMPOWERMENT
PRINCIPLES**

Established by UN Women and the
UN Global Compact Office





THE RELEVANCE OF THE ESG FACTORS IN CGD'S STRATEGY



PAULO MOITA DE MACEDO
Chief Executive Officer

"Less than a decade before the completion of the United Nations' ambitious 2030 Agenda, Humanity was faced with a worldwide pandemic and Europe was haunted by a war that violates fundamental principles that we took for certain in our lives, such as Human Rights and the independence and sovereignty of democratic States.

The Sustainability Strategy for the 2021-2024 period reflects the integration of ESG⁽¹⁾ challenges into business strategy and embodies Caixa's ambition to become the leader in sustainable financing in Portugal.

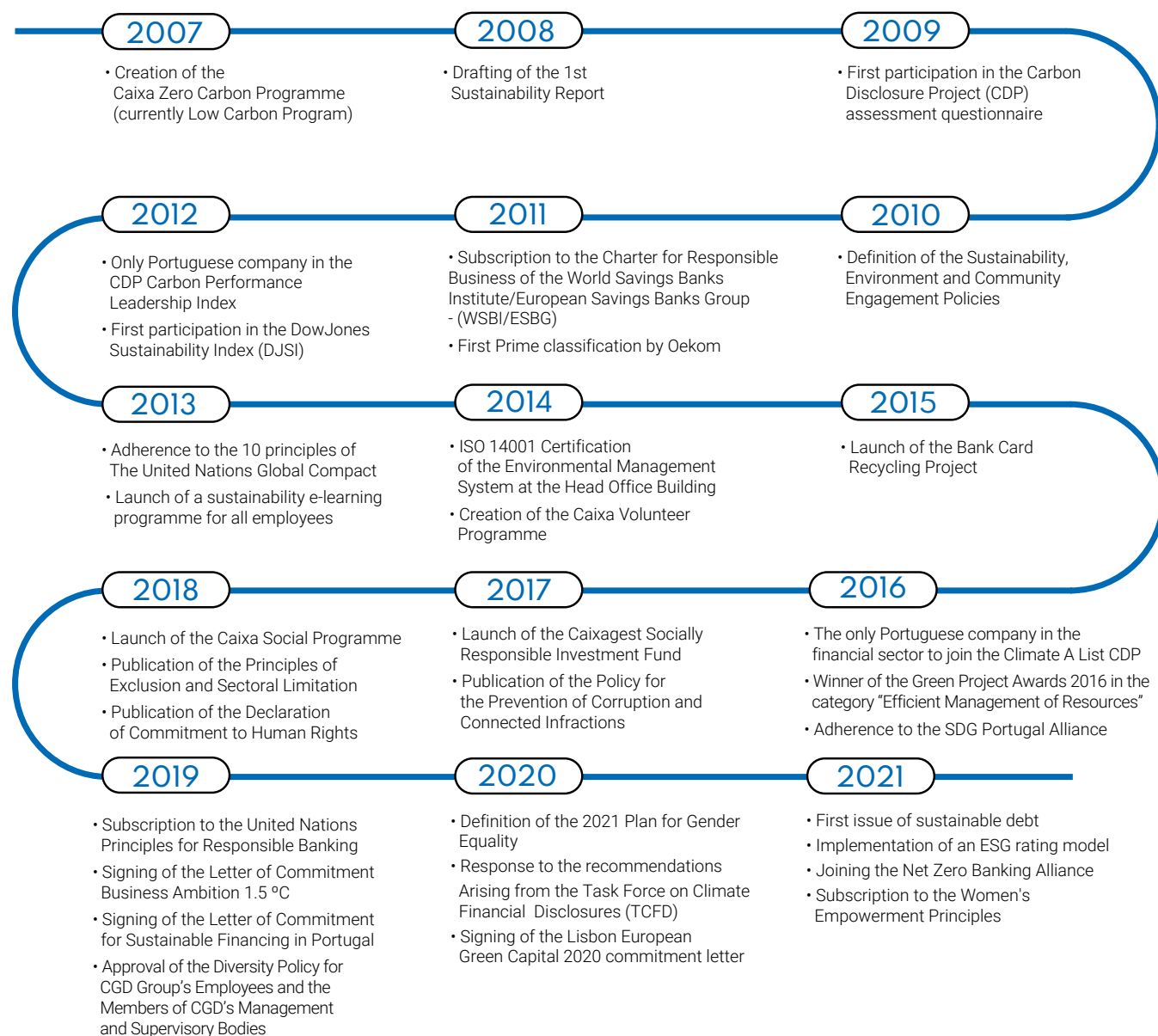
The outcome of our work has come to be acknowledged by our customer satisfaction indicators, the financing of more resilient companies and the building of more prosperous societies. It is, therefore, with a strengthened sense of responsibility that we saw CGD being once again appointed as "Best Bank for Individual Customers" and "Best Bank for Young People", having been distinguished as "Best Bank in terms of Sustainability" or, more recently, receiving the National Sustainability Award in the category "Sustainable Finance".

This renews and strengthens Caixa's commitment to financing the future, supporting the achievement of the United Nations Sustainable Development Goals and the construction of more sustainable, prosperous, inclusive societies".

⁽¹⁾ Acronym for Environmental, Social and Governance, which corresponds to the environmental, social and governance dimensions of organisations.

MAIN SUSTAINABILITY MILESTONES

Caixa has been committed to sustainable development for several years and has achieved several milestones over the course of its history which position it as a benchmark operator in the financial sector.



2021 HIGHLIGHTS



6,117
employees ⁽²⁾



38% Male
62% Female



3.6 M
customers



2.1 M
active digital
customers



555
banking presences⁽³⁾



700 ATS
and updaters
2,580 ATMs



6.4 mil M €
of investment funds under
management that
promote social and/or
environmental features



380 M €
of funding granted
in social and
environmental
lines



12.4 M €
for supporting
the community



94%
of satisfied SME
clients in the office
network



38
protocols
with Higher Education
Institutions



5,003 GJ
of renewable
energy production

BRAND AND ACCOLADES

- BrandScore 2021 study: Caixa Geral de Depósitos continues to have a very positive assessment, reaffirming its status as the preferred brand for customers and the general population:
 - Best bank for individual customers;
 - Best bank for young people;
 - Best bank in sustainability.
- Human Resources 2021 Awards: CEO elected as personality of the year;
- CDP: Leadership rating (A-) in the Climate Change 2021 questionnaire;
- CDP: Leadership rating (A-) in the Supplier Engagement Rating 2021;
- Financial Times - Europe's Climate Leaders 2021: Distinguished as one of the 300 European companies leading the fight against climate change;
- 2nd edition of the Jornal de Negócios National Sustainability Award: Winner of the category Sustainable Finance with the sustainable debt issuance project;
- Global Banking & Finance Awards®: Best CSR Initiative Portugal 2021 with the Saldo Positivo portal.

⁽²⁾ Permanent employees of Caixa Geral de Depósitos, S.A. includes seconded employees (allocated to Caixa's structural bodies) and excludes expatriate employees.

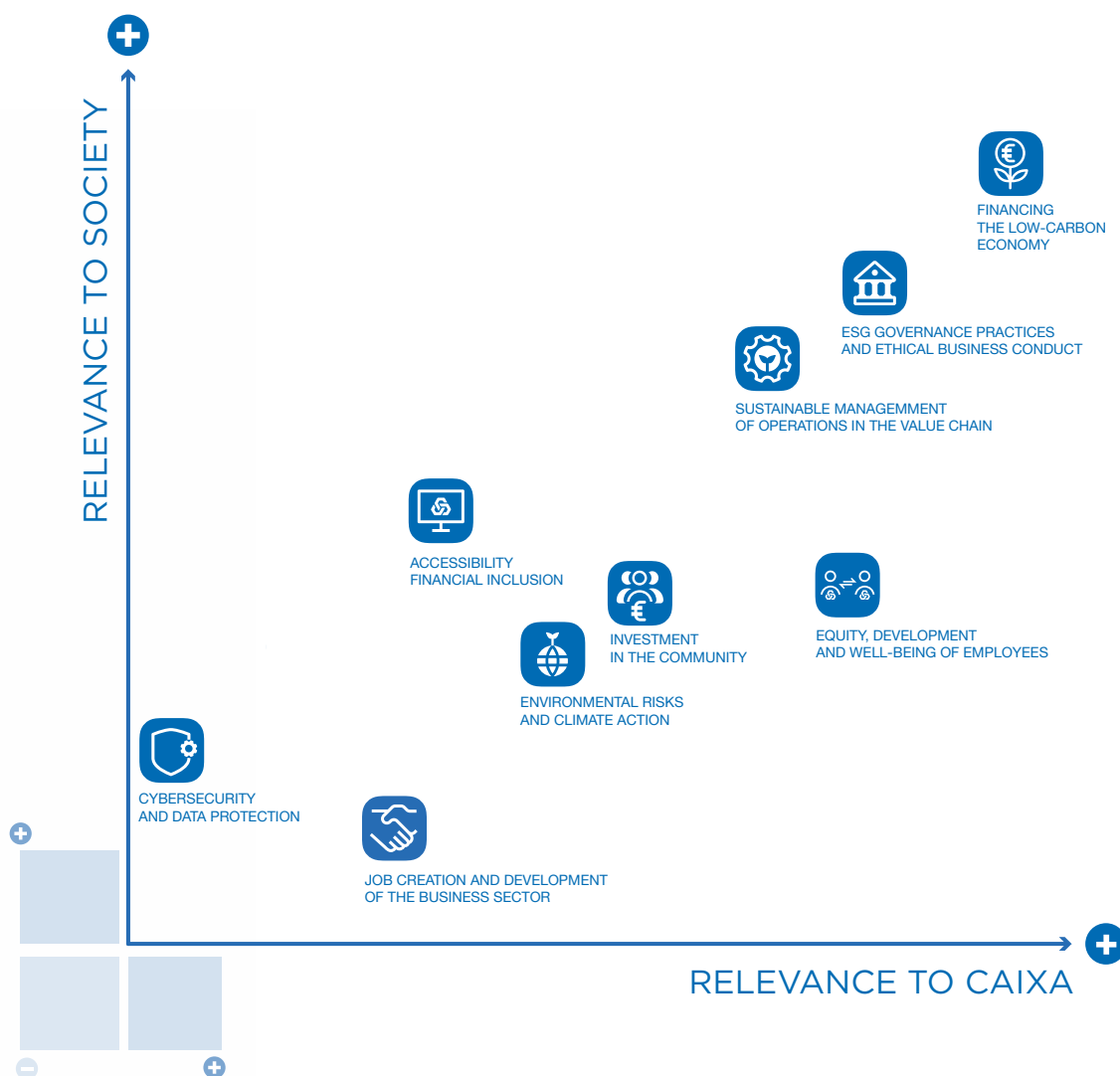
⁽³⁾ 510 active branches and "Espaços Caixa", 13 automatic branches, 25 corporate offices and 4 office extensions, 3 mobile branches and one Caixa Banco de Investimento branch.

STAKEHOLDERS AND MATERIALITY

Caixa conducted a consultation process based on the 17 Sustainable Development Goals. The questionnaire involved 15 stakeholder groups and accommodated more than 3,000 responses.

As a result of the materiality analysis completed in 2021, nine topics considered relevant to Caixa's internal and external stakeholders were identified. The materiality matrix shows the relevance of each topic from society's perspective and from Caixa's internal business perspective, serving as the basis for the definition of the sustainability strategy.

MATERIALITY MATRIX



2021-2024 SUSTENTAINABILITY STRATEGY

Through a process of regular engagement with its stakeholders, Caixa has developed a strategic approach to sustainability, underpinned by a series of policies and initiatives in line with the main national and international benchmarks and commitments on sustainability issues.



JOSÉ JOÃO GUILHERME

Member of the Executive Committee

What is the role of the financial sector in developing a more sustainable, resilient and inclusive economy?

"To be able to achieve the goals of the Paris Agreement it is instrumental to mobilize and redirect financial flows towards sustainable investments.

The financial sector, as a driver and beneficiary of economic development, plays a key role in this transition process by financing activities that contribute in an inclusive way to sustainable development and to the creation of a more resilient and resource-efficient economy.

This process will be reflected in major projects, but its effectiveness will always depend on the adoption of new, environmentally friendly habits, ranging from improving the energy efficiency of homes to mobility solutions that are less harmful to the environment".

STRATEGIC APPROACH

As one of the pillars of Caixa's Strategic Plan 2021-2024, the ESG aspect is driven by a progressive, dynamic action plan, with the direct involvement of various internal structures. In the first year of implementation of the sustainability strategy, the implementation rate of the actions planned for 2021 was 76%.



Scope:
Environmental



Scope:
Social



Scope:
Governance

SUSTAINABLE AND INCLUSIVE FINANCE

For an economy that aims to be carbon neutral by 2050, it is crucial that the financial sector promotes sustainable development through sustainable financing for its clients, providing products and services that incorporate ESG factors.



FRANCISCO CARY

Member of the Executive Committee

What has been Caixa's role in supporting companies' transition to a more efficient economy with less environmental impact?

"Caixa Geral de Depósitos, as a State-owned bank and a benchmark institution in the Portuguese financial sector, aims to work closely with companies to streamline the transition to a more sustainable economy.

Caixa's sustainable finance strategy is based not only on the development of funding lines that contribute to meeting the main environmental challenges, such as the transition to a circular economy or mitigating climate change, but also to the positive differentiation of pricing and raising the awareness of companies, particularly SMEs, empowering them to develop more environmentally responsible business models."

Please refer to this document:



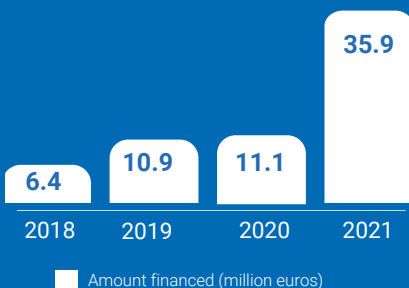
CASE STUDY: ENVIRONMENTAL IMPACT OF FUNDING LINES

Leasing for Hybrid and Electric Vehicles contributes towards mitigating environmental impact, promoting the acquisition of more efficient means of transport enabling a reduction in the Greenhouse Gas Emission of CGD's customers.

In 2021 Caixa financed 965 vehicles for a total amount of €35.9 million. It is estimated that these vehicles, compared to the same number of combustion vehicles, will avoid the emission of 1,251 tCO₂e /year, which corresponds to 313 Lisbon - Porto plane trips (domestic flight)

LEASING FOR HYBRID AND ELECTRIC VEHICLES

(evolution of the amount financed)



ISSUANCE OF SUSTAINABLE DEBT BY CAIXA

Caixa successfully completed a €500 million senior preferential debt issue in 2021. As a sustainable financing instrument, the funds raised are directed at refinancing and financing new environmental and socioeconomic development operations.

MAIN HIGHLIGHTS:

- First issue in ESG format by a Portuguese bank;
- Demand reached €1.7 billion with 133 orders;
- The transaction set a coupon of 0.375%, which represents the lowest coupon by a Portuguese issuer in this type of debt;
- Around 60% of the issue was allocated to ESG investors.

The Sustainable debt issue was based on Caixa's Sustainable Finance Framework.



FUNDING LINES FOR HOUSEHOLDS AND COMPANIES

Caixa has been investing in the development and marketing of lines of credit which contribute towards backing households' and companies' transition to a more efficient economy with less environmental impact, namely the following:

Decarbonisation and Circular Economy Credit Line: Contribute to the goals set out in the National Energy and Climate Plan 2030 and accelerate the process of transition to a circular economy, contributing to the redesign of processes, products and new business models.

Caixa Invest Green Land: Support companies in transforming and adapting their business, in line with environmental sustainability objectives and with a positive impact on the environment.

Leasing for hybrid and electric vehicles: Support investment in hybrid and electric vehicles, financing the transition to a more sustainable mobility model.

Caixa Casa Amiga do Ambiente (Consumer Credit): Provide better energy and environmental performance, with a special focus on energy and water efficiency, use of renewable energy and waste management.

Solar Solution B2B Caixa/EDP: Partnership between CGD and EDP for the B2B solution for the acquisition/service of solar panels with associated financing.

ACTION STRATEGY ON SUSTAINABLE INVESTMENT MATTERS

Caixa Gestão de Ativos, a Caixa Group company specialising in the management of securities and property investment funds, advisory services and management of institutional and individual customers' portfolios, strengthened its ambition, in 2021, to set an example in Socially Responsible Investments (SRI), continuing to centre its operations around three main vectors:

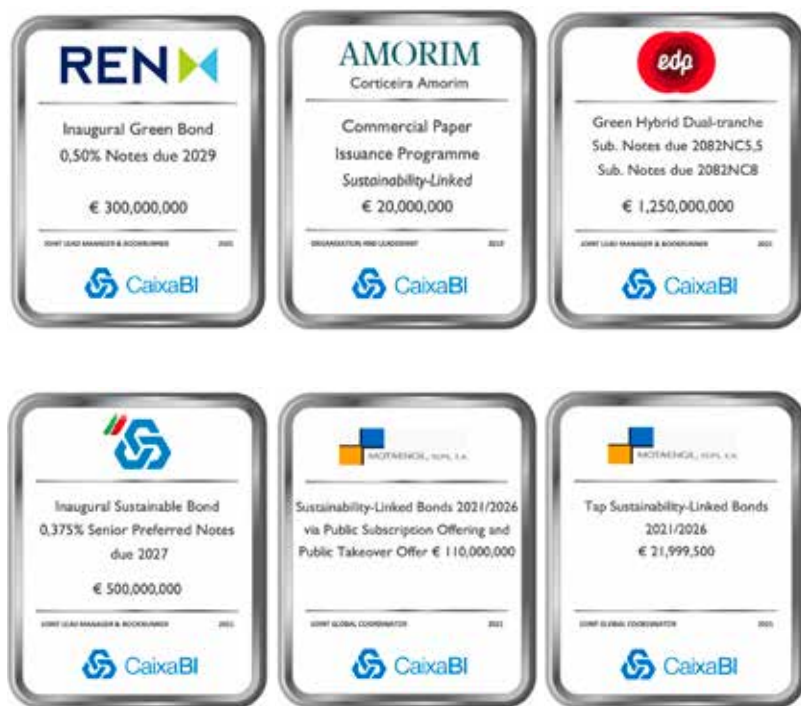
- Integration of ESG factors into investment processes, in parallel with the use of traditional financial analysis factors;
- Involvement with the target investment companies through the exercise of voting rights associated with the assets under management;
- Engagement with companies that are part of the potential investment universe, fostering a close dialogue on matters of Socially Responsible Investment (Engagement).

PARTICIPATION IN SUSTAINABLE DEBT OPERATIONS

The issue of sustainable bonds by the corporate sector is an important tool for supporting the construction of a more sustainable economic development model. Caixa Banco de Investimento organised and led seven sustainable debt operations in 2021.

Caixa Gestão Ativos incorporates ESG criteria in its asset selection process, with the total amount of funds under management, which promote social and/or environmental characteristics⁽⁴⁾ and comply with the SRI policy requirements of the CGA, totalling €6.46 billion.

This amount comprises €6.25 billion in mutual funds (89.9% of total assets under management), €153 million in open-ended pension funds and €57 million in retirement savings funds (the last two types comprise funds managed by Caixa Pensões, which outsource the asset management component of their respective portfolios to Caixa Gestão Ativos).



⁽⁴⁾ Article 8 in the light of the European Regulation 2019/2088 (also known as Sustainability-related disclosures in the financial services sector).

CLIMATE RISK MANAGEMENT



Climate change is a defining challenge for humanity. From the implications of increased extreme weather events, rising sea levels, increased flood risk and loss of biodiversity, its impacts are on an unprecedented scale, making it urgent to implement effective measures to reduce greenhouse gas emissions.



MANUELA FERREIRA

Member of the Executive Committee

How does the incorporation of ESG factors enable a more robust management of Caixa's credit analysis and decision-making process?

"By also integrating the analysis of environmental, social and governance factors, Caixa ensures the existence of an integrated risk analysis process, with a more complete forward looking framework.

Robust risk management requires that company assessments include all dimensions that are decisive for their medium and long term sustainability and for that purpose it is crucial to go beyond the traditional financial aspects in the decision-making processes".

PRINCIPLES OF EXCLUSION AND SECTORIAL LIMITATION

Caixa recognises the existence of sectors of activity or projects that may have a negative impact on sustainable development and therefore outlines a list of principles underlying activities and projects that are excluded, or restricted under certain conditions, from its credit policy.

Under the Principles of Exclusion and Sectorial Limitation, Caixa does not fund or restricts its financial support to:

- Companies and activities linked with the unlicensed trade in wildlife or endangered species;
- Companies that use scarce natural resources, whose exploitation or extraction may cause an environmental impact and which do not comply with the conditions set out in national or international regulations in this field; and
- Companies engaged in the production or processing of hazardous materials or substances restricted by the national legislation.

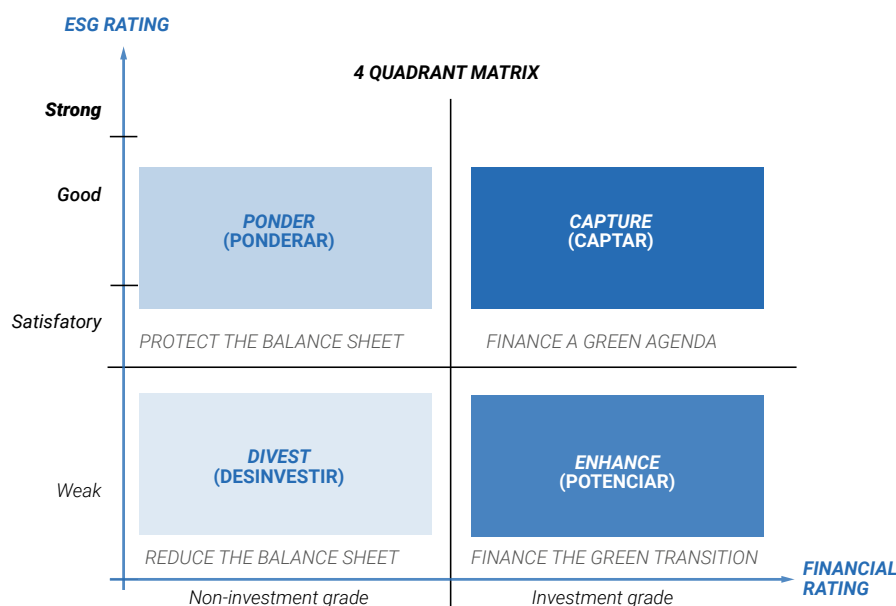
Please refer to Caixa's Principles of Exclusion and Sectorial Limitation:



ESG RATING MODEL

Caixa defined and implemented a new risk analysis methodology, called ESG Rating Model allowing for the inclusion of ESG criteria in decision-making processes. The main objective of the ESG rating is to support companies in their transition process to a greener, more inclusive economy, providing inputs to improve their ratings, in order to redirect capital flows to sustainable financing strategies, ensuring the maximisation of value for the various stakeholders.

In 2021, CGD'S ESG Rating Model was appointed for the category Sustainability Initiative Award, in the Investor Relations and Governance Awards (IRGAwards), a Deloitte Initiative.



The ESG Rating methodology weights environmental, social and governance criteria (weighted average of 15 indicators), which materialises in a tool that allows:

- To assess and rank companies in terms of sustainability, according to a given scale (Strong, Good, Satisfactory or Weak), and may contribute to the definition of credit pricing;
- To combine this evaluation of non-financial aspects with the traditional evaluation (divided between investment grade and non-investment grade rating), generating a matrix with four possible strategies for sustainable financing: Enhance, Capture, Ponder or Divest.

ENVIRONMENTAL AND SOCIAL RISK AND OPPORTUNITY ASSESSMENT IN TERMS OF SUSTAINABLE INVESTMENT

The incorporation of ESG factors in Caixa Gestão de Ativos (CGA)'s investment process is considered in parallel with the incorporation of traditional financial analysis factors. For this purpose, as a complement to the fundamental analysis applied, CGA developed in 2021, an internal rating methodology called CGA Sustainability Rating. This rating consolidates different assessment approaches according to the sub-asset class in a score obtained through the weighted average of the ESG ratings of each asset by its relative weight, oscillating between 0 and 10 within a rating ranging between CCC (minimum) and AAA (maximum)⁽⁵⁾.

ENVIRONMENTAL MANAGEMENT SYSTEM

Caixa plays an active role in reducing the environmental impact of its activities throughout its value chain, through the development of projects and initiatives aligned with the areas of activity of its Environmental Policy.

Caixa implemented and certified an Environmental Management System (EMS) in its Head Office Building, in 2014, in compliance with the ISO 14001 standard. The EMS is an important tool for the existence of a culture of pollution prevention and for the continuous improvement of the institution's environmental performance.

PERFORMANCE INDICATORS



-3%
electricity consumption
as compared to 2020



-11%
water consumption
as compared to 2020



-16%
paper consumption
as compared to 2020



97%
completion rate of EMS
e-learning

⁽⁵⁾ On a rating scale from AAA to CCC (best AAA, AA, A, BBB, BB, B, CCC worst).





GREENHOUSE GAS EMISSIONS

SCOPE 1	SCOPE 2	SCOPE 3
1,704 ton CO ₂ eq	6,024 ton CO ₂ eq	5,138,115 ton CO ₂ eq
Fuels Buildings – 106 ton CO ₂ eq Fleet – 1,445 ton CO ₂ eq Gas leaks – 153 ton CO ₂ eq	Electricity <i>(location-based)</i> – 6,024 ton CO ₂ eq <i>(market-based)</i> – 9,355 ton CO ₂ eq	Work trip – 203 ton CO ₂ eq Waste treatment – 59 ton CO ₂ eq Investments⁽⁶⁾ – 5,137,853 ton CO ₂ eq

BANK CARD RECYCLING PROJECT

Caixa promotes the adoption of circular economy practices by collecting and recycling bank cards. In partnership with Extruplás, PVC waste resulting from the destruction of these cards is incorporated in the production of 100% recycled plastic urban furniture to be offered to private social solidarity institutions.

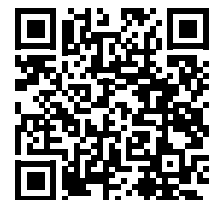


≈ 4.6 million
cards collected (2015-2021)

The height of the Eiffel Tower
(324m)

Don't know what to do with cards that are expired, unusable or no longer in use? Hand in your cards for recycling at a Caixa branch, where they will be transformed into equipment for the community, ensuring the confidentiality the data

Watch the video explaining the card recycling project;



TRANSFORMED CARDS



Tic-Tac-Toe

Article offered to the Association QE (Quinta Essência).



Indian Hut

This article was offered to the S. João das Lampas Social and Parish Centre.

⁽⁶⁾ Refers to credit financing to companies and individuals, namely in the categories of business loans (credit portfolio), project finance (electricity generation projects), house loans ("mortgages") and commercial mortgages ("real estate").





EQUITY, DIGITAL AND FINANCIAL INCLUSION

Inequality of opportunity is still a global challenge that directly impacts some of the main problems of today's society, such as digital exclusion or financial illiteracy.

The digitalisation and digital transformation of companies is an essential component for the recovery process and the increased resilience of the economy. In this sense, companies must take an active role in the development of a culture supported by principles of diversity, equity and inclusion, ensuring not only the creation of value and the well-being of its employees but also providing an effective response to the main challenges of society.



NUNO MARTINS

Member of the Executive Committee

Are the principles of equality, diversity and inclusion essential factors for Caixa's long-term value generation?

"At Caixa Geral de Depósitos we believe that acknowledging, respecting and valuing differences between people, such as gender, ethnicity or education, contribute to increasing the institution's competitiveness and innovation and, consequently, to generating value in the long run.

It is therefore essential to have people-centred management that involves all hierarchical levels in building a supportive, equitable and inclusive organisational culture".



EMPLOYMENT INDICATORS

447,635h
of training

93%
Level of overall satisfaction
with training programmes

134
Professional internship
granted

1,142.37€
Minimum effective monthly
remuneration ⁽⁷⁾

2,490.85€
Average effective monthly
remuneration ⁽⁷⁾

Watch the video of the 2021
volunteering day initiative:



2022 GENDER EQUALITY PLAN

The 2022 Gender Equality Plan reflects Caixa's commitment to the importance of equality and non-discrimination between women and men. Reference should be made to several of the measures included in the Plan:

- Ensuring a process for capturing talent that promotes equality by including candidates of both genders, with special attention to the under-represented gender, in shortlists for recruitment and by prioritising the under-represented gender for management positions on an equal basis;
- Ensure an internal promotion process that promotes equality, enhancing fairness in internal promotions according to gender representation and giving priority in the access to promotions, under equal circumstances, to the under-represented gender for management positions;
- Ensure a process of identification, development and management of talent that promotes equality, aiming for equity in the identification of talent through the inclusion of the gender criterion, as well as the provision of management/leadership training for the under-represented gender.

COMMUNITY ENGAGEMENT

Caixa, as a state-owned bank, must provide a response to those most in need in accordance with the main social emergencies. Caixa's Community Engagement Policy acknowledges that engaging with the (national and international) community should be one of the bank's social responsibility vectors, in which several areas of operation are included, such as social inclusion, support for social economy, education and fostering culture.

CORPORATE VOLUNTEERING

Caixa's Volunteering Programme encourages employees' solidarity and team spirit, fostering a culture of corporate social responsibility for their involvement in projects and causes linked with society and the environment.

Approximately **150 volunteers** participated in the Caixa Volunteering Day in 2021 and it was possible to support **24 social institutions** and deliver around **3 tonnes of food**.

2021 CAIXA SOCIAL AWARDS

The mission of the Caixa Social Awards is to finance and develop social projects undertaken by third sector entities that are innovative, replicable and geared to addressing social problems in order to mitigate poverty and social exclusion.

The 2021 Caixa Social Awards rewarded **34 projects** amounting to a total of **€500,000** and impacted over **125,000** estimated **beneficiaries**.

⁽⁷⁾ Employees with permanent contracts (CGD - Portugal and Group companies).

FUNDRAISING CAMPAIGN FOR IPO LISBOA

Caixa contributed €100,000 to the “Together, we have more to give” campaign to raise funds to equip the Lisbon IPO. The amounts donated will make it possible to purchase a digestive endoscopy system to increase the response capacity in the diagnosis of digestive neoplastic diseases. The main purpose of the initiative was to help the users of the Lisbon IPO and other hospitals of the Regional Health Administrations of Lisbon and Tagus Valley, Alentejo and Algarve, who may also benefit from the equipment to be acquired.

FOSTERING KNOWLEDGE

Caixa maintains a close relationship with Portuguese education institutions, having strengthened its support for the university segment over the years. In 2021, **38 higher education institutions benefited**, under the Caixa IU - Polytechnic Institutes and Universities programme, from **Caixa's investment amounting to €7.5 million**.

CAIXA MAIS MUNDO AWARDS

The Caixa Mais Mundo Awards reflect Caixa's commitment to supporting education, distinguishing not only academic merit but also enabling the creation of opportunities for students with fewer economic resources whose school performance reveals their interest and commitment to pursuing higher education, thereby contributing to a more equitable, fair and solidary society.

Caixa increased the number of prizes in its **third edition**, having **awarded 150 merit prizes worth €1,000 each**.



FOSTERING CULTURE

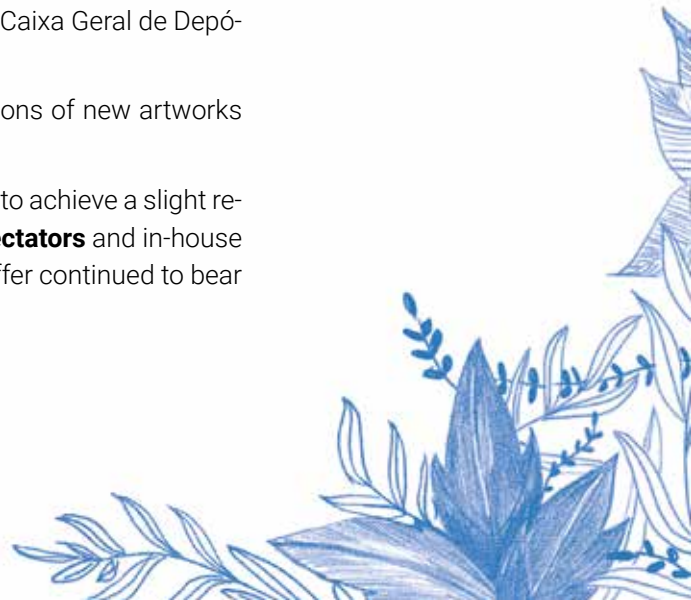
CAIXA GERAL DE DEPÓSITOS FOUNDATION – CULTURGEST

Over more than a quarter of a century, the Caixa Geral de Depósitos Foundation - Culturgest has pursued this mission, promoting a programme dedicated to contemporary creation in the fields of performing arts, music, visual arts and cinema, complemented by a framework of conferences and debates that seek to bring a critical and open insight on the world around us, with a diverse range of initiatives and school programmes.

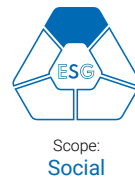
As regards to its artistic and cultural partners, the Foundation maintained its support for the sector in a particularly difficult year, co-producing shows and festivals, hosting concerts and conferences, and supporting the work of visual artists, by promoting exhibitions in various cities around the country and disseminating the Caixa Geral de Depósitos Contemporary Art Collection online.

In this context, it is worth highlighting the resumption of acquisitions of new artworks for the same collection, after a 14-year interlude.

In the second year of the Covid-19 pandemic, Culturgest managed to achieve a slight recovery from the sharp fall sustained in 2020, receiving **39,869 spectators** and in-house visitors, 20.4% more than in 2020. The investments in the online offer continued to bear fruit, resulting in a growth in its offer, with **70,950 online visits**.



EQUITY, DIGITAL AND FINANCIAL INCLUSION



MADALENA TALONE

Member of the Executive Committee

How does Caixa invest in digitalisation and technology to boost financial and social inclusion?

“As part of its digital transformation process, Caixa Geral de Depósitos has been investing in supporting its customers and citizens in the adoption of digital tools, guided by principles of security and data privacy.

This investment has been supported by CGD’s commercial teams, which daily gather new customers for these solutions, and also by partnerships with other entities.

At the same time, Caixa has also been developing innovative solutions to facilitate its customers accessibility and digital experience. Examples of such solutions are virtual assistants that enable customers to use CGD’s digital applications using natural language.

By positioning itself as a digital inclusion and financial literacy agent, Caixa aims to responsibly provide financial services targeted at those who need them most, while also helping to increase their levels of financial literacy.”

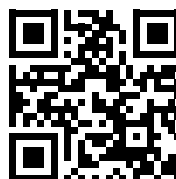
EUSOUDIGITAL PROGRAMME

Caixa strengthened its position as a sustainable, inclusive bank by joining the EUSOUDIGITAL Programme as a Social Investor.

The EUSOUDIGITAL programme aims to foster the digital literacy of 1 million adults in Portugal by the end of 2023, through the development of a national network of thousands of volunteers supported by over 1,500 digital training spaces throughout the country.

This programme will support adults who have never used the Internet, through digital training actions developed by volunteers in the family context or in places of proximity within the community, such as parish councils, schools, nursing homes, among others.

Learn more
and sign up for the
Eu Sou Digital
Programme:



DIGITAL CUSTOMERS

2.1 Million

Active digital customers
(+12% compared to 2020)

1.3 Million

Mobile customers
(+21% compared to 2020)

SALDO POSITIVO PORTAL

Caixa was a pioneer in the launch of a structured financial literacy project, the Saldo Positivo portal. Saldo Positivo is Caixa's financial literacy portal, whose main objective is to clarify financial doubts enabling the Portuguese population to make more informed decisions.

Saldo Positivo continues to win over the Portuguese population (Caixa customers and non-customers), with an average of over **430 thousand visits per month** (116% more than in 2020). Approximately **280 articles** were published in 2021, covering several topics, ranging from financial literacy, digital security, banking, taxation, to sustainability, civic literacy, citizenship, *inter alia*.

Saldo 
Positivo

APB'S FINANCIAL LITERACY WORKING GROUP

Caixa is a member of the Financial Education and Literacy Working Group of the Portuguese Banking Association (APB), maintaining a regular cooperation in the various activities and initiatives designed to support and promote financial education, in partnership with the various financial institutions belonging to this working group.

Reference should be made to the 2021 European Money Week, a competition which Caixa joined for the fourth consecutive year and which aims to test the financial literacy skills of 13 to 15 year olds.





TRANSPARENT GOVERNANCE MODELS

Transparent governance models are fundamental in driving value creation in a responsible, diversified manner. Caixa has been building a more efficient governance model, supported by the highest ethical standards, efficient risk management and an organisational culture committed to meeting the expectations and needs of its stakeholders.



JOÃO TUDELA MARTINS
Member of the Executive Committee

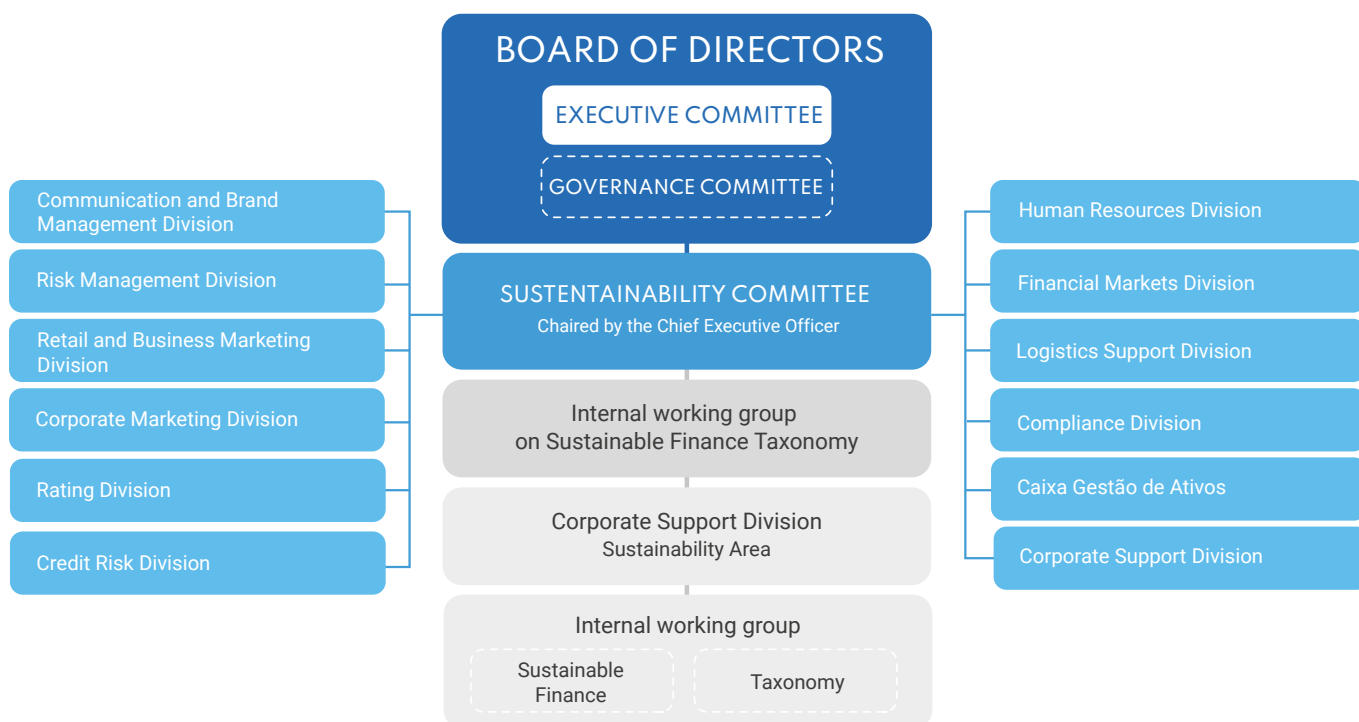
How is the management of climate and environmental risks ensured by Caixa's management?

"Acknowledging the complexity and interdependence of the impacts associated with climate change, Caixa's Board of Directors has included climate and environmental risk within the scope of its risk taxonomy. Climate Risk Management was also defined as one of the vectors for action in the 2021-2024 Sustainability Strategy, which reveals a strategic approach increasingly focused on the development of activities to reduce and manage the risk associated with climate change.

As regards the governance model, the Sustainability Committee that oversees management and informs the decisions regarding the implementation of the Sustainability Strategy should be highlighted."

SUSTAINABILITY MANAGEMENT MODEL

The Sustainability Committee, an advisory body to the Executive Committee, is chaired by the Chief Executive Officer (CEO) and comprises the managers of the different corporate areas with responsibility for the performance of activities linked with the Sustainability Strategy. This ensures the existence of a solid and transparent management model that promotes the development of cross-cutting ESG projects and their continuous monitoring by the management bodies.

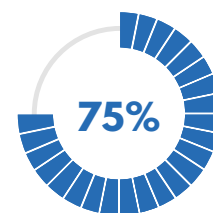


The new composition of Caixa's Board of Directors for the 2021-2024 term of office is based on a continuity strategy, with some renewals, namely the appointment of the Chairman, with a view to safeguarding management stability and the pursuit of good results in the coming years. This balance aims to support the start of a new strategic cycle after the completion of the 2017-2020 Restructuring Plan, safeguarding the necessary aspects for management stability and the pursuit of good results in the coming years. The choice of new directors or their reappointment was guided by criteria of competence, high sense of public interest, independence and ethical values.

DIVERSITY IN MANAGEMENT AND SUPERVISORY BODIES

Based on its Diversity Policy for the Caixa Group employees and members of the management and supervisory bodies, Caixa undertakes to comply, *inter alia* with the following applicable principles:

- Caixa's Board of Directors should be composed of members whose qualifications and background in terms of professional experience are diversified and balanced, enabling them to have the appropriate expertise for Caixa's activities and strategy;
- Caixa's Board of Directors should include people with diversity of ages;
- Caixa's Board of Directors should include members with a diverse and appropriate geographic origin, in terms of their cultural background qualifications and professional experience in view of the challenges and positioning of the CGD Group;
- The proportion of persons of each gender assigned to CGD's management and supervisory bodies must be equal to or greater than 33.3 per cent, in each of these bodies.



■ % Independent non-executive directors

COMPLIANCE RISK MANAGEMENT

Caixa's Code of Conduct includes demanding ethical and deontological behaviour and aims to contribute to the harmonisation of standards in the face of ethical dilemmas, affirmation of the values, principles of action and standards of conduct which guide its relationship with its various stakeholders, promotion of an organisational culture of legal compliance and conformity with the values and principles adopted, as well as the development of best corporate governance practices and ethical conduct, reducing exposure to various risks, namely compliance risks.

Please refer to Caixa's Code of Conduct:



In 2021, Caixa made training available to all employees on Ethics and Conduct and provided training on issues related with the management and reporting of conflicts of interest, the plan on corruption prevention and the code of conduct management model to employees of Caixa's various structural bodies and to employees of Caixa Group entities.

DISCLOSURE OF SUSTAINABILITY INFORMATION



Caixa considers it crucial to make regular, transparent disclosures on ESG performance in accordance with the best reporting and regulatory practices, complemented by multisectoral partnerships to mobilise and share knowledge enabling a global approach to sustainable development.



MARIA JOÃO CARIOCA

Member of the Executive Committee
and Chief Sustainability Officer

How is Caixa adapting to a growing demand from its stakeholders for greater transparency in terms of ESG information?

“Caixa has been acting proactively in response to the growing interest and requirements demonstrated not only by regulators and supervisors but also, in a decisive manner, by customers and business partners.

Caixa ensures the complete alignment of its sustainability reporting with the main national and international frameworks, in response to the increase in laws and regulations requiring companies to disclose relevant non-financial information. This disclosure is complemented, in a decisive manner, by voluntary participation in several assessments by qualified external entities. In this manner, Caixa promotes the implementation and widespread dissemination of ESG performance assessment practices in a transparent and comparable manner.

Caixa recognises as part of its Mission the assumption of a leading role in Portugal in the way in which banks integrate ESG factors in their business strategies and operations. Transparency and rigour in ESG communication are an essential part of the achievement of this Mission and its translation into concrete impacts for the business. As the first bank in Portugal to issue ESG debt, Caixa has naturally assumed the resulting reporting obligations to the markets. Caixa, as a leading bank in the development of ESG ratings to support lending, has also been playing a growing role in the educational aspect of its customers’ awareness of the importance and advantages for their business of paying attention to ESG issues, particularly in terms of climate risk.”

ESG POSITIONING

Following the 26th United Nations Conference on Climate Change (COP26), Caixa published a Position Paper ascertaining its commitment, positioning, main commitments, initiatives and results in terms of climate action.

This document also discloses a set of highly relevant information for various stakeholder groups, such as scope 3 Greenhouse Gas emissions - category 15 (investments) and the respective identification of the TOP 5 most carbon intensive sectors. Caixa was the first Portuguese financial institution to quantify and publicly disclose the emissions associated with its financing portfolio.

ASSESSMENT OF SUSTAINABILITY PERFORMANCE BY EXTERNAL ENTITIES

Caixa regularly responds to different external sustainability indices in order to objectively and transparently assess its ESG performance. Sustainability ratings are highly important for companies, as they assess their level of exposure to ESG risks, as well as their capacity to mitigate such risks and contribute to sustainable development.

We highlight below some of the results achieved by Caixa:

- CDP is an international non-profit organisation which provides one of the most recognised, comprehensive environmental information disclosure systems, aiming to foster the corporate sector's transition to a low carbon economy. In 2021, CDP distinguished Caixa with a Leadership classification (A- rating) in its Climate Change questionnaire, a result achieved by only 20% of the world's financial institutions. This result demonstrates the transparency and positive performance of the measures implemented to meet environmental challenges, placing Caixa above the global average (B-) and above the financial sector average (B).

Consult the *Position Paper* Climate Action:





- The ESG Risk Rating of Sustainalytics (a Morningstar Company) measures an institution's exposure to ESG risks, weighted by activity sector, through the assessment of the ESG Risk Exposure and Risk Management dimensions in different operating areas. Caixa has been gradually reducing its risk level, having reached the Low Risk level, which demonstrates the evolution and solidity of the ESG dimensions assessed. This result places Caixa in 199th place in the financial sector out of a worldwide universe of 1,071 assessed companies ⁽⁸⁾.



- Vigeo Eiris, a Moody's Group company, is a global ESG information provider designed to equip market players with the ESG knowledge required to manage risks and better address social and environmental impact. Caixa achieved a 54/100 (robust) rating on the ESG Profile, in 2021, having come 9th in the retail banking sector (out of 98 European banks assessed).

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The 2030 Agenda, comprising 17 SDGs, is a broad and ambitious agenda that addresses several dimensions of sustainable development and promotes peace, justice and the existence of effective institutions. Based on the materiality analysis conducted by Caixa, eight priority SDGs have been identified, which are promoted in line with the Sustainability Strategy. Caixa has defined a series of quantitative and qualitative objectives which contribute towards the achievement of the SDGs, particularly:



Objective:

Invest 40 million in the community (period 2021-2024).

Status:

12.4 million euros invested (2021)



Objective:

Achieve at least 38% women in management positions by 2024.

Status:

35% (2021)



Objective:

Undertake a new sustainable (green, social or sustainable) debt issue by 2024.

Status:

To be started



Objective:

Reach 525,000 active customers (> 45 years old) with access to digital platforms.

Status:

493,645 clients (2021)



Objective:

Development of a new financial solution that promotes investment in more energy efficient housing by 2022.

Status:

In progress



Objective:

Setting a greenhouse gas (GHG) emissions reduction target aligned with the Science Based Target Initiative (SBTi) methodology by 2021.

Status:

In progress



Objective:

Incorporation of ESG metrics into the management body's variable remunerations by 2024

Status:

To be started



Objective:

Calculate and publicly disclose scope 3 (category 15) GHG emissions by 2021.

Status:

Publication of the Position Paper on climate action with reporting of scope 3 emissions (2021)

⁽⁸⁾ Evaluation released on 02/02/2022.

FUTURE AMBITION

Within the scope of the lines of action of the 2021-2024 Sustainability Strategy, Caixa proposes to:

- Strengthen the integration of environmental, social and governance criteria in financing and investment analysis;
- Foster internal training on ESG issues, promoting debate and awareness within the society;
- Strengthen the integration of the Sustainable Development Goals in the Bank's activities;
- Strengthen the measurement of social impact on corporate social responsibility projects;
- Ensure business alignment with the EU Sustainable Financing Action Plan and the Taxonomy Regulation;
- Adapt information systems for ESG data needs;
- Foster the adaptation of the business model and strategy with the aim of achieving carbon neutrality (Net Zero) by 2050;
- Foster the growing evolution of sustainability reporting.





TECHNICAL INFORMATION

TITLE

Sustainability Performance – 2021 Highlights

DOCUMENT CREATED AND DEVELOPED

DSC – Corporate Support Department

PAGINATION, ILLUSTRATIONS AND COVER

DCM – Communication and Brand Management Division of Caixa Geral de Depósitos

PRINTING DATE

May 2022



