



PRINCIPLES FOR RESPONSIBLE BANKING REPORTING AND SELF-ASSESSMENT

4th status report - 2023

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

Principle 1: Alignment



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.

Business model

Describe (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 across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Caixa Geral de Depósitos' (also referred to as 'Caixa' or 'CGD') 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, while generating and adequate return to the shareholder. CGD ensures clients have access to a diversified array of quality financial products and services, with special emphasis on savings and medium and long term credit solutions, based on an efficient corporate governance model and respect for the highest ethical standards.

Caixa Geral de Depósitos' shareholder vision is that of a reference institution in the financial system and leader in the banking sector in Portugal, which permanently strives to enhance its competitive advantages and guarantee

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- Chapter 1.3.1. – Mission and values (page 12)
- Chapter 1.3.3. – CGD Group (page 14-23)
- 39. Segment reporting – Notes to the consolidated

levels of financial strength, profitability, service and efficiency in line with the best practices observed in the European banking sector.

Caixa Geral de Depósitos has direct and indirect equity stakes in a series of companies in Portugal and abroad (CGD Group), operating in diverse sectors such as commercial banking, investment banking and venture capital, asset management, specialised credit and real estate.

CGD group is active in several business segments and offers a wide array of products and services:

- Trading and sales: Trading and sales include banking activity related to the management of the treasury shares portfolio, management of debt instrument issuances, money and foreign currency market operations, repo type operations, securities lending operations and wholesale brokerage. Loans and advances to and cash balances at other credit institutions and derivatives are included in this segment;
- Retail banking: This comprises banking activity for personal customers, sole traders and micro enterprises. This segment includes consumer credit, mortgage lending, credit cards and deposit-taking from personal customers;
- Commercial banking: Commercial banking includes lending activities and resource-taking from large enterprises and SMEs. This segment includes loans, current accounts, investment project finance, discounted bills, venture capital activity, factoring, equipment and property leasing and the underwriting of syndicated loans as well as loans and advances to the public sector;
- Asset management: Asset management includes activities associated with customer portfolio management, open-ended or closed end securities and real estate fund management and discretionary wealth management funds;
- Corporate finance: Corporate finance includes activities related to acquisitions, mergers, restructuring operations, privatisations, subscriptions for and sales of securities (primary market), securitisations, preparation and organisation of syndicated loans (merchant banking – loan sales), investment management, market and corporate financial analyses and advisory services;
- Others (payment and settlement, agency services, retail portfolio intermediation, activities of non-financial corporations).

At the end of 2023 CGD Group's branch office network comprised 886 banking presences, of which 486 branches in Portugal and 363 international branches in order to position its presence in geographies with a strong relationship with Portugal, promoting the products and services available in the CGD branch network in Portugal to customers residing in these countries (Brazil, Macau, Cape Verde, Mozambique, Angola, France and Timor).

financial statements (page 216)

- Information on the distribution of profit and principal balance sheet aggregates, by business areas and geographies (page 217-218)
- Information on gross credit exposure and impairment by sector of activity (page 240)

[Products and Services | Individuals](#)

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CGD consolidated its leadership with 4.2 million customers and an expressive level of growth to 3 million active digital customers.

For information on CGD's main sectors and types of activities as well as the distribution of the bank's portfolio in terms of geographies and segments please refer to the 2023 Annual Report.

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

- Yes
- No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Guiding Principles on Business and Human Rights
- International Labour Organization fundamental conventions
- UN Global Compact
- UN Declaration on the Rights of Indigenous Peoples
- Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones:
 - EU Non-Financial Reporting Directive (NFRD);
 - EBA Pillar III ESG Risk;
 - Taskforce on Climate-related Financial Disclosure;
 - Net-Zero Banking Alliance
- Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones:
 - EU Non-Financial Reporting Directive (NFRD);
 - EBA Pillar III ESG Risk;
- None of the above

CGD acknowledges that it must make a significant and continuous contribution to achieving the Sustainable Development Goals (SDGs) throughout its value chain, particularly through its financing activities for sustainable projects that support the socioeconomic development of the communities in which it operates.

In this context, the 2021-24 Strategic Plan was developed under the motto “Building the Future”, with “Sustainability and Social Impact” as one of its six pillars of transformation. CGD’s ambition for this new cycle is to develop initiatives having an impact on key areas for society, continuing to contribute to its sustained development on an Environmental, Social and Governance level (ESG).

The ESG workstream is streamlined through the 2021-2024 Sustainability Strategy, which is based on five strategic areas of action and is driven by a progressive and dynamic action plan which relies on the participation of different internal structures.



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- Chapter 1.4.2. – Activity: Strategic plan (page 37-39)
- Chapter 4.1 – About this report (page 459)
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- Annex D – Response to the recommendations of the TCFD (page 626)

[Sustainable Finance Framework and Allocation and Impact Reports](#)

[Transition Plan for Carbon Neutrality](#)

[Position Paper on Climate Action](#)

Caixa used the materiality analysis as an essential tool in outlining its 2021 - 2024 sustainability strategy. This approach allowed us to define a solid strategy, centered on the main expectations of Caixa's stakeholders and aligned with the most relevant national and regional frameworks.

It is important to highlight the chapter of the Annual Report, which includes the Sustainability Report, in which the bank details its contribution to the Sustainable Development Goals (chapter 4.6) by identifying its priority SDGs (1, 5, 8, 10, 11, 13, 16 and 17), as well as its commitment to the Paris Agreement by setting CO₂ reduction targets. Additionally, the 2023 Sustainability Report was prepared in accordance with the GRI standards and its content also contributes to the reporting of the sustainability requirements outlined by the UTAM (Technical Unit for Supervising and Monitoring the Public Business Sector), namely the company's sustainability analysis in the economic, social and environmental domains and the Non-financial Statement set forth in Decree-Law no. 89/2017. Correspondence is also made with the voluntary model of the CMVM for nonfinancial information reporting by issuers of securities admitted to trading on a regulated market.

Caixa has other corporate documents in which it discloses its contribution to relevant national and regional frameworks. For more information please refer to the Sustainable Finance Framework, the Allocation and Impact Reports, the response to the recommendations of the Taskforce on Climate-related Disclosures, the Position Paper on Climate Action, the Carbon Neutrality Transition Plan, among others.

In addition, the bank undertakes a set of commitments that frame and enhance its actions regarding its ambition for sustainability.

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 (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfil the following requirements/elements (a-d):

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

The information in Principle 2 - *Impact and Target Setting* only concerns Portugal's activity, taking into account its representativity in Caixa's credit portfolio. Caixa recognizes that different levels of ESG maturity exist in its several group structures, namely in international ones where there is a greater gap in relation to the objectives and vision that society established for 2030. Additionally, the asset management business segment was excluded from the impact analysis, since Caixa Gestão de Ativos, CGD's asset management company, follows the Principles for Responsible Investment of UNEP-FI.

As previously stated, Caixa carried out a materiality analysis (Portugal perimeter) in order to identify the sustainability topics that should structure the basis of the company's sustainability strategy. The assessment was based on a comprehensive and holistic approach that considered a global, sectoral, and organizational perspective:



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- Chapter 4.7. – 2021-2024 Sustainability Strategy (page 473)
- Chapter 4.7.2 – Materiality analysis (page 475)
- Chapter 4.7.3 – Materiality Matrix | Dual materiality perspective (page 476)

Under the commitment of the PRBs, Caixa also used UNEP FI's Impact Analysis Tool to consider the specific context and challenges of Portugal considering the business developed. The analysis was performed in 2021 for the Consumer and Private Banking, Business Banking and Corporate Banking segments with 2021 data and was consistent with the issues identified in Caixa's strategy and in the materiality assessment performed.

Considering the current need to meet the reporting requirements defined by the Corporate Sustainability Reporting Directive (CSRD), Caixa is undergoing a corporate process to adapt to the reporting requirements, which includes a double materiality assessment that considers UNEP FI's Impact Analysis Tool.

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope
i) by sectors & industries for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

As stated above, the analysis considered the bank's portfolio composition in 2021. CGD's operations with the highest net operating income were Consumer and Private banking (23%), Business Banking (6%) and Corporate Banking (13%):

- Consumer and private banking comprise 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), securitisations, preparation and organization of syndicated loans (merchant banking – loan sales), investment management, market and corporate financial analyses and advisory services.

Caixa recognises that its impact analysis should ideally be reviewed annually. However, in light of the requirements set out in the CSRD, institutions will have to carry out a dual materiality analysis (impact and financial perspective) for the 2024 fiscal year. Therefore, and considering that Caixa is in the process of aligning itself with the directive, we deemed it appropriate to wait for the results and incorporate them into the new Sustainability Strategy.

[Annual Report 2021:](#)

- Segment reporting (page 227)

[CGD's 3rd PRB status report](#)

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

Based on PRB's Impact Analysis Tool Caixa identified the seven main country needs (score of 3 and 4 - high and very high need level):

- Climate (SDG 13);
- Housing (SDG 3, 11);
- Resources efficiency/security (SDG 6, 12, 13, 14 and 15);
- Strong Institutions, peace & stability (SDG 16 and 17);
- Water (SDG 6),
- Food (SDG 2);
- Waste (SDG 6, 12, 14 and 15).

In the materiality assessment described in Principle 1 – Business Model CGD engaged with more than 3,000 individuals of 15 stakeholder groups, namely costumers, investors, regulators, financial peers, among others).

Nine topics were deemed relevant to our stakeholders' perspective and from Caixa's internal business perspective:

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

[CGD's 3rd PRB status report](#)

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- Chapter 4.7. – 2021-2024 Sustainability Strategy (page 473)

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)? Please disclose.

The Impact Analysis Tool identified the impacts caused by Caixa's different business segments:

- 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;
- At the **business banking**, level 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; ii) climate and resources efficiency/security (ODS 13) related to greenhouse gas emissions associated with certain activities and iii) waste (SDG 6, 12, 14 and 15) as an indirect impact of the work developed by each of the sectors.

In our 2023 Annual Report Caixa developed a qualitative analysis of the main types of impact and the respective stages of the value chain where they occur (page 472). In 2024 and based on the identification of impacts, risks and opportunities that is being developed as part of the alignment with the requirements of the CSRD, Caixa will reassess the main impacts on the value chain.

Based on its materiality assessment, the bank's market share of corporate and mortgage loans and areas considered critical in accordance with the Impact Analysis Tool, Caixa identifies two priority areas and the respective SDGs impacted, for the purpose of alignment with Principle 2 - Impact and Target Setting:

1. Climate change mitigation (SDG 13);
2. Housing (SDG 11).

[CGD's 3rd PRB status report](#)

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- Chapter 4.6.3. – Main impacts on the value chain (page 472)

d) For these (min. two prioritized impact areas): Performance measurement. Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the [Annex](#).

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

CGD Portugal calculated the financed emissions of the following set of assets: loan portfolio, commercial property mortgages, residential mortgages, loans for cars and other vehicles.

For the business loans category, carbon emissions were calculated in accordance with the PCAF methodology (PCAF score 2, 4 e 5). The 'outstanding amount' corresponds to the amount owed by each counterparty (excluding amounts at off balance); ii) Equity, debt and revenue data for each counterparty as at 31-Dec-2023 was used (internal bank data, where available); iii) The sectoral emission factors used (for Score 4 and 5) were calculated on the basis of the most recent information available on the Statistics Portugal, Pordata, Eurostat and DGEG websites. A national average value for emissions associated with the Portuguese electro-generating sector provided by the International Energy Agency (IEA) for Portugal was also used (gCO₂/kWh); iv) Public information from counterparties with disclosed emissions data (for the year 2022) was consulted to calculate Score 1 and 2 emissions.

For Commercial Real Estate category, carbon emissions are calculated using the PCAF methodology (PCAF Score 3 and 4). CGD's used the following data: i) on-balance amounts (€), valuation value (€) and level of energy certificate of the properties (internal Bank data); ii) Emission factors per m² (tCO₂/m²) extracted from the PCAF database 'European building emission factor database' according to level of energy certificate and type of property.

The table below summarises the calculation of financed emissions for the loan portfolio:

SECTION	DESCRIPTION	Outstanding amount (€)	Scope 1 emissions (tCO ₂)	Scope 2 emissions (tCO ₂)	Total emissions (tCO ₂)
A	Agriculture, livestock, hunting, forestry and fishing	318	333.4	5.0	338.5
B	Mining industries	134	28.8	8.7	37.4
C	Manufacturing industries	3,623	993.1	143.5	1,136.6
D	Electricity, gas, steam, hot and cold water and cold air	616	50.1	0.1	64.0
E	Water collection, treatment and distribution; sewerage, waste management and depollution	200	35.6	6.2	362.0
F	Construction	1,210	72.7	5.3	78.0
G	Wholesale and retail trade and repair of motor vehicles and motorcycles	2,514	57.6	22.1	79.7
H	Transportation and storage	1,211	309.4	0.8	316.9
I	Accommodation, food services and similar	424	11.0	0.1	21.3
J	Information and communication activities	424	1.7	1.7	3.4
K	Financial and insurance activities	539	-	-	-
L	Real estate activities	805	0.3	1.9	2.2
M	Consulting, scientific, technical, and similar activities	337	5.2	1.6	6.7
N	Administrative and support service activities	472	12.1	0.8	12.9
P	Education	56	1.4	0.1	2.8
Q	Human health and social work activities	275	13.1	5.7	18.8
R	Arts, entertainment, sports and recreation activities	64	1.8	0.9	2.7
S	Other service activities	73	0.2	9.3	11.4
Total		13,295	2,249.4	245.8	2,495.2

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- Chapter 4.9.2 – Sustainable management of operations in the value chain | Carbon Neutrality Transition Plan 2050 (page 504-508)
- Annex C - Methodological Notes | Category 15: Financing Portfolio (page 622)
- Annex D – Response to the recommendations of the TCFD (page 648-649)

[Sustainable Finance Framework and Allocation and Impact Reports](#)

[Transition Plan for Carbon Neutrality](#)

In addition, financed emissions associated with commercial mortgages (worth 62 ktonCO₂eq), residential mortgages (worth 262 ktonCO₂eq), loans for cars and other vehicles (worth 21 ktonCO₂eq), and project finance loans for electricity generation (worth 128 ktonCO₂eq) were also calculated.

For the residential mortgage category, carbon emissions are calculated using the PCAF methodology (PCAF score 3 and 4). CGD's used the following data: i) on-balance amounts (€), valuation value (€) and level of energy certificate of the properties (internal Bank data); ii) Emission factors per m² (tCO₂/m²) extracted from the PCAF database "European building emission factor database" according to level of energy certificate and type of property.

For the project finance category (electricity generation projects), carbon emissions were calculated according to the PCAF methodology (PCAF Score 3). CGD's used the Bank's internal data on electricity generation projects where available (on-balance amounts) (€), total equity+debt (€) and production in 2023 (MWh); proxies were used for some of the unavailable figures); ii) emission factors provided by ERSE by generation technology.

For the car loans category, carbon emissions were calculated using the PCAF methodology for this type of loan (PCAF score 4 and 5). A conservative approach was taken and an allocation factor of 100% was considered until the loan was paid off since the acquisition value of the vehicles was not known (in accordance with the PCAF recommendation; PCAF Part A - Financed Emissions, p. 104). More details can be found at page 623 in CGD's Annual Report (available [here](#)).

In July 2023, Caixa published the Carbon Neutrality Transition Plan 2050, which presents the intermediate carbon emission reduction trajectories of its activity and financing for three priority sectors: commercial mortgages (residential and services), electricity generation and cement.

Taking into account the 2022 on-balance portfolio (CGD, Portugal) of 37,183 million euros and the exposure of the sectors considered within the scope of the 2050 Carbon Neutrality Transition Plan: Cement (133.5 million euros), Generation of electricity (211.6 million euros) and Commercial Real Estate (1,428 million euros), coverage by the reduction objectives is around 4% of the financial exposure.

In terms of carbon emissions (scope 1 and 2 of the counterparts), a total of 3,718,382 tCO₂ was obtained for 2022, highlighting the following sectors: Cement (499,431 tCO₂), Electricity generation (61,866 tCO₂) and Commercial Real Estate (143,322 tCO₂) which represents a coverage of 19% of financed carbon emissions.

Caixa is currently defining reduction objectives for other carbon-intensive sectors in alignment with the guidelines of Pillar 3 and the Net Zero Banking Alliance and expects them to be released at the end of the third quarter of 2024.

In what concerns performance measurement in the “housing” area of impact, Caixa aims of encouraging the acquisition of more energy-efficient properties in the Portuguese market. In this context, the bank recognizes that the incorporation of ESG factors in the acquisition, construction and renovation of buildings one of its top priorities.

In this context, we highlight the 2023 Allocation and Impact Report, which covers the total amount of assets allocated to green bonds - broken down by energy certificate, mortgage type and year - and the respective social and environmental impact (6,742 energy-efficient homes financed and 11,347 people directly impacted).

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?

- | | | | |
|--------------------------|---|--------------------------------------|-----------------------------|
| Scope: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Portfolio composition: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Context: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Performance measurement: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: housing

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: *(optional)*

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and 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.

You can build upon the context items under 2.1.

Caixa is committed to several international, regional and national frameworks that aim to align its portfolio with the goals of the Paris Agreement, namely the Sustainable Development Goals, the Net-Zero Banking Alliance, the Taskforce on Climate-related Financial Disclosures (TCFD), the ECB Guide on climate-related and environmental risks, among others.

It is important to highlight that CGD's financed emissions are calculated in accordance with the guidelines of the Partnership for Carbon Accounting Financials (PCAF) standard. The emissions reduction targets were determined using the methodology provided by SBTi, using the fixed market share option, and compared with baseline climate scenarios representing different approaches to the transition of the economy – Business As Usual (BAU), national contributions, and internal measures – and, therefore, also representing different ambitions for alignment with the goals of the Paris Agreement.

Additionally, regarding housing-related issues, in CGD's Sustainable Finance Framework, which is aligned with the Green Bond Principles, the Social Bond Principles and the Sustainability Bond Principles, the bank establishes the criteria for identifying energy efficient mortgages (A+, A and B energy certified properties). The document also includes criteria in line with the European Union's Taxonomy Regulation.

For more information on CGD's ESG commitments please refer to chapter 4.5.2 of the 2023 Annual Report.

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- Chapter 4.5.2. – Commitments adopted (page 465)
- Chapter 4.9.2. – Sustainable management of operations in the value chain | Carbon Neutrality Transition Plan 2050 (page 505-506)

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[Transition Plan for Carbon Neutrality](#)

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

c) SMART targets (incl. key performance indicators (KPIs): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Climate change (ODS 13):

Achievement of emission reduction goals by 2030, in alignment with the methodology of the Science Based Target Initiative (SBTi).

Own operations (perimeter of CGD S.A., Portugal)

Emission Scope	Starting point 2021	Metric	Benchmark Climate Scenario ⁽¹⁾	Target for 2030
Scope 1 and 2 (location-based)	8 410 tons CO ₂ eq	Absolute	SBTi 1.5 – Absolute Contraction Approach	-42% 4 878 tons CO ₂ eq

Financing activities (perimeter of CGD S.A., Portugal)

Activity sector	Emission Scope	Starting Point 2022	Metric	Benchmark Climate Scenario ⁽¹⁾	Goal for 2030
Electricity Generation Corporate	Scope 1 and 2	0.149 ton CO ₂ eq/MWh	Relative intensity	SBTi 1.5 – Energy SDA (Corporate)	-71% 0.043 ton CO ₂ eq/MWh
Electricity Generation Project Finance	Scope 1	0.305 ton CO ₂ eq/MWh	Relative intensity	SBTi 1.5 – Energy SDA (Project Finance)	-71% 0.088 ton CO ₂ eq/MWh
Cement Manufacturing	Scope 1 and 2	0.841 ton CO ₂ eq/cement ton	Relative intensity	SBTi 1.5 – Cement SDA	-21% 0.665 ton CO ₂ eq/cement ton
Commercial Real Estate Residential segment	Scope 1 and 2	0.011 ton CO ₂ eq/m ²	Relative intensity	SBTi 1.5 – Commercial Real Estate SDA	-53% 0.005 ton CO ₂ eq/m ²
Commercial Real Estate Service segment	Scope 1 and 2	0.059 ton CO ₂ eq/m ²	Relative intensity	SBTi 1.5 – Commercial Real Estate SDA	-64% 0.021 ton CO ₂ eq/m ²

Housing (ODS 11):

Finance the low-carbon economy by offering products and services that promote the purchase of energy-efficient housing. The targets that were reported last year have been reviewed, assuming greater ambition in green mortgage lending:

- Finance 5,600 M€ in housing credit, of which 1,350 M€ in housing credit for properties with A+, A and B energy certificates (2023 - 2024).

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- Chapter 4.9.2. – Sustainable management of operations in the value chain | Carbon Neutrality Transition Plan (page 505)

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d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Given the interdependence and cross-cutting nature of ESG issues and the impacts that can stem from their incorporation into the business model, CGD carries out an analysis of the main types of impact (positive and negative) and the respective stages of the value chain where they occur, which helps to define relevant actions to avoid, mitigate or compensate for potential negative impacts.

In order to monitor the alignment of CGD's business with the targets defined in the Transition Plan for Carbon Neutrality, CGD is developing mechanisms for data collection and aggregation, as well as defining performance measurement indicators to annually assess the compliance with the Plan. The progress of the targets is disclosed on an annual basis in the Sustainability Report disclosing the evolution of the indicators concerning:

- (i) the GHG emissions generated by CGD;
- (ii) physical intensity – tons CO₂ eq/physical metric; and
- (iii) the total financed emissions calculated within the scope of the carbon footprint.

Meeting CGD's Scope 1 and 2 GHG emission reduction targets includes the implementation of internal measures aimed at greater energy efficiency in buildings and operations, including changes to the car fleet, replacement of fluorinated gases, among other initiatives.

Regarding the financed emission reduction targets, CGD depends on the objectives and performance achievement of its corporate clients, as well as on the implementation of new laws and regulations (e.g. energy performance of buildings). Nevertheless, in line with the targets defined, CGD is committed to deploying business approaches focused on financing and promoting transition paths towards carbon neutrality through close engagement with its customers and the use of the available tools, namely ESG Rating. Compliance with emission reduction targets is therefore promoted through the implementation of CGD's sustainable finance strategies: maintenance, expansion or exit.

Monitoring of the Carbon Neutrality Transition Plan is carried out through two aspects: risk indicators (KRI), which measure the risk of misalignment with transition goals, and performance indicators (KPI), which allow performance measurement of Caixa in promoting measures that enhance the transition to a low-carbon economy.

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- Chapter 4.6.3 – Main impacts on the value chain (page 472)
- Annex D – Response to the recommendations of the TCFD (page 649 and 650)

[Transition Plan for Carbon Neutrality](#) (page 5 and 6)

In terms of risk, DGR monitors and submits climate and environmental risk information quarterly in the Integrated Risk Report (RIR), which is assessed monthly by the Executive Committee and quarterly by the Risk Committee and the Board of Directors.

The RIR includes transition risk indicators, physical risk indicators, the ESG Rating in an analysis of exposure distribution by risk level, and forward-looking KRIs related to the investment strategy.

The current transition risk indicators monitored in the RIR are:

- Revenue generated from interest, fees and commissions from companies in GHG-intensive sectors;
- GHG emissions financed by sector of activity;
- Exposure to non-financial companies in carbon-intensive sectors;
- Loans secured by properties with low energy performance.

In terms of performance, CGD defined annual monitoring KPIs with the intention of monitoring the effectiveness of measures implemented internally and adjusting the business approach to align financing portfolios with carbon reduction objectives.

The measures allow CGD to enhance the alignment of the financing portfolio, taking into account the ambition outlined in the Carbon Neutrality Transition Plan, while the performance metrics allow to evaluate the effectiveness of these same measures.

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... <i>(please name it)</i>	... second area of most significant impact: ... <i>(please name it)</i>	<i>(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)</i>
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress	<input type="checkbox"/> Yes <input type="checkbox"/> In progress

	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

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

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Climate change:

In July 2023, CGD published the Carbon Neutrality Transition Plan 2050, which presents the intermediate carbon emission reduction trajectories of its activity and financing for three priority sectors: commercial mortgages (residential and services), electricity generation and cement.

As part of the commitment made to the NetZero Banking Alliance (NZBA), CGD monitors, in its Sustainability Report, its annual performance against the targets set for 2030.

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- Chapter 4.9.2. – Sustainable management of operations in the value chain | Carbon Neutrality Transition Plan 2050 (page 505)

Own activities (CGD, S.A., Portugal perimeter)

Scope Emissions	Starting point 2021	Metric	Status 2023	Target 2030
Scope 1 and 2 (location-based)	8,410 tons CO ₂ eq	Absolute	7,826 (-7%) tons CO ₂ eq	-42% 4,878 tons CO ₂ eq

Financing activities (CGD, S.A., Portugal perimeter)

Sector of activity	Scope Emissions	Starting point 2022	Metric	Status 2023	Target 2030
Electricity Generation Corporate	Scope 1 and 2	0.149 ton CO ₂ eq/MWh	Relative intensity	0.127 (-15%) ton CO ₂ eq/MWh	-71% 0.043 ton CO ₂ eq/MWh
Electricity Generation Project Finance	Scope 1	0.305 ton CO ₂ eq/MWh	Relative intensity	0.158 (-48%) ton CO ₂ eq/MWh	-71% 0.088 ton CO ₂ eq/MWh
Cement Manufacturing	Scope 1 and 2	0.841 ton CO ₂ eq/ ton cement	Relative intensity	0.884 (+5%) ton CO ₂ eq/ ton cement	-21% 0.665 ton CO ₂ eq/ ton cement
Commercial Real Estate Residential Segment	Scope 1 and 2	0.011 ton CO ₂ eq/m ²	Relative intensity	0.005 (-57%) ton CO ₂ eq/m ²	-53% 0.005 ton CO ₂ eq/m ²
Commercial Real Estate Service Segment	Scope 1 and 2	0.059 ton CO ₂ eq/m ²	Relative intensity	0.038 (-35%) ton CO ₂ eq/m ²	-64% 0.021 ton CO ₂ eq/m ²

Housing:

In 2023 Caixa reached a total of €2.9bn in new mortgage loan production, of which €840m in properties with A+, A and B energy certificates.

CGD maintained its leadership in mortgage loans having maintained a strong commercial dynamic supported by a competitive offer that is appropriate to market needs. The following initiatives stand out:

- CH 2-Year Fixed Rate Campaign;
- 2-year fixed rate period with 3.75% (no Spread added);
- Remaining period with Euribor 6 months + Spread;

- Caixa CH Jovens Campaign (exclusively for Variable Rate operations for Customers aged ≤ 35 years), with exemption from various commissions for contracting Home Loans and with a cashback offer of €1,000 in cards to help young people furnish their homes.

In line with its social mission, Caixa reinforced its support for Portuguese families through a temporary additional 0.5% bonus to the spread for borrowers with eligible conditions for access to DL 20-B/2023.

Regarding offering products that reflect its strategic positioning in housing and concern for climate change, Caixa continues to offer mortgage loans through the Casa+Eficiente Campaign, which promotes:

- The acquisition of properties with better energy performance;
- Improving the conditions of properties given as mortgage guarantees;
- Strengthening the characterisation of the database of properties in the personal loan portfolio.

Within the scope of this campaign, customers wishing to finance the purchase of properties with better energy performance (properties with an energy rating of A+, A and B) benefit from advantages in commissioning and the spread.

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.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers in place to encourage sustainable practices?

Yes In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

Describe 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). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Caixa has implemented a new risk assessment methodology, called ESG Rating, which assesses counterparties' ESG criteria and allows them to be integrated into decision-making processes.

The ESG Rating model aims to complement financial rating information with non-financial criteria that are equally important in terms of risk impact and viability, allowing these criteria to be integrated into decision-making processes and the concession of credit to companies, contributing not only towards better risk management, but also to boosting returns that are more resilient to ESG risks in the long term.

CGD made the ESG Report available to its corporate customers, which enables them to identify their main strengths and flaws, directing them to the bank's products that can address the gaps identified. In addition, CGD developed

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- Chapter 3.6.5 – Relationship with stakeholders | Customers (page 385)
- Chapter 4.5.1. – ESG policies and other corporate documents (page 464)
- Chapter 4.9.1. – Environmental risks and climate action (page 494)

the Caixa ESG Awards, aiming to recognize and encourage the adoption of measures that promote and materialize ESG criteria. A total of 38 corporate clients were awarded by their performance in several ESG domains.

CGD considers that all suggestions for improvement identified by customers in addition to communications of areas of dissatisfaction over CGD's service, should be carefully considered, not only to resolve specific cases but also to provide for future situations. For more information on customer experience please refer to page 385 of CGD's 2023 Annual Report.

Regarding CGD's relevant policies to support client's transition, mention should be made to the approval of three internal corporate ESG policies: Sustainability Policy (review), Sustainable Financing and Energy Transition Policy and Climate and Environmental Risk Management Policy. Please refer to chapter 4.5.1 of CGD's Annual Report, as well as the public versions of the policies available at the time.

[Rating ESG](#)

[Caixa ESG Awards](#)

[Sustainability Policy](#)

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

The document 'EU sustainable finance - Business Europe priorities for 2024-2029' identifies that in order for the EU Green Deal to become a reality, financing is required for environmentally sustainable activities and climate transition projects. The document estimates the need for an annual investment of around 700 billion euros, which translates into several business opportunities for CGD.

In this context, CGD has been developing several financing instruments that aim to contribute to the Portuguese society's transition to a carbon neutral economy. In chapter 4.8 of the 2023 Annual Report we highlight CGD's green/sustainable bonds, as well as financing lines with an environmental and/or social purpose and the bank's participation in sustainable debt operations, which have all allowed us to reach an amount of ESG financing of 987 M€ in areas of action identified in our Sustainable Financing and Energy Transition Policy.

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- Chapter 4.6.1 – Sustainable Development Goals (page 470)
- Chapter 4.8. – Sustainable and Inclusive Finance (page 481)

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Caixa recognizes that a continuous dialogue with its stakeholders is crucial towards ensuring a joint transition to a low carbon economy. In our Annual Report we disclose the main relationship channels we maintain with our stakeholders - customers, employees, shareholders, investors, suppliers, community, associations, media, regulators and supervisors. This has proven to be a very important tool to assess their needs and expectations on sustainable development and to identify CGD's material topics from society's perspective and from an internal perspective (Portugal activity), which were then incorporated into the bank's Sustainability Strategy.

It should also be highlighted the engagement carried out with suppliers under the Environmental Management System implemented in accordance with ISO 14001:2015. Please refer to chapter 4.9.2 of our Annual Report.

To complement the approach of alignment with the main expectations of our stakeholders, Caixa is a member of several working groups, think tanks and business associations whose mission is to create mechanisms and tools to respond to business challenges in sustainability matters. In 2024, Caixa will develop a roadmap for implementing

[2023 Annual Report:](#)

- Chapter 4.7.1 – Main forms of relationship and stakeholder expectations (page 473)
- Chapter 4.9.2 – Sustainable management of operations in the value chain | Environmental Management System (page 499)
- Engagement with suppliers – page 491, 499, 542 and GRI 2-6 (page 563)

the requirements of the CSRD, which will begin with the development of a corporate materiality analysis process based on the principles of dual materiality, and which will also include a new consultation with stakeholders.

Principle 5: Governance & Culture



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

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes In progress No

Please 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 the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

The sustainability governance structure is cross-sectional to CGD, with the most relevant structural bodies involved in executing the Corporate Sustainability Programme, as well as other structures (domestic and international) depending on the subjects under assessment.

In this context, CGD has a set of forums that ensure solid and transparent management and monitoring of several projects, mechanisms and initiatives that are relevant to the realisation of the 2021 - 2024 Sustainability Strategy. We highlight the sustainability committee (CSU), which is an advisory body to the executive committee which supervises the management of and issues guidelines on decisions regarding the implementation of the sustainability strategy, incorporating sustainable development, responsible banking and sustainable finance principles regarding CGD's current operations, in alignment with its strategic plan and its stakeholders' expectations.

[2023 Annual Report:](#)

- Chapter 4.5.1 – ESG policies and other corporate documents (page 464)
- Chapter 4.11.1 – ESG governance practices and ethical business conduct (page 537)
- Annex D – Response to the recommendations of the TCFD (page 627)

As stated in CGD's previous report, in 2023 the bank developed a set of corporate ESG policies that aim to contribute to achieving its strategic vision in terms of sustainability and alignment with its stakeholders' main expectations. The policies define the guidelines, responsibilities and actions in different areas of sustainability, which has made it possible to strengthen ESG alignment between all CGD Group entities, particularly those with less maturity in terms of initiatives and processes.

Regarding remuneration practices linked to sustainability targets, CGD's Remuneration Policy of the Members of the Management and Supervisory Bodies takes into account principles consistent with the management of sustainability risks, namely by incorporating metrics related to environmental, social and governance risks in the process of awarding variable remuneration, taking into account the assigned responsibilities and functions;

For more information please refer to chapter 4.11.1 – ESG governance practices and ethical business conduct and Annex D – Response to the recommendations of the TCFD.

[Remuneration Policy Of The Members Of The Management And Supervisory Bodies Of Caixa Geral De Depósitos](#)

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

As well as attracting and retaining talent, employee training is also a priority, and Caixa continues to invest heavily in this area, which resulted in an average of 79 hours of training per employee (compared to the minimum number of 40 hours of training established in Article 131 of the Labour Code).

In 2023 Caixa launched an e-learning on climate risk management that is compulsory for all its employees, aiming to provide a comprehensive understanding of the role of the banking business in implementing ESG criteria and mitigating the risks associated with this topic, as well as promoting greater alignment of organizational culture and practice. We highlight some of the bank's cross-cutting training in sustainability:

- Sustainability - A Strategic Approach (97% completion rate);
- Environmental Management System - Change for Improvement (99% completion rate);
- Sustainability in Investment Funds (99% completion rate);
- Diversity, Equity and Inclusion | Equality Makes the Difference (31% completion rate);
- Conflict of interest and internal reporting of irregular practices (99% completion rate);

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- Chapter 4.10.1 – Equity, development and well-being of employees (page 511)

- Data Protection Culture at CGD (97% completion rate);
- Ethics and Conduct (99% completion rate);
- Prevention of Corruption and Related Offences (89% completion rate);

It should also be highlighted CGD's efforts through the Permanent Education Programme, which involves an ongoing training programme for members of CGD's management board in a series of training activities on strategic themes, namely courses on ESG (page 326 of the 2023 Annual Report).

For more information on CGD's measures to foster a culture of responsible banking please refer to chapter 4.10.1 of our 2023 Annual Report.

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Caixa recognises that climate and environmental risks can have a significant impact on other risk categories as a result of the cross-cutting nature of the factors associated with them.

Climate and environmental risks are considered a subcategory of strategy and business risk and an additional risk factor for traditional risk categories, namely credit risk, market risk, operational risk, and reputational risk. A specific management model for these risks has been implemented, which provides for the identification, assessment, measurement, monitoring, control, and reporting of non-financial risks across the entire Group.

This process is detailed in the Corporate Policy for Climate and Environmental Risk Management, approved by the Board of Directors and transposed by Caixa Group entities in 2023. The Policy outlines the principles and governance model for climate risk management, namely the responsibilities of the three lines of defense, procedures for identifying and assessing climate risks, integrating their factors into business processes, which are inherently linked to business strategies and risk appetite, and finally, monitoring and communication procedures.

[2023 Annual Report:](#)

- Chapter 4.9.1. – Environmental risks and climate action (page 494-498)
- Annex D – Response to the recommendations of the TCFD (page 627-651)

[Pillar 3 Report](#) (page 136-166)

In terms of the governance model, it is important to highlight, among others, the Risk Committee and the Sustainability Committee as the bodies that monitor the development and implementation of the CGD Group's strategic ESG guidelines and that drives the implementation of the business strategy and the main policies.

For more information please refer to CGD's 2023 Annual Report (Chapter 4.9.1 – Environmental risks and Climate Action and Annex D – Response to the recommendations of the TCFD) as well as CGD's Pillar 3 Report.

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes In progress No

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.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes Partially No

If applicable, please include the link or description of the assurance statement.

<p>As established by the UNEP-FI, principles 2.1, 2.2, 2.3 and 5.1 were subject to limited audit by an external entity according to the guidelines in the document "Guidance for assurance providers - Providing Limited Assurance for Reporting".</p>	<p>PRB Self-assessment – Independent Limited Assurance Report issued by EY (page 30)</p>
<p>6.2 Reporting on other frameworks</p> <p>Does your bank disclose sustainability information in any of the listed below standards and frameworks?</p> <p><input checked="" type="checkbox"/> GRI</p> <p><input type="checkbox"/> SASB</p> <p><input checked="" type="checkbox"/> CDP</p> <p><input type="checkbox"/> IFRS Sustainability Disclosure Standards (to be published)</p> <p><input checked="" type="checkbox"/> TCFD</p> <p><input checked="" type="checkbox"/> Other: UN Principles for Responsible Banking; UN Global Compact; PCAF and GHG Protocol (scope 1,2 and 3 emissions); EU Taxonomy Regulation; Pillar 3;</p>	
<p>CGD's 2023 Sustainability Report discloses the bank's alignment with Decree-Law 89/2017, Taxonomy Regulation, GRI benchmark, TCFD recommendations, progress against SDGs and the 10 UNGC Principles. In addition, CGD is rated by different rating agencies that assess the bank's performance on all ESG dimensions, namely CDP, Sustainalytics, Fitch, Moody's, MSCI ESG Rating, among others.</p>	<p>2023 Annual Report:</p> <ul style="list-style-type: none"> ➤ Decree-Law 89/2017 (page 446-449) ➤ EU Taxonomy Regulation (page 652-668) ➤ GRI Index with reference to the 10 UNGC Principles (page 561-616) ➤ Annex D – Response to the recommendations of the TCFD (page 626-651) ➤ Sustainability ratings (page 545-546)
<p>6.3 Outlook</p> <p>What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.</p>	
<p>In 2024, Caixa will develop a set of core initiatives aimed at strengthening its ESG performance, namely:</p> <ul style="list-style-type: none"> ➤ A roadmap for implementing the requirements of the CSRD, which will make it possible to identify the bank's priority topics through a dual materiality analysis, thus helping to make the process of reporting non-financial information and identifying impacts, risks and opportunities more 	

transparent. CSRD alignment will also contribute to CGD's definition of a new Sustainability Strategy for the new 2025-2028 cycle;

- ESG Expansion Plan for the entire CGD Group, in order to transpose and promote alignment in all geographies where the Group operates;
- Strengthening the ESG data collection, processing, management and reporting strategy to meet regulatory requirements.

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|--|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="checkbox"/> Data availability |
| <input checked="" type="checkbox"/> Conducting an impact analysis | <input checked="" type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Reporting |
| <input checked="" type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| | <input type="checkbox"/> Prioritizing actions internally |

Independent Limited Assurance Report

To the Board of Directors of
Caixa Geral de Depósitos, S.A.

Scope

We have been engaged by Caixa Geral de Depósitos, S.A. (“CGD”) to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, to report on the Principles for Responsible Banking Reporting and Self-assessment 4th status report - 2023 (the “PRB Report 2023”), for the year ended 31 December 2023.

Criteria applied

CGD prepared the PRB Report 2023 in accordance with the “Principles for Responsible Banking” and the “Principle for Responsible Banking – Guidance Document” (together the “Criteria”) issued by the United Nations Environment Programme Finance Initiative.

Responsibilities of the Management

CGD’s management is responsible for selecting the Criteria, and for preparing the PRB Report 2023 in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining an appropriate internal control system, maintaining adequate records, and making estimates that are relevant to the preparation of the PRB Report 2023, such that it is free from material misstatement, whether due to fraud or error.

Responsibilities of the Auditor

Our responsibility is to examine the PRB Report 2023 prepared by CGD and to issue a limited assurance report based on the evidence obtained.

Our engagement was conducted in accordance with the International Standards for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information – ISAE 3000 (Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and other technical standards and recommendations issued by the Portuguese Institute of Statutory Auditors (Ordem dos Revisores Oficiais de Contas). These standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the PRB Report 2023 is prepared in accordance with the Criteria.

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. In these circumstances, our independent review procedures comprised the following:

- ▶ Inquiries to management with the objective to understand the business context and the sustainability reporting process;
- ▶ Conducting interviews with personnel responsible for preparing the information in order to understand the processes for collecting, collating, reporting and validating of the PRB Report 2023 for the reporting period;
- ▶ Analyses of the underlying assumptions considered on the impact analysis and target setting principles to understand the reasonableness of the information reported on section “2.1 Impact Analysis” and “2.2. Target Setting” of the PRB Report 2023;
- ▶ Analysis of the consistency of the information reported in each section of the PRB Report 2023 with the relevant disclosures reported in the Annual Report 2023, Annual Report 2022, Annual Report 2021, Transition Plan For Carbon Neutrality and Allocation & Impact Report 2023;
- ▶ Verification of the conformity of the PRB Report 2023 with the results of our work and with the Criteria applied.

We consider that the evidence obtained is sufficient and appropriate to provide the basis for our conclusion.

Quality and independence

EY applies the International Standard on Quality Management ISQM 1, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the *Ordem dos Revisores Oficiais de Contas*' Code of ethics and of the International Code of Ethics for Professional Accountants (including international independence standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior

Conclusion

Based on our work and evidence obtained, nothing has come to our attention that cause us to believe that the PRB Report 2023, for the year ended 31 December 2023, has not been prepared, in all material respects, in accordance with the Criteria.

Lisbon, 11 November 2024

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:



Manuel Ladeiro de Carvalho Coelho da Mota - ROC n° 1410
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