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finance
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Principles for
Responsible Banking

Responsible Banking Progress Statement for PRB Signatories

5th Status Report – 2024



Summary

Caixa Geral De Depósitos 2025

Principle 1: Alignment	Principle 2: Impact & Target Setting	Principle 3: Clients & Customers
<p>Content CGD's Strategic Plan for 2021–2024 was driven by the motto "Building the Future", with "Sustainability and Social Impact" defined as one of its six key transformation pillars.</p> <p>As part of this strategic cycle, CGD launched its 2021–2024 Sustainability Strategy, structured around five core areas of transformation:</p> <ol style="list-style-type: none"> 1. Sustainable and Inclusive Financing; 2. Climate Risk Management; 3. Equity, Digital, and Financial Inclusion; 4. Transparent Government Models; 5. Disclosure of Sustainability Information. <p>CGD's 2021–2024 Sustainability Strategy makes a particularly significant contribution to several Sustainable Development Goals (SDGs), specifically SDGs 1, 5, 8, 10, 11, 13, 16, and 17, reaffirming the bank strong commitment to the global agenda to end extreme poverty, reduce inequality and protect the planet by 2030.</p> <p>To strengthen this commitment, CGD became a signatory to major international and national sustainability initiatives, including the UN</p>	<p>Content CGD considers the Sustainable Development Goals to be an important framework to guide its strategy, goals, and activities. In order to direct its action and focus on the challenges in which it can effectively make a greater contribution and have a greater impact, CGD has outlined a set of quantitative and qualitative targets that contribute to achieving the SDGs. The progress made towards the targets is monitored annually in the Sustainability Report.</p> <p>As part of its commitment to the Principles for Responsible Banking (PRBs), CGD conducted an impact analysis in 2021 using the UNEP FI's Impact Analysis Tool. Based on this assessment, specific targets were identified and defined in the areas of "Climate" and "Housing."</p> <p>1. Climate change Mitigation In July 2023, Caixa published its Carbon Neutrality Transition Plan 2050, outlining intermediate carbon emission reduction trajectories for its operations and financing activities across three priority sectors: commercial mortgages (residential and services), electricity generation, and cement production.</p> <p>CGD's financed emissions are calculated in accordance with the Partnership for Carbon Accounting Financials (PCAF) standard. The</p>	<p>Content CGD recognises that supporting its clients in the transition towards a sustainable and inclusive economy is a core responsibility and a fundamental part of its business strategy.</p> <p>The Bank aims to achieve this by financing responsibly, developing ESG tools, and offering financial solutions that help clients reduce emissions, strengthen resilience and adopt more sustainable business models.</p> <p>To this end, an ESG rating model was developed to characterize CGD's corporate loan portfolio in terms of sustainability, through the assignment of risk levels ("strong", "good", "satisfactory", or "weak"). This Rating Model integrates the components of Physical Risk, Transition Risk and Other Environmental Risks into the Environmental Dimension. On the Social Dimension incorporates factors such as working conditions (remuneration, gender discrimination and training investment) and workplace safety. Regarding the Governance Dimension, policies and control instruments, adequate composition of the management team and commitment and reliability of information are evaluated.</p>









Principle 1: Alignment	Principle 2: Impact & Target Setting	Principle 3: Clients & Customers
<p><i>Principles for Responsible Banking (PRB), the Principles for Responsible Investment (PRI), the Letter of Commitment to Sustainable Financing in Portugal, the Net Zero Asset Managers Initiative (NZAMI), and the Net-Zero Banking Alliance (NZBA).</i></p> <p><i>CGD is committed to promoting sustainable development by embedding ESG considerations into its strategic vision, business areas and operational practices.</i></p> <p><i>Through a responsible and forward-looking approach, CGD seeks to support the transition towards a more inclusive, resilient, and sustainable economy. This commitment is rooted in an ESG-driven materiality strategy, which supports the transition to a low-carbon society and the strengthening of long-term value creation for all stakeholders.</i></p> <p><i>In 2024, CGD conducted a double materiality assessment (DMA) in alignment with relevant legal provisions, including the Corporate Sustainability Reporting Directive (CSRD), with the aim of identifying the most significant impacts, risks, and opportunities for the institution.</i></p> <p><i>The assessment identified 10 material topics spanning the environmental, social, and governance dimensions: Climate Change, Community Support, Human Resources Management, Customer Relations, Digital Transformation and Innovation, Corporate Governance, Ethics, Conduct and Compliance,</i></p>	<p><i>emission reduction targets were defined using the Science Based Targets initiative (SBTi) methodology, applying the fixed market share approach. These targets were benchmarked against baseline climate scenarios that reflect different economic transition pathways, Business As Usual (BAU), national contributions, and internal measures, each representing varying levels of ambition in alignment with the Paris Agreement goals, which aim to limit global warming to well below 2°C, preferably to 1.5°C compared to pre-industrial levels.</i></p> <p><i>In the same year, 2023, CGD also established climate transition targets for its headquarters credit portfolio in Portugal, initially on a voluntary basis under the Net-Zero Banking Alliance (NZBA). These targets were defined by assessing the carbon intensity gap against the International Energy Agency (IEA) 2030 climate scenario for the credit portfolio of all CGD Group entities.</i></p> <p><i>Additionally, in 2024, in accordance with the guidelines of the Market Discipline (Pillar III), CGD has defined intermediate carbon reduction targets (to be achieved in 2026) and disclosed the distance to 2030 by the International Energy Agency Net Zero Emissions 2050 (IEA NZE 2050) scenario for the prudential perimeter. These targets focus on the most representative sectors of the portfolio eligible for reporting: electricity generation, fossil fuels, air transport and cement.</i></p> <p><i>The status of progress toward these reduction targets is publicly disclosed in the 2024 Annual Report.</i></p>	<p><i>CGD provides corporate clients with access to its ESG Rating, offering a valuable tool to support companies in their transition toward a greener, more inclusive, and more responsible economy. By enabling businesses to consult and evaluate their positioning across ESG dimensions, this resource helps inform strategic decisions and encourages the adoption of more sustainable business models.</i></p> <p><i>CGD also enhanced its commercial offering by developing financial products aimed at supporting customers in their transition to a carbon-neutral economy. This included the launch in 2024 of the Caixa ESG credit line and other financing products supported by national and supranational protocol guarantees, reinforcing CGD’s role as a catalyst for sustainable transformation.</i></p> <p><i>CGD also has been promoting financial literacy and ESG awareness among its clients and society, helping them to make more informed and sustainable decisions.</i></p>

Principle 1: Alignment

Sustainable Financing and Investment, Risk Management, and Privacy and Information Protection. The results of the DMA served as a key input for the upcoming 2025–2028 CGD Sustainability Strategy.

Principle 2: Impact & Target Setting

Sector Targets – Carbon Intensity (TARGET 2030)

SECTOR	TARGET 2030 (Carbon Intensity)	Reduction
 Electricity Production (Corporate)	223 gCO ₂ -eq/kWh (IEA)	-30%
 Fossil Fuels	54 kgCO ₂ -eq/GJ	-33%
 Aviation	85 gCO ₂ -eq/km	-31%
 Cement Production	451 kgCO ₂ -eq/t (IEA)	-47%
 Credit Collateralised by RRE	 5 kgCO ₂ -eq/m ²	-53%
 Credit Collateralised by SRE	 21 kgCO ₂ -eq/m ²	-64%

- Electricity Production (Corporate):**
 Target: 223 gCO₂eq/kWh | Required reduction: -30%
 Status in 2024:
 In the electricity production sector, CGD increased its carbon intensity from **155 gCO₂/kWh** on 31.12.2023 to **221.5 gCO₂/kWh** on 31.12.2024. This increase is attributed to financing companies located in regions where the energy matrix still relies heavily on non-renewable sources. Nevertheless, CGD has been expanding its financing to companies and projects focused on renewable energy production. Despite the increase in carbon intensity, the curve remains **below the IEA 2030 threshold** of 222.73 gCO₂/kWh.
- Fossil Fuels:**
 Target: 54 kgCO₂eq/GJ | Required reduction: -33%
 Status in 2024:

Principle 3: Clients & Customers

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	<p><i>In the fossil fuels sector, CGD also recorded a reduction in the carbon intensity of its financing and investments, decreasing from 71.6 kgCO₂eq/GJ on 31.12.2023 to 70.0 kgCO₂eq/GJ on 31.12.2024.</i></p> <p><i>This reduction is attributed to a more favorable estimate of carbon emissions compared to those observed in the previous year among relevant clients and counterparties.</i></p> <ul style="list-style-type: none"> <p>Aviation: <i>Target: 85 gCO₂eq/km Required reduction: -31%</i> <i>Status in 2024:</i> <i>In the aviation sector, CGD recorded an increase in carbon intensity, rising from 111.1 gCO₂eq/km on 31.12.2023 to 122.5 gCO₂eq/km on 31.12.2024. This increase is explained by the amortization and subsequent removal from the portfolio of a significant exposure to companies with better environmental performance in the sector.</i></p> <p>Cement Production: <i>Target: 451 kgCO₂eq/t Required reduction: -47%</i> <i>Status in 2024:</i> <i>In the cement production sector, CGD recorded an increase in carbon intensity, rising from 663.3 kgCO₂eq/t on 31.12.2023 to 701.8 kgCO₂eq/t on 31.12.2024. This actual climate information contrasts with estimated carbon intensity averages, which are automatically assigned to companies without available climate information. In</i></p> 	

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	<p><i>this case, verification of companies' current performance resulted in higher intensity compared to estimates available on the market.</i></p> <ul style="list-style-type: none"> <p>Credit Collateralized by RRE: Target: 5 kgCO₂eq/m² Required reduction: -53% Status in 2024: The transition plan for this sector sets a target of 53% reduction in physical carbon intensity by 2030, using 2022 as the baseline year (0.011 tCO₂/m²). In 2024, the physical intensity of the portfolio linked to this segment was estimated at 0.005 tCO₂/m², representing a 54% reduction from the baseline and 47% below the projected trajectory for 2024. This estimate was based on the most recent data on active exposure associated with residential mortgage collateral and the latest emission factors provided by PCAF, which reference the year 2020. Absolute financed emissions in this segment were estimated at 0.5 ktCO₂e in 2024.</p> <p>Credit Collateralized by SRE: Target: 21 kgCO₂eq/m² Required reduction: -64% Status in 2024: The transition plan for this sector sets a target of 64% reduction in physical carbon intensity by 2030, using 2022 as the baseline year (0.059 tCO₂/m²). In 2024, the physical intensity of the portfolio associated with this segment was estimated at 0.036 tCO₂/m², representing a</p> 	

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	<p>39% reduction from the baseline and 26% below the projected trajectory for 2024. The estimate was based on the most recent data on active exposure linked to commercial real estate collateral in the commercial mortgage sector (services segment), and the latest emission factors provided by PCAF, which reference the year 2020. Absolute financed emissions in this segment were estimated at 44 ktCO₂e in 2024.</p> <p>Strategic Plan To achieve the 2030 climate transition targets, CGD will implement a comprehensive strategy that includes:</p> <ul style="list-style-type: none"> • Development of new ESG products to support sustainable financing and client transition. • Introduction of new policies, such as the Climate and Environmental Risk Policy, Sustainable Finance Policy, and Energy Transition Policy, ensuring alignment with global standards. • Application of favorable pricing conditions (up to 25 basis points) to incentivize sustainable practices. • Integration of physical and transition risk thresholds into credit decision-making processes to strengthen risk management. • Definition and monitoring of KPIs and KRIs to track progress and ensure accountability. <p>Climate targets are reviewed annually and disclosed in the Sustainability Report, with oversight provided by the Sustainability Committee.</p>	

Principle 1: Alignment	Principle 2: Impact & Target Setting	Principle 3: Clients & Customers
	<p>2. Housing</p> <p><i>Banks play a critical role in advancing the objectives of the Paris Agreement by channeling financial resources toward a low-carbon and climate-resilient economy. Through sustainable finance, they can shape market dynamics, accelerate the adoption of clean technologies, and promote energy efficiency across sectors.</i></p> <p><i>CGD acknowledges this responsibility and is committed to supporting the transition by offering products and services that facilitate the acquisition of energy-efficient housing. To this end, CGD has set a target to finance €5.6 billion in housing loans, with €1.35 billion specifically allocated to properties holding A+, A, and B energy certificates for the period 2023–2024.</i></p> <p><i>Between 2023 and 2024, CGD reached a total of €6.59 billion in new mortgage loan production, exceeding the initial target of €5.6 billion set for the biennium.</i></p> <p><i>However, the amount directed toward energy-certified properties (A+, A and B) totalled €1.20 billion, falling slightly short of the €1.35 billion target.</i></p> <p><i>This gap is explained by several structural and market-related factors:</i></p> <ul style="list-style-type: none"> <i>• A significant portion of the Portuguese housing stock is older and built before energy efficiency standards, making it difficult for many properties to achieve high energy ratings.</i> <i>• The cost of energy-efficient renovations remains high, limiting the ability of homeowners and developers to upgrade buildings.</i> 	

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	<ul style="list-style-type: none"> • <i>The market is still adapting to the demand for energy-efficient housing, and the pace of transition has been gradual.</i> • <i>Existing incentives and regulatory frameworks have not yet been sufficient to drive large-scale improvements.</i> • <i>In some cases, energy certificates are outdated, meaning renovated properties may not reflect their current efficiency level.</i> <p><i>CGD is aware of these challenges and remains committed to promoting the energy efficiency of its clients' properties. The bank continues to develop and offer financial solutions that support sustainable housing and improved energy performance.</i></p> <p><i>For the next strategic cycle (2025–2028), CGD will define new targets aligned with the ESG priorities identified through its double materiality assessment.</i></p>	
<p>Links & references</p> <p><u>CGD Annual Report 2024:</u></p> <ul style="list-style-type: none"> • <i>Chapter 4.3. 2021 - 2024 Sustainability Strategy;</i> • <i>Chapter 4.4. Sustainability Statement » 4.4.1. General disclosures » 4.4.1.1. Basis for Preparation</i> <p><u>CGD Website</u></p> <ul style="list-style-type: none"> • <i>Sustainability » Vision » Partnerships</i> 	<p>Links & references</p> <p><u>CGD Annual Report 2024:</u></p> <ul style="list-style-type: none"> • <i>Chapter 4.4. Sustainability Statement » 4.4.2. Environmental information » Carbon Neutrality Transition Plan</i> • <i>Chapter 4.4. Sustainability Statement » 4.4.5. Other Material Topics » 4.4.5.1. Sustainable Financing and Investment</i> <p><u>CGD Carbon Net Zero 2025 – Our Commitment</u></p>	<p>Links & references</p> <p><u>CGD Annual Report 2024:</u></p> <ul style="list-style-type: none"> • <i>Chapter 4.4. Sustainability Statement » 4.4.3. Social Information » 4.4.3.3. Customer Relations (ESRS S4 - Consumers and end-users)» Financial Literacy</i> <p><u>CGD Website</u></p> <ul style="list-style-type: none"> • <i>Sustainability » Responsible Business » ESG Rating Model</i> • <i>Sustainability » Responsible Business » Sustainable Offer</i>

<p>Principle 4: Stakeholders</p>	<p>Principle 5: Governance & Culture</p>	<p>Principle 6: Transparency & Accountability</p>
<p>Content CGD recognizes that maintaining continuous dialogue with its stakeholders is essential to ensuring a shared transition toward a low-carbon economy.</p> <p>As part of its Double Materiality Analysis, CGD conducted a consultation process involving key stakeholders, including customers, shareholders, regulators, employees, suppliers, civil society organizations, public authorities, and institutional investors, through surveys and interviews. This initiative engaged all CGD Group entities and resulted in a collection of 2,301 survey responses.</p> <p>CGD remains committed to ongoing engagement with its main stakeholders, addressing the most relevant societal topics and supporting their journey toward a more sustainable, low-carbon future.</p>	<p>Content CGD's sustainability governance model is both comprehensive and cross-functional, involving the main corporate bodies responsible for implementing the Corporate Sustainability Programme, as well as other domestic and international structures depending on the topics under review. A central element of this model is the Sustainability Committee, chaired by the CEO, which acts as an advisory body to the Executive Committee. The Committee plays a key role in tracking progress, informing strategic decisions, and ensuring the effective implementation of the Bank's Sustainability Strategy.</p> <p>In 2024, CGD held four meetings of the Sustainability Committee, with the participation of representatives from the Bank's international geographies. This practice aims to ensure a harmonised and coordinated approach to sustainability implementation across all CGD Group entities.</p> <p>In line with its commitment to embedding ESG considerations into corporate governance, CGD's Remuneration Policy for Management and Supervisory Bodies incorporates ESG-related performance indicators into the variable remuneration process. These indicators reflect the management of environmental, social, and governance risks, as well as the achievement of sustainability objectives, in accordance with the responsibilities assigned to each role.</p>	<p>Content CGD is strongly committed to transparency, accountability, and the continuous enhancement of its sustainability performance and reporting practices. The Bank's Sustainability Report is included in its 2024 Annual Report and was subject to independent limited assurance by a third party, which reinforces the robustness and credibility of the ESG information disclosed.</p> <p>CGD also aligned its 2024 sustainability reporting with the requirements of the Corporate Sustainability Reporting Directive (CSRD).</p> <p>Additionally, CGD's website provides stakeholders with access to key developments and programmes related to the Bank's sustainability strategy.</p>

Principle 4: Stakeholders	Principle 5: Governance & Culture	Principle 6: Transparency & Accountability
	<p><i>Fostering a strong internal sustainability culture has become one of CGD's priorities. In 2024, CGD held its first Sustainability Week, promoting strategic alignment and ESG awareness across the Group. Held in Lisbon, at the Caixa Geral de Depósitos Foundation – Culturgest, the event coincided with National Sustainability Day on 25 September, and was attended by the heads of ESG from the main geographies where CGD operates: Angola, Brazil, Cape Verde, France, Macao, Mozambique, and Timor.</i></p>	
<p>Links & references CGD Annual Report 2024:</p> <ul style="list-style-type: none"> • Chapter 4.4. Sustainability Statement » 4.4.1 General Disclosures » 4.4.1.2. Double Materiality Assessment 	<p>Links & references CGD Annual Report 2024:</p> <ul style="list-style-type: none"> • Chapter 4.4. Sustainability Statement » 4.4.1 General Disclosures » 4.4.1.4. Governance Model for Sustainability • Chapter 4.4. Sustainability Statement » 4.4.3 Social Information » 4.4.3.1. Human Resources Management (ESRS S1 - Own workforce) » Caixa Group's 1st Sustainability Week <p>Remuneration Policy of the members of the management and supervisory bodies of Caixa Geral de Depósitos, S.A.</p>	<p>Links & references CGD Annual Report 2024:</p> <ul style="list-style-type: none"> • Chapter 4.4. Sustainability Statement » 4.4.6 Annexes » Limited Assurance Report on the Consolidated Sustainability Reporting <p>CGD Website</p> <ul style="list-style-type: none"> • Sustainability