



# PRINCIPLES FOR RESPONSIBLE BANKING REPORTING AND SELF-ASSESSMENT TEMPLATE

## Caixa Geral de Depósitos

CGD adhered on 22 September 2019 to the UNEP-FI Principles for Responsible Banking, together with 132 founding banks. In the second year of implementing the principles, CGD developed the second self-assessment report on the response to the six Principles: 1) Alignment, 2) Impact and Targets, 3) Clients and Customers, 4) Stakeholders, 5) Governance & Culture, 6) Transparency.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)
<p><b>Principle 1: Alignment</b>            We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>1.1 <i>Describe</i> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>Caixa Geral de Depósitos (CGD) is a major player in the Portuguese financial market. CGD was formed as a public limited liability company by the Portuguese state in 1876 and is one of Portugal's leading institutions and fully owned by Republic of Portugal.</p> <p>CGD's mission consists of creating value for the Portuguese society, by providing quality banking services to individuals and companies, thus contributing for the well-being of Portuguese families and for the development of the corporate sector. CGD ensures that its customers have access to a diversified set of high-quality financial products and services, with a particular emphasis on the attraction of savings and the granting of medium and long-term loans, based on an efficient corporate governance model in compliance with the highest ethical standards.</p> <p>CGD's activity and its employees' conduct are governed by the following fundamental values: Trust, Profitability, Transparency, Integrity, Professionalism, Proximity, Responsibility, Risk Culture and Rigor and Innovation.</p> <p>CGD provides its customers with a wide range of quality products and financial services, particularly by promoting savings and granting medium and long-term financing to customers, based on an efficient corporate governance model and the respect for the highest ethical standards. The financial products and services marketed by CGD comply with strict legal and internal regulatory criteria, ranging from their identification and design to their marketing and dissemination/advertising.</p>	<p>Annual Report 2020 – Chapter CGD Today:  <a href="https://www.cgd.pt/Engl ish/Investor-Relations/Financial-Information/CGD/2020/Documents/Annual-Report-CGD-2020.pdf">https://www.cgd.pt/Engl ish/Investor-Relations/Financial-Information/CGD/2020/Documents/Annual-Report-CGD-2020.pdf</a></p> <p>Annual Report 2020 – Mains activities, products and services (Annex B – GRI 102-2, page 530)  <a href="https://www.cgd.pt/Engl ish/Investor-Relations/Financial-Information/CGD/2020/Documents/Annual-Report-CGD-2020.pdf">https://www.cgd.pt/Engl ish/Investor-Relations/Financial-Information/CGD/2020/Documents/Annual-Report-CGD-2020.pdf</a></p>
<p>1.2 <i>Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>Following the conclusion of the 2018-2021 strategy, CGD has conducted a stakeholder consultation focused on the United Nations Sustainable Development Goals (SDGs). CGD has identified nine material topics and eight priority SDGs (SDG 1 – No Poverty; SDG 5 – Gender Equality; SDG 8 – Decent Work and Economic Growth; SDG 10 – Reduced Inequalities; SDG 11 – Sustainable Cities and Communities; SDG 13 – Climate Action; SDG 16 – Peace, Justice and Strong Institutions; SDG 17 – Partnerships for the Goals).</p>	<p>CGD's 2021/2024 Sustainability Strategy and priority SDGs (page 2)  <a href="https://www.cgd.pt/Engl ish/Sustainability-CGD/Performance/Documents/CGD_Position_Paper_EN.PDF">https://www.cgd.pt/Engl ish/Sustainability-CGD/Performance/Documents/CGD_Position_Paper_EN.PDF</a></p>

In 2021, CGD has developed its 2021/2024 Sustainability Strategy, which reinforces the incorporation of ESG factors in the activities and business model, showing the ambition of CGD to be the leader in sustainable financing in Portugal. This ambition is underpinned by five ESG strategic pillars: 1) Sustainable and Inclusive Financing; 2) Climate Risk Management; 3) Equity, Digital and Financial Inclusion; 4) Transparent Governance Models; 5) Disclosure of Sustainability information.

Additionally, CGD voluntarily subscribes commitments and/or principles from national and international organizations aligned with the Sustainability Programme, such as: the Ten Principles of the United Nations (UN) Global Compact, Letter of Commitment to Sustainable Finance in Portugal, Principles for Responsible Banking (PRB), Principles for Responsible Investment (PRI), Climate Action - Business Ambition 1.5°C, Portuguese Charter for Diversity, Letter of Commitment "Lisbon European Green Capital 2020 – Climate Action 2030", Net Zero Banking Alliance (NZBA) and Women's Empowerment Principles (WEP).

The above commitments materialize CGD's ambition to promote a fair and inclusive society and a sustainable future.

As an example of CGD's Equality and Diversity strategy, in 2020 CGD published its Diversity Policy that sets out the principles applicable to CGD employees, in terms of diversity, as well as the targets for balanced representation between women and men in management and supervisory functions at CGD. The members of CGD's board of directors were appointed in 2021. The new composition of CGD's Board of Directors is based on a strategy of continuity in order to safeguard management stability and the pursuit of good results in the coming years. The choice or reappointment of the new directors was based on criteria of competence, high sense of public interest, independence, and ethical values. Of the 17 members of the board of directors, six are women, three of whom have executive functions (more two women compared with 2017-2020 mandate).

In 2021, CGD reviewed the Equality Plan in order to further increase the scope of gender equality within its organization. Additionally, in response to Council of Ministers Resolution no. 18/2014, of March 7, CGD published the "Report on remuneration paid to women and men 2021", which aims to diagnose, identify and analyse remuneration differences in Caixa Geral de Depósitos Group entities.

Sustainable Development Goals (CGD website):  
<https://www.cgd.pt/English/Sustainability-CGD/Vision/Pages/Sustainable-Development-Goals.aspx>

Equality Plan 2022 (only in Portuguese)  
[https://www.cgd.pt/Institucional/Governo-Sociedade-CGD/Praticas-de-Bom-Governo/Documents/CGD\\_Plano-para-igualdade-genero.pdf](https://www.cgd.pt/Institucional/Governo-Sociedade-CGD/Praticas-de-Bom-Governo/Documents/CGD_Plano-para-igualdade-genero.pdf)

Diversity Policy (Only in Portuguese)  
<https://www.cgd.pt/Sustentabilidade/Visao/Documents/Politica-Diversidade.pdf>

Report on remuneration paid to women and men 2021 (Only in Portuguese):  
[https://www.cgd.pt/Institucional/Governo-Sociedade-CGD/Praticas-de-Bom-Governo/Documents/CRHM\\_2021.pdf](https://www.cgd.pt/Institucional/Governo-Sociedade-CGD/Praticas-de-Bom-Governo/Documents/CRHM_2021.pdf)

## Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

### 2.1 Impact Analysis:

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:

a) **Scope:** The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.

b) **Scale of Exposure:** In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.

c) **Context & Relevance:** Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.

d) **Scale and intensity/salience of impact:** In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.

(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))

Show that building on this analysis, the bank has

- Identified and disclosed its areas of most significant (potential) positive and negative impact
- Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts

a) **Scope:** Caixa Geral de Depósitos, S:A. (Portugal).

b) **Scale of Exposure:** CGD's operations with the highest net operating income are Consumer and Private banking (23%), Business Banking (6%) and Corporate Banking (13%). Consumer and private banking comprises banking activities for personal customers, the self-employed and micro enterprises. This segment also includes consumer finance, mortgage lending, credit cards and deposit-taking from personal customers.

Business Banking includes lending activities and resource-taking from major enterprises and SMEs. The segment includes loans, current accounts, investment project finance, bills discounting operations, venture capital, factoring, equipment and property leasing and syndicated loans underwriting in addition to lending to the public sector.

Corporate Banking includes activities related to acquisitions, mergers, restructuring operations, privatizations, subscriptions for and sales of securities (primary market), securitizations, preparation and organization of syndicated loans (merchant banking – loan sales), investment management, market and corporate financial analyses and advisory services.

c) **Context & Relevance:** For Portugal, based on the resource provided by the tool, CGD identified the seven main country needs (score of 3 and 4 - high and very high need level): Resources efficiency/security (SDG 6, 12, 13, 14 and 15), Strong Institutions, peace & stability (SDG 16 and 17), Water (SDG 6), Food (SDG 2), Housing (SDG 3, 11), Climate (SDG 13) and Waste (SDG 6,12,14 and 15).

d) **Scale and intensity/salience of impact:** At the consumer banking level the (potential) most significant positive impacts are related to Employment (SDG 8), Healthy and Inclusive Economies (11 and 8), access to credit for housing (SDG 11) and education (SDG 1 and 10). Issues that may have negative impact are resources efficiency/security related to potential energy intensive production and climate (SDG 13) due to associated emissions especially associated with housing and vehicle loans.

In sectorial financing portfolio, the main aspects where CGD has the potential to have a positive impact are i) employment by creating jobs and livelihoods (SDG 8), ii) inclusive and healthy economies (SDG 8 and 9) by supporting the various segments of the economy, namely retail, iii) strong institutions, peace & stability (SDG 16 and 17). Regarding potential negative impacts, these are related to:

i) Working conditions (SDG 8 and 5) that certain sectors may entail - As a response to this issue, CGD has mechanisms that limit and exclude sectors such as:

CGD Principles of Exclusion and Limitation:

<https://www.cgd.pt/Engl/ish/Sustainability-CGD/Vision/Documents>

	<ul style="list-style-type: none"> <li>• Production or trade of any product or activity found to be illegal in the country where the investment occurs, or if illegal under the scope of international regulations or agreements, including those that CGD subscribes or integrates;</li> <li>• Companies or projects that use child labor or work deemed to be forced;</li> <li>• Companies and activities related to prostitution;</li> <li>• Companies and projects that disseminates discriminatory information or acts discriminatorily considering religious, political, racial or gender-based terms;</li> <li>• Companies and activities with unlicensed wildlife trade or endangered species.</li> </ul> <p>ii) Climate and Resources efficiency/security (ODS 13) related to greenhouse gas emissions associated with certain activities - In the climate action position paper, CGD identified the sectors in its credit portfolio that have the most negative impact on the environment, namely:</p> <ul style="list-style-type: none"> <li>- Manufactured industries (31%)</li> <li>- Electricity, gas, steam, hot and cold water and cold air (19%)</li> <li>- Water abstractions, treatment and distribution; sanitation, waste management and depollution (10%)</li> <li>- Agriculture, animal production, hunting, forestry and fishing (9%)</li> <li>- Transport and storage (8%)</li> </ul> <p>iii) Waste (SDG 6, 12, 14 and 15) as an indirect impact of the work developed by each of the sectors.</p> <p>To mitigate the negative effects that some financed companies may cause CGD has developed an ESG rating. ESG rating allows for combining this assessment of non-financial aspects with the traditional financial assessment (split into investment grade ratings and non-investment grade ratings), generating a matrix with four possible sustainable finance strategies: Optimizing, Capturing, Pondering or Divesting. The ESG rating methodology considers:</p> <ul style="list-style-type: none"> <li>• Environmental Criteria, namely in what concerns the climate, such as the assessment of physical risk (general-to-specific, country, region, activity, company) and transition risk (greenhouse gas emissions, carbon intensity, energy costs and investment in R&amp;D);</li> <li>• Social Criteria, such as gender equality, remuneration level and investment in training;</li> <li>• Governance Criteria, such as the quality of partners/shareholders and that of the management.</li> </ul> <p>Based on materiality and impact analysis, nine themes were identified as relevant for internal and external stakeholders that gave rise to the 5 pillars of CGD's 2021-2024 sustainability strategy:</p> <ul style="list-style-type: none"> <li>• Sustainable and Inclusive Finance (SDG 11 and 8)</li> <li>• Management of Climate Risk (SDG 13)</li> <li>• Equity, Digital and Financial inclusion (SDG 1 and 10)</li> <li>• Transparent Governance Models (SDG 5 and 16)</li> <li>• Disclosure of Sustainability Information (SDG 17)</li> </ul>	<p><a href="#">/Policy-Limitation-Sectorial-Exclusion.pdf</a></p> <p>Position Paper Climate Action:  <a href="https://www.cgd.pt/Engl/ish/Sustainability-CGD/Performance/Documents/CGD_Position_Paper_EN.PDF">https://www.cgd.pt/Engl/ish/Sustainability-CGD/Performance/Documents/CGD_Position_Paper_EN.PDF</a></p> <p>ESG rating model:  <a href="https://www.cgd.pt/Engl/ish/Sustainability-CGD/Responsible-Business/Pages/ESG-Rating-Model.aspx">https://www.cgd.pt/Engl/ish/Sustainability-CGD/Responsible-Business/Pages/ESG-Rating-Model.aspx</a></p>
<p><b>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</b></p>		
<p>CGD developed a new impact analysis according to the tool made available by UNEP-FI for 2021 data information, this data is extremely relevant to monitor business prospects and check their alignment with the strategic pillars defined for 2021-2024.</p>		

<p><b>2.2 Target Setting</b>  <b>Show</b> that the bank has set and published a minimum of two <b>S</b>pecific, <b>M</b>easurable (can be qualitative or quantitative), <b>A</b>chievable, <b>R</b>elevant and <b>T</b>ime-bound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.</p> <p><b>Show</b> that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p><b>Show</b> that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society’s goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<p>In order to have a holistic view of all relevant topics pertaining to environmental, social and governance matters, a systematic, comprehensive and rigorous process of materiality assessment was implemented, based on the following premises:</p> <ol style="list-style-type: none"> <li>1) Consulting with stakeholders to understand their main expectations (eg. based on SDG perspective survey);</li> <li>2) Identifying the main trends of the financial market trends at an international level (eg. the Global Risks Report (WEF), Ten principles of Global Compact (UNGC), Principles for Responsible Banking);</li> <li>3) Acknowledging future challenges and opportunities identified by leading institutions in the financial sector (eg. TCFD, Ending Poverty, Investing in Opportunity, Letter of Commitment for sustainable financing in Portugal)</li> </ol> <p>CGD aims to be the leading Portuguese bank in Sustainable Finance by adapting and mitigating to climate change. Following the implementation of the 2021-2024 Sustainability Strategy, that is underpinned by five ESG strategic pillars, CGD has defined SMART targets:</p> <ul style="list-style-type: none"> <li>- Sustainable and Inclusive Finance (SDG 11 and 8): <b>2 billion euros on ESG financing until 2025;</b></li> <li>- Climate Risk Management (SDG 13): <b>Achieving carbon neutrality of the financing portfolio by 2050 and of own operations by 2030;</b></li> <li>- Equity, Digital and Financial Inclusion (SDG 10 and 1): <b>Increase digital access and financial inclusion of more than 1 million adults (&gt;45 years) by 2025;</b></li> <li>- Transparent Governance Models (SDG 16 and 5): <b>Reach at least 38% of women in management positions by 2024;</b></li> <li>- Disclosure of Information on Sustainability (SDG 17): <b>Disclose GHG emissions associated with financing activities by 2023;</b></li> </ul>	<p>CGD's 2021-2024 Sustainability Strategy and SMART targets  <a href="https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/Presentations/Documents/Presentation-Consolidated-Operations-3Q-2021.pdf">https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/Presentations/Documents/Presentation-Consolidated-Operations-3Q-2021.pdf</a></p>
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**Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Target Setting.**

With the materiality analysis and definition of the 2021-2024 sustainability strategy (as one of the Bank’s strategic pillars), CGD defined SMART goals that are in line with principle 2 of the PRBs.

<p><b>2.3 Plans for Target Implementation and Monitoring</b></p> <p><i>Show</i> that your bank has defined actions and milestones to meet the set targets.  <i>Show</i> that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>At board level, CGD monitors the implementation of the Sustainability Action Plan defined under the Sustainability Strategy in the Sustainability Committee, at least two times a year.  The Sustainability Committee is an advisory body to the Executive Committee, chaired by the Chair of the Executive Committee and composed of managers from different corporate areas responsible for carrying out the outlined activities.  The Sustainability Area coordinates and evaluates the implementation of the Sustainability Action Plans with the different departments within CGD’s business units, on a quarterly basis.</p>	
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**Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.**

We consider that CGD have complied with the requirements of this principle.

## 2.4 Progress on Implementing Targets

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.

Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)

CGD implemented its 2021-2024 Sustainability Strategy in 2021 and is currently measuring and monitoring the targets set, which will be reported on the Sustainability Report in 2022. Nevertheless, every year CGD monitors, evaluates and presents social, environmental and governance data in its Sustainability report in accordance with the guidelines of the GRI Standard: Core option.

In 2021 CGD has conducted the following activities and achieved the following targets:

- Issuance of a senior preferential debt (sustainability bond);
- Development of a Sustainable Finance Framework;
- Calculation of scope 3 - category 15 (investments) Emissions;
- Publication of a Position Paper conveying CGD's principles and commitments on climate action;
- Development of an ESG Rating Model;
- Launch of the Caixa Invest Green Land financing loan;
- Partnership between CGD and EDP for the B2B solution for the acquisition/service of solar panels with associated financing;
- 2021 Caixa Social Awards (34 awarded projects with 500.000€ - 129,700 beneficiaries);
- 2021 Caixa Mais Mundo Awards (150 students awarded with 150.000€)
- CGD's Volunteering Day (food delivered to 24 social institutions);
- Publication of CGD's 2022 Gender Equality Plan
- Leadership rating at CDP (A- on both Climate Change 2021 and Supplier Engagement Rating 2021);
- Adherence to the Net-Zero Banking Alliance (NZBA) and to Women Empowerment Principles (WEP);
- Publication of a Sustainability brochure;
- Renewal of the certification of the Environmental Management System in accordance with ISO 14001.

Annual Report CGD 2020 (page 455):  
<https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2020/Documents/Annual-Report-CGD-2020.pdf>

Sustainable Finance Framework:  
<https://www.cgd.pt/English/Investor-Relations/Debt-Issuances/Prospectus/Documents/CGD-SustainableFinanceFramework.pdf>

Results Presentation 2021:  
<https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/Presentations/Documents/Presentation-Consolidated-Operations-4Q-2021.PDF>

External Assessments:  
<https://www.cgd.pt/English/Sustainability-CGD/Performance/Pages/External-Assessments.aspx>

**Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets**

In 2021, CGD defined the strategic goals for 2021-2024 period and has developed several measures that contribute to achieving them.

### Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

<p>3.1 <i>Provide an overview</i> of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>The values, ethical principles and rules of professional conduct that govern the actions of CGD and its employees are disclosed in the institution through the Code of Conduct, published on the intranet and institutional website.</p> <p>In order to continuously reinforce a culture of compliance at CGD, the Compliance Department (DC), in its Ethics and Conduct Unit, promotes the dissemination of the Code and the awareness and training of all employees, monitoring its application and its updating, in collaboration with other structural bodies. In 2021, CGD provided training to all CGD employees on Ethics and Conduct and provided training on issues related to the management and reporting of Conflicts of Interest, the Corruption Prevention Plan and the Code of Conduct management model to employees of different CGD structural bodies and employees of CGD Group entities.</p> <p>In 2021, CGD continued to produce and regularly report its integrated customer experience report, which presents all the customer quality and satisfaction indicators currently calculated by the various Caixa areas: reputation and image, customer satisfaction with Caixa and with the services and key moments of interaction between customers and the bank, volume of complaints and performance of business processes.</p> <p>In 2021, 12,050 complaints and 164 suggestions were registered, making a total of 12,214 entries, roughly the same volume as in 2020. Throughout the year there was a heterogeneous distribution, with a greater concentration of the volume of complaints received in the 1st semester (57% of the total compared to 43% in the 2nd semester).</p> <p>The most popular topics were Customer Service, Means of Payment/Movement and Self-Service Channels, with 25%, 21% and 18% of the total, respectively. There was also a reduction in the number of complaints in Credit (29%), Financial Instruments (21%) and Deposits (7%) compared to 2020.</p>	<p>CGD's Code of Conduct: <a href="https://www.cgd.pt/English/Institutional/Corporate-Governance/Documents/CGD-Code-of-Conduct.pdf">https://www.cgd.pt/English/Institutional/Corporate-Governance/Documents/CGD-Code-of-Conduct.pdf</a></p>
<p>3.2 <i>Describe</i> how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>Policies and commitments reflect CGD's ambition within the scope of its responsible management practices, reinforcing ethics, rigor and transparency to all activities and operations, binding employees and functional structures, Group companies and, whenever applicable, partners, suppliers and remaining stakeholders to the compliance therewith, as example:</p> <ul style="list-style-type: none"><li>- Sustainability Policy, that lays down the Sustainability Management Model and the guidelines concerning the key sustainable operation areas.</li><li>- Environmental Policy, that lays down CGD's commitments and performance guidelines linked with environmental issues;</li><li>- Community Involvement Policy, that sets out CGD's commitments and guidelines for structuring, assessing and monitoring its impacts on society;</li><li>- Principles of exclusion and limitation, that sets out a list of Principles underlying activities and projects that are excluded, or restricted under certain terms, from CGD's credit policy;</li><li>- Human Rights declaration that strengthens the commitment to respect human rights in the relationship with all stakeholders;</li><li>- Caixa Gestão de Ativos' Involvement Policy engages with target investment companies, fostering a close dialogue on Socially Responsible Investment issues;</li></ul>	<p>Policies: <a href="https://www.cgd.pt/English/Sustainability-CGD/Vision/Pages/Policies.aspx">https://www.cgd.pt/English/Sustainability-CGD/Vision/Pages/Policies.aspx</a></p> <p>Involvement Policy: <a href="https://www.cgd.pt/Site/CX/Ativos/gestao-ativos/Institucional/Publicacoes-Obigatorias/Documents/Politica_envolvimento_CXAf_inal.pdf">https://www.cgd.pt/Site/CX/Ativos/gestao-ativos/Institucional/Publicacoes-Obigatorias/Documents/Politica_envolvimento_CXAf_inal.pdf</a> (only in Portuguese)</p>

	<p>- Caixa Gestão de Ativos' Socially Responsible Investment integrates ESG factors into investment processes, in parallel with the use of traditional financial analysis factors;</p> <p>- Caixa Gestão de Ativos' Exercise of Voting Rights involves companies through the exercise of voting rights associated with assets under management;</p> <p>CGD offer that are designed to achieve specific social responsibility and environmental goals. Among these products we highlight:</p> <ul style="list-style-type: none"> <li>• <b>Leasing for hybrid and electric vehicles</b> - Financing to renew the company's automobile fleet, by investing in more environmentally friendly vehicles such as hybrid and electric vehicles. 35.9 million were financed in 2021, corresponding to 965 vehicles.</li> <li>• <b>Line of Credit Exporting Companies</b> - To support exporting companies in maintaining jobs and export capacity. In 2021, 192 million euros were financed in this framework.</li> </ul> <p>CGD successfully completed a €500 million senior preferred debt issue in 2021. As a sustainable financing instrument, the funds raised are directed at refinancing and financing new environmental and socioeconomic development operations. This is the first issue made by a Portuguese bank with these characteristics and is an important milestone in terms of the commitments assumed by Caixa Geral de Depósitos in the sustainable financing domain.</p> <p>As main results achieved:</p> <ul style="list-style-type: none"> <li>- First issue in ESG format by a Portuguese Bank;</li> <li>- Demand reached 1.7 billion euros with 133 orders;</li> <li>- The transaction set a coupon of 0.375%, which represents the lowest coupon for a Portuguese issuer in this type of debt;</li> <li>- Around 60% of the issue was allocated to ESG investors;</li> </ul> <p>CGD developed a Sustainability Brochure that gathers the main initiatives of the year in sustainable matters, characterized by an inclusive and easy-to-read communication piece that allows reaching more stakeholders.</p>	<p>Sustainable offer:  <a href="https://www.cgd.pt/English/Sustainability-CGD/Responsible-Business/Pages/Sustainable-Supply.aspx">https://www.cgd.pt/English/Sustainability-CGD/Responsible-Business/Pages/Sustainable-Supply.aspx</a></p> <p>Sustainable Finance Framework:  <a href="https://www.cgd.pt/English/Investor-Relations/Debt-Issuances/Prospectus/Pages/Sustainable-Finance.aspx">https://www.cgd.pt/English/Investor-Relations/Debt-Issuances/Prospectus/Pages/Sustainable-Finance.aspx</a></p> <p>Sustainability Performance 2020 Highlights:  <a href="https://www.cgd.pt/English/Sustainability-CGD/Performance/Documents/Sustainability_Performance2020.pdf">https://www.cgd.pt/English/Sustainability-CGD/Performance/Documents/Sustainability_Performance2020.pdf</a></p>
<p><b>Principle 4: Stakeholders</b>  <b>We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</b></p>		
<p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>In the chapter 4.6.1 - Forms of interaction with stakeholder expectations, CGD describes the most relevant forms of interaction. Contacting with stakeholders makes it possible to assess their expectations in terms of sustainability, their perception of CGD and their ability to respond to relevant topics; to assess the adequacy of the communication channels used; and to identify opportunities for improvement in terms of economic, environmental and social performance.</p> <p>In 2021, CGD reviewed its material topics by conducting a materiality assessment. In order to have a holistic view of all relevant topics pertaining to environmental, social and governance matters, a systematic, comprehensive and rigorous process was implemented, based on the following premises:</p>	<p>Forms of interaction with stakeholders (page 465)</p> <p><a href="https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2020/Documents/Annual-Report-CGD-2020.pdf">https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2020/Documents/Annual-Report-CGD-2020.pdf</a></p>

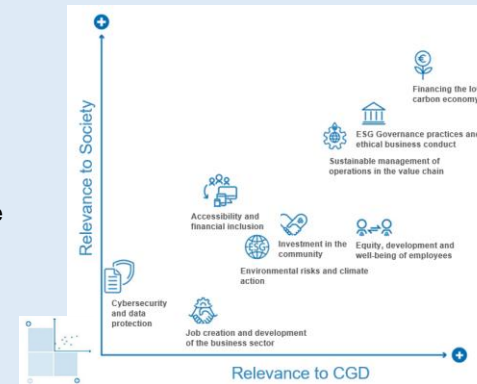


- 1) Identifying the main trends of the financial market trends at an international level;
- 2) Acknowledging future challenges and opportunities identified by leading institutions in the financial sector;
- 3) Consulting with stakeholders to understand their main expectations.

In 2021 performed a Stakeholder Consultation, the questionnaire was aligned with the United Nations Sustainable Development Goals (SDGs) that defines the priorities and aspirations for global sustainable development for 2030 and aims to mobilize global efforts around a set of common goals and targets. This process involved 15 stakeholders' groups (employees of CGD, individual customers, employees of the CGD Group Companies, third sector institutions, business clients, state bodies and public entities, suppliers, financial companies, local community, business associations, investors, sustainability partners, supervisors, high education institutions and unions), in a total of 3.089 responses.

This process resulted in the identification of nine material topics:

- Financing the low-carbon economy;
- ESG governance practices and ethical business conduct;
- Equity, development, and employee well-being;
- Investment in the community;
- Sustainable management of operations in the value chain;
- Accessibility and financial inclusion;
- Environmental risks and climate action;
- Cybersecurity and data protection;
- Job creation and business development;



To address these issues, CGD participates in several national and international working groups that contribute to the alignment of CGD with the objectives of Sustainable Development, such as: Sustainable Finance Working Group (SFWG), of the European Banking Association (EBF); High Level Reflection Working Group for Sustainable Financing (Ministry of the Environment); Working Group on “Sustainable Financing” of the Portuguese Banking Association (APB), Working Group on Education and Financial Literacy of the Portuguese Banking Association (APB), the Carbon Neutrality and Sustainable Finance Working Group of BCSD Portugal, Group of Reflection and Support for Corporate Citizenship (GRACE).

CGD defined and implemented a new index to rank corporate clients in regards to ESG performance, called ESG Rating model, materializing the integration of ESG criteria in decision-making processes. Under the ESG Rating Model, constant engagement is required in order to support companies in the transition process towards a greener and more inclusive economy by providing inputs to improve their rating and to redirect capital flows towards sustainable financing strategies, ensuring value maximization for the various stakeholders.

Materiality Matrix:  
<https://www.cgd.pt/English/Sustainability-CGD/Vision/Pages/Materiality.aspx>

ESG Rating Model:  
<https://www.cgd.pt/English/Sustainability-CGD/Responsible-Business/Pages/ESG-Rating-Model.aspx>

## Principle 5: Governance & Culture

### We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 *Describe* the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.

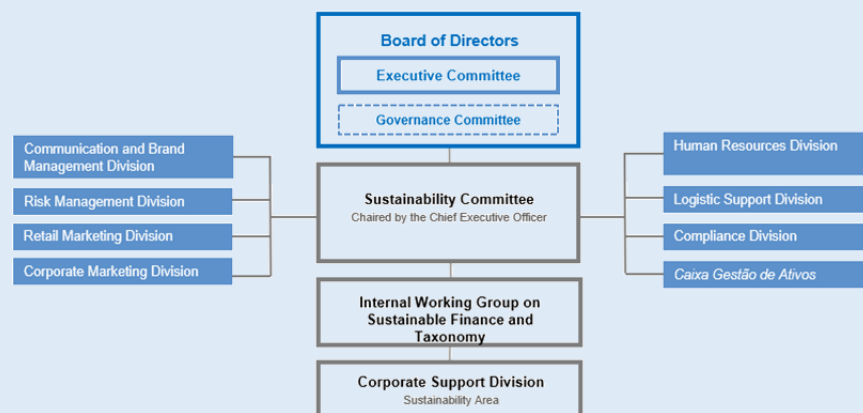
ESG practices of governance and ethical business conduct is a material topic for CGD. The existence of an effective governance structures, policies and procedures are essential for the implementation of the Principles for Responsible Banking.

The management model for sustainability is transversal to CGD, with the most relevant structural bodies involved in the implementation of the Corporate Sustainability Program, as well as other structures (national and international) depending on the issues under analysis.

The Sustainability Committee is the advisory body of the Executive Committee, chaired by the CEO and composed of managers from the different corporate areas with responsibility for the implementation of activities associated with the Sustainability Strategy.

Sustainability Management Model (page 477)

<https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2020/Documents/Annual-Report-CGD-2020.pdf>



**Board of Directors** - CGD Group's highest decision-making body for sustainability-related policies and strategies.

**Executive Committee** - Decision-making body that guides and supervises the progress on the implementation of strategic initiatives at the CGD Group, so as to generate value and profitability for the Bank.

**Governance Committee** - Body that monitors compliance with the principles of governance and strategy assessment, as well as with sustainability policies. It is responsible for submitting, to the Board of Director's approval, guidelines for the sustainability strategy, social and environmental sustainability.

**Sustainability Committee** - Advisory body to the Executive Committee that supervises management and provides guidelines on decisions concerning the implementation of the Sustainability Strategy.

**Sustainability Department (Corporate Support Division)** - Coordinates the plan for strategic initiatives, programs and related systems, ensuring mechanisms and internal circuits for carrying out performance indicators, assessments and reporting procedures.

	<p>In 2022, CGD appointed a Chief Sustainability Officer (CSO). Hence, the Sustainability Committee now requires the presence of the CEO, CSO and, in order to broaden the governance culture and the link between financial and sustainable development, the CRO (Chief Risk Officer).</p>	
<p>5.2 <i>Describe</i> the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>CGD's Corporate Social Responsibility aims to support the community by implement strategies, policies and actions to foster a more responsible and inclusive business, within the Bank's various spheres of activity, namely at the social and environmental level, promoting value creation for society and other stakeholders:</p> <ul style="list-style-type: none"> <li>- CGD's Corporate Volunteering Programme encourages solidarity and team work among employees, fostering a corporate social responsibility culture, promoting their engagement in environmental and social projects. In 2021, the Caixa Volunteer Day, which usually takes place in April, managed to gather 150 workers, resulting in 3 tons of food collected that was equitably distributed amongst 24 social institutions.</li> <li>- CGD promotes the integration of good environmental practices among its workers through different initiatives: <ul style="list-style-type: none"> <li>i) CGD's Headquarters is certified with an Environmental Management System (EMS) in accordance with ISO 14001, which makes sure that the building and the people in it are closely influenced on their environmental performance through internal communication and annual audits.</li> <li>ii) All CGD's workers are subject to e-learning trainings on financial matters, as well as anti-corruption and sustainability practices.</li> </ul> </li> </ul> <p>Employees whose duties are directly related to sustainability (e.g. Sustainability Unit) have KPI's that assess the achievement of certain objectives and that are also related to CGD's Sustainability Strategy. The achievement of these objectives has a positive impact on performance evaluation and therefore on the performance bonuses/incentives</p> <p>CGD employees have several ways of complaining or asking questions:</p> <ul style="list-style-type: none"> <li>- Employees can submit the question through the "HR helpdesk" application available on the CGD Group's human resources portal, "Caixapessoal". Through this application, the question will be sent directly to the respective HR area in order to obtain a personalized response. This application generates a request number, and the employee is informed of the area and the person who is analyzing the request and its status.</li> <li>- Alternatively, employees can question/complain via email or letter, addressed to the Human Resources Direction.</li> </ul> <p>For the specific situation of reporting harassment in the workplace, employees who have knowledge of the practice of harassment or who believe they are being subjected to harassment in the workplace must report it in writing to the management responsible for internal auditing.</p>	<p>Commitments adopted (page 462)  <a href="https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2020/Documents/Annual-Report-CGD-2020.pdf">https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2020/Documents/Annual-Report-CGD-2020.pdf</a></p> <p>Caixa Volunteer Program (page 473)  <a href="https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2020/Documents/Annual-Report-CGD-2020.pdf">https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2020/Documents/Annual-Report-CGD-2020.pdf</a></p> <p>Environmental Responsibility - EMS (page 491)  <a href="https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2020/Documents/Annual-Report-CGD-2020.pdf">https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2020/Documents/Annual-Report-CGD-2020.pdf</a></p>

<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>a) target-setting and actions to achieve targets set</p> <p>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>	<p>The Sustainability Committee, chaired by the CEO of CGD, is the body responsible for monitoring and controlling the implementation of the Sustainability Strategy and, consequently, the commitments assumed for its implementation, which include the Principles for Responsible Banking.</p>	<p>Sustainability Management Model (page 477)</p> <p><a href="https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2020/Documents/Annual-Report-CGD-2020.pdf">https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2020/Documents/Annual-Report-CGD-2020.pdf</a></p>
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**Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.**

CGD meets the requirements for this Principle.

**Principle 6: Transparency & Accountability**  
**We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.**

<p>6.1 Progress on Implementing the Principles for Responsible Banking</p>	<p>Progress from March 2021, we highlight:</p> <ul style="list-style-type: none"> <li>- Definition of Sustainability Strategy 2021-2024;</li> <li>- Definition of Equality Plan 2022;</li> <li>- Revised of Prevention of Corruption and Related Infringements Policy;</li> <li>- Reduction of scope 1 and 2 emissions (market-based method) by 74%, from 2015 until 2021;</li> <li>- Adherence to the Women Empowerment Principles (WEP);</li> <li>- Adherence to the Net-Zero Banking Alliance (NZBA);</li> <li>- Development of an ESG Rating Model;</li> <li>- Publishing of a Position Paper on Climate Change (which discloses scope 3 emissions - category 15 (Investments));</li> <li>- Certification renewal of CGD's Environmental Management System;</li> <li>- Development of a Sustainable Finance Framework;</li> <li>- Issuance of a Sustainability Bond (500M€).</li> </ul>	<p>Sustainability website:</p> <p><a href="https://www.cgd.pt/English/Sustainability-CGD/Pages/Sustainability.aspx">https://www.cgd.pt/English/Sustainability-CGD/Pages/Sustainability.aspx</a></p> <p>Position Paper Climate Action:</p> <p><a href="https://www.cgd.pt/English/Sustainability-CGD/Performance/Documents/CGD_Position_Paper_EN.PDF">https://www.cgd.pt/English/Sustainability-CGD/Performance/Documents/CGD_Position_Paper_EN.PDF</a></p>
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**Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking**

We believe that CGD has made good progress in complying with the six principles for responsible banking, a notable milestone in the alignment was the definition of the sustainability strategy as a strategic pillar of the Bank's activity.