

December 2024

SUSTAINABLE BOND ALLOCATION AND IMPACT REPORT



Caixa Geral de Depósitos



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INTRODUCTION

In 2021, Caixa Geral de Depósitos successfully completed a 500 € million senior preferential debt issue. As a sustainable finance instrument, the funds raised are aimed at refinancing and financing environmental and socioeconomic activities. This was the first issue made by a Portuguese bank with these characteristics and is an important milestone in fulfilling the commitments undertaken by Caixa Geral de Depósitos within the scope of sustainable finance.

In accordance with its Sustainable Finance Framework, Caixa Geral de Depósitos monitors, on a quarterly basis, the allocated project portfolio concerning the issue of Sustainable Finance Instruments. As a result of the amortization of Sustainable Bond concerning allocated assets, it became necessary to reinforce the pool of assets with new loans, while ensuring that they are aligned with the categories and criteria of the previously allocated portfolio. This document should therefore be considered an update to the Sustainable Bond Allocation and Impact Report published in 2022.

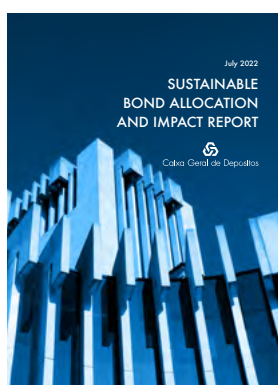
SUSTAINABLE FINANCE RELEVANT DOCUMENTS



Sustainable Finance Framework



Second Party Opinion



Sustainable Bond Allocation and Impact Report



Green Bond Allocation and Impact Report





KEY TERMS





The net proceeds of the bond will be used to finance or refinance eligible projects as defined in the Sustainable Bond Framework.

The main details of the bond can be found below:

Issuer	Caixa Geral de Depósitos, S.A.
Issue Ratings	Baa3 (Moody's) / BBB (DBRS)
Format	Sustainability Senior Preferred Fixed Rate Reset Callable Notes
Size	500,000,000 €
Settlement Date	21 September 2021 (T+5)
Maturity Date	21 September 2027 (6NC5)
Optional Redemption Date	21 September 2026
Coupon	0.375% per annum on 21 September of each year. The interest rate will reset on 21 September 2026 to the mid swap 1Y + 70 bps
Use of Proceeds	The net proceeds from the issue (or an amount equal thereto) will be separately identified and applied by the Issuer in financing and/or refinancing, individually or on a portfolio basis, eligible Social and Green projects as further described in the Sustainable Finance Framework
SPO Provider	Sustainalytics
Documentation	EMTN Programme
ISIN	PTCGDCOM0037

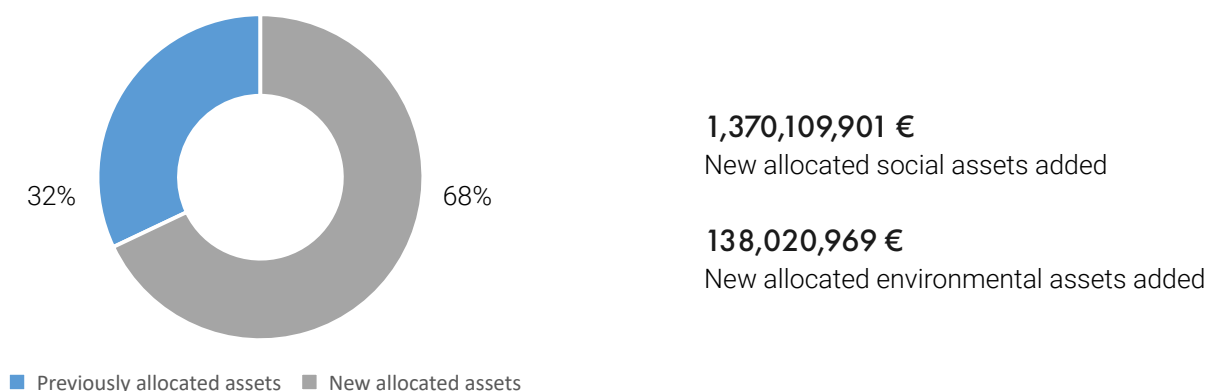
OVERVIEW OF THE ALLOCATED PORTFOLIO

Caixa Geral de Depósitos has allocated an amount higher than the Sustainable Bond issue (500 million euros) in order to ensure a residual margin for the debt amortization

Type of financing	Amount financed	Balance as at 30/04/2024
 Employment Generation Supporting economically disadvantaged areas in Portugal and addressing the economic and social impacts of COVID-19.	1,855,760,826 €	1,247,586,938 €
Total amount - social	1,855,760,826 €	1,247,568,938 €
Share of social financing	84%	80%
 Renewable Energy Supporting hydropower production.	84,000,000 €	80,534,580 €
 Green Buildings Supporting green buildings with BREEAM Very Good or LEED GOLD minimum certification.	175,600,000 €	175,600,000 €
 Clean Transportation Supporting electric vehicles	103,972,067 €	63,026,147 €
Total amount - environmental	363,572,067 €	319,160,727 €
Share of environmental financing	16%	20%
Total financing	2,219,332,893 €	1,566,747,665 €

PROCEEDS BREAKDOWN (AMOUNT FINANCED)

The chart below aims to show the percentages of previously allocated assets, i.e. those that were allocated initially and remain in the portfolio, versus the new assets that will be added to the portfolio. Of the new assets, 91% belong to the “social” category and 9% to the “environmental” category.





OVERVIEW OF THE ALLOCATED PORTFOLIO SOCIAL AND ENVIRONMENTAL IMPACT

It is estimated that the allocated portfolio has impacted 30,876 jobs² and avoided the emission of 43,085 tons of CO₂, the equivalent to the greenhouse gas emissions of 850 Lisbon - London flights.

For further information about the impact indicators calculation process, please refer to the methodological notes.



Financing concerning loans that support productive activities, decent job creation, development and growth of micro, small and medium-sized enterprises in the most economically disadvantaged regions of Portugal¹. Financing concerning loans that mitigate the economic and social impact stemming from the COVID-19 outbreak.



9,475
small and medium-sized enterprises supported.



30,876
jobs impacted² by CGD's financing.



Financing related to the development, construction, operation and maintenance of a renewable energy (hydroelectric) project.



119,808 MWh
of annual renewable energy production from a hydroelectric project.



39,177 tCO₂
estimated emissions avoided per year³.

⁽¹⁾ The economically disadvantaged areas are regions that have a GDP per capita below the Portuguese average GDP per capita.

⁽²⁾ The portion of jobs impacted by CGD's financing was calculated using the number of employees for each company registered in CGD's database and the eligible financing amount on 30/04/2024.

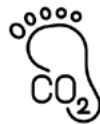
⁽³⁾ In comparison with a fossil cogeneration technology.



Financing related to loans that support buildings that are environmentally responsible and resource-efficient (buildings with BREEAM Very Good or LEED GOLD minimum certification).



4 environmentally responsible buildings supported.



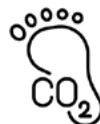
14 tCO₂ estimated emissions avoided per year⁴.



Financing related to loans that support investments that promote sustainable cities such as low-carbon transportation (electric vehicles).



2,411 electric vehicles financed.



3,894 tCO₂ estimated emissions avoided per year⁵.

⁽⁴⁾ Compared to the same number of buildings whose emission factor is based on the national energy performance certificates average.

⁽⁵⁾ Compared to the same number of combustion vehicles.



ASSURANCE REPORT



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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 Sustainable Bond Allocation and Impact Report ("Sustainable Bond Report") for the period from 1st January 2022 to 30th April 2024.

Criteria applied

CGD prepared the Sustainable Bond Report in accordance with the CGD Sustainable Finance Framework (the "Criteria").

Responsibilities of the Management

CGD's management is responsible for selecting the Criteria, and for preparing the Sustainable Bond Report 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 Sustainable Bond Report, such that it is free from material misstatement, whether due to fraud or error.

Responsibilities of the Auditor

Our responsibility is to examine the Sustainable Bond Report 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 Sustainable Bond Report 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:

- ▶ Conducting interviews with management and other personnel involved in the preparation of the Sustainable Bond Report, in order to understand the characteristics of the (re)financed projects and how the information system is structured;
- ▶ Inquiries with the personnel responsible for preparing the Sustainable Bond Report in order to understand the processes for collecting, collating, reporting, and validating the allocation and impact report data for the reporting period;
- ▶ Checking the Sustainable Bond net proceeds allocation in the eligible project portfolio has been made in accordance with the Criteria;
- ▶ Performing analytical review procedures to support the reasonableness of the allocation and impact report data, including information related to indicators disclosed in the report;
- ▶ Verification of the conformity of the Sustainable Bond Report with the results of our work and with the Criteria applied.

Sociedade Anónima - Capital Social 1.340.000 euros - Inscrição n.º 178 na Ordem dos Revisores Oficiais de Contas - Inscrição N.º 20161480 na Comissão do Mercado de Valores Mobiliários
Contribuinte N.º 505 988 283 - C. R. Comercial de Lisboa sob o mesmo número
A member firm of Ernst & Young Global Limited



Caixa Geral de Depósitos, S.A.
Independent Limited Assurance Report
Period from 1st January 2022 to 30th April 2024

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 Sustainable Bond Report, for the period from 1st January 2022 to 30th April 2024 has not been prepared, in all material respects, in accordance with the Criteria.

Lisbon, 16 December 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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METHODOLOGICAL NOTES



The purpose of this note is to describe the methodology used to estimate the annual avoided emissions as a result of the loans concerning the development, construction, operation and maintenance of renewable energy projects.

- The environmental impacts were calculated regarding a proportion of CGD's financing in the total value of the project;
- The CO₂ emissions associated with the hydroelectricity production are assumed to be 0 tCO₂e according to the Portuguese energy sector regulator (<https://www.erse.pt/eletricidade/rotulagem/rotulagem/>);
- In order to calculate the emissions avoided by the project, a comparison was made with a fossil cogeneration project;
- In the process of calculating the impact indicators, actual project data was used, namely the annual renewable energy production;
- To calculate the avoided CO₂ emissions, the emission factor for fossil cogeneration from the Portuguese energy sector regulator was used (<https://www.erse.pt/eletricidade/rotulagem/rotulagem/>). The value obtained represents the annual CO₂ estimated emissions avoided.



The purpose of this note is to describe the methodology used to estimate the number of jobs maintained as a result of the loans to SMEs included in the eligible loan portfolio.

- The economically disadvantaged areas correspond to all Portuguese regions that have a GDP per capita below the Portuguese average GDP per capita (INE - Statistics Portugal: Quadro D.1.1.6 - Produto interno bruto por habitante (PT=100) e NUTS II (índice; anual));
- Internal financial reporting and accounting information processes were used to identify companies classified as SMEs;
- Loans with no outstanding amount at 30/04/2024 were excluded;
- Loans related to the following activities were excluded: fossil fuel energy; nuclear energy; gambling; tobacco; alcohol; weapons;
- The information regarding the companies' number of employees was based on information recorded in CGD's database. The overwhelming majority of data refers to information from 2023 (56%) and 2022 (39%);
- The portion of jobs impacted by CGD's loans was calculated using the estimated number of employees for each company and the eligible financing amount as at 30/04/2024 weighted over the total financing of each company (CGD and other credit institutions) as at 30/04/2024. This approach allows CGD to measure its impact based on a portion of the amount of outstanding funds vis-à-vis the client's total financing.



The purpose of this note is to describe the methodology used to estimate the annual avoided emissions as a result of the loans concerning buildings that are environmentally responsible and resource-efficient.

- Loans concerning buildings with a minimum Breeam Very Good or Leed Gold certificates were selected;
- The estimated CO₂ emissions due to energy consumption are based on the energy performance certificate (EPC). The calculation of carbon emissions for each of the buildings considered the PCAF (Commercial real estate factor) emission factor for Portugal by EPC and the building type "Retail – shopping center" and "Office". The PCAF values for the year 2020 were used considering that these values are based on 'real' data according to the document available at <https://carbonaccountingfinancials.com> (PCAF European Building Emission Factor Database Methodology – Financing Towards NET-ZERO Buildings, September 2023);
- The environmental impacts were calculated regarding a proportion of CGD's financing in the total value of the building;
- To calculate the estimated environmental impact (GHG emissions avoided) a comparison was performed with the Portuguese average emissions of buildings with energy certification issued between 2019 and 2024, taking into consideration the EPC national average according to data from ADENE (www.sce.pt/estatisticas) accessed on 16/08/2024 (Statistics of the buildings' energy certification – Services) and weighted with the European building emission factor database according to the PCAF (Commercial real estate factor) to Portugal. Only ADENE data for service category buildings was used. To this end, an emission factor of 0.0258504 tCO₂e/m² (Retail – shopping center) and 0.0262083 tCO₂e/m² (Office) was used.



The purpose of this note is to describe the methodology used to estimate the environmental impact associated with the loans related to clean transportation.

- Selection of loans whose purpose is the acquisition of electric vehicles;
- Due to the impossibility of determining the outstanding amount as of 30/04/2024 for financing associated only with electric vehicles, this amount was calculated by applying the proportion of the total amount financed only for electric vehicles in relation to the total amount financed, to the total outstanding amount as of 30/04/2024, per contract;
- To calculate the estimated environmental impact (GHG emissions avoided), a comparison was made between a combustion technology vehicle, applying the NATIONAL INVENTORY REPORT 2023 emission factor for Petrol fuel (204g CO₂e/km - NATIONAL INVENTORY REPORT 2023, Table B-6 & B-7) and a battery electric vehicle (190 Wh/km - <https://ev-database.org/cheatsheet/energy-consumption-electric-car>) combined with the IEA emission factor (149 gCO₂/kWh). It was assumed that each vehicle travels on average 9,200 km/year (<https://iopscience.iop.org/article/10.1088/1748-9326/11/5/054010>);
- The distances travelled were estimated based on the total number of vehicles in 2021 (NIR 2023, Table B-6) and the total kilometres travelled in 2021 (NIR 2023, Table B-7).



ESTIMATED NUMBER OF FLIGHTS

- The factor used to convert the avoided CO₂ emissions into a number of estimated Lisbon - London flights took into account the distance travelled (1,567.17 km) and the number of passengers (174 persons for an Airbus A320neo twin-jet A20N) applying the 2024 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting for Short-haul, to/from UK flights (with radiative forcing: 0.1859 kg CO₂e per passenger/km).
- The conversion factors can be found at <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024> (conversion factors 2024: condensed set [for most users, sheet 'business travel air']).



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