Caixa Geral de Depósitos - Climate Change 2022

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Mission and values

Founded in 1876, Caixa Geral de Depósitos (CGD) is an exclusively public limited liability company whose shares belong to the Portuguese state. CGD's mission consists of making a decisive contribution to the development of the national economy in a framework of balanced evolution between profitability, growth and financial strength, accompanied by prudent risk management, to enhance the stability of the Portuguese financial system.

CGD aims to create 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´s ensures that clients have access to a diversified range of quality financial products and services, with special emphasis on saving and medium and long term credit solutions, based on an efficient corporate governance model and respect for the highest ethical standards.

CGD's activity and its employees' conduct are governed by the following fundamental values: Trust, Profitability, Transparency, Integrity, Professionalism, Proximity, Responsibility, Risk Culture and Rigor and Innovation.

Strategic Plan 2021 – 2024

After a strong commitment to financial strength, effective risk management and the consolidation of governance mechanisms and internal controls, CGD started a new cycle with the Strategic Plan 2021-2024, under the motto "Building the future". CGD's ambition for 2024, materialized in the new Plan, is based on six pillars of transformation:

1) Quality of service and innovation;

2) Leadership and value proposal;

3) Sustainability and social impact;

4) Profitability and efficiency;

5) Consolidation of governance and risk management model;

6) People, culture and transformation

For the first time is given particular prominence to the sustainability component in the bank's strategic plan, which demonstrates CGD's ambition towards a more responsible and inclusive business model.

Sustainability Strategy 2021 – 2024

The 2021-2024 Sustainability Strategy embodies CGD's ambition to become the leader in sustainable finance in Portugal, supporting the transition to a low-carbon economy and financing projects with a social impact on people's lives, based on five strategic areas of action.

1) Sustainable and Inclusive Financing: Financing the transition to a low-carbon economy in a fair and inclusive way.

2) Climate Risk Management: Accelerating the transition to a more sustainable and resilient economy by efficiently managing climate risks.

3) Equity, Digital and Financial Inclusion: Being an inclusive Bank that prioritises the well-being and development of employees and society.

4) Transparent Governance Models: Adopting efficient governance models that drive performance in a responsible, diverse, and transparent manner.

5) Disclosure of Sustainability Information: Make regular and transparent disclosures on ESG performance in accordance with best reporting practice and applicable regulations.

CGD Group Structure

The CGD group has been undergoing a process of reorganization, aiming to simplify the structure by reducing the number of holding companies and carried out through merger or dissolution of associated companies. The structure resulting from this reorganization will contribute to a higher profitability in future years by eliminating operating costs for the CGD Group.

At international level there was also a process of reorganization, which includes the selling some of the structures (e. g. Banco Comercial do Atlântico - Cape Verde).

Most of the information reported in this questionnaire is related to CGD's activity in Portugal given its materiality and relevance to the group financial results. However, it is important to highlight that in 2021 CGD took a very significant step in measuring its environmental impact, extended for the first time the reporting of scope 3 emissions to the category 15 (Investments).

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2021	December 31 2021	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.

Angola
Cabo Verde
China, Macao Special Administrative Region
France
Mozambique
Portugal
Timor-Leste

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

	Does your organization undertake this activity?	Insurance types underwritten	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	Yes	<Not Applicable>	Exposed to all broad market sectors
Investing (Asset manager)	Yes	<Not Applicable>	Exposed to all broad market sectors
Investing (Asset owner)	No	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	No	<Not Applicable>	<Not Applicable>

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, another unique identifier, please specify (Legal Entity Identifier)	TO822O0VT80V06K0FH57

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	The CEO chairs the CGD Sustainability Committee, which covers all the ESG topics. The CGD Sustainability Committee integrates the representation of the key functional areas (e.g. Risk Management, Marketing, Financial, Compliance and other divisions) and organizational entities, national and abroad, associated with the implementation of sustainability policies, strategy and projects, such as Caixa Gestão de Ativos (CGD asset manager company). Therefore, CGD's CEO plays a critical role in assessing and monitoring the strategy, policies and practices on related environmental, social and governance (ESG) topics that are relevant to the Bank strategy. The distribution of responsibilities of the Executive Committee encompasses the Corporate Support Division, which includes the Sustainability Area. The distribution of responsibilities of the Executive Committee links the Corporate Support Division as a responsibility of the Chief Executive Officer. As an example of a decision, should be highlighted the approval of the CGD's adherence to the Net Zero Banking Alliance (NZBA). The NZBA, launched in April 2021, was co-organised by the United Nations Environment Programme Finance Initiative (UNEP FI) and the Financial Services Task Force of the Sustainable Markets Initiative. This initiative mobilises the financial sector to build a carbon-neutral economy, by gradually reducing emissions in line with the objectives of the Paris Agreement. The governance model for climate risks can be consulted in more detail in the Sustainability Report 2021, namely in the annex responding to the recommendations of the Task Force on Climate Financial Disclosures (TCFD).
Chief Risk Officer (CRO)	The person ultimately in charge of CGD Group's risk management function is its CRO, who is a member of the executive committee of CGD's board of directors. CGD's CRO is globally responsible for monitoring the Group's risk management framework and particularly for ensuring the adequate and effective operation of the risk management function. The CRO also has the duty to inform members of management and audit bodies on the risks incurred, CGD's and CGD Group's global risk profile and degree of compliance with the defined risk tolerance levels. Risk management is centralized and supported by a dedicated structure – the Risk Management Division (DGR), under the responsibility of the CRO. The non-financial risks area was created as part of the risk management division in 2019, to address, inter alia, climate-related risks. The CRO also became member of the Sustainability Committee. The governance model for climate risks can be consulted in more detail in the Sustainability Report 2021, namely in the annex responding to the recommendations of the Task Force on Climate Financial Disclosures (TCFD).
Chief Sustainability Officer (CSO)	The person ultimately in charge of CGD Group's sustainability matters is its CSO, who is a member of the executive committee of CGD's board of directors. CGD's CSO is responsible for monitoring the Group's sustainability strategy and ensuring it creates value for the bank and society, while assessing the impacts and consequences for the company. By influencing, communicating and cutting through organizational complexity, the CSO enables the company to spread ESG best practices and deliver on its commitments. The CSO is a member of the Sustainability Committee. The sustainability governance model can be consulted in more detail in the Sustainability Report 2021, namely in the annex responding to the recommendations of the Task Force on Climate Financial Disclosures (TCFD).
Board-level committee	Is responsible, inter alia for the analysis, overseeing and advice on matters such as corporate governance, ethics and conduct, conflicts of interest, social responsibility, sustainability and sustainable finance, annual report on the functioning of the corporate governance structure and opinion on the Corporate Governance Report, which is an integral part of the Annual Report and Accounts. Also ensures compliance with the principles of governance and the assessment of sustainability strategies and policies, presenting guidelines for sustainability, social and environmental responsibility to the Board of Directors.
Other, please specify (Executive Committee)	The Executive Committee is responsible for the overall risk management of the CGD Group, namely by managing and executing its risk appetite, monitoring risk metrics and ensuring consistency between risk appetite and the corporate strategy for sustainable finance and climate action. One of the climate topics addressed in the executive committee was CGD's preparation and response to the 2022 climate risk stress test. The governance model for climate risks can be consulted in more detail in the Sustainability Report 2021, namely in the annex responding to the recommendations of the Task Force on Climate Financial Disclosures (TCFD).
Other, please specify (Sustainability Committee)	The Sustainability Committee is the executive committee's advisory body responsible for supervising the management of and issuing guidelines on the definition and implementation of the sustainability strategy, incorporating sustainable development, responsible banking and sustainable finance principles in CGD's current operations, in alignment with its strategic plan and stakeholders' expectations, covering CGD Group branches and subsidiaries. As an advisory body it also informs the governance committee of planning and annual compliance with the sustainability strategy, as well as submitting matters identified as structuring and important actions for CGD's sustainable development evolution, for the consideration of the executive committee. The fact that the Sustainability Committee is chaired by the CEO, ensures a greater alignment through all CGD divisions and a greater consistency in the commitments assumed by CGD and in its communication, both internally and externally. The Sustainability Committee is planned to meet at least every three to six months, even though it meets on a more regular basis, allowing activities that may influence the policy to be properly analysed and consistent with CGD's overall strategy, both domestically and internationally. It is also an important forum for financial planning associated with the sustainability strategy. The governance model for climate risks can be consulted in more detail in the Sustainability Report 2021, namely in the annex responding to the recommendations of the Task Force on Climate Financial Disclosures (TCFD).
Other, please specify (Risk Committee)	The Risk Committee monitors the management policy of all the risks related to the Caixa Group's activity, namely climate and environmental risk along with the risk measurement model and the model for calculating own funds adopted internally, as well as the Community Directives and guidelines of the Bank of Portugal and the European Central Bank on this matter. As part of its functions and competencies, it analyses, among others, the reports submitted by the Risk Management Division on climate and environmental risk. The Risk Committee is also responsible for monitoring the management policies of all the financial and non-financial risks inherent to CGD activity, namely with regard to climate and environmental risk.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our banking activities The impact of our own operations on the climate	In CGD the board oversight of climate-related issues is carried out through various committees, such as the Executive Committee, the Risks Committee and the Sustainability Committee. This this multiplicity of forums ensures that the topics are assessed by the board on a regular basis and with a holistic view. However, the Sustainability Committee should be highlighted due to its important role for the board oversight of climate-related topics. The Sustainability Committee is chaired by CGD´s CEO and has the participation of other board members (such as the chief sustainability officer and the chief risk officer) as well as senior managers and responsible/representatives of the main sustainability projects in course. However, sustainability topics, namely climate change topics, are also assessed in other forums such as the Risk Committee and the Executive Committee, ensuring greater agility in the decision-making process. As an example, it should be underlined the approval by the Executive Committee of CGD's 2021-2024 Sustainability Strategy, which includes climate risk as one of its action vectors. Another example is the presentation in the Sustainability Committee of the results of CGD's assessment of the Principles for Responsible Banking. This includes the areas in which CGD has its most significant (potential) positive and negative impact.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	CGD recognises that climate change is an urgent and complex topic. Based on this premise, CGD has been investing in the improvement of the ESG skills of its board members. As an example, CGD Chief Risk Officer completed in 2021 the Sustainability and Climate Risk (GARP) program. As a leading professional association for risk managers, GARP developed the Sustainability and Climate Risk program to ensure the existence of technical knowledge in sustainability and climate risks. Furthermore, CGD's new Board of Directors for the period 2021-2024 includes highly diversified academic skills such as Environmental Engineering. The development of training programmes in reference entities/schools is a form of ensuring the board competency on climate-related issues.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Sustainability committee	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	Quarterly
Chief Risks Officer (CRO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	Quarterly
Risk committee	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	More frequently than quarterly
Other, please specify (Head of Risks)	Risk - CRO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	More frequently than quarterly
Other, please specify (Head of Rating Division)	Risk - CRO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking	More frequently than quarterly
Other, please specify (Sustainability Unit)	Other, please specify (Sustainability committee)	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our own operations	Quarterly
Chief Sustainability Officer (CSO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our own operations	Quarterly

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Employees whose duties are directly related to sustainability (e.g. Sustainability Unit) have KPI's that assess the achievement of certain objectives and that are also related to the CGD's Sustainability 2021-2024 Strategy. The achievement of these objectives has a positive impact on performance evaluation and therefore on the performance bonuses/incentives.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Company performance against a climate-related sustainability index Portfolio/fund alignment to climate-related objectives	As part of his responsibilities (which may be delegated to another member of the board) CGD's CEO is responsible for the management of the Corporate Support Division (DSC) which includes the Sustainability Unit. The 2021-2024 Sustainability Strategy is supported through a progressive and dynamic action plan that relies on the direct participation of several internal structures. This action plan is coordinated by the Sustainability Unit and is regularly monitored through the Sustainability Committee (which is chaired by the CEO). The 2021-2024 Sustainability Strategy includes a set of KPI's and targets for instance achieving 2Bn euros worth of ESG financing by 2025 or achieving leading classifications in the CDP or the Sustainalytics ESG Rating. The DSC's Balance Scorecard therefore includes several Key Performance Indicators (KPI) directly related to the implementation of the 2021-2024 Sustainability Strategy. The Balance Scorecard is a relevant part of the CGD performance evaluation process and for the calculation of incentives/bonuses of employees associated with the DSC. As the CEO is the board member responsible for DSC, the performance of the Sustainability Unit and the Sustainability Strategy ends up contributing to the incentives that it may receive. It is also important to emphasise that in 2021 the collection of information/data for the CEO evaluation process included a set of ESG performance indicators such as the CGD´s Environmental Management System ISO 14001 renewal certification.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG criteria, including climate change?

	Employment-based retirement scheme that incorporates ESG criteria, including climate change	Describe how funds within the retirement scheme are selected and how your organization ensures that ESG criteria are incorporated	Provide reasons for not incorporating ESG criteria into your organization's employment-based retirement scheme and your plans for the future
Row 1	Yes, as the default investment option for all plans offered	The Pension Fund for CGD employees already includes ESG criteria, for all its asset classes. In particular, the methodology for real estate assets was published in December 2021. At 31 December 2020 and 2021, liabilities for CGD staff retirement pensions amounted to €3,429.8 million and €3,299.7 million, respectively, registering an decrease of €130 million.	<Not Applicable>

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	2	Example: CGD Environmental Management System certified by ISO 14001 (evaluated yearly).
Medium-term	2	5	Example: CGD 2021 – 2024 Sustainability Strategy.
Long-term	5		Example: In a climate-related risks perspective the long-term horizon is over five years. Despite most of CGD loan portfolio having a short to medium-term maturity, certain transition risks such as gradual shifts in market preferences, and physical risks such as rise of sea level, have a greater expected impact over a longer period of time. For example, the CGD assessment of scenario analysis and stress test considers a longer term horizon, taking into account the NGFS (Network for Greening the Financial System) long term paths. CGD committed to the carbon neutrality goal in 2050 with an inherent time horizon of 30 years. This is also an example of the long term transition perspective of the bank.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Definition of substantive financial or strategic impact

The management of non-financial risks and, in particular, sustainability-related challenges, have been gaining increasing relevance in CGD. The concern with the risks underlying sustainability is intended to be increasingly relevant and effectively make a difference in the decision-making process.

Regarding the definition of substantive financial or strategic impact CGD has a risk assessment process that is performed at least on an annual basis, which covers all the risk taxonomy categories and subcategories, including climate-related risks. A risk is deemed as material if the expected impacts in capital are above 10 bps. The risk assessment is supported on context metrics, for physical risks and transitional risks, for each of the geographies where CGD Group operates.

How do we measure financial or strategic impact

CGD Group has established a process to identify the Group's risk profile, which is carried out in annual cycles and is based on the CGD Group's risk taxonomy, in order to assess and inventory the risks of concern. This process involves the broad involvement of different areas of the bank and leads up to the definition of the risk profile of CGD Group and the identification of risks subject to quantification within the scope of the internal capital adequacy assessment process (ICAAP).

CGD is on an on-going comprehensive process of including in the stress testing framework all material risks that may deplete internal capital or impact regulatory capital ratios and on financial statements, thus it aims to include climate related risks gradually overtime, in both baseline and adverse scenarios. Scenario analyzes will be used to capture and test the impacts of climate risks in the short, medium and long term, for different degrees of severity with respect to the physical and transitional risk dimensions. For this purpose, the basis of the scenarios considered are the climate scenarios developed by the Network for Greening the Financial System (NGFS). For the long term, three NGFS scenarios, with different environmental policy ambitions and technological changes, were considered: Net Zero 2050 (1.5ºC), Delayed Transition (<2ºC) and Current Policies (3ºC+). For the short term, two scenarios were considered: the Delayed Transition scenario (<2ºC) and the budget base scenario, which will be complemented with climatic factors. Additionally, a single weather event scenario will be created to assess the impacts of acute physical events.

Caixa has also developed climate and environmental risk indicators, some of which are included in the CGD Group's risk appetite statement, and heat mapping assessments, which allows to identify exposure concentrations in assets or sectors with higher risk, providing an indication of risk prioritization and the magnitude of the transition and physical risk to which CGD is exposed.

CGD's approach to climate change(CC) includes a double materiality perspective, taking into account both the climate impact on CGD's activity and CGD's impact on the environment. Overall, these methodologies are useful to determine the exposure of CGD´s portfolio to climate-related risks, including by type of portfolio and sector of activity for the corporate portfolio, providing useful information for risk appetite, decision-making processes, bank's strategy and strategic impact, namely risk prioritization, risk mitigation and adaptation strategy, target setting, portfolio alignment to net zero and compliance with CGD´s targets and commitments for carbon neutrality.

In 2021 CGD maintained the development of a comprehensive response to the recommendations of the Taskforce on Climate-related Financial Disclosure (TCFD). This exercise allows CGD to strengthen the measuring, disclosing and assessing its financial exposure to climate-related risks.

This specific report is one of the annexes of the Sustainability Report 2021 (https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2021/Documents/Annual-Report-CGD-2021.pdf, Annex D - pages 607-628) and contains quantified indicators such the percentage of exposure in relevant climate sectors such as Agriculture & Forestry (2%), Extractive Industry (0.5%) or Energy (6.9%).

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
The governance model for risks and opportunities inherent to climate and environmental (C&E) risk cuts across the entire organisation and encompasses the participation of several CGD Group divisions and companies.
The Sustainability Committee (CSU) supervises the management and guides the decision with regard to outlining and implementing the Sustainability Strategy. As an advisory body, it also informs the Governance Committee on the annual planning and compliance with the Sustainability Strategy and submits issues identified as structuring and important actions for the evolution of CGD's sustainable development to the Executive Committee (EC) for assessment.
The Chief Risk Officer, who is a member of the EC, is ultimately responsible for the CGD Group's risk management function. The CRO is globally responsible for monitoring the Group's risk management and, in particular, for ensuring the adequate functioning and efficiency of risk management, equally aiming to inform and clarify the members of top management and supervisory bodies concerning any risks incurred, on CGD Group's global risk profile and on the degree of fulfillment of risk tolerance levels established.
Risk management is centralised and supported by a dedicated structure (DGR), under the responsibility of the CRO. The Non-Financial Risks Area of the DGR is responsible for identifying, assessing, monitoring, controlling and reporting the C&E risk to which the CGD Group is exposed and for the interrelationships with other risk categories in force, with a view to ensuring that C&E risk remains within the risk appetite level set forth by the Board of Directors. This area also aims to outline the strategy and subsequent risk management model, within a framework of coordinated intervention between the 3 lines of defense, and develop a specific management model for C&E risk, with its own tools and methodologies that include, among others, outlining and monitoring a series of risk indicators.
Identification and Assessment:
CGD's approach to climate change(CC) includes a double materiality perspective, taking into account the climate impact on CGD's activity and CGD's impact on the environment.
As part of the risk management framework, CGD has implemented a process to identify the Group's risk profile, which is carried out in annual cycles and is based on the CGD Group's risk taxonomy, in order to assess and inventory the risks regarded as of concerns. The process is structured in two stages; the 1st - risk self-assessment carried out by CGD Group, while the 2nd - determining the CGD Group's risk profile based on the results of the self-assessment by all the entities in the process. This process relies on the broad involvement of different areas of the bank (including the 1st line of defence, the Compliance Division for compliance risk and the DGR for other risks) and culminates with the outlining of the CGD Group's risk profile and the identification of risks subject to quantification under the internal capital adequacy assessment process (ICAAP).
Identifying the risk profile is crucial insofar as it enables conclusions to be drawn about the risks to which CGD is exposed, thus enabling more informed decision-making within the risk management framework, namely in essential pillars such as the ICAAP, the risk appetite framework, internal stress-testing exercises, and the outlining of its corporate strategy.
According to the assessment carried out in 2021, C&E risk was considered a material and emerging risk for the CGD Group. Although C&E risk is a mainstand alone risk category according to for the CGD Group´s risk Taxonomy, CGD recognises that this risk may also have an impact on the Group's risk profile via other risk categories in force. Therefore, there was an assessment of the materiality of the impact of the different risk factors associated with CC on the other risks in force.
For the assessment of C&E risks CGD also uses concentration metrics, particularly concentration in carbon-related assets, heat-mapping approaches, scenario analysis and stress-testing approaches to capture and test the impacts of climate risks in the short, medium and long term, for different degrees of severity with respect to the physical and transitional risk (P&T) dimensions.
Through the heat mapping approach CGD is able to identify sectors and segments most vulnerable to C&E risks, namely to transition risk(TR) and physical risk (PR). The heat map is then mapped to the portfolio exposure to analyze how materiality and risk intersect and identify exposure concentrations in assets or sectors with higher risk, providing an indication of risk prioritization and the magnitude of the P&T risk to which CGD is exposed.
The estimation of the sensitivity level is based on the qualitative analysis of the estimated exposure of a given type of risk typology and the impact of those effects over in a given time horizon:
-in TR: to regulatory, technological, market and reputational changes caused by decarbonisation;
-in PR: to chronic and acute climatic phenomena;
CGD has been developing methodologies for scenario analyses in order to translate climate risk into financial impacts for the purpose of stress testing. Climate scenarios are expected to provide a series of different outputs depending on each transition pathway and political ambitions/reaction. These outputs can translate into either TR drivers (e.g. macroeconomic variables, market trends, carbon prices) or PR drivers (e.g. frequency and severity of physical C&E events), which need to be considered in risk modelling and translated into financial risks.
In 2021 CGD developed a ESG Rating, this methodology considers, among others, environmental criteria, namely climate, such as the assessment of PR and TR (greenhouse gas emissions, carbon intensity, energy expenditure and investment in R&D).
The ESG rating being an important input for credit granting ad approval processes, the commercial area can develop further due diligence, on a tailor made basis, considering the materiality of the exposure as well as the sector/segment of the counterpart, considering information gathered on a bilateral basis or which is publicly available, such as ESG/Sustainability/Transition measures.
Likewise, the rating department may carry a more detailed and insightful analysis on practices and projects for counterparties that have greater exposure or that are associated with sectors considered to be the most GHG emitters or more vulnerable to climate-related risks. This methodology was also useful in defining a sustainable finance strategy with a matrix that combines the ESG rating with the financial rating and determines four possible sustainable financing strategies: Enhance, Capture, Ponder or Divest, which improves CGD's CC mitigation and adaptation.
Please see CGD's response to the recommendations of the TCFD (Annual-Report-CGD-2021 - p. 607-628)

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Risk management is based on the identification and assessment of the financial and non-financial risks to which CGD Group is or may be exposed, and on the implementation of management and control approaches, differentiated according to the relevance of each risk category and its respective factors. This process is supported by the CGD Group Risk Taxonomy, which includes the risk categories and concepts allowing CGD to assess, aggregate and manage risks in a consistent manner through a consistent risk mapping. Regulation risks (current/emerging) are addressed in the compliance risk category as one of the risks in CGD's risk taxonomy. This encompasses risk of negative impacts on results or capital resulting from violations or non-compliance with laws, regulations, agreements, customer relationships, prescribed practices or ethical standards that may result in legal penalties, restricted business opportunities, reduced expansion potential, or inability to enforce contractual obligations; As a Financial Institution, regulation is a key factor. Given the existence of an EMS certified in accordance with the ISO14001 standard, CGD annually performs the Legal Compliance Assessment through the external service of the Institute of Welding and Quality that indicates which Environmental legislation is applicable to CGD and verifies its fulfilment. In addition to this assistance, CGD has also subscribed access to a platform where it checks every month for new regulations applicable to CGD. This process is evaluated by the coordination team of the Environmental Management System, and if any type of action is to be delineated is reported to the Sustainability Committee. Much of the current regulation is aimed to increase the resiliency of the financial system to both the physical and transition risks related to climate change, which is supported by the following risk drivers: - Increased pricing of GHG emissions - Enhanced emissions-reporting obligations - Mandates on and regulation of existing products and services - Exposure to litigation This may lead to potential financial impacts for CGD, such as: - Depreciation of corporate clients assets in carbon-intensive industries - Increased operating costs (e.g., higher compliance costs, increased insurance premiums) - Write-offs, asset impairment, and early retirement of existing assets due to policy changes - Increased costs and/or reduced demand for products and services resulting from fines and judgments.
Emerging regulation	Relevant, always included	Risk management is based on the identification and assessment of the financial and non-financial risks to which CGD Group is or may be exposed, and on the implementation of management and control approaches, differentiated according to the relevance of each risk category and its respective factors. This process is supported by the CGD Group Risk Taxonomy, which includes the risk categories and concepts allowing CGD to assess, aggregate and manage risks in a consistent manner through a consistent risk mapping. Regulation risks (current/ emerging) are addressed in the compliance risk category as one of the risks in CGD's risk taxonomy. This encompasses risk of negative impacts on results or capital resulting from violations or non-compliance with laws, regulations, agreements, customer relationships, prescribed practices or ethical standards that may result in legal penalties, restricted business opportunities, reduced expansion potential, or inability to enforce contractual obligations; In order to be prepared for emerging legislation that is applicable to the financial sector, CGD is represented in several national and international groups. In this context it is important to mention CGD's participation in the European Banking Federation, namely in the Sustainable Finance Group. The Sustainable Finance Working Group of the European Banking Federation. In this way, CGD is able to anticipate regulatory trends and to incorporate them in its analysis of risks and opportunities related to climate change. The results of new legislation applicable to CGD are regularly assessed in the sustainability committee. Much of the emerging regulation is aimed to increase the resiliency of the financial system to both the physical and transition risks related to climate change, which is supported by the following risk drivers: - Increased pricing of GHG emissions - Enhanced emissions-reporting obligations - Mandates on and regulation of existing products and services - Exposure to litigation This may lead to potential financial impacts for CGD, such as: - Depreciation of corporate clients assets in carbon-intensive industries - Increased operating costs (e.g., higher compliance costs, increased insurance premiums) - Write-offs, asset impairment, and early retirement of existing assets due to policy changes - Increased costs and/or reduced demand for products and services resulting from fines and judgments.
Technology	Relevant, always included	CGD understands the importance of technological innovation in supporting the transition to lower-carbon, energy-efficient economic system. Risk management is based on the identification and assessment of the financial and non-financial risks to which CGD Group is or may be exposed, and on the implementation of management and control approaches, differentiated according to the relevance of each risk category and its respective factors. This process is supported by the CGD Group Risk Taxonomy, which includes the risk categories and concepts allowing CGD to assess, aggregate and manage risks in a consistent manner through a consistent risk mapping. IT risk is one of the risks in CGD's risk taxonomy, which encompasses the risk of negative impacts on results or capital resulting from resulting from maladjusted or defective technology that may compromise the availability, integrity, accessibility and security of infrastructure and data. As part of its Strategic Plan 2021 – 2024, CGD has created a strategic pillar designed to address the quality of service and innovation. This includes the development of formulas to ensure customer service excellence, exploiting technological innovation and providing a range of user-friendly, highly accessible, robust solutions based on profound knowledge of CGD customers. Technology contributes to increase the resiliency of the financial system to both the physical and transition risks related to climate change, which is supported by the following risk drivers: - Replacement of existing products and services with lower-emission options - Unsuccessful investment in new technologies - Costs of transition to low-carbon technologies This may lead to potential financial impacts for CGD, such as: - Investment costs of refurbishing and adapting CGD branches and other buildings; - Increased impact on costs for CGD customers due to changes in production models, investments in R&D, and technological changes; - Costs of adopting/implementing new practices and processes.
Legal	Relevant, always included	Risk management is based on the identification and assessment of the financial and non-financial risks to which CGD Group is or may be exposed, and on the implementation of management and control approaches, differentiated according to the relevance of each risk category and its respective factors. This process is supported by the CGD Group Risk Taxonomy, which includes the risk categories and concepts allowing CGD to assess, aggregate and manage risks in a consistent manner through a consistent risk mapping. Compliance risks (legal) is one of the risks in CGD's risk taxonomy, which encompasses risk of negative impacts on results or capital resulting from violations or non-compliance with laws, regulations, agreements, customer relationships, prescribed practices or ethical standards that may result in legal penalties, restricted business opportunities, reduced expansion potential, or inability to enforce contractual obligations. Regarding Project Finance projects, CGD has been investing (through CaixaBI) in key areas such as renewable energies and energy efficiency in buildings. As an example, CGD has financed a hydroelectric energy production project with an amount of 84 million euros that has a estimated of annual renewable energy production of 3.094.000 MWh. The project is subject to a set of reporting obligations and compliance with environmental laws established. Legal compliance increase the resiliency of the financial system to both the physical and transition risks related to climate change, which is supported by the following risk drivers: - Increased pricing of GHG emissions - Enhanced emissions-reporting obligations - Mandates on and regulation of existing products and services - Exposure to litigation This may lead to potential financial impacts for CGD, such as: - Depreciation of corporate clients assets in carbon-intensive industries; - Increased operating costs (e.g., higher compliance costs, increased insurance premiums); - Write-offs, asset impairment, and early retirement of existing assets due to policy changes; - Increased costs and/or reduced demand for products and services resulting from fines and judgments.

	Relevance & inclusion	Please explain
Market	Relevant, always included	Risk management is based on the identification and assessment of the financial and non-financial risks to which CGD Group is or may be exposed, and on the implementation of management and control approaches, differentiated according to the relevance of each risk category and its respective factors. This process is supported by the CGD Group Risk. Taxonomy, which includes the risk categories and concepts allowing CGD to assess, aggregate and manage risks in a consistent manner through a consistent risk mapping. Market risk is one of the risks in CGD's risk taxonomy, which encompasses the risk of negative impacts on results or capital due to unfavourable movements in the market price of instruments in the trading portfolio, caused in particular by fluctuations in interest rates, exchange rates, share prices or commodity prices, including adverse movements in exchange rates and the respective impact on the foreign currency position; The transition to a low carbon economy is impacting the market dynamics and has therefore potential to have an impact on the services and products provided by CGD, which is supported by the following risk drivers: - Changing customer behaviour - Uncertainty in market signals - Increased cost of raw materials This may lead to potential financial impacts for CGD, such as: - Changes in market trends and preferences of CGD counterparties that may lead to a decrease in sales and profit - Increase in costs for CGD customers due to market changes affecting the cost of raw materials and energy, which may affect the fulfilment of credit commitments - Reduction in demand for certain products with an impact on CGD customer sales and profitability, which may affect the fulfilment of credit commitments - Risk of instability of forecasts by analysts or rating agencies due to abrupt changes in the market, either in terms of demand or regulations - Risk of a significant increase in the cost of loans to customers with greater exposure to climate risks, which may affect the fulfilment of credit commitments - Impacts on CGD and CGD customers ratings due to market changes related to ESG requirements.
Reputation	Relevant, always included	Risk management is based on the identification and assessment of the financial and non-financial risks to which CGD Group is or may be exposed, and on the implementation of management and control approaches, differentiated according to the relevance of each risk category and its respective factors. This process is supported by the CGD Group Risk Taxonomy, which includes the risk categories and concepts allowing CGD to assess, aggregate and manage risks in a consistent manner through a consistent risk mapping. Reputational Risk is one of the risks in CGD's risk taxonomy, which encompasses the risk of negative impacts on results or capital resulting from capital resulting from the adverse perception of the image of the financial institution by clients, counterparties, shareholders, investors or regulators due to actions of the company or its employees. CGD has been promoting Sustainability principles within the supply chain, through the implementation of environmental and social clauses applied to contracts with suppliers (ethical principles and good business practices); promote periodic assessment of CGD brand image and communication, including the assessment of environmental liability attributes; answer to sustainability raters such as the Carbon Disclosure Project and audit its sustainability report by an external entity. As main risk drivers, CGD identifies: - Shifts in consumer preferences - Stigmatization of certain sectors - Increased stakeholder concern or negative stakeholder feedback This may lead to potential financial impacts for CGD, such as: - Reputational risk if CGD fails to meet the stakeholders' expectations regarding the challenge of climate change and fostering sustainable finance - Impact on the market position of CGD customers if they carry out an activity that is not considered sustainable, which may affect the fulfilment of credit commitments - Risk of discontinued assets due to a strong change in the perception of an industry, with a significant loss of sales - Divestment from profitable businesses due to the reputational risk of association with counterparties from stigmatised sectors or with environmental controversies.
Acute physical	Relevant, always included	Extreme weather conditions and weather-related disasters (e. g. hurricanes, wildfires) may have an adverse impact on CGD installations and activities. CGD is exposed to this type of risk in two ways, directly through the location of its facilities and operations and indirectly through the activities that it finances . As part of its EMS, certified by ISO 14001, CGD has been conducting annual drills, testing the ability to adapt to environmental catastrophic scenarios such as earthquakes, tsunamis or fire procedures in its buildings. The multidisciplinary team involved in the management of the EMS developed a identification of significant environmental aspects matrix as an internal management tool permitting the assessment of environmental impacts, considering the severity and frequency/probability of their occurrence resulting in the environmental impact risk. This document, assessed annually, is an important contribution to reduce the physical risks (e.g. Acute) that may affect CGD. CGD has also a plan to ensure business continuity in case of serious incidents that might compromise current activity and for that it is implementing a system that reduces the likelihood of incidents and improves response to crisis. The Business Continuity Management System, based on ISO 22301, specifies the requirements to prevent or reduce the probability of occurrence of incidents and to respond effectively under different scenarios. Simultaneously, sustainability and socio-environmental impact are a risk factor taken into account in the Rating assigned, being incorporated in qualitative assessment of scoring factors such as business profile, political-legal framework or environment regulatory framework in which the company and/or the project is inserted, influencing the rating underlying the credit-granting process. The increased severity of extreme weather events, such as floods and earthquakes, may lead to potential financial impacts for CGD, such as: - Increased costs due to damage to property and facilities in high-risk locations and for customers in repairing damage or losses caused by weather incidents, which may affect the fulfillment of credit commitments; - Reduced revenues and higher costs arising from negative impacts suffered by employees (e.g. health, safety); - Increased insurance premiums and/or reduced availability of insurance on assets in higher-risk locations; - Demographic changes for climatic reasons that may affect business in a particular region.
Chronic physical	Relevant, always included	Portugal could be 1 of the most affected countries by climate change due to greater coastal exposure and lower adaptive capacity; physical risks may lead to disruption of operations and difficulty in reaching customers due to extreme weather events, especially in facilities located near coastal areas. For this reason and because many of CGD's agencies are located in areas very close to the coast, resulting in physical risks, a study on tsunamis and their impact on CGD facilities has been prepared. The CGD protection office prepared a study, with technical supervision of the Faculty of Sciences of the University of Lisbon, which determined the facilities that could be reached in the event of an earthquake followed by a tsunami similar to that recorded in 1755. Measures of self-protection for these facilities have been developed to mitigate any kind of extreme phenomenon (tsunami). Regarding CGD's financing activity and the impact that physical risks have, CGD started by identifying the most relevant physical risk factors for the geographic areas where the bank is exposed. The chosen methodology considers different sources, namely the EU Taxonomy, the 2019 Civil Protection National Risk Assessment Report, and the ThinkHazard platform (service provider recommended by the UNEP FI). CGD carried out a preliminary assessment of the sectors most vulnerable to physical risk, based on internal analyses and the guidelines of various international initiatives and working groups, namely UNEP-FI and Moody's. In order to assess the physical risk related to the mortgage loan portfolio, CGD carried out a preliminary assessment of the geographical location of mortgage loans where the value of the asset is particularly exposed to a given climatic phenomenon, using a heatmap approach. The changes in precipitation and extreme variability in weather patterns, increasing average temperature and the rising sea level may lead to potential financial impacts, such as: -Increased costs due to damage to property and facilities in high-risk locations and for customers in repairing damage or losses caused by weather incidents, which may affect the fulfillment of credit commitments -Increased insurance premiums and/or reduced availability of insurance on assets in higher-risk locations -Demographic changes for climatic reasons that may affect business in a particular region -Risk of discontinuation and/or devaluation of assets due to being located in areas affected by climate change

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Explain why your portfolio's exposure is not assessed and your plans to address this in the future
Banking (Bank)	Yes	<Not Applicable>
Investing (Asset manager)	Yes	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities
Banking (Bank)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative and quantitative	Short-term Medium-term Long-term	Risk models Scenario analysis Stress tests Internal tools/methods	Climate and environmental risks are integrated into the CGD Group's risk framework, thus integrating risk appetite, decision-making processes and the bank's strategy. In 2020, CGD developed climate and environmental risk indicators regarding the portfolio´s exposure to climate-related risks, some of which are included in the CGD Group's risk appetite statement with established tolerance levels and limits. These metrics are based on concentration exposures related to Climate&Environmental risks. The methodology used considers the identification of sectors that are more carbon intensive or more sensitive to the impact of climate change, based on internal analyzes and guidelines from various international initiatives and working groups on this topic. The selection of sectors is based on the Portuguese Classification of Economic Activities and the calculation methodology consists of dividing the total value of credit associated with the identified sectors of activity by the total value of the credit portfolio in the corporate segment. CGD also assessed concentration exposure in countries where the government has a weaker role in keeping global warming well below 2ºC resulting in a higher risk of climate change-related impacts. The methodology used was the concentration of credit exposure in countries with the worst performance in the Climate Change Performance Index (CCPI). Published annually since 2005, the CCPI is an independent monitoring tool that assesses and compares the climate protection performance of 57 countries and the European Union, which collectively account for more than 90% of global GHG emissions. It aims to increase transparency in international climate policy and allows for the comparison of climate protection efforts and the progress made by individual countries. The CCPI assesses each country's performance in four categories: GHG Emissions (40% of the overall rating), Renewable Energy (20%), Energy Use (20%) and Climate Policy (20%). CGD also uses the heat mapping approach to identify sectors and segments most vulnerable to climate and environmental risks, namely to transition risk and physical risk. The heat map is then mapped to the portfolio´s exposure to analyze how materiality and risk intersect and identify exposure concentrations in assets or sectors with higher risk, providing an indication of risk prioritization and the magnitude of the transition and physical risk to which CGD is exposed. The estimation of the sensitivity level to transition risk is based on the qualitative analysis of the estimated exposure of a given type of risk to regulatory, technological, market and reputational changes caused by decarbonisation, and the impact of those effects in a given time horizon. The estimation of the sensitivity level to physical risk is based on the qualitative analysis of the estimated exposure of a given type of risk to chronic and acute climate phenomena and the impact of those effects in a given time horizon. Additionally, for scenario analysis and stress-testing CGD developed methodologies to assess the most significant risks, as per the nature of the Bank's activities and portfolio composition, following methodologies suggested on most regulatory guidelines and benchmarks. CGD started by considering its most material portfolios (i) corporate exposures and (ii) retail loans, based also on risk and opportunities and on the available proposed methodologies. CGD pursues its analysis through a top-down approach at sector level, which is still being strengthened and hopes to evolve to a bottom-up approach at client level and extrapolate conclusions for the rest of the sector. For long-term projections, it is considered a first iteration with a static balance sheet approach to understand climate risks impacts on the current position. On a second iteration it is considered a dynamic balance sheet that is informed by the business strategy and portfolio allocation based on the first iteration. This approach allows to verify the validity of the business strategy and confirm that the strategic goals are achieved. For short-term projections, the transition risk will be assessed under a dynamic balance sheet and acute physical events will be assessed under a static balance sheet. This process is under development and it is expected to be finalized until the end of 2022. Overall, these methodologies are useful to determine the exposure of CGD´s portfolio to climate-related risks, including by type of portfolio and sector of activity for the corporate portfolio and to provide useful information for risk appetite, decision-making processes and the bank's strategy namely risk mitigation and adaptation strategy, risk prioritization, target setting, portfolio alignment to net zero and compliance with CGD´s targets and commitments for carbon neutrality.
Investing (Asset manager)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative and quantitative	Short-term Medium-term Long-term	Internal tools/methods Other, please specify (Data provider)	In order to evaluate the risks and opportunities that environmental, social and governance factors bring to the selection of securities for investment, an integration strategy was outlined by Caixa Gestão de Ativos that coordinates the following ESG dimensions: 1) Exclusion, where companies with a relevant level of revenue exposure to industries deemed socially controversial (notably non-conventional arms, coal mining, gambling and tobacco) will not be considered eligible for investment; 2) Best-in-Class, favouring, in each of the sectors of activity, companies with a higher ESG rating, reflecting the effort made by these companies regarding the different dimensions of Sustainability, and; 3) Engagement, where, based on the terms set out in Caixa Gestão de Ativos's Engagement Policy and Policy on Exercising Voting Rights, we aim to deepen the scope of shareholder interaction and voting in the companies that are most represented in our Clients' portfolios. The incorporation of ESG factors into Caixa's investment process is taken into account alongside the incorporation of traditional financial analysis factors. To this end, as a complement to the fundamental analysis that has been applied, in 2021 Caixa Gestão de Ativos developed an internal rating methodology known as Caixa Gestão de Ativos Sustainability Rating. This rating consolidates different analysis approaches according to the underlying asset class into a score obtained through the weighted average of the ESG ratings of each asset by its relative weight, ranging between 0 and 10 and framed within a rating interval between CCC (minimum) and AAA (maximum). Taking scale from AAA to CCC (best AAA, AA, A, BBB, BB, B, CCC worst). In the case of investment in alternative funds and real estate funds, specific procedures related to the characteristics of the investment in question are adopted. To calculate Caixa Gestão de Ativos's Sustainability Rating, the following approaches are considered according to the asset class under analysis: For Direct Investment and/or Indirect Investment (including investment in shares, bonds, money market, and alternative assets) Caixa Gestão de Ativos uses an internationally recognised ESG research provider, whose analysis methodology focuses on companies, countries and investment funds, and is framed by a score that ranges from 0 to 10 and by a rating interval between CCC (minimum) and AAA (maximum). Where a particular asset is not subject to analysis by this provider, Caixa Gestão de Ativos will consider the ESG rating and analysis of a comparable entity. In the case of Direct Real Estate Investment, Caixa Gestão de Ativos has developed an internal methodology for ESG rating of Real Estate in which each property is classified from the standpoint of sustainability, based on environmental and social indicators and, in the corporate governance component, aspects relating to the Management Company. For each of the ESG dimensions, an average score is obtained which is weighted respectively by 40%, in the case of the environmental and social parameters, and 20% in the case of corporate governance, resulting in a final ESG rating ranging between 1 (minimum) and 10 (maximum). The ESG rating of each property can be used in the valuation of a multi-asset portfolio, using its market value as a weight. In the case of investment in alternative funds and real estate funds, the goal is to have a minimum exposure of 50% of their total value to assets under the responsibility of management companies that are PRI signatories, or adherents to commitments and indicators equivalent to this initiative, in terms of commitment to Socially Responsible Investment. The Caixa Gestão de Ativos Sustainability Rating applicable to portfolio management assumes that the portfolios will be made up of at least 85% of ESG-rated assets. These portfolios must also have a minimum weighted average ESG rating of BBB and no new investments will be made in companies with an ESG rating of CCC.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Does your organization consider climate-related information about your clients/investees as part of your due diligence and/or risk assessment process?

	We consider climate-related information	Explain why you do not consider climate-related information and your plans to address this in the future
Banking (Bank)	Yes	<Not Applicable>
Investing (Asset manager)	Yes	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C-FS2.2e

(C-FS2.2e) Indicate the climate-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision-making.

Portfolio
Investing (asset manager)

Type of climate-related information considered
Emissions data
Energy usage data
Emissions reduction targets
Climate transition plans
TCFD disclosures

Process through which information is obtained
Directly from the client/investee
Data provider

Industry sector(s) covered by due diligence and/or risk assessment process
Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

State how this climate-related information influences your decision-making
The incorporation of climate related information into Caixa's investment process is taken into account alongside the incorporation of traditional financial analysis factors. In 2021 Caixa Gestão de Ativos (CXA) developed an internal rating methodology known as CXA's Sustainability Rating, which includes all ESG factors.
This rating consolidates different analysis approaches according to the underlying asset class into a score obtained through the weighted average of the ESG ratings of each asset by its relative weight, ranging between 0 and 10 and framed within a rating interval between CCC (minimum) and AAA (maximum). Taking scale from AAA to CCC (best AAA, AA, A, BBB, BB, B, CCC worst). In the case of investment in alternative funds (AF) and real estate (RE) funds, specific procedures related to the characteristics of the investment in question are adopted.
For Direct Investment/Indirect Investment (including investment in shares, bonds, money market, and alternative assets) CXA uses an internationally recognised ESG research provider, whose analysis methodology focuses on companies, countries and investment funds, and is framed by a score that ranges from 0 to 10 and by a rating interval between CCC (minimum) and AAA (maximum). Where a particular asset is not subject to analysis by this provider, CXA will consider the ESG rating and analysis of a comparable entity. For Direct RE Investment, CXA has developed an internal methodology for ESG rating of RE in which each property is classified from the standpoint of sustainability, based on environmental and social indicators and, in the corporate governance component, aspects relating to the Management Company. For each dimensions, an average score is obtained which is weighted respectively by 40%, in the case of the environmental and social parameters, and 20% in the case of corporate governance, resulting in a final rating ranging between 1 (minimum) and 10 (maximum). The rating of each property can be used in the valuation of a multi-asset portfolio,

using its market value as a weight. For investment in AF and RE funds, the goal is to have a minimum exposure of 50% of their total value to assets under the responsibility of management companies that are PRI signatories, or other similar initiatives in terms of commitment to Socially Responsible Investment. The CXA Sustainability Rating applicable to portfolio management assumes that the portfolios will be made up of at least 85% of ESG-rated assets.

Portfolio
Banking (Bank)

Type of climate-related information considered
Emissions data
Energy usage data
Emissions reduction targets
Climate transition plans
TCFD disclosures

Process through which information is obtained
Directly from the client/investee
From an intermediary or business partner
Data provider
Public data sources

Industry sector(s) covered by due diligence and/or risk assessment process
Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

State how this climate-related information influences your decision-making
CGD considers climate-related information as part of risk assessment process. The incorporation of ESG factors allows for better risk management, while boosting the generation of consistent returns in the long term. Understanding the importance and urgency of this issue, CGD implemented a ESG Rating- integrating ESG criteria into decision-making processes and credit granting assessment. The methodology weights:
-Environmental criteria, namely climate, such as the assessment of PR and TR (greenhouse gas emissions, carbon intensity, energy expenditure and investment in R&D);
-Social criteria, such as gender equality, level of remuneration and investment in training;
-Governance criteria, such as the quality of the partners/shareholders and management.
The information captured in ESG rating is then used for the decision-making process through an established sustainable finance strategy. The ESG rating is combined with the traditional financial rating of a counterparty generating a matrix with four quadrants: Enhance, Capture, Ponder or Divest.
The ESG rating is also used to contribute to set credit pricing and also to support companies in the process of transition to a greener and more inclusive economy, providing inputs to improve their rating, in order to redirect capital flows towards sustainable finance strategies, ensuring the maximisation of value for stakeholders.
Within the scope of mortgages and retail loans CGD also considers energy performance certificates, geolocation of real estate assets and emissions from the automobiles financed through credit.
The climate-related information gathered from CGD's counterparties is used in the risk assessment processes and methodologies such as in key risk indicators, particularly indicators that measure exposure concentration and revenues related to carbon based sectors, heat mapping methodologies, scenarios analysis and stress-testing.
These provide useful information for risk appetite, decision-making processes and the bank's strategy namely risk mitigation and adaptation strategy, risk prioritization, target setting, portfolio alignment to net zero and compliance with CGD's targets and commitments for carbon neutrality.
CGD is committed to continue to improve the due diligence process and gather climate-related information and other non-financial information from clients and suppliers to evaluate if there is any potential breach of CGD's standards or any controversies that may affect the bank's reputation.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Heat stress

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
Other non-financial risk

Company-specific description
CGD is exposed to chronic physical risks for example through the location of its facilities and operations. Studies project that heat waves on the Iberian Peninsula will become increasingly frequent.
As an example the Climate change adaptation in the agriculture sector in Europe Report from the European Environment Agency, identifies Portugal as one of the countries more exposed to increases in temperature and to more frequent, prolonged and intense drought episodes.
This will increase energy demand for cooling in CGD's agencies of the commercial network and main buildings (e.g. Headquarters in Lisbon).
As an example, CGD ended 2021 with 510 branches and Espaços Caixa, 13 self-service branches, 25 "corporate offices" and an additional 4 office extensions, 3 mobile units and one Caixa BI branch, coming to a total of 556 presences in Portugal. Given that CGD is one of the banks with the largest number of branches in Portugal, this is a particularly relevant risk.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
138146.16

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Based on an analysis carried out by the team responsible for CGD's Environmental Management System who took into account the average electricity prices released by the Portuguese Energy Services Regulatory Entity (ERSE), it was possible to conclude that electricity prices increased 1.66% between 2014 and 2021. Considering the type of activity carried out by CGD and considering the large number of branches, energy consumption turns out to be a material environmental aspect. Given this trend, if CGD maintains the energy consumption recorded in 2021 and the maintenance of 0.4% annual increase in the electricity price, it will cause a 1.7% increase in energy costs by 2025, which corresponds to approximately 138 thousand euros.

Cost of response to risk
87936

Description of response and explanation of cost calculation
To respond to this risk, greater efficiency in managing energy consumption is essential. CGD seizes the opportunity to save energy through its energy efficiency initiatives prioritized through CGD´s ISO 14001 certified environmental management system (EMS). CGD has been investing in the production of renewable energy and introduced several energy efficiency (EE) measures in its corporate buildings and commercial network. Main projects are:

1. Solar thermal plant at the Headquarters: collectors installed across the 1,600 m^2 roof at headquarters produce energy for heating and cooling the water necessary for the centralised air-conditioning and sanitary facilities (3,641 GJ produced in 2021).
2. Solar photovoltaic microgeneration within the branch network: installation of solar photovoltaic panels in 85 CGD branches. A total of nearly 1,575 panels produced 1,362 GJ in 2021).

CGD implemented other measures in 2021 with a investment of approximately 87,936 euros, such as: a) Fan Modernisation b) Replacement of air conditioning units with more efficient ones c) Replacement of conventional lighting with LED technology.

Comment
The energy efficiency measures implemented by CGD have contributed to an overall reduction in CGD's GHG emissions in recent years. This contributed to CGD being selected to be part of "Europe's Climate Leaders 2021" developed by the Financial Times and Statista.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Legal	Exposure to litigation

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
Policy and legal risk

Company-specific description

Over the past years, environmental law and compliance has been central to government efforts to implement a wide range of environmental regulation designed to protect air, water, natural resources, wildlife and public health. This has created a need for companies to have robust mechanisms and processes that enable them to identify all applicable legislation, thus reducing the risks of legal non-compliance that can lead a higher exposure to litigation by its shareholders and therefore a potential increase in costs. One of the three fundamental commitments of CGD's Environmental Policy is to "compliance with environmental legislation". This is therefore a material topic for CGD which is duly monitored and mitigated by the multidisciplinary team responsible from the Environmental Management System (certified by ISO 14001). CGD permanently oversees the publication of new legal and regulatory obligations having implemented specific mechanisms for this purpose. Using a specialized external provider (ISQ), CGD conducts an annual assessment of legal compliance which involves a document analysis and a visit to the CGD´s facilities with the aim of identifying possible legal non-conformities and voluntary opportunities for improvement, resulting in the preparation of an action plan identifying corrective and preventive measures to be taken. This entire process will be compiled in an audit report, which constitutes evidence of the environmental audit itself. In this context and since 2014, CGD acquired access to the ISQ Legislation Platform (BDLeg) created to help companies learn about and manage the National and Community legislation applicable to their activities in the environmental field.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
6000

Potential financial impact figure – maximum (currency)
2500000

Explanation of financial impact figure
According to the Portuguese Law for Environmental Offences (Law n. 50/2006 of August 29th) any infringement of legal and regulatory provisions relating to environmental subjects may result in fines. These fines may be applied to companies, regardless of the type of their constitution and companies or are also liable for any administrative offences committed in their name or on their behalf by members of their corporate bodies, agents, representatives or employees in the performance of their duties. According to article 22, in the event of a very serious misconduct practiced by a company, fines can range from 6000 to 70000 (in case of negligence) and from 500000 to 2500000 (in case of intent).

Cost of response to risk
1300

Description of response and explanation of cost calculation
In order to respond to this risk, CGD uses the services of a specialised external entity the ISQ (Instituto de Soldadura e Qualidade), that together with the Environmental Management System, allows for a solid process in response to this risk. The services contracted by CGD to ISQ involve a value of around 1,300 euros (with VAT) per year and include, the access to the BDLeg Platform where the legal requirements applicable to CGD are uploaded monthly and the Legal Compliance Assessment Audit.

Comment
CGD has this process implemented with ISQ and the EMS certified by ISO 14001 since 2014.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Other parts of the value chain

Risk type & Primary climate-related risk driver

Reputation	Negative press coverage related to support of projects or activities with negative impacts on the climate (e.g. GHG emissions, deforestation, water stress)

Primary potential financial impact
Other, please specify (Environmental Risk in Supply Chain)

Climate risk type mapped to traditional financial services industry risk classification
Reputational risk

Company-specific description
Supply chain risk management is a complex and key challenge for companies. As the complexity of a supply chain increases, so does the potential for a lack of transparency, difficulty of control and influence the value chain. Stakeholders engagement (which includes Supplier's management) is one of the focus area of CGD´s Corporate sustainability programme, which reflects its importance and impact potential on CGD's brand value and on reputation indices. Companies have long faced reputational risks from harmful and abusive working conditions in their supply chains.
Examples of some supply chain risk mitigation initiatives include:
1) Suppliers sign the Declaration on Ethical Principles and Good Business Practices: binding them to sustainability practices such as "to implement environmental preservation and sustainability practices, such as those involving the reduction of energy, water and paper consumption, the treatment, management, collection and recycling of waste, the handling and packaging of hazardous substances and the reduction of gas emissions that disturb the environment". In 2021, of 636 suppliers, 266 had environmental clauses.
2) Consultation meetings and training sessions with suppliers: As part of CGD's new sustainability strategy, sessions were held to consult stakeholders' expectations. Training sessions (5 masterclasses) were also held on topics considered relevant for sustainable development (e.g 2030 Agenda for Sustainable Development). The aim is to understand how our sustainability strategy can contribute to meeting stakeholder expectations and to identify collaborative projects and encourage suppliers to adopt more environmentally responsible practices.
3) Conducting environmental assessments/audits: Integrated with the audits of CGD's Environmental Management System (EMS) 5 CGD suppliers were subject to environmental assessments/audits in 2021 considering their relevance at the EMS level. This is important to ensure how suppliers' environmental procedures are being carried out, which contributes to the mitigation of reputational risk.
4) Since 2022, certain groups of suppliers considered relevant are required to complete the Supplier ESG Rating, which seeks to assess and ensure that their contracted

products and services do no significant harm, while also making an effective contribution to socioeconomic development based on responsible management principles and help reduce the environmental and social impact of their activity.

Time horizon
Short-term

Likelihood
Unlikely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
6000000

Potential financial impact figure – maximum (currency)
18000000

Explanation of financial impact figure
According to CGD's Mission Letter approved by the Shareholder (the Portuguese State), CGD is considered a reference in the Portuguese financial sector and, being recognised for its contribution to promoting savings, financing the economy, strengthening competitiveness, innovation and internationalization of Portuguese companies, it is a fundamental piece for the stability of the financial system. For this reason, it's understandable that one of CGD's most important assets is its brand. The Banker magazine, which belongs to the Financial Times Group, together with Brand Finance, ranked Caixa Geral de Depósitos as the most valuable banking brand in Portugal (The Banker - Top 500 Banking Brands).
It also revealed that CGD climbed 14 positions in the world ranking of the 500 biggest banking brands, reaching 223rd position this year. The CGD brand achieved a value of around €600 million. Assuming a brand devaluation conservative scenario between 1% to 5% caused by reputational issues associated with the value chain, the financial implications could be in a range between €6 Million and €18 Million.

Cost of response to risk
14000

Description of response and explanation of cost calculation
There are several factors that can affect the value of a brand, however, a value chain perspective it's important to allow CGD to best manage environmental impacts, risks and to create maximal value. CDP itself states in the report, "Transparency to Transformation: A Chain Reaction" that companies face up to $120 billion in costs from environmental risks in their supply chains by 2026. CGD is aware of the risks associated with its supply chain, being the environmental audits one of the processes to mitigate those risks. As an integrated process in its Environmental Management System, certified by ISO 14001, there are three annual stages which include audits (on-site or remote) of suppliers: 1) Assessment of Legal Compliance by ISQ; 2) Internal Audit of the Environmental Management System; 3) External Audit of the Environmental Management System. The direct costs associated with these three audit moments is approximately 4,500 €. However, there are some indirect costs that must be accounted for. The three phases of audits require prior preparation and direct monitoring by the team that manages the EMS. Therefore, the accounting of 0.5 FTE for this process is included (approximately 9,500 € for the highly qualified professionals category). Thus the total associated with the management of environmental risks in the supply chain based on environmental audits is: 14,000 €

Comment
CGD has been working on the sustainable development of its value chain for several years. As an example, in 2015 CGD participated in the CDP Supply Chain Questionnaire. This was a very important project that provided an overview of how suppliers are dealing with climate change and working to reduce their GHG emissions.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Banking portfolio

Opportunity type
Markets

Primary climate-related opportunity driver
Increased diversification of financial assets (e.g., green bonds and infrastructure)

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
The European Green Deal, an initiative of the European Commission, sets out a new growth strategy to transform the European Union into a fair and prosperous society with a modern resource-efficient economy. The European Union (EU), like Portugal, has set itself the goal of achieving carbon neutrality by 2050, in other words, an economy with net zero emissions of greenhouse gases. This goal is a central element of the European Green Deal and is in line with the EU's commitment to global climate action under the Paris Agreement. For this evolution, the contribution of the financial sector is crucial, namely through the reorientation of private capital towards more sustainable investments. This presents an opportunity to CGD to help finance the transition to a low carbon economy.

Financial instruments such as Sustainable/Green Bonds can help to mobilise the capital markets for a green economy and embodies a significant opportunity for the financial sector.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
338000000

Potential financial impact figure – maximum (currency)
450000000

Explanation of financial impact figure
According to the Letter of Commitment for Sustainable Finance in Portugal, an initiative coordinated by the Ministry of Environment and Energy Transition, in partnership with the Ministry of Finance and the Ministry of Economic Affairs, in order for Portugal to reduce at least 85% of its GHG emissions an estimated additional investment of between 2.1 and 2.5 billion euros per year is necessary, and it is expected that the vast majority of investments will be made by private entities, such as banks. In 2020 CGD had a share of 18% of the credit granted in Portugal. In order to make this exercise more adapted to the weight that CGD has in the national market, the percentage of 18% is applied to the estimated investment projections. Thus, there is a business opportunity for CGD between 338,000,000 million of EUR and 450,000,000 million of EUR.

Cost to realize opportunity
45636

Strategy to realize opportunity and explanation of cost calculation
For CGD to be able to seize the opportunities associated with Portugal's transition to carbon neutrality in 2050, it is required the direct and simultaneous collaboration of a large number of CGD´s structures. For this reason, in 2020 the Sustainable Finance and Taxonomy internal working group was created. The Sustainable Finance and Taxonomy internal working group, which is composed of several internal structures and whose nature of its activities are related to the development of financial products that integrate Sustainability criteria in their characteristics. The working group's main objectives are: the dissemination of internal knowledge; adaptation to legislative measures; and the development of projects within the scope of sustainable financing, such as products and services. As an example of an output of this working group in 2021, Caixa successfully completed a €500-million senior preferential debt issue. As a sustainable finance instrument, the funds raised are directed towards the refinancing and financing of new operations in the field of environment and socioeconomic development. This is 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 in the field of sustainable finance.
This working group naturally requires greater investment in terms of the allocation of human resources. Considering that at least one employee from the following seven CGD divisions have participated in the working group that supported the issuing of the CGD first sustainable bond (Corporate Support Division; Financial Markets Division; Retail Marketing Division, Corporate Marketing Division, Risk Management Division, Rating Division and CaixaBI). Thus, based on a projection of 0.25 FTE´s for each of the structures involved (0.25*7=1.75 FTE), that would correspond around 45.636 € (employees for the highly qualified professional's category).

Comment
NA

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of more efficient modes of transport

Primary potential financial impact
Reduced direct costs

Company-specific description
Through its Low Carbon Program, CGD not only seeks to reduce risks but also to take advantage of opportunities related to the transition to a low-carbon economy. The low carbon program materializes CGD's strategy aiming to contribute to the reduction of the environmental impacts of its activities, promoting sustainable development and aiming to simultaneously encourage its stakeholders to comply with the best practices. The low carbon programme comprises four operating areas:
• Financing of the low carbon economy - This involves the provision of financial solutions to promote a low carbon economy;
• Reduction of greenhouse gas emissions - The application of measures designed to reduce energy consumption and its respective emissions;
• Mitigation of environmental risk - The implementation of measures designed to reduce environmental risks with the capacity to affect CGD's activities;
• Transparency and awareness raising - Transparency in reporting information and raising stakeholders' awareness of the need to adopt good environmental practice.
Taking into account that in 2021 CGD had a fleet of 756 vehicles, 746 of which combustion vehicles (petrol or diesel), there's a huge opportunity associated with the transition to a fleet based on hybrid or electric vehicles.
The 2nd vector of the Low Carbon Program, CGD aims to develop projects and initiatives that allow for the reduction of Greenhouse Gas (GHG), and electric mobility is one of those drivers. According to a 2021 study by BloombergNEF for Transport & Environment, battery electric vehicles will reach the same price (before incentives) as equivalent petrol models between 2025 and 2027. This materialises an opportunity for companies with a significant fleet size such as CGD.
Between 2020 and 2021 there was an annual variation in the average fuel cost of 7%. If CGD maintains fuel consumption and assumes a 7% annual increase in fuel costs until 2026, this will lead to an increase in fuel costs of 32% compared to 2021 totalling 730 thousand euros.

Time horizon
Medium-term

Likelihood

Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
731871

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
As mentioned above and based on average prices, CGD spent in 2021 around 517,000 euros per year in fuel.
The BloombergNEF for Transport & Environment study, refers 2026 as the parity year for battery electric medium and large vehicles to reach the same price compared with the equivalent petrol models. Considering that findings and that 99% of the vehicles in CGD's fleet are acquired in a car rental model, it is possible to predict that in 2026 the cost of renting an electric vehicle will be identical to a combustion vehicle. However, the annual charging cost of an electric vehicle will be much smaller. Studies also show that the cost of charging an electric vehicle compared to the cost of supplying a diesel vehicle for the same type of distance travelled can be up to 66% lower. Translating a savings of 66% into the amount spent annually on fuel, it will be possible to achieve savings of approximately 341,000€ if CGD's vehicle fleet becomes electric.

Cost to realize opportunity
182000

Strategy to realize opportunity and explanation of cost calculation
In order to achieve carbon neutrality in 2050, it is essential to implement low carbon mobility policies and practices. If CGD starts replacing its vehicle fleet from 2025 onwards, no direct costs associated with this process are identified, as the cost of renting is expected to be the same or lower than the combustion vehicles. However, there are indirect costs, namely structural changes, such as the placement of charging stations. In this context, an ambitious scenario of placing 90 charging stations in the main building and 40 charging stations for other CGD facilities (e.g. branches) where there is no possibility of charging in adjacent areas is something to take into account. Estimating a purchase and installation price of 1,400 euros per charger, a total cost of 182,000 euros is expected to realize this opportunity.

Comment
Since 2017, CGD has reduced its fuel consumption associated with its vehicle fleet by 60%.

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Primary potential financial impact
Reduced direct costs

Company-specific description
The European Green Deal is the EU's plan to make the economy sustainable, by turning climate and environmental challenges into opportunities. Aiming to be climate neutral in 2050, the European Green Deal provides an action plan that outlines investments needed and financing tools. At the same time, clients are more aware of climate change impacts and expect more sustainable products, especially connecting these to responsible banking. These actions reinforce the engagement of CGD with its stakeholders, this expectation implies new products and services, new developments and partnerships, innovation and digitalization, together with new sources of revenues and the increase of the existing ones.
CGD's approach to carbon neutrality is supported by its commitment to the industry-led, UN-convened Net-Zero Banking Alliance. This this initiative brings together banks worldwide representing about 40% of global banking assets, which are committed to aligning their lending and investment portfolios with net-zero emissions by 2050. Nevertheless, the Net-Zero Banking Alliance also compromises signatory banks to set an intermediate target for 2030 or sooner, using robust, science-based guidelines.

Time horizon
Long-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
2246594

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
In 2021, CGD reduced electricity consumption by 3%, to which contributed the implementation of various energy efficiency measures, such as the use of more efficient technologies. Among the various measures already implemented, special reference should be made to the solar thermal power plant, installed in 2008, at CGD's head office building, the largest such plant in the country in a services building and the most visible measure to reduce CO2 emissions. The solar plant consists of 158 solar collectors

installed on 1 600 m2 of the building's roof on Av. João XXI, in Lisbon, producing energy which is used to heat and cool (through an absorption chiller) water for air conditioning systems, sanitary installations and the cafeteria kitchen. It is also important to highlight the solar photovoltaic microgeneration programme on the commercial network, which covers a total of 85 CGD branches. Since 2009, the solar plant has produced near 44,694 GJ.
Considering the gradual increase in the cost of energy and based on an estimated value for 2021 of €0.184/kWh (ERSE source), the financial implications may go up for 2 million euros.
There is therefore a huge potential associated with the use of lower-emission sources of energy such as energy from renewable sources.

Cost to realize opportunity
1000000

Strategy to realize opportunity and explanation of cost calculation
Where energy efficiency strategy is concerned, CGD has implemented a number of initiatives, including: energy audits of facilities; adjustment of timetables and optimisation of lighting, air conditioning and ventilation operations; replacement of air conditioning and lighting equipment with air conditioning and lighting equipment for more efficient more efficient equipment; the use of chillers to cool the cooling of water in air-conditioning equipment air conditioning equipment, in detriment of ecological refrigerant gases and a commitment to renewable energies production through the installation solar power plant at the head office building and microgeneration through photovoltaic panels on the branch network. These measures have been implemented in accordance with the according to the cost-benefit that they represented in CGD's activity. Focusing on renewable energy production, the total investment was around 2.8 million euros of which 1 million euros in the solar thermal power plant at the Head Office Building.

Comment
NA

Identifier
Opp4

Where in the value chain does the opportunity occur?
Investing (Asset manager) portfolio

Opportunity type
Markets

Primary climate-related opportunity driver
Increased demand for funds that invest in companies that have positive environmental credentials

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
According to the study "Global Asset Management 2022: From Tailwinds to Turbulence" by Boston Consulting Group (BCG), the global asset management market grew by 12% to $112 trillion, above the 7% growth average over the past 20 years.
Caixa Gestão de Ativos (CXA) aims to align its commitment with the best responsible investment practices. CXA is PRI signatory since 2019 and has defined an annual ESG training plan, certifying Investment Managers in the realization of responsible investments. As of December 2021, CXA had 9 Investment Managers with classifications of Certified Environmental, Social and Governance Analyst (CESGA) or Certificate in ESG Investing. CXA's approach to responsible investment is detailed in the company's Investment Policies, namely its Sustainable Investment Policy, Engagement Policy and Voting Rights Policy. These three documents explain, in detail, CXA's strategy and governance model for its responsible investments. In 2021, as part of SFDR, a Principal Adverse Impact Policy has been added to complement the impacts that investment decision have on sustainability factors. The new regulatory guidelines helped define a more robust process inside CXA to not only better integrate ESG factors into the investment process but, on top of it, foster a greater dialogue with investee companies through multiple stewardship activities. CXA conducted an external process to appoint an engagement service provider to help reinforce its ambitions to develop a more pro-active and close dialogue with investee companies. The prime objective was to be able to address companies from a position of strength over actions flagged as less adequate from a responsible investment standpoint. This service acts as a complement to the ESG research and rating services already acquired by CXA and the exercise of the voting rights in companies deemed relevant as per our Voting Rights Policy. The more comprehensive set of tools allowed the company to incorporate ESG integration across a larger number of AUMs (assets under management) as well as further asset classes with the aim of classifying the largest AUMs possible as ESG products. In the end of 2018 CXA approved the shift to sustainable investment as a strategic route to take in order to deal with the shift in Clients investment preferences. This move was based in CXA's belief in the virtuous cycle potential of investing according to ESG philosophy.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
1821000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
According to the article https://fundspeople.com/pt/entidades-gestoras-nacionais-lideres-de-mercado-no-ano-passado/ ;
which is based on data from APFIP, the AUMs of funds domiciled in Portugal is:
2021: 19,829,973,918
2020: 14,643,590,072

This results in a growth rate of 35.4% and a difference in amount of 5,186,383,846.
CXA's market share is (according to the same article):
2021:35.11%
2020: 32.77%

Applying the 35.11% of 2021 to the differential of 5,186,383,846, we get the estimate of 1,820,939,368.33. Rounding up, we have an estimate of 1,821,000,000

Cost to realize opportunity
200000

Strategy to realize opportunity and explanation of cost calculation
CXA's Sustainability strategy encompasses a comprehensive set of tools in order to address its three main objetives: 1) Integration of ESG factors into the investment processes, in parallel with the use of traditional financial analysis; 2) Engagement through the exercise of voting rights; 3) Engagement with companies that are part of the investment universe, fostering a close dialogue on matters related with Sustainability. Considering the strategic status of sustainable investment in the Company CXA aims to align the commitment with the best responsible investment practices, being a PRI signatory since June 2019. In order to implement its strategy, CXA has acquired the services of third party specialized entities, namely for the ESG research and ratings as well as for the pooled engagement service. On top of this, CXA has an annual ESG training plan, certifying Investment Managers in the realization of responsible as well as sustainability benchmarks for several asset classes. Lastly, CXA is in the process of acquiring further services regarding the incorporation of ESG factors into Real Estate investments: - With this in mind CXA defined an annual budget of around 200.000 EUR to deal with the needs of external support on ESG ratings analysis and engagement approaches. On top of this CXA has considered also an annual ESG training plan, certifying Investment Managers in the realization of responsible investments. - With this in mind since October 2019, CXA have several investment department professionals with the Certified ESG Analysts (CESGA) by European Federation of Financial Analysts Societies and nowadays has a common internal base for CXA's strategy in ESG which has been complemented by several specific courses namely in order to comply with all the new regulamentation in ESG. CXA considers the training plan described as strategic in order to be able to satisfy the mentioned change in CXA Clients preferences.

Comment
NA

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan
No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

Publicly available transition plan
<Not Applicable>

Mechanism by which feedback is collected from shareholders on your transition plan
<Not Applicable>

Description of feedback mechanism
<Not Applicable>

Frequency of feedback collection
<Not Applicable>

Attach any relevant documents which detail your transition plan (optional)
<Not Applicable>

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future
CGD has been increasing the ambition of its sustainability strategy in order to respond to the main global challenges, such as climate change. As can be consulted in CGD's annual report there is a clear symbiosis between CGD's strategic plan 2021-2024 and the sustainability strategy, being sustainability and social impact one of the six transformation pillars of the strategic plan.
The development of the 2021-2024 sustainability strategy took into account a strategic reflection on the climate risks and opportunities that may impact CGD and also included a stakeholder auscultation that identified for example "Environmental risks and climate action" as a material topic.
The 2021-2024 Sustainability Strategy, embodies CGD's ambition to become the leader in sustainable finance in Portugal, supporting the transition to a low-carbon economy and financing projects with a social impact on people's lives, based on five strategic areas of action:
1) Sustainable and Inclusive Financing -Financing the transition to a low-carbon economy in a fair and inclusive way.
2) Climate Risk Management – Accelerating the transition to a more sustainable and resilient economy by efficiently managing climate risks.
3) Equity, Digital and Financial Inclusion – Being an inclusive Bank that prioritises the well-being and development of employees and society.
4) Transparent Governance Models – Adopting efficient governance models that drive performance in a responsible, diverse, and transparent manner.
5) Disclosure of Sustainability Information - Make regular and transparent disclosures on ESG performance in accordance with best reporting practice and applicable regulations.
With this ambition in mind, CGD has signed up to a set of commitments that demonstrate its ambition to develop a transition plan that aligns with a 1.5°C world such the Net Zero Banking Alliance, the Business Ambition for 1.5°C and the Principles for Responsible Banking.
As an example of the evolution that has taken place, CGD calculated and publicly disclosed (for the first time) in its 2021 sustainability report the greenhouse gas emissions associated with the financing portfolio, noting that these represent 99.8% of CGD's total GHG emissions. This exercise was carried out in line with the guidelines of the Partnership for Carbon Accounting Financials (PCAF). CGD is also in the currently in the process of validating a new emission reduction goals with the Science Based Targets Initiative (SBTi).

Explain why climate-related risks and opportunities have not influenced your strategy
<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios: NGFS scenarios Framework	Company-wide	<Not Applicable>	The scenarios selected for the climate risk stress test framework intend to represent a wide scope of impacts varying in degrees of intensity either for transition or physical risk depending on the time-horizon and on the type of perspective that needs to be assessed. Long-term scenarios - Three NGFS scenarios based on different policy ambitions were selected: i. Net Zero 2050 (1.5ºC); ii. Delayed Transition (<2ºC); iii. Current Policies (3ºC+); Short-term scenarios - The chosen scenarios have the objective to identify potential vulnerabilities connected to a disorderly transition: i. A three-year scenario based on NGFS Delayed Transition; ii One considering the budget plan and a current policy situation. Single climate event - In addition to these scenarios, CGD performs a scenario for a single climate event in the short-term to consider the impact of specific physical climate events. CGD considers four acute physical risks (floods, storms, wildfires and heatwaves and droughts), based on risk assessment. Climate scenarios are expected to provide a series of different outputs depending on each transition pathway and political ambitions / reaction. These outputs can translate into either transition risk drivers (e.g. macroeconomic variables, market trends, carbon prices) or physical risk drivers (e.g. frequency and severity of acute or chronic climate and environmental events), which need to be considered in risk modelling and translated into financial risks following the defined methodologies.
Physical climate scenarios: Bespoke physical scenario	Company-wide	1.5ºC	The scenarios selected for the climate risk stress test framework intend to represent a wide scope of impacts varying in degrees of intensity either for transition or physical risk depending on the time-horizon and on the type of perspective that needs to be assessed. Long-term scenarios - Three NGFS scenarios based on different policy ambitions were selected: i. Net Zero 2050 (1.5ºC); ii. Delayed Transition (<2ºC); iii. Current Policies (3ºC+); Short-term scenarios - The chosen scenarios have the objective to identify potential vulnerabilities connected to a disorderly transition: i. A three-year scenario based on NGFS Delayed Transition; ii One considering the budget plan and a current policy situation. Single climate event - In addition to these scenarios, CGD performs a scenario for a single climate event in the short-term to consider the impact of specific physical climate events. CGD considers four acute physical risks (floods, storms, wildfires and heatwaves and droughts), based on risk assessment. Climate scenarios are expected to provide a series of different outputs depending on each transition pathway and political ambitions / reaction. These outputs can translate into either transition risk drivers (e.g. macroeconomic variables, market trends, carbon prices) or physical risk drivers (e.g. frequency and severity of acute or chronic climate and environmental events), which need to be considered in risk modelling and translated into financial risks following the defined methodologies.
Physical climate scenarios: Bespoke physical scenario	Company-wide	1.6ºC – 2ºC	The scenarios selected for the climate risk stress test framework intend to represent a wide scope of impacts varying in degrees of intensity either for transition or physical risk depending on the time-horizon and on the type of perspective that needs to be assessed. Long-term scenarios - Three NGFS scenarios based on different policy ambitions were selected: i. Net Zero 2050 (1.5ºC); ii. Delayed Transition (<2ºC); iii. Current Policies (3ºC+); Short-term scenarios - The chosen scenarios have the objective to identify potential vulnerabilities connected to a disorderly transition: i. A three-year scenario based on NGFS Delayed Transition; ii One considering the budget plan and a current policy situation. Single climate event - In addition to these scenarios, CGD performs a scenario for a single climate event in the short-term to consider the impact of specific physical climate events. CGD considers four acute physical risks (floods, storms, wildfires and heatwaves and droughts), based on risk assessment. Climate scenarios are expected to provide a series of different outputs depending on each transition pathway and political ambitions / reaction. These outputs can translate into either transition risk drivers (e.g. macroeconomic variables, market trends, carbon prices) or physical risk drivers (e.g. frequency and severity of acute or chronic climate and environmental events), which need to be considered in risk modelling and translated into financial risks following the defined methodologies.
Physical climate scenarios: Bespoke physical scenario	Company-wide	3.1ºC - 4ºC	The scenarios selected for the climate risk stress test framework intend to represent a wide scope of impacts varying in degrees of intensity either for transition or physical risk depending on the time-horizon and on the type of perspective that needs to be assessed. Long-term scenarios - Three NGFS scenarios based on different policy ambitions were selected: i. Net Zero 2050 (1.5ºC); ii. Delayed Transition (<2ºC); iii. Current Policies (3ºC+); Short-term scenarios - The chosen scenarios have the objective to identify potential vulnerabilities connected to a disorderly transition: i. A three-year scenario based on NGFS Delayed Transition; ii One considering the budget plan and a current policy situation. Single climate event - In addition to these scenarios, CGD performs a scenario for a single climate event in the short-term to consider the impact of specific physical climate events. CGD considers four acute physical risks (floods, storms, wildfires and heatwaves and droughts), based on risk assessment. Climate scenarios are expected to provide a series of different outputs depending on each transition pathway and political ambitions / reaction. These outputs can translate into either transition risk drivers (e.g. macroeconomic variables, market trends, carbon prices) or physical risk drivers (e.g. frequency and severity of acute or chronic climate and environmental events), which need to be considered in risk modelling and translated into financial risks following the defined methodologies.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

1. CGD' Climate Risk Stress Test Framework
2. Impacted Risks
3. Impacted Portfolios
4. Approach
5. Results

Results of the climate-related scenario analysis with respect to the focal questions

1. CGD is on an on-going comprehensive process to implement material climate-related and environmental risks on its stress testing framework, as stress testing should comprise all material risks that may deplete internal capital or impact regulatory capital (both in an economic and normative perspective).
2. CGD has as objective of including in the stress testing framework all material risks that may deplete internal capital or impact regulatory capital ratios and on financial statements, thus it aims to include climate related risks gradually overtime, in both baseline and adverse scenarios. In the first phase CGD developed methodologies to assess the most significant risks, as per the nature of the Bank's activities and portfolio composition, following also the available methodologies suggested on most regulatory guidelines and benchmarks (i.e. credit, operational and market risks). In a second phase CGD will ponder the methodological approach for considering climate risk drivers in the materiality assessment of other risks (e.g. liquidity, strategic and interest rate risk) and other portfolios (e.g. sovereign exposures)
3. Firstly, CGD considers its most material portfolios in exposure, (i) corporate exposures (for both credit and market) and (ii) retail loans, based also on risk and opportunities and on the available proposed methodologies, for either credit or market risk.
4. CGD pursues its analysis through a top-down approach at sector level, which is still being strengthened and hopes to evolve to a bottom-up approach at client level and extrapolate conclusions for the rest of the sector. For long-term projections, it is considered a first iteration with a static balance sheet approach to understand climate risks impacts on the current position. On a second iteration it is considered a dynamic balance sheet that is informed by the business strategy and portfolio allocation based on the first iteration. This approach allows to verify the validity of the business strategy and confirm that the strategic goals are achieved. For short-term projections, the transition risk will be assessed under a dynamic balance sheet and acute physical events will be assessed under a static balance sheet.
5. At this point, CGD is assessing data quality and robustness, while developing and strengthening the methodological approach, extending the climate scenarios according to the framework requirements and transition financial impacts into risk impacts. In this context, some methodological and scenario adjustments to impact material risks can still be verified based on first iterations results. It is expected that this process will be finalized until the end of 2022.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	The role of the banking sector in tackling climate change is clear. Banks need to support the transition to a low carbon economy through their products and services, while supporting the transition of their customers. This is a topic that is reflected in the sustainability strategy 2021-2024 through the vector sustainable and inclusive financing (financing the transition to a low-carbon economy in a fair and inclusive way) and climate risk management (accelerating the transition to a more sustainable and resilient economy by efficiently managing climate risks). CGD reflects a strategic approach regarding climate-related risks and opportunities in its products and services with the key developments being regularly reported to the Board members through the Sustainability Committee. As three examples of the most substantial strategic decision(s) made in this area: 1) Adoption of commitments: CGD has been making several strategic commitments with an impact at the level of its Products and Services, such as The Commitment Letter for Sustainable Financing in Portugal. 2) Financing Policies: CGD has published the CGD Principles of Exclusion and Limitation, establishing a list of principles underlying activities and projects that are excluded, or restricted, under certain conditions, of its credit policy. 3) Issuance of sustainable debt: In 2021, CGD successfully completed a €500-million senior preferential debt issue. As a sustainable finance instrument, the funds raised are directed towards the refinancing and financing of new operations in the field of environment and socioeconomic development.
Supply chain and/or value chain	Yes	As supply chains fall outside of a company's core operations, they expose them to hidden and uncontrollable risks typically driven by ESG factors, such as natural resource depletion, water scarcity, human rights abuses and corruption. These issues imply risks (e .g. loss of reputation) and opportunities (e. g. collaborative approaches) on short term. For that reason, supplier management is part of CGD's Sustainability strategic plan, as supply chain and its agents contribute to the identification of environmental and social impacts that are indirectly reflected on supplier's activities. This is a topic that has been streamlined through the Environmental Management System (EMS). CGD reflects a strategic approach regarding climate-related risks and opportunities in its suppliers with the key developments being regularly reported to the Board members through the Sustainability Committee. As three examples of the most substantial strategic decision(s) made in this area: 1) The development of the Ethical Principles and Best Business Practices for Suppliers. This document that is signed by the suppliers at the time of contracting establish conduct requirements related to sustainability to which CGD suppliers contractually adhere and are a way of mitigating environmental and social risks in the supply chain on the short/medium term. One of the commitments for suppliers in this document is to "To adopt, in carrying out its activity, a preventive and proactive stance of strict environmental responsibility, implementing sustainability policies and always using preferably environmentally friendly technologies, complying with the applicable legislation and regulations, as well as good practices in this area". In its annual sustainability report, CGD assesses the main results and performance in this area, as for example the total % of suppliers with these contractual clauses. 2) The implementation of an auditing process and operational control visits to suppliers considered critical in the scope of the EMS. 3) The development in 2022 of an ESG Rating for suppliers which will evaluate their performance in the various dimensions of sustainability and allow for the development of improvement and collaborative approaches.
Investment in R&D	Yes	Digitalisation and innovative technologies are creating unprecedented disruption in the banking sector as technology shifts customer expectations and changes the regulatory landscape. To CGD, innovation is one of its main values. As part of its digital transformation programme, CGD has been investing in the development of new solutions with the aim of ensuring greater customer accessibility to digital solutions. Many of these solutions also end up leveraging environmental opportunities on a short/medium term being regularly reported to the Board members through the Sustainability Committee. As three examples of the most substantial strategic decision(s) made in this area: 1) The development of CGD's digital passbook. The investment in the development of this app made it possible to replace the traditional paper notebook used by many of CGD's customers. Naturally, this measure allowed a significant reduction in CGD's environmental impact in the short/medium term, considering that traditional booklets involved high consumption of paper and inks in addition to the process of distribution to all CGD branches. CGD reports on the evolution of its paper consumption in its annual sustainability report. 2) CGD invested in a project to dematerialise processes at branches by using digital signatures, for example. The project to dematerialise processes at branches is a concrete example of how innovation and technology can contribute to the implementation of more efficient processes with less environmental impact. It is estimated that this project will allow the dematerialisation of 4.6 million documents per year (current package of transactions) and more than 10 million documents per year after expansion to new transactions. 3) The development of remote services with less environmental impact has also been a priority for CGD. The call centre's Virtual Assistant which allows customers to interact and perform operations using natural speech. CGD's digital assistant which now has a new interface and is available in English, has already been used in more than 4 million conversations with customers and has unblocked 400 thousand accesses to the Caixadirecta service in 2021.
Operations	Yes	Although the financial sector does not by nature have a significant direct environmental impact compared to the industrial sector for example, which by nature are more energy and resource intensive consumers, there is an opportunity to reduced operational costs due to implementation of energy efficiency measures enhanced by the existence of new technologies. This process is monitored and driven by the multidisciplinary team of the Environmental Management System, certified by ISO 14001 since 2014. Within the scope of the EMS, several measures are identified each year with different time horizons (short/medium/long). The adherence to commitments and multi-sectoral initiatives that enable the reduction of CGD's environmental impact and/or the increasing of CGD´s operations efficiency are also evaluated regularly through the Sustainability Committee. As three examples of the most substantial strategic decision(s) made in this area: 1) CGD´s adherence to the Lisbon European Green Capital 2020 Commitment - Climate Action 2030. As part of this commitment, CGD decided to undertakes 21 actions in areas such as energy, mobility, water, reduction of GHG emissions, waste and paper consumption. Several of these actions will allow a greater efficiency in CGD's operations, such as: - Installation of LED lighting in all buildings; Energy (Solar Photovoltaic) – Installation of solar electricity production equipment in buildings with adequate sun exposure and with available coverage area; Mobility - Increase the promotion of electric vehicles in private use vehicle fleets and in operational fleets. 2) The Sustainability 2021-2024 strategy is driven by a progressive and dynamic action plan which includes a set of goals and targets in the short and medium term that have an impact on CGD's operations, such as the goal of consuming energy from renewable sources in CGD buildings. 3) CGD recognises that to reduce the environmental impact of its operations it is also necessary to raise its employees' awareness and train them to adopt good environmental practices and a culture of pollution prevention that contributes to risk reduction. In this sense it was decided to create a mandatory sustainability e-learning for all employees by 2022.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Access to capital	By incorporating the climate-related risks and opportunities into risk management, strategic and financial planning process, CGD it will be able to better understand the financial implications associated with climate change and to make efforts to mitigate and adapt to climate change empowering the organisation and clients to channel investment to sustainable and resilient solutions, opportunities, and business models. CGD considers that climate-related risks and opportunities contribute to influence the financial planning on several elements, such as for example: 1) Revenues: CGD has identified opportunities associated with client's interest and demand with sustainable products and services. This translates into financing and investment opportunities to CGD. In this sense the strategic and financial planning has been reflecting this trend. CGD has been increasing the amount of financing granted in lines that contribute to environmental goals such as clean transportation. An example is the Leasing for hybrid and electric vehicles in 2018 granted €6.4 million and in 2021 granted €35.9 million, which translates into a significant increase in revenues. 2) Indirect costs: CGD's Strategic Plan (2021-2024) has set profitability and efficiency as one of its 6 pillars of transformation. In this context, cost reduction and cost management is one of the dimensions impacted. The existence of an Environmental Management System contributes to the achievement of the bank strategic objective of improving its operational efficiency in domestic activity by reducing the operational costs of energy, materials, resources and adapting to the demands and expectations of its stakeholders. CGD has been investing in the production of renewable energy and introduced several energy efficiency (EE) measures on its corporate buildings and commercial network which enables to reduce its operating costs. In 2021 CGD implemented 11 energy efficiency measures whose reduction in energy bills (per year) will cut costs by around 51,312 euros per year. However, for the implementation of these measures, is necessary a robust financial planning and budget availability for the investment. In this case, the 8 efficiency measures underway implied an investment around 87,936 thousand euros. 3) Recognising that the transition to a low-carbon economy involves opportunities for the financial sector (e.g. greater investor appetite) and that climate change is a source of financial risks, CGD decided in 2021 to issue a sustainable debt instrument in order to raise capital and to providing funds to accelerate the development of green and social projects. This is the first issue made by a Portuguese bank with these characteristics and is an important milestone in fulfilling the commitments undertaken by CGD in the field of sustainable finance. The transaction set a coupon of 0.375%, which represents the lowest coupon for a Portuguese issuer of this type of debt;

C-FS3.6

(C-FS3.6) Does the policy framework for your portfolio activities include climate-related requirements for clients/investees, and/or exclusion policies?

Yes, our framework includes both policies with client/investee requirements and exclusion policies

C-FS3.6a

(C-FS3.6a) Provide details of the policies which include climate-related requirements that clients/investees need to meet.

Portfolio

Investing (Asset manager)

Type of policy

Engagement policy
Sustainable/Responsible Investment Policy
Other, please specify (Voting Rights Policy and Due Diligence)

Portfolio coverage of policy

100

Policy availability

Publicly available

Attach documents relevant to your policy

Declara_PolIticas_DiligenciaDevidaCXA.pdf
PolItica_envolvimento_CXAfinal.pdf
Politica_ISR_CXA.pdf
Politica-Exercicio-Direitos-Voto.pdf

Criteria required of clients/investees

Other, please specify (ESG rating above CCC (exclusion) and improvement of ESG criteria (best-in-class engagement))

Value chain stages of client/investee covered by criteria

Direct operations only

Timeframe for compliance with policy criteria

Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy

Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services

Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

Exceptions to policy based on
<Not Applicable>

Explain how criteria coverage and/or exceptions have been determined
In accordance with the Socially Responsible Investment Policy and in order to evaluate the risks and opportunities that environmental, social and governance factors bring to the selection of securities for investment, an integration strategy was outlined that coordinates the several ESG dimensions:
1) Exclusion, where companies with a relevant level of revenue exposure to industries deemed socially controversial (notably non-conventional arms, coal mining, gambling and tobacco) will not be considered eligible for investment;
2) Best-in-Class, favouring, in each of the sectors of activity, companies with a higher ESG rating, reflecting the effort made by these companies regarding the different dimensions of Sustainability, and;
3) Engagement, where, based on the terms set out in Caixa Gestão de Ativos's Engagement Policy and Policy on Exercising Voting Rights, we aim to deepen the scope of shareholder interaction and voting in the companies that are most represented in our Clients' portfolios.
At the same time, and as part of its policy of engagement, Caixa Gestão de Ativos will vote in favour of all the proposals that it considers best defend the interests, bearing in mind the improvement of ESG criteria and the creation of sustainable value creation. Whenever the proposals presented are considered inadequate or insufficient industry best practice, the CXA will vote against them, trying whenever possible, to initiate a dialogue with the company with a view to improving current practices in place.

Portfolio
Banking (Bank)

Type of policy
Credit/lending policy
Risk policy
Policy related to other products and services

Portfolio coverage of policy
100

Policy availability
Publicly available

Attach documents relevant to your policy
Policy-Limitation-Sectorial-Exclusion.pdf

Criteria required of clients/investees
Other, please specify (Climate and environmental criteria in credit granting and risk appetite)

Value chain stages of client/investee covered by criteria
Direct operations and supply chain

Timeframe for compliance with policy criteria
No timeframe

Industry sectors covered by the policy
Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

Exceptions to policy based on
<Not Applicable>

Explain how criteria coverage and/or exceptions have been determined
Under the Non-Financial Risks policy there are risk management procedures defined for climate and environmental risks. Caixa has therefore developed climate and environmental risk indicators, some of which are included in the CGD Group's risk appetite statement, with established tolerance levels and limits.
Under CGD Group´s risk profile identification process policy, Caixa carries out an assessment where the materiality of climate and environmental risks is evaluated. Currently, CGD Group already recognizes the existence of sectors of activity or projects that can contribute negatively to sustainable development. The credit policy/principles of limitation and sectorial exclusion (in annex) establishes a list of principles underlying activities and projects that are excluded or restricted, under certain conditions, from credit granting, namely: companies and unlicensed trade in wildlife or endangered species; companies and projects that use scarce natural resources, the exploitation or extraction of which may cause a negative environmental impact and that do not comply with conditions defined in national or international regulations in this area and companies producing or processing hazardous materials or substances restricted by national legislation.
The stress-testing policy was also reviewed in order to accommodate the use of climate scenarios and climate stress testing to inform decision making, strategy and risk

management.
CGD has also implemented an ESG rating system, included in the rating policy, which captures several ESG variables from our counterparts, namely related to physical and transition risk. This rating is available for the credit granting process and risk assessment.
CGD has also product procedures policy where the verification of EPC is a previous condition to credit granting for housing loans.

C-FS3.6b

(C-FS3.6b) Provide details of your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Portfolio
Investing (Asset manager)

Type of exclusion policy
Coal mining

Year of exclusion implementation
2019

Timeframe for complete phase-out
Already phased out

Application
New business/investment for new projects

Country/Region the exclusion policy applies to
Other, please specify (Global scale)

Description
In Caixa Gestão de Ativos Sustainable Investment Policy, the company highlights the strategy behind the implementation of ESG factors in its portfolios. One of the methodologies used in the selection of target assets for investment by Caixa Gestão de Ativos encompasses an exclusion approach. Companies with a relevant level of revenue exposure to industries considered socially controversial, such as coal mining, will not be considered eligible for investment. Values above 50% are assumed to be the relevant exposure level.

Portfolio
Banking (Bank)

Type of exclusion policy
Other, please specify (Companies and projects that use scarce natural resources, whose exploitation or extraction can cause a negative environmental impact and that do not comply with conditions defined in national or international regulations in this field)

Year of exclusion implementation
2018

Timeframe for complete phase-out
Already phased out

Application
New business/investment for new projects

Country/Region the exclusion policy applies to
Other, please specify (Global scale)

Description
Through the Principles of Exclusion and Limitation CGD recognizes the existence of sectors of activity or projects that can contribute negatively to Sustainable Development by establishing a list of principles underlying activities and projects that are excluded, or restricted under certain conditions, from its credit policy, for example companies and activities with unlicensed wildlife trade or endangered species or companies and projects that use scarce natural resources, whose exploitation or extraction can cause a negative environmental impact. In addition, CGD restricts its financial support to projects within some categories and/or sectors of activity with high socio-environmental risk potential. If any company or project, after granting credit, develops activities under the conditions identified in this list, CGD will take action to comply with the credit policies, namely the cancellation or withdrawal of the relationship with the client, and may intervene in order to be compensated for any tangible or intangible damage caused. This Policy is applicable to the financing activities of the entire CGD group (Please see more details in https://www.cgd.pt/English/Sustainability-CGD/Vision/Documents/Policy-Limitation-Sectorial-Exclusion.pdf). CGD has a Corporate Policy for the Management of Non-Financial Risks of CGD Group. The scope of this policy includes the identification, assessment, monitoring and mitigation of climate-related risks and reputational risks, among others. Climate change risk is the risk of negative impacts on results or capital arising from climate change that affect systems (natural and human), regions (physical risk) and/or structural changes arising from the energy transition (transition risk). The Reputational Risk consists of negative impacts on results or on capital resulting from adverse perception of the image of the financial institution by clients, counterparties, shareholders, investors or regulators due to actions of the company or its employees. Mitigation of non-financial risks is a process in which different mechanisms or actions to address these risks can be defined, selected and implemented. The selection of mechanisms or actions for mitigating non-financial risks must be made in accordance with the CGD Group's strategy and risk appetite. The results of the consolidated monitoring of non-financial risks are communicated in writing on a quarterly basis, or more frequently when so specified by the Executive Committee.

C-FS3.7

(C-FS3.7) Does your organization include climate-related requirements in your selection process and engagement with external asset managers?

	Climate-related requirements included in selection process and engagement with external asset managers	Primary reason for not including climate-related requirements in selection process and engagement with external asset managers	Explain why climate-related requirements are not included in selection process and engagement with external asset managers and your plans for the future
Row 1	Not applicable, because we do not have externally managed assets	Other, please specify (Not applicable, because we do not have externally managed assets)	Not applicable, because we do not have externally managed assets

C-FS3.8

(C-FS3.8) Does your organization include covenants in financing agreements to reflect and enforce your climate-related policies?

	Climate-related covenants in financing agreements	Primary reason for not including climate-related covenants in financing agreements	Explain why your organization does not include climate-related covenants in financing agreements and your plans for the future
Row 1	Yes	<Not Applicable>	<Not Applicable>

C-FS3.8a

(C-FS3.8a) Provide details of the covenants included in your organization's financing agreements to reflect and enforce your climate-related policies.

Types of covenants used	Asset class/product types	Please explain
Purpose or use of proceeds clause refers to sustainable project Margin or pricing depends on sustainability criteria	Retail mortgages Debt and equity underwriting	CGD has been gradually adapting the conditions of its loans to its ESG policies. An example of this is the development of products whose pricing is adjusted according to the environmental criteria of the financing. The "Casa+Eficiente" line provides financial advantages for properties with a valid energy certificate with a classification: A+, A or B. More information at (https://www.cgd.pt/Particulares/Em-Campanha/Pages/Vantagem-Imoveis-Energeticamente-Eficientes.aspx) In line with this process, CGD defined in the Sustainable Finance Framework, the document that supported CGD's first sustainable debt issue, a set of eligibility criteria aimed at defining in a transparent manner and in line with best practices the eligibility for an investment to be considered sustainable within the scope of the sustainable debt issue and to ensure the correct allocation of proceeds, such as - "Green Buildings" category: CGD considers as sustainable investment the financing of buildings that meet at least one type of sustainable building certification such as "BREEAM - Very Good", "LEED Gold" or equivalent. For residential properties, energy performance in the upper 15% of the national energy performance baseline (A+, A and B) is defined. - Clean Transportation" category: CGD considers as sustainable investment the financing of low-carbon transport that is in line with the definition of the taxonomy for passenger cars that are electric or have emissions with less than 50g CO2/km, including support infrastructures such as charging stations for electric vehicles. It is also important to note that funding related to fossil fuel energy; nuclear energy; gambling; tobacco; alcohol and weapons is excluded under the Sustainable Finance Framework. More information at https://www.cgd.pt/English/Investor-Relations/Debt-Issuances/Prospectus/Documents/CGD-SustainableFinanceFramework.pdf

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Year target was set
2018

Target coverage
Country/region

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Base year
2015

Base year Scope 1 emissions covered by target (metric tons CO2e)
4400

Base year Scope 2 emissions covered by target (metric tons CO2e)
37432

Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
41832

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
90

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
96

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
96

Target year
2021

Targeted reduction from base year (%)
73.56

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
11060.3808

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
1704

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
9355

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
11059

% of target achieved relative to base year [auto-calculated]
100.004487251682

Target status in reporting year
Achieved

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
Target coverage: Activity in Portugal.
CGD has been developing several measures to improve its environmental performance and, consequently, reduce greenhouse gas emissions. The objective of reducing greenhouse gas emissions was defined taking into account the analysis of one of the main international trends in this area, the Science Based Targets initiative (SBTi). As such, a simulation was carried out based on the SBTi methodology of sectorial decarbonization “Service Buildings”, as one of the most suitable methodologies available given the nature of the activities developed. According to the tool's simulation, CGD SA would have to reduce 38% of total GHG emissions (scopes 1 and 2) by 2021, compared to 2015. CGD aspires to be a leader in terms of climate action in the financial system by defining, for this purpose, a more ambitious reduction objective than the one presented by the aforementioned tool, in order to boost the development of projects aimed at reducing GHG emissions. In this way, a level of five percentage points higher than the value simulated by the SBTi tool was assumed, corresponding to a reduction target of 43% of the total GHG emissions of CGD S.A. (Scope 1 and 2) by 2021, compared to 2015.
In 2021, CGD achieved a reduction of 73.6% compared to 2015.
CGD assumed also the Business Ambition for 1.5ºC commitment, having publicly committed to aligning its business plans to promote the decarbonisation of the economy with the ambition to limit warming to 1.5ºC and Net Zero Banking Alliance. The NZBA commitment include:
• Lining up greenhouse gas emissions associated with the financial and investment portfolio with the necessary path towards reaching carbon neutrality by 2050;
• Prioritizing efforts where members have the most significant impact, i.e. the most GHG-intensive emitting sectors, which are key to the transition to a net-zero carbon economy;
• Setting immediate targets for 2030, prioritizing GHG-intensive emitting sectors;
• Using decarbonisation scenarios from credible and well-recognized sources and maximizing the alignment with the SDG.
CGD is currently setting science-based targets with a target year of 2030, for scope 1+2 and 3 emissions, namely real estate, electricity generation (corporate loans and project finance) and cement.

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target
Over the last few years, CGD has implemented several energy efficiency measures. Since 2015, some initiatives have been highlighted:
- Interconnection of thermal power stations and replacement of equipment by more efficient ones;
- Replacement of conventional lighting by LED technology;
- Reduction of lighting levels in gatehouses and restaurant areas;
- Optimization of lighting schedules and air conditioning systems;
- Installation of air treatment plant variators;
- Modernization of the fans of the air handling units;
- Replacement of obsolete chillers with more efficient ones;
With that measures is estimated annual reduction of 7,622 MWh.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Net-zero target(s)

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Country/region

Absolute/intensity emission target(s) linked to this net-zero target
Abs1

Target year for achieving net zero
2050

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Please explain target coverage and identify any exclusions
The defined target concerns only CGD's activity in Portugal – CGD, S.A.
As part of the definition of the 2021-2024 strategy, CGD adhered to the Net-Zero Banking Alliance commitment. By adhering to this commitment, CGD is committed with :
• Lining up greenhouse gas (GHG) emissions associated with the financial and investment portfolio with the necessary path towards reaching carbon neutrality by 2050;
• Prioritizing efforts where members have the most significant impact, i.e. the most GHG-intensive emitting sectors, which are key to the transition to a net-zero carbon economy;
• Setting immediate targets for 2030, prioritizing GHG-intensive emitting sectors;
• Using decarbonisation scenarios from credible and well-recognized sources and maximizing the alignment with the Sustainable Development Goals.
CGD shall use widely accepted science-based decarbonisation scenarios to set both long-term and intermediate targets that are aligned with the temperature goals of the Paris Agreement.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?
Yes

Planned milestones and/or near-term investments for neutralization at target year
Caixa's strategic priorities and goals with regard to managing climate risks and opportunities in short-medium term:
- Fostering the adaptation of the business model and strategy with the aim of achieving carbon neutrality (Net Zero) by 2050;
- Setting interim targets for 2030, prioritising emission-intensive sectors;
- Promoting a strong risk management culture and adopting best practices in managing emerging risks underlying sustainability and climate change;
- Increasing the portfolio of environmentally sustainable products and projects;
- Promoting green products and financing actions for environmental transition;
- Supporting clients in energy transition, as an agent for promoting sustainable finance;
- Promoting engagement with customers with regard to the due diligence of non-financial information;
- Improving the infrastructure and availability of climate and environmental data in all its dimensions;
- Strengthening the methodologies for identifying, assessing and measuring climate and environmental risks and their integration into internal processes and policies;
- Considering climate and environmental risks in the credit-granting and monitoring processes;
- Integrating scenario analyses and climate stress testing into the bank's risk management framework and decision processes;
- Outlining and monitoring indicators related to the alignment of the loan portfolio, under different energy transition scenarios;
- Continuously improving ESG risk reporting and disclosure.

Planned actions to mitigate emissions beyond your value chain (optional)
Upstream in the value chain, CGD developed an ESG supplier rating for suppliers/service providers to characterize the environmental performance of our supply chain. In the medium term, CGD plans to define metrics for assessing service provision proposals that benefit companies with better performance.
In 2021, at downstream, CGD developed a new index, known as ESG Rating, materialized through the integration of ESG criteria into decision-making processes, being combined with traditional financial ratings.
The main goal of the ESG Rating is to support companies in the process of transition to a greener and more inclusive economy, providing inputs to improve their rating, in order to redirect capital flows towards sustainable finance strategies, ensuring the maximization of value for the various stakeholders.
The ESG Rating methodology implemented by Caixa considers:
i) Environmental criteria, namely climate, such as the assessment of physical risk (from general to particular, at the level of country, region, activity, company) and transition risk (greenhouse gas emissions, carbon intensity, energy expenditure and investment in R&D);
ii) Social criteria, such as gender equality, level of remuneration and investment in training;
iii) Governance criteria, such as the quality of the partners/shareholders and management.
The ESG Rating allows:
i) Assessing and ranking companies in terms of sustainability, according to a given rating scale (Strong, Good, Satisfactory or Weak), which may contribute to set credit pricing;
ii) Combining this assessment of non-financial aspects with the traditional financial assessment (divided between investment grade and non-investment grade ratings), generating a matrix with four possible sustainable finance strategies: Enhance, Capture, Ponder or Divest.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	11	63.98
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
30.09

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
27589

Investment required (unit currency – as specified in C0.4)
23818

Payback period
4-10 years

Estimated lifetime of the initiative
11-15 years

Comment
In terms of lighting, CGD implemented 4 measures to reduce energy consumption, such as the implementation of movement sensors to control lighting in common spaces or replacement of autonomous emergency lighting blocks with LED technology on the negative floors of the building. At this level, investment amounted to 23,818 euros (excluding VAT), which corresponded to savings of 27 thousand euros per year and an emission reduction of around 30.09 tCO2 (emission factor of 0.200 kgCO2/kWh).

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
33.89

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
23723

Investment required (unit currency – as specified in C0.4)
64118

Payback period
4-10 years

Estimated lifetime of the initiative
11-15 years

Comment
CGD has implemented several measures over the years to improve the efficiency of its Buildings, in 2021 CGD invested 87.9 thousand euros in energy efficiency measures. In terms of the modernization of the air treatment CGD invested 64 thousand euros, with a forecast of savings of 169 MWh / year. The emission factor used was 0.200 kg CO2 / kWh (Supplier EDP Comercial: https://www.edp.pt/origem-energia/, market-based method).

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Caixa has been monitoring the evolution of the regulatory context and acting proactively by means of a multi-departmental initiative through the internal taxonomy and sustainable finance working group. 1) In 2020, the European Parliament and the European Council adopted the Taxonomy Regulation and, in 2021, the Article 8 Delegated Act was adopted, which determines what content, methodology and information that must be disclosed by entities to comply with the Taxonomy's requirements. Caixa measured the indicators (for Dec-2021) and obtained the proportion of total assets linked to exposures to eligible economic activities: 31%. 2) In 2021, the ECB launched the first climate stress-testing exercise for the European financial system. This exercise take place in the first half of 2022 with the aim of understanding the banks' vulnerabilities, best practices and challenges in this regard, allowing the supervisor to assess the exposure and resilience of the financial system and financial institutions to climate risk. Caixa is exploring scenario analysis, considering short-, medium- and long-term scenarios, as well as different paths of transition to carbon neutrality, considering not only the transition scenario consistent with the Paris Agreement goals, but also more adverse scenarios. The assessment of physical risks, for events deemed to be extreme, is also part of the scenario framework, projections and stress tests that are being developed by Caixa. 3) Following the proposal made by the European Commission under the Action Plan on Financing Sustainable Growth, Regulation (EU) 2019/2088, of 27 November 2019, on sustainability-related disclosures in the financial services sector was published on 9 December 2020. The Socially Responsible Investment Policy frames the nature of the various products managed by Caixa Gestão de Ativos, which promote, among others, environmental or social characteristics and which, under the regulation, may correspond to the terms of Articles 6 and 8 of the aforementioned regulation, as explained in the pre-contractual information for each product. Furthermore, this Policy extends, under the same terms, to the discretionary management and investment advisory services provided by CGA.
Dedicated budget for energy efficiency	In 2021, CGD continued to invest in energy efficiency measures, having allocated 88 thousand euros (without VAT) for the implementation of several measures, namely: modernization of fans air treatment units and installation of variables of speed in water circulators.
Employee engagement	CGD conducts (mandatory) visits and initial training on safety and the environment for employees and service providers working at its head office building in Lisbon. Under the CGD's Environmental Management System, in 2021, it developed and made available an awareness-raising video on environmental issues and where good practices to be adopted in the Building are transmitted. Additionally, CGD provides on its digital channels several good practices to raise employees' awareness of the most critical issues that are assessed and identified in the institution's daily activities. In 2021, CGD had the 4th edition of the INOVE program (a collaborative program that boosts innovation) underway: its goal was to respond to this new reality: Being efficient at a distance. The winning ideas were: 1) To provide a functionality on Caixadirecta Online that allows customers to request a statement, with the possibility of selecting the type of statement; 2) Administrative Digital Signature and, 3) 100% Digital Contract.

C-FS4.5

(C-FS4.5) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?

Yes

C-FS4.5a

(C-FS4.5a) Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate change, including any taxonomy used to classify the products(s).

Product type/Asset class/Line of business

Banking	Corporate loans

Taxonomy or methodology used to classify product

Green Bond Principles (ICMA)

Description of product

In 2021, Caixa successfully completed a €500-million senior preferential debt issue. As a sustainable finance instrument, the funds raised are directed towards the refinancing and financing of new operations in the field of environment and socioeconomic development.
This is 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 in the field of sustainable finance. The main results achieved include: demand reached €1.7 billion with 133 orders; a coupon of 0.375%, which represents the lowest coupon for a Portuguese
issuer of this type of debt; around 60% of the issue was allocated to ESG investors.
The Sustainable debt issue was based on Caixa's Sustainable Finance Framework (available here: https://www.cgd.pt/English/Investor-Relations/Debt-Issuances/Prospectus/Documents/CGD-SustainableFinanceFramework.pdf) and is in line with the Green Bond Principles and the Sustainability Bond Guidelines published in June 2021 by the International Capital Market Association.
The Framework was developed in line with the Sustainable Development Goals (SDGs) as a universal guide to identify areas where issuing sustainable debt will have a positive impact on
sustainable development. In addition to identifying the eight SDGs that were impacted, 13 associated indicators are also identified in order to promote greater transparency in the impact assessment process.
The Sustainable Finance Framework encompasses the following project categories: Sustainable water and wastewater management; renewable energy and energy efficiency; green buildings; clean transport; access to essential financial services (microfinance); access to essential financial services (small farmers); access to essential services (health care), and job creation.

Product enables clients to mitigate and/or adapt to climate change

Mitigation
Adaptation

Portfolio value (unit currency – as specified in C0.4)

500000000

% of total portfolio value

3

Type of activity financed/insured or provided

Green buildings and equipment
Low-emission transport
Renewable energy
Sustainable agriculture

Product type/Asset class/Line of business

Banking	Corporate loans

Taxonomy or methodology used to classify product
Internally classified

Description of product
As a state-owned bank, CGD aims to play a leading role in the development and promotion of the market for sustainable financial products. It has, accordingly, been investing in the development of new financial products and the marketing of lines of credit that help to support the transition of companies and households to a more efficient- economy with a smaller environmental footprint, such as, inter alia: hybrid and electric vehicles leasing, Caixa Invest Green Land and CGD's environmental-friendly consumer loans.

Product enables clients to mitigate and/or adapt to climate change
Mitigation
Adaptation

Portfolio value (unit currency – as specified in C0.4)
39196456

% of total portfolio value
0.3

Type of activity financed/insured or provided
Low-emission transport
Renewable energy

Product type/Asset class/Line of business

Banking	Corporate loans

Taxonomy or methodology used to classify product
Green Bond Principles (ICMA)

Description of product
In June, CGD carried out a Green bond of senior preferred debt, in the amount of 300 million euros, with a maturity of 4 years and the possibility of early repayment after 3 years, and a coupon of 2.875%.
The operation carried out has the particularity of being the first "Green" issue carried out by CGD; i.e., directs the funds raised to finance credit operations in the environmental domains; in this case, promoting energy efficiency by financing homes with an energy certificate in classes A+, A and B. This is CGD's second ESG issue, continuing to implement the commitments undertaken in the field of sustainable financing, creating value for its customers and reducing the environmental impact of its activity. In this way, the issue makes it possible to address one of the United Nations Sustainable Development Goals related to energy efficiency. The issue was placed exclusively with institutional investors. Altogether, the issue received orders from investors from 12 different countries. In terms of the geographic distribution of placements with investors, France (21%), Spain (20%), Portugal (14%), Germany (11%) and the United Kingdom (10%) stood out. By type of investors, investment funds stand out, which took up around 80% of the total issuance. The Sustainable feature of the issue allowed it to attract the interest of ESG investors who represented 78% of the issue's allocation.

Product enables clients to mitigate and/or adapt to climate change
Mitigation
Adaptation

Portfolio value (unit currency – as specified in C0.4)
300000

% of total portfolio value
2

Type of activity financed/insured or provided
Green buildings and equipment
Low-emission transport
Renewable energy

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?
No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in boundary	Accounting for GHG emissions and their periodic monitoring are fundamental practices for building an effective strategy for managing and reducing GHG emissions. CGD annually carries out an inventory of GHG emissions in accordance with the guidelines of the Greenhouse Gas Protocol (GHG Protocol), including scope 1, 2 and 3 emissions. In 2021, CGD calculated, for the first time, the emissions under scope 3 - category 15 (investments). For a financial institution, category 15 emissions (investments) often represent the most significant part of its GHG emissions inventory, so their accounting is crucial for assessing risks and opportunities associated with climate change, and also for setting its emission reduction goals and business strategy. This exercise was performed in line with the guidelines of the Partnership for Carbon Accounting Financials (PCAF), a collaborative initiative that aims to develop methodologies for calculating and reporting issues associated with the credit and investment portfolio of financial institutions, for six types of asset classes: business loans and unlisted equity, listed equity and corporate bonds, project finance, residential mortgages, commercial mortgages and motor vehicle loans. This standard was developed based on the guidelines of the GHG Protocol, being recognized by the SBTi in the “Financial Sector Science-Based Targets Guidance”. CGD calculated emissions from investments in the categories of business loans (loan portfolio), project finance (electricity generation projects), residential mortgages ("mortgages") and commercial mortgages (“real estate”).

C5.1c

(C5.1c) Have your organization’s base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	No, because the impact does not meet our significance threshold	CGD implements the emissions recalculation approach when necessary, namely when there are methodological changes. The expansion of the calculation of scope 3 category 15 issues allowed CGD to have a basis for comparison for the issues associated with its portfolio. The future goals that are being outlined with a target in 2030 will take this information into account. Relative to the previously defined targets, the scope extension has no impact as the boundaries are well defined.

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1 2015

Base year end

December 31 2015

Base year emissions (metric tons CO2e)

4870

Comment

Included CGD,S.A., BCA, BI and BCG Brasil.

Scope 2 (location-based)

Base year start

January 1 2015

Base year end

December 31 2015

Base year emissions (metric tons CO2e)

0

Comment

In 2015, CGD only calculated emissions using the market-based method. In 2019, CGD began to include location-based information.

Scope 2 (market-based)

Base year start
January 1 2015

Base year end
December 31 2015

Base year emissions (metric tons CO2e)
38774

Comment
Included CGD,S.A., BCA, BI and BCG Brasil.

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start
January 1 2015

Base year end
December 31 2015

Base year emissions (metric tons CO2e)
21

Comment
Included CGD,S.A., BCA, BI and BCG Brasil.

Scope 3 category 6: Business travel

Base year start
January 1 2015

Base year end
December 31 2015

Base year emissions (metric tons CO2e)
1897

Comment
Included CGD,S.A., BCA, BI and BCG Brasil.

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

Other, please specify (Partnership for Carbon Accounting Financials (PCAF))

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

2991

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Includes CGD, S.A., BCA, BI, BCGA, BCI, BNU Macau, Timor and France Branch.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

CGD provides a scope 2 market-based for Portugal (CGA, S.A.), Macau (BNU Macau), Mozambique (BCI) and, for the first time, France Branch. To Cape Verde (BI and BCA), Timor Branch (BNU Timor) and Angola (BCGA) we are unable to access the necessary information from the energy suppliers to calculate scope 2 by market-based method.

CGD provides a scope 2 location-based figure for all the geographies: Portugal (CGD,S.A.), Cape Verde (BI and BCA), Angola (BCGA), Mozambique (BCI), Macau (BNU Macau), Timor-Leste (BNU Timor) and France (France Branch).

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

11280

Scope 2, market-based (if applicable)

17059

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Scope 2 location-based: CGD, S.A = 6,024 tCO2e, BCA = 1,134 tCO2e, BI = 277 tCO2e, BCGA =1,550 tCO2e, BCI = 23 tCO2e, BNU Macau = 1,747 tCO2e, Timor Branch = 447 tCO2e and France Branch = 78 tCO2e.

Scope 2 market-based: CGD, S.A = 9,355 tCO2e, BCI = 5,191 tCO2e, BNU Macau = 2,348 tCO2e, and France Branch = 164 tCO2e.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Taking into account the services provided by CGD, of the 15 sectors in scope 3 CGD considers that purchased goods and services are not material and do not justify the effort required to gather information in that phase. However, CGD establishes a contractual relationship with suppliers, which conveys good practices and the commitment that CGD intends to see reflected in the activities carried out by them through the signing of a contract to comply with the provisions of "Ethical Principles and Good Business Practices" and "Manual of Good Practices for the environment, safety and health for service providers". For more critical contracts such as the purchase of paper, CGD establishes specific environmental requirements, such as: "The paper distribution company must guarantee that the paper supplied to CGD must hold certifications by the Forest Stewarship Council (FSC) and Program for the Endorsement of Forest Certification (PEFC). The paper must also have the Ecolabel eco-label."

Additionally, suppliers are invited to respond to CGD's ESG Supplier Rating, this questionnaire aims to characterize CGD's supply portfolio from an environmental, social and governance perspective, seeking to ensure that the practices developed by service providers contracted by CGD are in line with CGD's sustainability policies.

Capital goods

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

As a financial institution CGD considers that its capital goods are the buildings in which it operates. In this way, the calculation of the indirect emissions associated to the production of electricity are considered and calculated in the scope 2 (location and market-based method (whenever possible)). However, CGD has developed several measures to increase the energy efficiency of its buildings, based on the energy assessment/audit carried out periodically by an external entity.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

As a financial institution CGD does not use fuel and energy related activities not included in scope 1 and 2 (scope 1 - direct emissions resulting from the consumption of fuel in the installations and by the car fleet; scope 2 - indirect emissions resulting from the production of electricity). In any case, CGD intends in the short/medium term to carry out a reassessment of the scope 3 emissions categories that can be included.

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial institution, CGD does not consider upstream transportation and distribution to be a material category for its activity. At the moment, CGD does not have the information and resources needed to account for the emissions associated with upstream transportation and distribution each year, given the complexity of the process of gathering information. However, CGD intends in the short/medium term to carry out a reassessment of the scope 3 emissions categories that can be included.

Waste generated in operations

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
59

Emissions calculation methodology
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
The calculation of emissions for waste generated in operations is associated with incineration, landfill and recycling/energy recovery. Please see more details about waste generated in CGD operations at page 562 of Annual Report 2021.

Cards are one of the main products of CGD. To mitigate the impact of its product CGD has implemented a recycling circuit that has already sent for recycling more than 26.5 tonnes of cards since the beginning of the project (2015). These cards give rise to urban furniture which is subsequently handed over to social institutions.

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
351

Emissions calculation methodology
Fuel-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Business travel emissions are associated to plane, train, boat and individual transport (own car and taxi). Please see more details about business travel in CGD operations at page 561 of Annual Report 2021.

Employee commuting

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
In 2021, due to the pandemic context, CGD significantly reduced the number of employees commuting daily to CGD's buildings. Thus, this category was not considered material, much justified by the gradual use of more digital and remote working practices. However, CGD intends to carry out a reassessment of the materiality of its scope 3 emissions in order to understand in which dimensions it should increase its reporting scope.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
CGD considers that its leased assets are related to buildings and service vehicles. Emissions associated with the energy consumption of buildings are being considered in scope 2 and emissions associated with fleet fuel are being considered in scope 1.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial institution, CGD considers that downstream transportation and distribution are not material for the distribution of its services (financial services).

Processing of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial institution, emissions from processing of sold products, are not relevant or material. The products/services sold by CGD are not processed or transformed by a third party.

Use of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial institution, CGD considered that emissions associated to this activity are immaterial. CGD intends in the short/medium term to carry out a reassessment of the scope 3 emissions categories that can be included.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial institution, CGD considered that emissions associated with the end of life treatment of sold products immaterial. Anyway, CGD has a project for the recycling of bank cards, transmitted to customers when a new card is issued, allows to turn bank cards into urban furniture that reverts to social institutions.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial institution, CGD considers that downstream leased assets is not material for the distribution of its services

Franchises

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Not applicable. This ativity is not applicable to CGD as the bank does not have franchises.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
No other sources identified. However, CGD intends in the short/medium term to carry out a reassessment of the scope 3 emissions categories that can be included.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
No other sources identified. However, CGD intends in the short/medium term to carry out a reassessment of the scope 3 emissions categories that can be included.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.00000822

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
14271

Metric denominator
unit total revenue

Metric denominator: Unit total
1735544039

Scope 2 figure used
Location-based

% change from previous year
12.75

Direction of change
Decreased

Reason for change
This performance metric decreased 12.75% compared to previous year (from 0,00000942 to 0,00000822) due to a increase (+6.3%) in total revenues (operating income) and a decrease in global scope 1+2 GHG emissions (location-based method). Global scope 1+2 GHG emissions had a 7.2% decrease (from 15.383 tCO2e to 14.271 tCO2e, variation of 1.113 tCO2e), due not only to the pandemic context but also because the implementation of energy efficiency measures which allowed a significant reduction of electricity. Regarding CO2 emission reduction activities, CGD has been investing in the production of renewable energy in its corporate buildings and commercial network, such as: 1. Solar thermal plant at the Headoffice building: collectors installed across the 1.600 m2 roof at Head Office building produce energy for heating and cooling the water necessary for the centralized air-conditioning and sanitary facilities (3.631 GJ produced in 2021). 2. Solar photovoltaic microgeneration within the branch network: installation of solar photovoltaic panels in CGD branches. With a total of 1.450 panels (1.362 GJ produced in 2021).

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	1.395	Decreased	0.009	In 2020 CGD generated 4,966 GJ of direct primary energy from renewable source. In 2021, 5,003 GJ. That gives us a 37 GJ increase in direct primary energy generated from renewable source. 37 GJ is equal to 10,409 kWh. The calculation of emissions associated with this electricity consumption is carried out using the location-based method (emission factor 2021: 0,134 kgCO2/kWh, from https://www.apren.pt/pt/energias-renovaveis/outros), which gives us 1.377 tCO2e. This accounts for 0,009% of 15383 tCO2e, which refers to CGD's 2021 Scope 1+2 (location based) emissions.
Other emissions reduction activities	235	Decreased	1.53	The calculation of emissions associated with electricity consumption was carried out using the location-based method (emission factor 2021: 0,134 kgCO2/kWh, from https://www.apren.pt/pt/energias-renovaveis/outros). In 2021 there was a total of 6,024 tCO2e associated with electricity consumption, which represents a decrease of 1,494 tCO2e compared to 2020 (7,518 tCO2e). On one hand, in 2021, CGD continued to implement several energy efficiency measures: Installation of HVAC control presence detectors and lighting in the north and south meeting centers and adjacent areas; Implementation of movement sensors to control lighting in the lounges on floors 5, 6 and 8 of the Headquarters Building; Complete replacement of autonomous emergency lighting blocks with new LED technology on all underground floors of the head office building; The lighting in the lift halls is adjustable and is currently at 50% of its capacity; Modernization and installation of variable speed drives on the fans in the air treatment units; work was carried out on the thermal insulation of circulators, exchangers, and condenser covers. These measures have an estimated reduction of 319,897 kWh/year which allowed a 42.87 tCO2e reduction on CO2 emissions (location-based method), just in this year. One other hand, there are 1.259 t CO2e that are associated with the reduction of the emission factor based on the location from 0.162 kg CO2e/kWh in 2020 to 0.134 kg CO2e/kWh in 2021 (Source: APREN 2021), so we subtract this difference from the value presented and disaggregate this value in the "Change in methodology". Thus, we consider that the remaining emissions reduction (192.13tCO2) result from the emission reduction measures that have been implemented by CGD and reported annually in question C4.3b. Thus, the calculation was based on the following rationale: Emission redution by energy efficiency measures: 42.87 tCO2e (2021 measures – location based method) + 192.13 tCO2e (measures implemented over the years with impact in the reporting year) =235 tCO2e. Thus, the calculation was based on the following rationale: (235/15383)*100=1.53%.
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology	1259	Decreased	8.18	The calculation of emissions of CGD,S.A. using the location-based methodology was based on the emission factor of 0.162 kg CO2e in 2020 (source: APREN (2020)) and the emission factor of 0.134 kg CO2e in 2021 (source: APREN 2021). The significant reduction in the emission factor allowed a reduction of 1259 t CO2e. Calculation: 1259 tCO2e/ 15383 tCO2e*100 = -8.18%.
Change in boundary	153.7	Increased	1	This year, gasoline consumption in the Angola branch's infrastructure was included in the report. This value represents an increase of- 153.7 tCO2e (153.7tCO2/15,383 tCO2e)=1.00%
Change in physical operating conditions	480	Increased	3.12	In general, with the resumption of presential work after the pandemic situation, there was an increase in electricity consumption at the facilities of CGD Group's affiliated banks. The value calculated using the location-based method reflected an increase of 480.5 tCO2e compared to 2020 (evolution from 4775 tCO2 in 2020 to 5255 tCO2 in 2021), which represents an increase of 3.12% in emissions (480.47 tCO2e/15,383tCO2e).
Unidentified	6.8	Decreased	0.05	This parameter refers to small fluctuations in fuel consumption in the infrastructure (excludes Angola).
Other	247	Decreased	1.61	In terms of the mobile fleet and consumption of fluorinated gases, there was a reduction in the overall value of consumption, which represents a total of 247 tCO2 and a reduction compared to 2020 of 1.6% (247tCO2/15383tCO2).

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	10116.67	10116.67
Consumption of purchased or acquired electricity	<Not Applicable>	17080.3	61468.59	78548.89
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	1011.37	<Not Applicable>	1011.37
Total energy consumption	<Not Applicable>	18091.67	71585.25	89676.93

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area
Portugal

Consumption of electricity (MWh)
44948.16

Consumption of heat, steam, and cooling (MWh)
1011.37

Total non-fuel energy consumption (MWh) [Auto-calculated]
45959.53

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Cabo Verde

Consumption of electricity (MWh)
2485.43

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
2485.43

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Mozambique

Consumption of electricity (MWh)
22570.79

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
22570.79

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Angola

Consumption of electricity (MWh)
2728.66

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
2728.66

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
China, Macao Special Administrative Region

Consumption of electricity (MWh)
2863.41

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
2863.41

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Timor-Leste

Consumption of electricity (MWh)
732.39

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
732.39

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
France

Consumption of electricity (MWh)
2220.05

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
2220.05

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Energy usage

Metric value
4951

Metric numerator
GJ

Metric denominator (intensity metric only)
N/A

% change from previous year
2

Direction of change
Decreased

Please explain
The CGD Group reduced electricity consumption from 287,726 GJ (2020) to 282,775 GJ (2021), which represents a 2% (4,951 GJ) decrease in consumption. This 2% decrease in electricity consumption is related to the energy efficiency measures implemented and is also impacted by the continuous awareness that CGD promotes among its employees. Additionally, it is also impacted by the pandemic situation.

Description
Other, please specify (Work-related trips)

Metric value
46

Metric numerator
tCO2e

Metric denominator (intensity metric only)
N/A

% change from previous year
18.55

Direction of change
Decreased

Please explain
In Portugal, as a result of measures to promote video conference meetings, CGD reduced emissions associated with business travel by around 19% (248 tCO2 in 2020 to 202 tCO2 in 2021).

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Annual-Report-CGD-2021.pdf

Page/ section reference
Annual Report 2021 – pages 563 (emissions), 633 and 634 (statement):
https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2021/Documents/Annual-Report-CGD-2021.pdf

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Annual-Report-CGD-2021.pdf

Page/ section reference
Annual Report 2021 – pages 563 (emissions), 633 and 634 (statement):
https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2021/Documents/Annual-Report-CGD-2021.pdf

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Annual-Report-CGD-2021.pdf

Page/ section reference
Annual Report 2021 – pages 563 (emissions), 633 and 634 (statement):
https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2021/Documents/Annual-Report-CGD-2021.pdf

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Waste generated in operations
Scope 3: Business travel
Scope 3: Investments

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Annual-Report-CGD-2021.pdf

Page/section reference
Annual Report 2021 – pages 519 and 563 (emissions), 633 and 634 (statement):
https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2021/Documents/Annual-Report-CGD-2021.pdf

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C14. Portfolio impact	Other, please specify (Scope 3 emissions (category 15) in reporting year)	ISAE 3000, Revised	Question: C-FS14.1a (portfolio emissions details and assumptions used in calculation) and C-FS14.2b (portfolio impact by industry). Scope: CGD, Portugal. CGD carried out for the first time in 2021 the calculation of scope 3 - category 15 issues associated with the investment portfolio. Bearing in mind that this information will be the basis for defining the future trajectory/business plans to align with the Business ambition for 1.5ºC and Net-Zero Banking Alliance commitments, CGD published the information in the 2021 Sustainability Report (page 519, 563 and 620), submitting it to verification by an external entity. Check CGD's 2021 Sustainability Report for the Independent Limited Assurance Report (page 633-634). Annual-Report-CGD-2021.pdf
C8. Energy	Energy consumption	ISAE 3000, Revised	Question: C8.2a (energy consumption) Scope: CGD's Group(Portugal, Cape Verde, Mozambique, Angola, Macau, Timor and France) Over the years, CGD has developed several projects and initiatives that directly and indirectly contribute to to the material topic "Sustainable management of operations in the value chain", therefore, taking into account the relevance of this information to the different stakeholders, CGD considers auditing the data relevant. Check CGD's 2021 Sustainability Report for the Independent Limited Assurance Report (page 633-634). Annual-Report-CGD-2021.pdf
C2. Risks and opportunities	Other, please specify (TCFD report)	ISAE 3000, Revised	Questions: C2.2 Scope: CGD Portugal CGD published for the 2nd time the report of the Task Force on Climate-related Financial Disclosures (TCFD) (as attached to the annual report), where the responses to the TCFD recommendations are analyzed (please see pages 607-632), in order to carry out a process of continuous improvement of this information, and being an integral part of the sustainability report, the information was subject to external audit. Check CGD's 2021 Sustainability Report for the Independent Limited Assurance Report (page 633-634).
C4. Targets and performance	Year on year change in emissions (Scope 1 and 2)	ISAE 3000, Revised	Question: C4.1 and c4.1a Scope: CGD Portugal As CGD defined in 2018 an objective to reduce CO2 emissions (scope 1 and 2), it considers its monitoring and transparent disclosure essential. In this way, the data are presented in the sustainability report (page 519) and submitted to external verification. Question: C4.5a Scope: CGD Portugal The 2021-2024 Sustainability Strategy embodies CGD's ambition to become the leader in sustainable finance in Portugal, supporting the transition to a low-carbon economy and financing projects with a social impact on people's lives, based on five strategic areas of action. The target of one of them (Sustainable and Inclusive Financing) is financing the transition to a low-carbon economy in a fair and inclusive way therefore CGD reports its financial debt instruments issued and the lines of financing it has to contribute to its strategic ambition (please see pages 500 to 504), in addition CGD also reports the proportion of products and services in the GRI index with environmental benefit (FS8 - please see page 599). Check CGD's 2021 Sustainability Report for the Independent Limited Assurance Report (page 633-634).

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number

51

% total procurement spend (direct and indirect)

91.2

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

Supplier relationship management is part of CGD's Sustainability Strategy, since, as a financial institution, most of the impacts caused occur downstream due to financing and downstream when dealing with suppliers.

In 2021, 87% were of national origin, in order to achieve its mission to mitigate upstream emissions as much as possible. CGD’s procurement division has included in its Code of Conduct clauses on Social Responsibility and Sustainable Development, which determine its activity according to international principles and best practices in the field of Social Responsibility, respecting and complying with management commitments regarding the contribution to sustainable development - from an economic, social and environmental point of view - of the Communities in which it operates. All suppliers are therefore obliged to comply with these requirements of the contract, in which CGD's Manual of Good Practices for Service Providers and the Ethical Principles and Good Business Practices are also attached.

CGD has been developing a set of projects and initiatives aimed at reducing the environmental impact on products/services and promoting the alignment of behaviors, expectations and collaborative approaches between CGD and its suppliers. In this context we highlight the Electronic Invoicing Project. Under CGD's digital transformation strategy, the aim of this project is to dematerialize processes related with invoicing management and to reduce the associated environmental impact (for example paper consumption). It is also important to mention the adoption of the digital signature in all contracts, avoiding the process of commuting to print and sign documents.

This initiative is aligned with CGD's action with its suppliers under the Environmental Management System (EMS) implemented in the Head Office Building. Implemented since 2014, this benchmark is an important tool for compliance with environmental legislation, the existence of a culture of pollution prevention and continuous improvement in CGD's environmental performance.

Impact of engagement, including measures of success

The projects and initiatives developed by CGD with its suppliers achieved significant results, whether in a qualitative and quantitative perspective. It is important to highlight the results achieved by the Electronic Invoicing Project. Of the focus group of suppliers identified by CGD as those most likely to cause negative environmental impacts downstream (IT, Consulting, Auditing, Lawyers, Appraisers and Brokers) and whose value spent totals 91.2% of the total value spent on suppliers, 51% joined the Electronic Invoicing project.

Together with the measures implemented under the EMS, this project enabled a 50,6% reduction in paper consumption since its creation (2019 baseline).
The 2021 external audit performed on the EMS did not show any non-conformities and highlighted the availability and interest of CGD suppliers in adopting new technologies, more innovative and agile, less dependent on physical resources and that ultimately allow to achieve a lower environmental impact.

Comment

C-FS12.1b

(C-FS12.1b) Give details of your climate-related engagement strategy with your clients.

Type of clients
Customers/clients of Banks

Type of engagement
Engagement & incentivization (changing client behavior)

Details of engagement
Included climate change considerations in client management mechanism
Offer financial incentives for clients who reduce your downstream emissions (Scope 3) and/or exposure to carbon-related assets

% client-related Scope 3 emissions as reported in C-FS14.1a
0

Portfolio coverage (total or outstanding)
97.4

Rationale for the coverage of your engagement
Engagement targeted at clients with the highest potential impact on the climate

Impact of engagement, including measures of success
CGD developed a new index, named ESG Rating Model, enforced through the inclusion of ESG criteria into decision-making processes, in order to support companies in their process of transition towards a greener, more inclusive economy, providing input so that they improve their ESG Rating and allocate their capital flows to sustainable finance strategies, ensuring value maximization for the various stakeholders.

This rating allows the qualitative assessment of companies in terms of sustainability (according to a scale of Strong, Good, Satisfactory and Weak), considering non-financial risks, in addition to the assessment of the financial risks, which aims to: Contribute with inputs to regulatory obligations (namely the ECB's expectations stated in the Guide on climate-related and environmental risks, the Climate stress test exercise being carried out during the 1st half of 2022 and the alignment of CGD's activity with the EU Taxonomy Regulation); Integrate these criteria in the decision-making and credit granting process to companies, contributing to more robust risk management, better consistent returns in the long term and facilitating the transition to a more sustainable economy.

Four Sustainable Finance Strategies (Ponder, Capture, Enhance and Divest) were also developed, based on the correlation between the Financial Rating and the ESG Rating, allowing the identification of customers with the greatest potential for growth and customers at risk, with the main objective of enhancing the relationship and anticipating companies needs.

At the end of 2021, 97.4% of the credit portfolio had an ESG Rating assigned, considering both the eligible segments for the ESG Rating Model and the rated credit portfolio in terms of financial rating, comprising €23,1Bis of exposure (versus €16.3 Bis in Dec-20). ESG ratings were calculated for 409,737 companies (representing an increase of 48.8% towards the initial calculation set-up), of which 41,769 companies with exposure.

The distribution of exposure on Dec-21 did not show significant changes compared to the distribution registered on Dec-20, with a higher concentration in the Good (49%) and Satisfactory (45%) levels and lower concentration in the Weak (6%) and Strong levels (1.7%). Regarding the Sustainable Financing Strategies, the most representative quadrant continues to be that of the Sustainable Finance Strategy "Ponder", concentrating 52% of the exposure, followed by "Capture", representing 41% of exposure.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

CGD recognizes that the sustainable development of its activity is valued by continuous dialogue with stakeholders and others partners in the value chain, such as suppliers, employees, investors, Social Entities, NGO's, Foundations, Local Community, among others.

Under the fifth pillar of its Sustainability Strategy 2021-2024 – Disclosure of Sustainability Information, CGD has made a commitment to raise the costumer's and other stakeholders awareness on climate-related issues. In 2021 CGD developed for the second time a reporting/communication piece complementary to its annual Sustainability Report. The Sustainability Performance 2021 Highlights aims to provide a global overview of CGD's Sustainability Strategy and its performance in the various dimensions of sustainability. It is a brief document, designed for stakeholders such as customers, who do not have the time to read sustainability reports with a high dimension and complexity. This document is also a way for customers to find out about the bank's climate strategy and get to know some of the products and services CGD offers in this area. This document also includes testimonials from the Board of Directors who give first-hand accounts of the CGD's sustainability strategy and how the financial sector should impact and contribute towards a more inclusive and sustainable economy. It is also an inclusive document, using ColorADD technology - a colour identification system for the colour-blind.

Following the 26th United Nations Climate Change Conference (COP26), CGD published a Position Paper demonstrating its commitment, positioning, main commitments, initiatives and results in terms of climate action. This document also discloses highly relevant information for diverse stakeholder groups, such as scope 3 Greenhouse Gas emissions - category 15 (investments) and the respective identification of the top 5 most carbon intensive sectors. CGD was the first Portuguese financial institution to quantify and publicly disclose the emissions associated with its financing portfolio. CGD's Position Paper on Climate Action was emailed to 789 investors from 474 companies,18 raters from 6 rating agencies and 19 researches from 7 companies, reaching not only a national public, but also international investors and other stakeholders (https://www.cgd.pt/English/Sustainability-CGD/Performance/Documents/Sustainability_Performance2021.pdf)

The Recycling of Bank Cards Programme is based on the circular economy concept. In partnership with Extruplás (Recycling, Recovery and Manufacture of Plastic Products), it enables bank cards and other PVC cards to be delivered by the public in general (costumers and non-costumers) in CGD branches, to be reused through the recycling of the plastic and transformed into pieces of urban furniture that are later offered to institutions of social solidarity. Since the creation of this project, it has already been possible to recycle more than 26 tonnes of banking cards, resulting in the delivery of 23 pieces of urban equipment to charitable institutions. This programme was highlighted as a good practice on the European Circular Economy Stakeholder Platform, a joint initiative by the European Commission and the European Economic and Social Committee.

Saldo Positivo Portal is an editorial project that promotes Financial Literacy along CGD's Sustainability strategy. It encompasses a versatile editorial platform, which is organized in several sections that seek to respond to today's challenges. In this context, it is worth highlighting the development of a free guide to good environmental practices, aimed at promoting greater environmental awareness and a more sustainable common future for its stakeholders. The Guide to Good Environmental Practices is available to the public on the Saldo Positivo portal.

In 2021 Saldo Positivo Portal scored an average of more than 430,000 visits per month (116% more than in 2020). Approximately 280 articles were published throughout 2021, covering various topics, ranging from financial literacy, digital security, banking, taxation, sustainability, civic literacy and citizenship, among others.

The Caixa Social Awards' mission is to finance and develop innovative, replicable social projects undertaken by third-sector organizations geared towards addressing social problems to mitigate poverty and social exclusion, using CGD's skills to leverage new economic models and the ability to involve stakeholders in a single mission and goals. In its 2021 edition, Caixa Social Awards received more than 400 applications, having supported 34 projects with 500,000€ that are estimated to positively impact more than 125,000 beneficiaries.

C-FS12.2

(C-FS12.2) Does your organization exercise voting rights as a shareholder on climate-related issues?

	Exercise voting rights as a shareholder on climate-related issues	Primary reason for not exercising voting rights as a shareholder on climate-related issues	Explain why you do not exercise voting rights on climate-related issues
Row 1	Yes	<Not Applicable>	<Not Applicable>

C-FS12.2a

(C-FS12.2a) Provide details of your shareholder voting record on climate-related issues.

Method used to exercise your voting rights as a shareholder
Exercise voting rights through an external service provider

How do you ensure your shareholder voting rights are exercised in line with your overall climate strategy?
Vote tracking

Percentage of voting disclosed across portfolio
16

Climate-related issues supported in shareholder resolutions
Climate transition plans
Climate-related disclosures
Aligning public policy position (lobbying)
Emissions reduction targets
Board oversight of climate-related issues

Do you publicly disclose the rationale behind your voting on climate-related issues?
<Not Applicable>

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate
Yes, we engage directly with policy makers
Yes, we engage indirectly through trade associations
Yes, we engage indirectly by funding other organizations whose activities may influence policy, law, or regulation that may significantly impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?
Yes

Attach commitment or position statement(s)
Position paper - Climate Action
CGD_Position_Paper_EN.PDF

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy
CGD ensures its engagement activities are consistent with its overall climate change strategy by following best sector practices and commitments, as well as developing policies that establish the actions taken on by CGD within the scope of its responsible management practices, providing for the need to apply ethics, rigor and transparency to all activities and operations, binding employees and functional structures, Group companies and, whenever applicable, partners, suppliers and remaining stakeholders to the compliance therewith.
CGD manages the multiple engagement activities around climate change across business divisions and international structures through its management sustainability model, in which the most relevant structural bodies are involved in executing the Corporate Sustainability Programme. The Sustainability Committee stands out as an advisory body to the Executive Committee, chaired by the Chief Executive Officer and composed of managers from the different corporate areas responsible for implementing activities associated with the Sustainability Strategy.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate
Adaptation and/or resilience to climate change
Circular economy
Climate-related targets
Mandatory climate-related reporting
Sustainable finance

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Climate Law (Law number 98/2021)

Policy, law, or regulation geographic coverage
National

Country/region the policy, law, or regulation applies to
Portugal

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
The Business Council for Sustainable Development (BCSD) Portugal is a non-profit association that brings together and represents more than 90 reference companies in Portugal that are actively committed to the transition to sustainability.
As stated in its mission, the BCSD Portugal aims to encourage and support its members in their journey towards sustainability, inspiring and helping them to build organizations and business models that are competitive, innovative and sustainable - at an Environmental, Social, Economic and Governance level. In parallel, it contributes to the construction of public policies and to the awareness of Portuguese society and Portugal sustainable development.
As an example of its work, CGD is a member of the BCSD - Carbon Neutrality Working Group which aims to:
· Activate the 2030/2050 climate targets, associating concrete business solutions with carbon neutrality policy targets;
· Operationalize Carbon Neutrality by 2050, identifying the necessary solutions for the implementation of companies' action plans;
· Simplify the journey to Carbon Neutrality by 2050 by aligning business practices and climate performance with national/European targets.
The alignment model of the Carbon Neutral Working Group is based on the Carbon Neutral Roadmap 2050 (RNC2050), which establishes, in a sustained manner, the trajectory to achieve carbon neutrality in Portugal in 2050.
The RNC2050 was developed in alignment with the territorial dimension mirrored in the National Programme for Territorial Planning Policies and incorporating the guidelines of the Action Plan for the Circular Economy.
In 2021, the BCSD consulted the elements of the Carbon Neutrality Working Group to provide input on the analysis of the climate framework law, having subsequently developed a joint document that was shared with the Commission's "Climate Law" working group of Environment, Energy and Territorial Planning.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate
Adaptation and/or resilience to climate change
Circular economy
Climate-related targets

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Taxonomy Regulation (Regulation (EU) 2020/852)

Policy, law, or regulation geographic coverage
Regional

Country/region the policy, law, or regulation applies to
Europe

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
As an associate and member of the Board of the Portuguese Banking Association, CGD participates in this entity's working groups, such as the Working Group on Sustainable Financing and Financial Literacy. In this context, CGD works with this entity through participation in meetings and opinions on topics such as taxonomy.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association
Other, please specify (GRACE - Group of Reflection and Support to Corporate Citizenship)

Is your organization's position on climate change consistent with theirs?
Consistent

Has your organization influenced, or is your organization attempting to influence their position?
We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)
CGD is part of the Corporate Bodies of GRACE for the triennium 2021-2023. GRACE is a non-profit public utility business association that operates in the areas of Social Responsibility and Sustainability. GRACE is the representative in Portugal of CSR European network, a leader in sustainability and corporate responsibility, supporting industry sectors and companies globally in the transformation and search for practical solutions for sustainable growth. GRACE supports the promotion and development of a sustainable business culture, encouraging the participation of member companies in the context in which they operate, with one of its vectors being to influence public policies focused on the principles of sustainability. As an example of the position and approach supported by GRACE, the European Pact for Sustainability should be highlighted. The European Pact for Sustainable Industry aims at scaling up the impact of individual efforts made by companies, industry federations, and EU leaders towards a Sustainable Europe 2030. Companies, industry federations and CSR Europe partner organisations, including GRACE, are therefore invited to express their support for this Pact, based on 3 main objectives: 1) By 2024, all the European Industry Federations will roll out a mature Sustainability Industry Strategy; 2) By 2030, 10.000 companies will be engaged in sector- and cross-Sectorial collaborations; 3) By 2024, EU policymakers will implement an inclusive level playing field.

CGD has been actively collaborating, through the presence of its Head of Sustainability on GRACE's Executive Board and working groups, influencing the development of projects and initiatives with a strategic focus on the commitment to Agenda 2030 and the United Nations Sustainable Development Goals. CGD maintains a position of support for initiatives that promote dialogue and capacity building for the transition to a low-carbon economy.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)
3500

Describe the aim of your organization's funding
GRACE's mission is to promote and develop a sustainable business culture, fostering the participation of member companies in the context in which they operate, under the following axes:
1) Influencing public policies with a focus on sustainability principles;
2) Disseminate good practices (in partnership);
3) Supporting the associates (e.g. through training).
With these objectives in mind, GRACE members have access to several advantages, namely
- knowledge sharing from a group of more than a hundred national and international companies that are committed to sustainable development.
- access to the GRACE HUB which contains exclusive content for members.
- participation in initiatives developed by GRACE, aligned with the EStratégia Europa 2030 and the SDGs.
- Access to training and capacity building activities.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Global Compact Network Portugal)

Is your organization's position on climate change consistent with theirs?
Consistent

Has your organization influenced, or is your organization attempting to influence their position?
We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)
CGD is a member of the Global Compact Network Portugal (GCNP), which has an international mandate to lead the business sector's contribution to achieving the United Nations' 17 Sustainable Development Goals, creating opportunities to promote bridges for dialogue and cooperation, as well as creating sustainable bases for developing partnerships and creating projects, programmes and activities.
CGD also subscribed to the 10 Global Compact Principles based on the areas of human rights, labour practices, environmental protection and anti-corruption and aims to integrate them into the company's strategy and operations.
GCNP has developed the accelerator program to combat climate change, which supports companies in setting science-based targets and building a transition roadmap towards net zero emissions.
Led by the UN Global Compact with the support of Ørsted and Natura & Co and sponsored by the En+ Group, the Climate Ambition Accelerator implements and amplifies the Business Ambition for 1.5ºC campaign, supporting companies in understanding and managing the risks related to greenhouse gases. Greenhouse (GHG) and providing tools to support the energy transition, essential in a competitive and sustainable business environment.
CGD signed the Business Ambition for 1.5 °C letter of commitment, an initiative led by the Science-Based Targets initiative (SBTi) with the support of the United Nations Global Compact and the We Mean Business Coalition. This initiative encourages companies to make a strong commitment to fighting climate change, by setting concrete targets for reducing greenhouse gas emissions.

As part of its commitment to the 10 principles of the GCNP, CGD carries out an annual self-assessment of its alignment with the 10 principles of this entity by responding to the Communication on Progress questionnaire.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)
7500

Describe the aim of your organization's funding
CGD is a member of the United Nations Global Compact (UNGC) and of the Global Compact Network Portugal (GCNP).

The Ten Principles of the Global Compact
Subscribing to the 10 Global Compact Principles requires CGD to submit an annual performance report on activities within the scope of human rights, labor practices, environmental protection and anticorruption - the Communication on Progress (CoP).
CGD has managed to always meet the criteria for the "GC Advanced" CoP level, which proves the quality of the practices adopted by the Bank.

17 Sustainable Development Goals of the United Nations
Global Compact Network Portugal (GCNP), which has an international mandate and is responsible for providing guidelines for the Corporate Sector to meet the 17 Sustainable Development Goals, creates opportunity for open dialog and cooperation, as well as sustainable foundations for developing partnerships and creating projects, programs and actions.

Business Ambition 1.5 °C
According to the Intergovernmental Panel on Climate Change (IPCC), it is imperative to curb global warming, preventing it from exceeding 1.5 °C. To this end, it is urgent to promote the use of cleaner sources of power generation and the reduction of greenhouse gas emissions.
With this global objective in mind, the United Nations Global Compact presented the letter "Business Ambition for 1.5 °C", an initiative promoted by the Secretary-General of the United Nations, Mr. António Guterres.
By signing the commitment letter, CGD has publicly undertaken to align its business plans with a plan for decarbonizing the economy and limiting warming to 1.5 °C.

Women’s Empowerment Principles
CGD signed up to to the Women’s Empowerment Principles (WEP), a joint initiative of the United Nations Global Compact and the United Nations Development Fund for Women for promoting gender equality and strengthening the role of women in the workplace, the market and the community.
As part of its commitment to promoting gender equality, Caixa became a signatory to the implementation of the seven WEP Principles.

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization
Non-Governmental Organization (NGO) or charitable organization

State the organization to which you provided funding
Business Council for Sustainable Development (BCSD) Portugal. BCSD Portugal is part of the Global Network of the World BCSD (WBCSD), the largest international business organization working in the area of sustainable development, aiming to accelerate the transition to a sustainable world with member companies representing all business sectors and all major economies.
BCSD Portugal is also one of the national business councils that are part of the WBCSD Global Network.

Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)
3500

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate
The BCSD Carbon Neutrality Working Group was created to empower companies for the necessary transition and help them operationalize the journey to climate neutrality, in alignment with national commitments, through monitoring of trends and public policies, and promoting to the development and sharing of knowledge on this topic.
Within the scope of the BCSD Working Group for Carbon Neutrality, the project “Business Solutions for Carbon Neutrality by 2050” that had started in 2020 was continued.
In March 2022, a document (available here: https://bcsdportugal.org/wp-content/uploads/2022/03/BCSD-Portugal_Solucoes-Empresariais-para-a-Neutralidade-Carbonica-ate-2050.pdf) was published that seeks to help Portuguese companies to accelerate decarbonisation processes in their value chains. The document has several case studies of the companies that constitute it, which demonstrate the applicability of the business solutions identified to achieve the objectives of the roadmap for carbon neutrality, and has a set of debt instruments (pages 68 to 73) and capitalization (pages 74 and 75).
In 2021, the elements of the working group were invited to give their opinion on the proposal of the different parties to the climate baseline law, and the inputs given were then discussed within the working group and gave rise to a response document that was shared with the Climate Law working group of the Commission for Environment, Energy and Territorial Planning.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Type of organization
Non-Governmental Organization (NGO) or charitable organization

State the organization to which you provided funding
The Portuguese Banking Association (PBA). The Portuguese Banking Association (APB) is the main entity in Portugal representing the banking sector. Its 24 associates constitute more than 90% of the assets of the Portuguese banking system. The PBA is part of the European Banking Federation (EBF), which brings together 32 national banking associations that together represent about 3,500 banks in Europe.

Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)
570000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate
The mission and objective of the APB is
"To defend the banking sector in Portugal and, specifically, the common interests of its member institutions;
To contribute to a better economic, technical and social performance of the sector;
To act in defence of the values of trust, ethics, transparency and rigour in the performance of banking institutions;
Promote a transparent relationship between banking and society;
To contribute for a bigger and better qualification of the professionals of the sector;
To foster a better understanding of the functioning of the banking system and its importance in the country's economy;
To assume an active role in financial education, contributing, namely, to a better use of banking products and services".
As a member of the APB, CGD is involved in giving its opinion on legislative or regulatory initiatives, at a national or European level, concerning various matters related to the banking sector. One of the most recent examples of CGD's involvement was in the Climate Baseline Law
(https://www.apb.pt/content/files/Comentarios_da_APB_a_LEI_DE_BASES_DO_CLIMA_8abr2021.pdf).

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
Annual-Report-CGD-2021.pdf

Page/Section reference
Please refer to CGD's Annual Report: Sustainability Report 2021 - Climate Risk Management chapter. GHG emissions performance at page 511. For Strategy page 499. For Governance page 546. Risk and opportunities on TCFD Annex D (page 607).

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment
Please refer to CGD's Annual Report: Sustainability Report 2021 - Climate Risk Management chapter. GHG emissions performance at page 511. For Strategy page 499. For Governance page 546. Risk and opportunities on TCFD Annex D (page 607).
To see this information for previous years please consult the link: To see the same information for previous years please consult the link https://www.cgd.pt/English/Sustainability-CGD/Performance/Pages/Reports.aspx.

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Sustainability_Performance2021.pdf

Page/Section reference
Page 18 and 19.

Content elements
Emissions figures

Comment
In order to highlight the most relevant information for CGD's stakeholders and facilitate their understanding, a sustainability brochure was developed with the highlights of the reporting year under review.

Publication
In voluntary sustainability report

Status
Complete

Attach the document
CGD_Position_Paper_EN.PDF

Page/Section reference
Entire document refers to CGD's response to climate change and GHG emissions performance

Content elements
Strategy
Emissions figures
Emission targets

Comment
Emissions targets refer to CGD's adherence to Net Zero Banking Alliance (NZBA) - net zero by 2050.

C-FS12.5

(C-FS12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Climate Disclosure Standards Board (CDSB) Net Zero Banking Alliance Principle for Responsible Investment (PRI) Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact UNEP FI UNEP FI Principles for Responsible Banking Other, please specify (Women Empowerment Principles)	Climate Disclosure Standards Board (CDSB): Considering that CGD's stakeholders, mainly investors, are increasingly interested in having access to relevant climate-related financial information, and that this information should be consistent and comparable, CGD has joined the Enhanced Reporting Europe campaign promoted by the Climate Disclosure Standards Board (CDSB), taking on the commitment and the goal of strengthening its reporting of environmental information. Net Zero Banking Alliance: CGD is a signatory to the Net-Zero Banking Alliance, taking on the commitment of implementing strategies and business models allowing for reaching carbon neutrality by 2050. This initiative steers the financial sector towards the creation of a carbon neutral economy, though a progressive reduction in line with the goals set out in the Paris Agreement. Principle for Responsible Investment (PRI): Caixa Gestão de Ativos is a signatory to the United Nations Principles for Responsible Investment (PRI). Responsible Investment is a strategy and practice that aims to incorporate environmental, social and corporate governance factors into investment decisions. Signing up to the PRI is a natural step towards CGD's reinforcement of the importance of incorporating ESG (Environmental, Social and Governance) factors into the investment process of the various funds under management. The Principles for Responsible Investment defend the long-term interests of its signatories, the financial markets, the economies in which they operate and, ultimately, the interests of society and the environment as a whole. Task Force on Climate-related Financial Disclosures (TCFD): The task-force on climate-related financial disclosures (TCFD) is an initiative of the Financial Stability Board aiming to make recommendations on the voluntary disclose of climate-related financial information. As an institution that is aware of the challenges posed by climate change, CGD takes on an active role in being transparent in its reported climate-related information and in raising its stakeholders' awareness to environmental issues. UN Global Compact: CGD is a member of the United Nations Global Compact (UNGC) and of the Global Compact Network Portugal (GCNP). Within the scope of this membership, CGD also subscribes to The Ten Principles of the Global Compact, the 17 Sustainable Development Goals of the United Nations, the Business Ambition 1.5 °C and the Women's Empowerment Principles. UNEP FI Principles for Responsible Banking: In 2019, CGD signed up to the Principles for Responsible Banking (PRB) of the the United Nations Environment Programme Finance Initiative (UNEP FI). PRB's set out the role and duty of the financial sector in building a sustainable future, as well as its alignment with the sustainable development goals laid out by the UN and by the 2015 Paris Climate Agreement. They also decisively allow for banks not only to integrate sustainability into all their areas, but also to identify the impact of their contributions for building a more sustainable world. PRB's also enable new business opportunities, stemming from the transition into an economy with less environmental impacts and greater social equity. CGD has been carrying out several activities aiming to effectively implement the Principles for Responsible Banking.

C14. Portfolio Impact

C-FS14.0

(C-FS14.0) For each portfolio activity, state the value of your financing and insurance of carbon-related assets in the reporting year.

Lending to all carbon-related assets

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
424390

New loans advanced in reporting year (unit currency – as specified in C0.4)
119990

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
2.4

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
<Not Applicable>

Lending to coal

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
2217

New loans advanced in reporting year (unit currency – as specified in C0.4)
2020

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
0.013

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
<Not Applicable>

Lending to oil and gas

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
25909

New loans advanced in reporting year (unit currency – as specified in C0.4)
4246

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
0.15

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
<Not Applicable>

Investing in all carbon-related assets (Asset manager)

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
170688

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
0.95

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
<Not Applicable>

Investing in coal (Asset manager)

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
0

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
0

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
<Not Applicable>

Investing in oil and gas (Asset manager)

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
154519

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
0.86

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
<Not Applicable>

C-FS14.1

(C-FS14.1) Does your organization measure its portfolio impact on the climate?

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Please explain why you do not measure the impact of your portfolio on the climate
Banking (Bank)	Yes	Portfolio emissions Other carbon footprinting and/or exposure metrics (as defined by TCFD)	<Not Applicable>
Investing (Asset manager)	No, but we plan to do so in the next two years	<Not Applicable>	Caixa Gestão de Ativos, CGD's asset manager company, became a signatory in 2019 to the United Nations Principles for Responsible Investment (PRI). Responsible Investment is a commitment that aims to incorporate environmental, social and corporate governance factors into investment decisions. The adherence to the United Nations Principles for Responsible Investment represents a natural step, reinforcing the importance of incorporating ESG (Environmental, Social and Governance) factors into investment process of several funds under management. This philosophy represents a pillar in the activity of the company and part of a broader strategy of the CGD Group that supports a more sustainable long term vision. Taking into account that the majority of emissions associated with the financial services sector occur in the investment chain - within the financial products and services they provide and/or in their investments, within the context of the new Sustainability Strategy 2021-2024 of CGD, CXA intends to develop additional metrics to identify and measure climate impact. Moreover, CXA aims to sign to participate in the Net Zero Asset Managers Initiative in the coming months of 2022.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS14.1a

(C-FS14.1a) Provide details of your organization's portfolio emissions in the reporting year.

Banking (Bank)

Portfolio emissions (metric unit tons CO2e) in the reporting year

5137853

Portfolio coverage

97

Percentage calculated using data obtained from clients/investees

8.5

Emissions calculation methodology

Other, please specify (PCAF – Partnership for Carbon Accounting Financials)

Please explain the details and assumptions used in your calculation

The calculation of the carbon footprint of scope 3 GHG emissions was based on the GHG Protocol guidelines, the guidance provided by the Partnership for Carbon Accounting Financials (guide and methodology for GHG reporting for different types of financial assets) and the Financial Sector Science Based Targets Guidance.
PCAF has developed the standard for calculating investment emissions based on the GHG Protocol guidelines and is recognised by the Science-Based Targets Initiative (SBTi) in the "Financial Sector Science-Based Targets Guidance". CGD calculated emissions from investments in the categories of business loans (loan portfolio), project finance (electricity generation projects), residential mortgages ("mortgages") and commercial mortgages ("real estate"). Emissions from investment portfolio were excluded from calculation (e.g. listed equity and bonds).
Issues of Caixa's credit portfolio were calculated in accordance with the PCAF methodology for the "business loans" category and in accordance with option 3a were used: i) balance sheet figures, equity debt and revenues on 31-Dec2021 (bank internal data); ii) sector emission factors (tCO2/turnover) calculated based on the most recent information available at INE, Pordata, DGEG, APREN. In situations where the inexistence of data was identified (e.g.: equity, debt or revenues), formula 3b was applied (Score 5), where the sectoral emission factors (tCO2/assets) were also calculated based on information available at INE, Pordata, DGEG, APREN.
At level of housing mortgages and real estate are calculated using the PCAF methodology for these types and in accordance with the option 3 (quality score 5) using : i) amounts due (€), assessment value (€) and energy certificate level of the buildings (internal data from the Bank) and; ii) Emission factors per building (tCO2/building) taken from the PCAF "European building emission factor database"" according to the energy certificate level and type of property. In cases where it was not possible to identify the property's energy certificate, the PCAF database also provides average emission factors (lower quality).
At Project Finance – Electricity Generation level, emissions were calculated according to the option 2b (quality score 3). Data used in the calculation: i) Bank's internal data regarding electricity-generation projects (amounts due (€), total equity+debt (€) and production (MWh)); ii) Emission factors made available by ERSE per generation technology.

C-FS14.1b

(C-FS14.1b) Provide details of the other carbon footprinting and/or exposure metrics used to track the impact of your portfolio on the climate.

Portfolio

Banking (Bank)

Portfolio metric

Portfolio carbon footprint (tCO2e/Million invested)

Metric value in the reporting year

110

Portfolio coverage

97

Percentage calculated using data obtained from clients/investees

8.5

Calculation methodology

CGD calculated and published for the first time the calculation of scope 3 category 15 emissions in the sustainability report. The methodology proposed by the PCAF was used to calculate these issues, at this stage using the precision level of data 4 and 5. For a total of 46,870M€ and 5,137,853 tCO2, CGD estimates the value of 110 tCO2/M€.
The data were calculated separately for the following classes:
1) corporate portfolio (segregated by economic activity_CAE) CGD used the option 3a were used: i) balance sheet figures, equity debt and revenues on 31-Dec2021 (bank internal data); ii) sector emission factors (tCO2/turnover) calculated based on the most recent information available at INE, Pordata, DGEG, APREN. In situations where the inexistence of data was identified (e.g.: equity, debt or revenues), formula 3b was applied (Score 5), where the sectoral emission factors (tCO2/assets) were also calculated based on information available at INE, Pordata, DGEG, APREN.
2) Housing mortgages and real estate are calculated using the PCAF methodology for these types and in accordance with the option 3 (quality score 5) using : i) amounts due (€), assessment value (€) and energy certificate level of the buildings (internal data from the CGD) and; ii) Emission factors per building (tCO2/building) taken from the PCAF "European building emission factor database"" according to the energy certificate level and type of property. In cases where it was not possible to identify the property's energy certificate, the PCAF database also provides average emission factors (lower quality).
According with "European building emission factor database" the emission factor for Residential Buildings in Portugal per EPC Rating is: A+: 0.4194 tCO2/dwelling (1037 dwellings), A: 0.6040 tCO2/dwelling (9117 dwellings), B: 0.7802 tCO2/dwelling (7711 dwellings), B-: 0.9564 tCO2/dwelling (2663 dwellings) , C: 1.2208 tCO2/dwelling (157577 dwellings), D: 1.5732 tCO2/dwelling (247719 dwellings), E: 1.9257 tCO2/dwelling (30887 dwellings), F: 2.1054 tCO2/dwelling (42942 dwellings).
3) At Project Finance – Electricity Generation level, emissions were calculated according to the option 2b (quality score 3). Data used in the calculation: i) Bank's internal data regarding electricity-generation projects amounts due (€), total equity+debt (€) and production (MWh)); ii) Emission factors made available by ERSE per generation technology. In the case of project finance – electricity generation, CGD had 11 projects of this nature in its financing portfolio as of 12/31/2021. Of these 10 use renewable energy generation technologies (solar, wind and hydro) and only one uses natural gas. From this project, taking into account its initial value (528 M€) and the amount due on 31/12/2021 (72 M€), the production value associated with CGD for the year in question was calculated and subsequently the emissions associated with this same project considering the ERSE emission factor (371 gCO2/kWh).

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's portfolio impact?

	Portfolio breakdown	Please explain why you do not provide a breakdown of your portfolio impact
Row 1	Yes, by industry	<Not Applicable>

C-FS14.2b

(C-FS14.2b) Break down your organization's portfolio impact by industry.

Portfolio	Industry	Portolio metric	Portfolio emissions or alternative metric
Banking (Bank)	Energy	Absolute portfolio emissions (tCO2e)	439624
Banking (Bank)	Materials	Absolute portfolio emissions (tCO2e)	2053267
Banking (Bank)	Capital Goods	Absolute portfolio emissions (tCO2e)	221026
Banking (Bank)	Transportation	Absolute portfolio emissions (tCO2e)	445424
Banking (Bank)	Real Estate	Absolute portfolio emissions (tCO2e)	12613
Banking (Bank)	Software & Services	Absolute portfolio emissions (tCO2e)	10314
Banking (Bank)	Health Care Equipment & Services	Absolute portfolio emissions (tCO2e)	50099
Banking (Bank)	Consumer Services	Absolute portfolio emissions (tCO2e)	441585
Banking (Bank)	Other, please specify (Mining and quarrying)	Absolute portfolio emissions (tCO2e)	78428
Banking (Bank)	Other, please specify (Water collection, treatment and distribution; sewerage, waste management and remediation activities)	Absolute portfolio emissions (tCO2e)	815830
Banking (Bank)	Other, please specify (Construction)	Absolute portfolio emissions (tCO2e)	173548
Banking (Bank)	Food & Staples Retailing	Absolute portfolio emissions (tCO2e)	27421
Banking (Bank)	Other, please specify (Consultancy, scientific and technical activities and Administrative and support service activities)	Absolute portfolio emissions (tCO2e)	39239
Banking (Bank)	Other, please specify (Housing Mortgage)	Absolute portfolio emissions (tCO2e)	261460
Banking (Bank)	Other, please specify (Education)	Absolute portfolio emissions (tCO2e)	7170
Banking (Bank)	Other, please specify (Arts, entertainment, sports and recreation activities)	Absolute portfolio emissions (tCO2e)	3395
Banking (Bank)	Other, please specify (Other service activities)	Absolute portfolio emissions (tCO2e)	57411

C-FS14.3

(C-FS14.3) Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?

	Actions taken to align our portfolio with a 1.5°C world	Please explain why you have not taken any action to align your portfolio with a 1.5°C world
Banking (Bank)	Yes	<Not Applicable>
Investing (Asset manager)	Yes	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C-FS14.3a

(C-FS14.3a) Does your organization assess if your clients/investees' business strategies are aligned with a 1.5°C world?

	Assessment of alignment of clients/investees' strategies with a 1.5°C world	Please explain why you are not assessing if your clients/investees' business strategies are aligned with a 1.5°C world
Banking (Bank)	Yes, for some	Within the scope of the C&E client risk assessment more specifically in terms of C&E counterparty due-diligence, the first approach is carried out within the Rating ESG scope, by characterizing the counterparty in terms of physical risk and transition risk(TR). In TR the components evaluated are i)GHG emissions of the sector, ii)Scope 1+2 and iii)Scope3 carbon intensity variation, and iv)Energy consumption and investment in research and development. Despite having the evaluation of the company in terms of ESG rating as an input, the commercial area can develop further due diligence, on a tailor made basis, considering the materiality of the exposure as well as the sector of the counterparty, considering information gathered on a bilateral basis or which is publicly available, such as transition plans and targets to net zero. In respect of the Large Exposures, there is often a longstanding and continuous relationship with the clients, allowing a more in-depth knowledge. In this context, with the purpose of performing a review of C&E related risks, commitments, initiatives, progress, 3rd party assessments and modelling (if applicable), the commercial due diligence on larges corporates tends to focus on: a)Sustainability related documentation such as Sustainability Reports; Sustainable Financing Frameworks;Second Party Opinion(s);Industry Associations Roadmaps;Third Party ESG Rating;Corporate Strategy/Investor Presentation; Financial Statements; Equity Research Notes; among others. b)Interviews with senior management, aimed at addressing the most relevant topics, including C&E matters, at more in-depth level. Specific e.g. of work sessions held in connection with the Large Exposures review (in the risk groups with greater C&E materiality, the scope of topics tends to be proportionally broader, as energy transition is usually embedded in the corporate strategy, linked to business drivers and increasingly relevant in the financial management). Likewise, the rating department may carry a more detailed and insightful analysis on practices and projects for counterparties that have greater exposure/associated with carbon-intensive sectors, which might also include analysis of clients transition plans and actions to net zero. The ESG rating has also the goal to support companies in the process of transition to a greener and more inclusive economy, providing inputs to improve their rating, in order to redirect capital flows towards a 1.5ºC world.
Investing (Asset manager)	Yes, for some	The incorporation of ESG factors in Caixa Gestão de Ativos (CGA)'s investment process is considered in parallel with the incorporation of traditional financial analysis factors. CGA developed in 2021, an internal rating methodology: CGA Sustainability Rating. This rating consolidates different assessment approaches according to the sub-asset class in a score obtained through the weighted average of the ESG ratings of each asset by its relative weight, oscillating between 0 and 10 within a rating ranging between CCC (minimum) and AAA (maximum). On top of this in CXA's approach to climate, CXA is starting to monitor investee's commitments to 1,5º C world. This will be the base for CXA's compromise with this issue and quite a relevant input in order to deal with the commitment required to join Net Zero Asset Managers initiative in the 3rd quarter of 2022.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	The Sustainability Committee is the executive committee's advisory body responsible for supervising the management of and issuing guidelines on the definition and implementation of the sustainability strategy, incorporating sustainable development, responsible banking and sustainable finance principles in CGD's current operations, in alignment with its strategic plan and stakeholders' expectations, covering CGD Group branches and subsidiaries. The Sustainability Committee is chaired by the CEO and is attended by the Chief Financial Officer, Chief Risk Officer and Chief Sustainability Officer, which ensures a greater alignment through all CGD divisions and a greater consistency in the commitments assumed by CGD and in its communication, both internally and externally. In 2019 CGD signed the Principles for Responsible Banking, an initiative by the United Nations Environment Programme – Finance Initiative (UNEP FI), which are a unique framework for ensuring that signatory banks' strategy and practice align with the vision society has set out for its future in the Sustainable Development Goals and the Paris Climate Agreement. In this context, CGD annually develops a self-assessment report on the response to the six Principles: 1) Alignment, 2) Impact and Targets, 3) Clients and Customers, 4) Stakeholders, 5) Governance & Culture, 6) Transparency. Additionally, UNEP-FI provides the Portfolio Impact Analysis Tool, which helps banks analyze the impacts associated with their retail (consumer and business banking) and wholesale (corporate and investment banking) portfolios. The tool identifies the various negative and positive impacts arising from the bank's activity (biodiversity, job creation, carbon-neutral and inclusive economy, etc.), which are then submitted to the Sustainability Committee for consideration.	Risks and opportunities to our own operations Risks and opportunities to our bank lending activities Risks and opportunities to our investment activities The impact of our own operations on biodiversity The impact of our bank lending activities on biodiversity The impact of our investing activities on biodiversity

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments only	Commitment to not explore or develop in legally designated protected areas Commitment to respect legally designated protected areas Commitment to avoidance of negative impacts on threatened and protected species	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	Yes, we assess impacts on biodiversity in our downstream value chain only	Bank lending portfolio (Bank) Investing portfolio (Asset manager)

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Species management Education & awareness Law & policy Livelihood, economic & other incentives

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	Other, please specify (We plan to use credit exposure to biodiversity key sectors)

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments	https://www.cgd.pt/English/Investor-Relations/Debt-Issuances/Prospectus/Documents/CGD-SustainableFinanceFramework.pdf (page 13 - exclusions)
In mainstream financial reports	Content of biodiversity-related policies or commitments	https://www.cgd.pt/English/Sustainability-CGD/Responsible-Business/Documents/PRB-2nd-AssessmentReport.pdf (Page 4 - exclusions)

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Caixa Geral de Depósitos has implemented its new Sustainability Strategy for the 2021-2024 four year period, ensuring that its activity is based on sustainable management principles, playing a structuring role in defining a climate resilient growth model based on a low carbon economy and social prosperity.

As part of the commitments of the new 2021-2024 Sustainability Strategy, Caixa Geral de Depósitos joined to the Net Zero Banking Alliance (NZBA) in 2021, an action driven by the United Nations Environment Programme Finance Initiative (UNEP FI). In this sphere and in order to comply with the objectives established in the Paris Agreement, Caixa Geral de Depósitos will conduct its activity in accordance with a transition plan, for itself and its main stakeholders, to achieve net zero emissions.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Executive Officer	Chief Executive Officer (CEO)

FW-FS Forests and Water Security (FS only)

FW-FS1.1

(FW-FS1.1) Is there board-level oversight of forests- and/or water-related issues within your organization?

	Board-level oversight of this issue area	Explain why your organization does not have board-level oversight of this issue area and any plans to address this in the future
Forests	Yes	<Not Applicable>
Water	Yes	<Not Applicable>

FW-FS1.1a

(FW-FS1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for forests- and/or water-related issues.

Issue area(s)	Position of individual(s)	Please explain
Forests	Chief Executive Officer (CEO) Chief Risk Officer (CRO) Chief Sustainability Officer (CSO) Board-level committee	CGD contributes to the stimulation and reforestation of forests through its Sustainability Strategy 2021-2024, namely through the Climate Risk Management pillar, which seeks to combat risks and leverage opportunities arising from the bank's activity. The Sustainability Committee is the executive committee's advisory body responsible for supervising the management of and issuing guidelines on the definition and implementation of the sustainability strategy, incorporating sustainable development, responsible banking and sustainable finance principles in CGD's current operations, in alignment with its strategic plan and stakeholders' expectations, covering CGD Group branches and subsidiaries. The Sustainability Committee is chaired by the CEO and is attended by the Chief Risk Officer and Chief Sustainability Officer, which ensures a greater alignment through all CGD divisions and a greater consistency in the commitments assumed by CGD and in its communication, both internally and externally. In order to contribute to the protection of natural capital, CGD has been carrying out afforestation and recovery projects in burned areas all over the country. In order to raise awareness of the importance of native forests, CGD also promotes forestation/planting initiatives through corporate volunteer work. Most recently, following the wild fires in Pedrógão Grande, in 2020 CGD planted 30,000 trees in Baldio da Fetosa (maritime pine, stone pine and cork oak), in order to in order to recover the burned area.
Water	Chief Executive Officer (CEO) Chief Risk Officer (CRO) Chief Sustainability Officer (CSO) Board-level committee	Sustainability committee (CSU) supervises the management of and provides guidance on the definition and implementation of the sustainability strategy, incorporating the "Principles for sustainable development and finances and responsible banking" in terms of CGD Group's operations, in line with its strategic plan and stakeholders' expectations, to include branches and subsidiaries. Its remit includes: (i) ensuring compliance with the sustainability governance model in addition to the means and resources for efficient and effective performance; (ii) monitoring compliance with good business practice and principles of conduct in legal and compliance terms, in addition to economic, social, environmental and reputational issues within its remit; (iii) supervision of compliance with CGD's commitments in the national, international and publications of corporate policies context; (iv) guidelines on CGD's contribution to sustainability and subsequent strategic guidelines for the inclusion therein of CGD Group's branches and subsidiaries; (v) examining the performance of the SGA (environmental management system), respective environmental management plan and fulfilment of objectives and responsibilities therein reflected under international standard ISO 14001; (v) education for sustainability conference, in addition to the communication of good practice and results, with the aim of helping to achieve a leading position in this field and positively strengthening the reputation, notoriety of and trust in CGD. Within the scope of the Environmental Management System, CGD subscribe in 2020 the Lisbon Capital Verde 2020 - Climate Action 2030 commitment, which includes, among other initiatives, the question: "Water (Water reuse) - Implementing water reuse solutions by 2023" this action plans to use non-potable water for watering gardens and maintaining the lake at CGD's Headquarters Building. Additionally, CGD annually promotes and implements water efficiency measures, such as the implementation of flow reducers and/or timers in taps.

FW-FS1.1b

(FW-FS1.1b) Provide further details on the board's oversight of forests- and/or water-related issues.

Issue area(s)
Forests

Frequency with which the issue area(s) is a scheduled agenda item
Scheduled - some meetings

Governance mechanisms into which this issue area(s) is integrated
Reviewing and guiding strategy
Reviewing and guiding major plans of action
Monitoring implementation and performance of objectives
Monitoring and overseeing progress against goals and targets for addressing forests- and/or water-related issues

Scope of board-level oversight
Risks and opportunities to our banking activities
The impact of our banking activities on forests and/or water security

Please explain
As a priority of its business strategy, the Caixa Group has set forth the strengthening of non-financial risk control, whose main responsibilities include identifying, assessing, measuring, monitoring, controlling and reporting the Group's non-financial risks, which include the dimensions of emerging risks intrinsically related to sustainability, as well as a specific risk subcategory concerning the impact of climate change in the context of banking activity. The management of non-financial risks and, in particular, challenges related to sustainability, is becoming increasingly relevant for the Caixa Group. Its concern with the risks underlying sustainability is intended to be increasingly relevant and effectively make a difference in the decision-making process. Since 2019, Caixa has acknowledged climate and environmental risk as a material and emerging risk for the Caixa Group, considering that climate and environmental risks comprise two vital risk factors:
- Transition risk, which refers to financial losses that may result, directly or indirectly, from the adjustment towards a low-carbon and more environmentally sustainable economy.
- Physical risk that refers to the financial impact of climate change, including the more frequent occurrence of extreme weather events and gradual climate change, as well as environmental degradation, such as air, water and soil pollution, pressure on water resources, loss of biodiversity, and deforestation. Consequently, physical risk is categorised as 'acute' when it arises from extreme events such as droughts, floods and storms, and as 'chronic' when it results from gradual changes such as rising temperatures or sea levels, pressures on water resources, loss of biodiversity, land use change, habitat destruction, and scarcity of resources.
Since 2022, the Sustainability Committee, which is chaired by the Chief Executive Officer, also include the Chief Risk Officer and the Chief Sustainability Officer (both executive directors). This guarantees the existence of a robust and transparent management model that promotes the development of cross-cutting ESG (Environmental, Social and Governance) projects and the respective continuous monitoring by the administration.
Under the Environmental Management System, all paper consumed by Caixa is certified by the Forest Stewardship Label (FSC), as stated by CGD's Procurement Department. FSC's forest management certification ensures that the forest from which the paper is extracted is being managed in a way that preserves biological diversity.

FW-FS1.1c

(FW-FS1.1c) Does your organization have at least one board member with competence on forests- and/or water-related issues?

Forests

Board member(s) have competence on this issue area
Yes

Criteria used to assess competence of board member(s) on this issue area
CGD recognises that climate change is an urgent and complex topic. Based on this premise, CGD has been investing in the improvement of the ESG skills of its board members.
Across 2021, and in the sphere of the Permanent Education Programme (PEP), which is an ongoing training programme for members of CGD's management and supervisory bodies, executive and non-executive board members attended a number of training courses of which special reference should be made to those given by INSEAD, namely, the courses "Risk Management in Banking" and "Advanced International Corporate Finance" as well as the GARP (Global Association of Risk Professionals) course, "Sustainability and Climate Risk" (SCR) , which confers certification.
Under the scope of the Strategic Management in Banking Programme (PEP Programme 2), members of CGD's management and supervisory boards also attended several sessions, including the session held with the Deputy Secretary of State and Energy under the theme of the National Hydrogen Strategy, the sessions held with the consultancy Mckinsey & Company under the themes "Non-financial risks" and "IT and Digital Trends".
As an example, CGD Chief Risk Officer completed in 2021 the Sustainability and Climate Risk (GARP) program. As a leading professional association for risk managers, GARP developed the Sustainability and Climate Risk program to ensure the existence of technical knowledge in sustainability and climate risks.
Furthermore, CGD's new Board of Directors for the period 2021-2024 includes highly diversified academic skills such as Environmental Engineering.
The development of training programmes in reference entities/schools is a form of ensuring the board competency on climate-related issues.

Primary reason for no board-level competence on this issue area
<Not Applicable>

Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future
<Not Applicable>

Water

Board member(s) have competence on this issue area
Yes

Criteria used to assess competence of board member(s) on this issue area
CGD recognises that climate change is an urgent and complex topic. Based on this premise, CGD has been investing in the improvement of the ESG skills of its board members.
Across 2021, and in the sphere of the Permanent Education Programme (PEP), which is an ongoing training programme for members of CGD's management and supervisory bodies, executive and non-executive board members attended a number of training courses of which special reference should be made to those given by INSEAD, namely, the courses "Risk Management in Banking" and "Advanced International Corporate Finance" as well as the GARP (Global Association of Risk Professionals) course, "Sustainability and Climate Risk" (SCR) , which confers certification.
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Furthermore, CGD's new Board of Directors for the period 2021-2024 includes highly diversified academic skills such as Environmental Engineering.
The development of training programmes in reference entities/schools is a form of ensuring the board competency on climate-related issues.

Primary reason for no board-level competence on this issue area
<Not Applicable>

Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future
<Not Applicable>

FW-FS1.2

(FW-FS1.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests- and/or water-related issues.

Name of the position(s) and/or committee(s)
Chief Executive Officer (CEO)

Reporting line
CEO reporting line

Issue area(s)
Forests
Water

Responsibility
Both assessing and managing risks and opportunities

Coverage of responsibility
Risks and opportunities related to our banking portfolio

Frequency of reporting to the board on forests- and/or water-related issues
Quarterly

FW-FS2.1

(FW-FS2.1) Do you assess your portfolio's exposure to forests- and/or water-related risks and opportunities?

	We assess our portfolio's exposure to this issue area	Explain why your portfolio's exposure is not assessed for this issue area and any plans to address this in the future
Banking - Forests exposure	Yes	<Not Applicable>
Banking – Water exposure	Yes	<Not Applicable>
Investing (Asset manager) – Forests exposure	No, but we plan to within the next two years	The last few years have been marked by the integration of environmental, social and corporate governance (ESG) aspects as strategic pillars for the development of the activity of Caixa Gestão de Ativos (CXA). As part of the definition of its sustainability strategy, CXA completed the adoption of ESG criteria in all asset classes under management at the end of the year. The real estate and alternative investment classes have defined internal methodologies that allow the incorporation of ESG criteria in the composition and valuation of its assets. This improvement was followed by CXA's development of an internal rating methodology referred to as its sustainability rating which consolidates different analytical approaches/methodologies depending on the underlying asset class, thereby ensuring across-the-board coverage in respect of the sustainability of all asset classes managed by it. Within this context, CXA is working on developing additional metrics to identify and measure exposure to forest related risk and opportunities.
Investing (Asset manager) – Water exposure	No, but we plan to within the next two years	The last few years have been marked by the integration of environmental, social and corporate governance (ESG) aspects as strategic pillars for the development of the activity of Caixa Gestão de Ativos (CXA). As part of the definition of its sustainability strategy, CXA completed the adoption of ESG criteria in all asset classes under management at the end of the year. The real estate and alternative investment classes have defined internal methodologies that allow the incorporation of ESG criteria in the composition and valuation of its assets. This improvement was followed by CXA's development of an internal rating methodology referred to as its sustainability rating which consolidates different analytical approaches/methodologies depending on the underlying asset class, thereby ensuring across-the-board coverage in respect of the sustainability of all asset classes managed by it. Within this context, CXA is working on developing additional metrics to identify and measure exposure to water related risk and opportunities.
Investing (Asset owner) – Forests exposure	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water exposure	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests exposure	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water exposure	<Not Applicable>	<Not Applicable>

FW-FS2.1a

(FW-FS2.1a) Describe how you assess your portfolio's exposure to forests- and/or water-related risks and opportunities.

Portfolio
Banking (Bank)

Exposure to
Forests-related risks and opportunities

Type of risk management process
Integrated into multi-disciplinary company-wide risk management process

Proportion of portfolio covered by risk management process
100

Type of assessment
Qualitative and quantitative

Time horizon(s) covered
Short-term
Medium-term
Long-term

Tools and methods used
Other, please specify (Heatmap)

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities
The Caixa Group has implemented a process to identify the Group's risk profile, which is carried out in annual cycles and is based on the Caixa Group's risk taxonomy, in order to assess and inventory risks regarded as concerns. The process is structured in two stages; the first consists of a risk self-assessment carried out by Caixa and the Group's entities, while the second phase consists of determining the Caixa Group's risk profile based on the results of the self-assessment by all the entities that participate in the process.
This process relies on the broad involvement of different areas of the bank (including the first line of defence, the Compliance Division for compliance risk and the Risk Management Division for all other risks) and culminates with the outlining of the Caixa Group's risk profile and the identification of risks subject to quantification under the internal capital adequacy assessment process (ICAAP).
Identifying the risk profile is crucial insofar as it enables conclusions to be drawn about the risks to which Caixa is exposed, thus enabling more informed decision-making within the risk management framework, namely in essential pillars such as the ICAAP, the risk appetite framework, internal stress-testing exercises, and the outlining of its corporate strategy.
According to the assessment carried out in 2021, climate and environmental risk was considered a material and emerging risk for the Caixa Group.
Although climate and environmental risk is a main risk category for the Caixa Group, Caixa recognises that this risk may also have an impact on the Group's risk profile via other risk categories in force. Therefore, there was an assessment of the materiality of the impact of the different risk factors associated with climate change on the other risks in force.
The level of sensitivity to transition risk is estimated based on the qualitative analysis of the estimated exposure of a given risk typology to regulatory, technological, market and reputational changes caused by decarbonisation, and the impact of those effects over a given time horizon.
The level of sensitivity to physical risk is estimated based on the qualitative analysis of the estimated exposure of a given risk typology to chronic and acute climatic phenomena and the impact of those effects over a given time horizon.
For transition risk:
In order to identify and assess transition risk, Caixa identified the sectors and segments most susceptible to transition risk, using a heatmap approach. The heatmap was then mapped with the exposure of the portfolio to analyse how materiality and transition risk intersect. This methodology makes it possible to identify exposure concentrations in assets or sectors with higher risk, providing an indication of risk prioritisation and the magnitude of the transition risk to which Caixa is exposed. The heatmap was built based on the impact, at various time horizons, on the following factors: Direct and indirect emission costs; Carbon intensity of CAPEX and Changes in demand and revenue. To identify the sectors of activity most vulnerable to transition risk, Caixa carried out an analysis taking into account the sectors identified by various external sources, such as the European Central Bank, UNEP-FI, and Moody's, combined with expert judgement. With regard to the mortgage loan segment, CGD considers that it will be affected by the transition risk due to the energy performance of properties. As the economy transitions to a low-carbon economy, policies and market trends will indirectly affect the financial value of properties. Additionally, the energy rating of properties will affect the alignment of the loan portfolio with CGD's commitments to carbon neutrality.
In transition risks analysis, CGD concludes that "Forestry and Plant exploration" represents a low risk (exposure 0.2%) and "Water and Sanitation" a moderate risk (exposure 1.1%).
For physical risk:
CGD started by identifying the most relevant physical risk factors for the geographic areas where the bank is exposed. The chosen methodology considers different sources of information, namely the EU Taxonomy , the 2019 Civil Protection National Risk Assessment Report, and the ThinkHazard platform (UNEP FI). In order to monitor companies, Caixa carried out a preliminary assessment of the sectors most vulnerable to physical risk, based on internal analyses and the guidelines of various international initiatives and working groups, namely UNEP-FI and Moody's. In order to assess the physical risk related to the mortgage loan portfolio, Caixa carried out a preliminary assessment of the geographical location of mortgage loans where the value of the asset is particularly exposed to a given climatic phenomenon, using a heatmap approach.
In physical risks analysis, CGD concludes that "Forestry and Plant exploration" and "Water and Sanitation" represents a high risk (exposure 0.2%)

FW-FS2.2

(FW-FS2.2) Does your organization consider forests- and/or water-related information about clients/investees as part of its due diligence and/or risk assessment process?

	We consider forests- and/or water-related information	Explain why information related to this issue area is not considered and any plans to address this in the future
Banking – Forests-related information	No, but we plan to do so within the next two years	Investment and financing carried out in a socially responsible manner are positioned and act as a lever in promoting and hastening the adoption of best practices in the environmental, social and governance fields, and this effect has been exacerbated in the context of greater volatility and uncertainty provided by the Covid-19 pandemic. CGD does not currently carry out a specific assessment of forests- and/or water-related information about clients as part of its risk assessment process, and this assessment is carried out in an integrated manner in terms of climate and environment risks. The World Economic Forum identify the most severe risks on a global scale over the next 10 years, two of the top 10 topics is: Natural resource crises that is define by "chemical, food, mineral, water or other natural resource crises at a global scale as a result of human overexploitation and/or mismanagement of critical natural resources" and Biodiversity loss that is define by "Irreversible consequences for the environment, humankind, and economic activity, and a permanent destruction of natural capital, as a result of species extinction and/or reduction", in this context, it becomes very important to introduce these themes in customer evaluation.
Banking – Water-related information	No, but we plan to do so within the next two years	Investment and financing carried out in a socially responsible manner are positioned and act as a lever in promoting and hastening the adoption of best practices in the environmental, social and governance fields, and this effect has been exacerbated in the context of greater volatility and uncertainty provided by the Covid-19 pandemic. CGD does not currently carry out a specific assessment of forests- and/or water-related information about clients as part of its risk assessment process, and this assessment is carried out in an integrated manner in terms of climate and environment risks. The World Economic Forum identify the most severe risks on a global scale over the next 10 years, two of the top 10 topics is: Natural resource crises that is define by "chemical, food, mineral, water or other natural resource crises at a global scale as a result of human overexploitation and/or mismanagement of critical natural resources" and Biodiversity loss that is define by "Irreversible consequences for the environment, humankind, and economic activity, and a permanent destruction of natural capital, as a result of species extinction and/or reduction", in this context, it becomes very important to introduce these themes in customer evaluation.
Investing (Asset manager) – Forests-related information	Yes	<Not Applicable>
Investing (Asset manager) – Water-related information	Yes	<Not Applicable>
Investing (Asset owner) – Forests-related information	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water-related information	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests-related information	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water-related information	<Not Applicable>	<Not Applicable>

FW-FS2.2a

(FW-FS2.2a) Indicate the forests- and/or water-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision making.

Portfolio
Investing (Asset manager)

Information related to
Forests

Type of information considered
Commitment to eliminate deforestation/conversion of other natural ecosystems

Process through which information is obtained
Data provider

Industry sector(s) covered by due diligence and/or risk assessment process
Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

State how these forests- and/or water-related information influences your decision making
As mentioned CXA is working on developing metrics to identify and measure exposure to forest related risk and opportunities. At this stage, CXA monitors and controls info related to water consumption and forest preservation across all the sectors in which CXA portfolios invest, considering this info namely at PAI analysis level.

FW-FS2.3

(FW-FS2.3) Have you identified any inherent forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Risks identified for this issue area	Primary reason why your organization has not identified any substantive risks for this issue area	Explain why your organization has not identified any substantive risks for this issue area
Forests	No	Evaluation in process	In order to identify and assess transition risk, Caixa identified the sectors and segments most susceptible to transition risk, using a heatmap approach. The heatmap was then mapped with the exposure of the portfolio to analyse how materiality and transition risk intersect. This methodology makes it possible to identify exposure concentrations in assets or sectors with higher risk, providing an indication of risk prioritisation and the magnitude of the transition risk to which Caixa is exposed. This exercise allowed us to verify that the Forestry and plant exploration sector (exposure 0.2%) has a low transition risk and a high physical risk. Homewer, CGD does not currently carry out a specific assessment of forests- and/or water-related information about clients as part of its risk assessment process, and this assessment is carried out in an integrated manner in terms of climate and environment risks. Caixa is a founding member of the Principles for Responsible Banking (PRB) launched by the United Nations Environment Programme. The PRBs set forth the role and duty of the financial sector in building a sustainable future, but also its alignment with the Sustainable Development Goals. The PRB team is established the PRB Biodiversity Community, a capacity budling program designed for PRB banks that are starting their biodiversity journey and are eager to learn how to integrate biodiversity considerations into their business activities and strategies. Recognizing the importance of this topic, CGD participated in the 3rd sessions already held on the topic, where the following topics were addressed : - Importance and value of biodiversity to financial institutions. - Assess portfolio impacts and dependencies on biodiversity loss. - Assess biodiversity related risk and opportunities.
Water	No	Evaluation in process	In order to identify and assess transition risk, CGD identified the sectors and segments most susceptible to transition risk, using a heatmap approach. The heatmap was then mapped with the exposure of the portfolio to analyse how materiality and transition risk intersect. This exercise allowed CGD to verify that the Water and Sanitation sector (exposure 1.1 %) has a moderate transition risk and a high physical risk. Homewer, CGD does not currently carry out a specific assessment of forests- and/or water-related information about clients as part of its risk assessment process, and this assessment is carried out in an integrated manner in terms of climate and environment risks.

FW-FS2.4

(FW-FS2.4) Have you identified any inherent forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Opportunities identified for this issue area	Primary reason why your organization has not identified any substantive opportunities for this issue area	Explain why your organization has not identified any substantive opportunities for this issue area
Forests	No	Evaluation in process	Although Caixa is aware of existing opportunities regarding forest and water, the bank is still analyzing possible methodologies that allow assessing these opportunities namely through the PRB Biodiversity Community, a capacity budling program designed for PRB banks that are starting their biodiversity journey and are eager to learn how to integrate biodiversity considerations into their business activities and strategies. Homewer, CGD does not currently carry out a specific assessment of forests- and/or water-related information about clients as part of its risk assessment process, and this assessment is carried out in an integrated manner in terms of climate and environment risks.
Water	No	Evaluation in process	Although Caixa is aware of existing opportunities regarding forest and water, the bank is still analyzing possible methodologies that allow assessing these opportunities namely through the PRB Biodiversity Community, a capacity budling program designed for PRB banks that are starting their biodiversity journey and are eager to learn how to integrate biodiversity considerations into their business activities and strategies. Homewer, CGD does not currently carry out a specific assessment of forests- and/or water-related information about clients as part of its risk assessment process, and this assessment is carried out in an integrated manner in terms of climate and environment risks.

FW-FS3.1

(FW-FS3.1) Do you take forests- and/or water-related risks and opportunities into consideration in your organization's strategy and/or financial planning?

Forests

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning

Yes, we take these risks and opportunities into consideration in the organization's strategy and financial planning

Description of influence on organization's strategy including own commitments

The Sustainability Strategy 2021-2024 embodies CGD's ambition to develop a more sustainable, inclusive economy, in which climate risk management is one of its five areas of action.

One of the main tools for managing environmental risks and continuously improving environmental performance is CGD's Environmental Management System, which is certified by ISO 14001.

The EMS provides a holistic approach for improving environmental performance and reducing environmental risk at various levels. One of the areas in which CGD has developed several mechanisms to mitigate risks is in the supply chain management, such as the Ethical Principles and Best Business Practices for Suppliers which establish conduct requirements related to sustainability to which CGD suppliers contractually adhere and are a way of mitigating environmental and social risks in the supply chain such as deforestation.

This strategic approach ultimately impacts financial strategy and planning.

Financial planning elements that have been influenced

Revenues

Indirect costs

Description of influence on financial planning

It is recognised that supply chains include products that drive deforestation. The financial sector does not have a significant environmental impact on the supply chain compared for example to the food or industrial sector, however, CGD recognises that it must take a proactive approach to forest risks.

As the financial sector is an activity that still consumes a significant amount of paper, CGD has set a number of environmental requirements for its suppliers, namely that the paper consumed by CGD must have ecolabel or Forest Stewardship Council (FSC) certification, thereby guaranteeing and promoting responsible forest management.

This naturally has financial impacts in terms of the costs associated with suppliers who have certified paper, which end up being higher than those who do not have certified paper.

On opportunities related to products and services and following the fires in Pedrogão Grande, CGD and Caixagest launched a campaign associating the marketing of the Fundo Caixagest Investimento Socialmente Responsável to support the forest recovery of a burnt area in Pedrógão Grande.

With this initiative, CGD is meeting the expectations of many of its customers who wish to contribute to environmental and social causes through their investment choices, fostering revenues and the preservation of Portugal's forest heritage by valuing the planting, reforestation and recovery of burnt areas with native species.

Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning

<Not Applicable>

Water

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning

Yes, we take these risks and opportunities into consideration in the organization's strategy and financial planning

Description of influence on organization's strategy including own commitments

The Sustainability Strategy 2021-2024 embodies CGD's ambition to develop a more sustainable, inclusive economy, in which climate risk management is one of its five areas of action.

One of the main tools for managing environmental risks and continuously improving environmental performance is CGD's Environmental Management System, which is certified by ISO 14001.

The EMS provides a holistic approach for improving environmental performance and reducing environmental risk at various levels. One of the areas in which CGD has developed several mechanisms to mitigate risks as for example an assessment matrix of significant environmental aspects that identifies water as one of the critical aspects associated with CGD's activities. The environmental aspect related to water consumption is considered critical for CGD, which is why it has focused on water efficiency measures such as placing flow reducers and timers on taps, raising environmental awareness among service providers residing in CGD's buildings through the manual of good environmental practices for service providers that is attached to the provision contracts. Additionally, employees are made aware of this issue through internal communication campaigns and e-learning.

Aiming to be at the forefront of the sustainability agenda and within the scope of the Lisbon European Green Capital 2020 goals, the Lisbon city hall challenged the city, corporates, associations, organizations, and State-owned and private institutions to sign up to the commitment "Lisbon European Green Capital 2020 – Climate Action 2030. CGD has committed to implement 21 actions in the following respects: water saving, reduction of GHG emissions, waste and paper consumption, disclosure and promotion of awareness-raising campaigns, namely "Implementing water reuse solutions until 12/2023".

Accordingly, several projects and mitigation measures are developed and regularly monitored, and their main conclusions are presented in the sustainability committee.

Financial planning elements that have been influenced

Revenues
Indirect costs

Description of influence on financial planning

The defined goal will be boosted by the evolution of the Lisbon Water Reuse Strategic Plan, if these recycled water network infrastructures (Water+) include the surroundings of the Headquarters Building and allow the connection to it, we estimate using the water for the maintenance of the existing lake which represents an annual water consumption of about 600 m3. Taking into account the average price of water in 2021 (€3.84/m3), a cost reduction of around €2,304/year is expected in the maintenance of this space.

Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning

<Not Applicable>

FW-FS3.2

(FW-FS3.2) Has your organization conducted any scenario analysis to identify forests- and/or water-related outcomes?

Forests

Scenario analysis conducted to identify outcomes for this issue area

No, we have not conducted any scenario analysis to identify outcomes for this issue area, but we plan to in the next two years

Type of scenario analysis used

<Not Applicable>

Parameters, assumptions, analytical choices

<Not Applicable>

Description of outcomes for this issue area

<Not Applicable>

Explain how the outcomes identified using scenario analysis have influenced your strategy

<Not Applicable>

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future

CGD is exploring scenario analysis, considering short-, medium- and long-term scenarios, as well as different paths of transition to carbon neutrality, considering not only the transition scenario consistent with the Paris Agreement goals, but also more adverse scenarios. The assessment of physical risks, for events deemed to be extreme, is also part of the scenario framework, projections and stress tests that are being developed by CGD.

Scenario analysis, provides an important guideline for companies in decision making. CGD has been gradually strengthening its risk management mechanisms and projections associated with the impacts caused by climate change on several levels.

It is therefore expected that CGD will return analyses that go beyond climate risks and also address environmental risks, with an impact on several critical areas such as biodiversity, forests or water. First, it is necessary to carry out an analysis of the materiality of risks associated with the forest. If these topics are considered material for CGD, the bank will proceed with the development of scenario analysis methodologies.

Water

Scenario analysis conducted to identify outcomes for this issue area

No, we have not conducted any scenario analysis to identify outcomes for this issue area, but we plan to in the next two years

Type of scenario analysis used

<Not Applicable>

Parameters, assumptions, analytical choices

<Not Applicable>

Description of outcomes for this issue area

<Not Applicable>

Explain how the outcomes identified using scenario analysis have influenced your strategy

<Not Applicable>

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future

CGD is exploring scenario analysis, considering short-, medium- and long-term scenarios, as well as different paths of transition to carbon neutrality, considering not only the transition scenario consistent with the Paris Agreement goals, but also more adverse scenarios. The assessment of physical risks, for events deemed to be extreme, is also part of the scenario framework, projections and stress tests that are being developed by CGD.

Scenario analysis, provides an important guideline for companies in decision making. CGD has been gradually strengthening its risk management mechanisms and projections associated with the impacts caused by climate change on several levels.

It is therefore expected that CGD will return analyses that go beyond climate risks and also address environmental risks, with an impact on several critical areas such as biodiversity, forests or water. First, it is necessary to carry out an analysis of the materiality of risks associated with the water. If these topics are considered material for CGD, the bank will proceed with the development of scenario analysis methodologies.

FW-FS3.3

(FW-FS3.3) Do any of your existing products and services enable clients to mitigate deforestation and/or water insecurity?

	Existing products and services that enable clients to mitigate deforestation and/or water insecurity	Explain why your organization does not offer products and services which enable clients to mitigate deforestation and/or water insecurity and any plans to address this in the future
Forests	Yes	<Not Applicable>
Water	Yes	<Not Applicable>

FW-FS3.3a

(FW-FS3.3a) Provide details of your existing products and services that enable clients to mitigate deforestation and/or water insecurity.

Product type
Other, please specify (Sustainable Bond)

Taxonomy or methodology used to classify product(s)
The EU Taxonomy for environmentally sustainable economic activities

Description of product(s)
In 2021, CGD successfully completed its first sustainable bond.
As a sustainable finance instrument, the funds raised are directed towards the refinancing and financing of new operations in the field of environment and socioeconomic development in areas such as agricultural loans for small holder farmers and Sustainable Water and Wastewater Management.
This issuance was supported by CGD Sustainable Finance Framework with is aligned with the Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG) published in June 2021 by the International Capital Market Association.
As can be seen in the sustainable financing framework some of the eligibility criteria of the typologies of financing under the issuance are aligned with the criteria of the taxonomy for environmentally sustainable economic activities.
In addition, CGD has been developing several products that promote the desmaterialization and consumption of paper, thus contributing to the reduction of deforestation such as the Flexcash service, as an innovative solution for managing and accelerating payments between debtor companies and their suppliers, on a single e-invoicing (electronic invoicing) platform.
The amount of CGD's financing products/services are monitored regularly in the annual sustainability report. The percentage of products with environmental benefits corresponds to 0.3% of the total monetary volume of CGD´s products.

Product enables clients to mitigate
Deforestation
Water insecurity

Type of activity financed, invested in or insured
Sustainable agriculture
Water treatment infrastructure
Wastewater treatment infrastructure

Portfolio value (unit currency – as specified in C0.4)
39196000

% of total portfolio value
0.3

FW-FS3.4

(FW-FS3.4) Does the policy framework for the portfolio activities of your organization include forests- and/or water-related requirements that clients/investees need to meet?

	Policy framework includes this issue area	Explain why your organization does not include this issue area in the policy framework and any plans to address this in the future
Forests	Yes	<Not Applicable>
Water	No, but we plan to include this issue area within the next two years	A s part of its strategy 2021-2024, CGD is promoting greater alignment of its policies and frameworks for the most relevant environmental and social issues. CGD is currently reviewing its sustainable financing policy, which will have an impact on customer requirements.

FW-FS3.4a

(FW-FS3.4a) Provide details of the policies which include forests- and/or water-related requirements that clients/investees need to meet.

Portfolio
Banking (Bank)

Issue area(s) the policy covers
Forests

Type of policy
Credit/lending policy

Portfolio coverage of policy
100

Policy availability
Publicly available

Attach documents relevant to your policy
https://www.cgd.pt/English/Sustainability-CGD/Vision/Documents/Policy-Limitation-Sectorial-Exclusion.pdf

Criteria required of clients/investees
Avoid negative impacts on threatened and protected species and habitats

Value chain stages of client/investee covered by criteria
Direct operations only

Timeframe for compliance with policy criteria
Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy
Energy
Materials
Capital goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

Forest risk commodities covered by the policy
All agricultural commodities

Forest risk commodity supply chain stage covered by the policy
Production
Processing
Trading
Manufacturing
Retailing

Exceptions to policy based on
<Not Applicable>

Explain how criteria coverage and/or exceptions have been determined
Caixa Geral de Depósitos recognizes the existence of sectors of activity or projects that may contribute negatively to Sustainable Development.
Therefore establishes a list of principles underlying activities and projects that are excluded or restricted, under certain conditions, of its credit policy:
- Caixa Geral de Depósitos (CGD) does not finance projects that may be included in the following categories and/or sectors of activity:
I. Production or trade of any product or activity found to be illegal in the country where the investment occurs, or if illegal under the scope of international regulations or agreements, including those that CGD subscribes or integrates;
II. Companies or projects that use child labor or work deemed to be forced;
III. Companies and activities related to prostitution;
IV. Companies and projects that disseminates discriminatory information or acts discriminatory considering religious, political, racial or gender-based terms;
V. Companies and activities with unlicensed wildlife trade or endangered species.
- CGD restricts its financial support to projects within the following categories and/or sectors of activity with high socio-environmental risk potential:
I. Companies and projects that use scarce natural resources, whose exploitation or extraction may cause a negative environmental impact, not fulfilling the conditions defined by national or international regulations for this scope;
II. Companies producing or processing restricted materials or dangerous substances under national legislation;
III. Military activities, manufacture or supply of related material, limited by national legislation and by international conventions.
For these sectors, CGD defines specific rules (underneath credit risk and compliance policies), ensuring that socio-environmental risks are properly identified and mitigated.
In this sense, the CGD Principles of Exclusion and Limitation was created and applies to all financing activities.

FW-FS3.5

(FW-FS3.5) Does your organization include covenants in financing agreements to reflect and enforce your forests- and/or water-related policies?

	Covenants included in financing agreements to reflect and enforce policies for this issue area	Explain how the covenants included in financing agreements relate to your policies for this issue area	Explain why your organization does not include covenants for this issue area in financing agreements and any plans to address this in the future
Forests	No, but we plan within the next two years	<Not Applicable>	Over the last few years, CGD has been sophisticating its financing offer and adapting it to its customers' needs and the main environmental and social challenges. This is a short/medium term transformation process that impacts the institution on several levels (e.g. IT systems). Through its internal working group on sustainable financing, CGD is assessing ways of strengthening environmental goals such as forests and natural capital in its financing policies. Developments in this area are expected in a short time.
Water	No, but we plan within the next two years	<Not Applicable>	Over the last few years, CGD has been sophisticating its financing offer and adapting it to its customers' needs and the main environmental and social challenges. This is a short/medium term transformation process that impacts the institution on several levels (e.g. IT systems). Through its internal working group on sustainable financing, CGD is assessing ways of strengthening environmental goals such as water and the sea economy in its financing policies. Developments in this area are expected in a short time.

FW-FS4.1

(FW-FS4.1) Do you engage with your clients/investees on forests- and/or water-related issues?

	We engage with clients/investees on this issue area	Explain why you do not engage with your clients/investees on the issue area and any plans to address this in the future
Clients – Forests	No, but we plan to within the next two years	As part of its 2021-2024 financing strategy, CGD has been investing in several initiatives to engage with its stakeholders on several environmental issues. As an example, in 2021 CGD released a climate action position paper that was sent directly to CGD's investors. The main purpose of this document was to demonstrate to CGD's stakeholders the bank's main developments in climate action, as one of humanity's main challenges. CGD is internally assessing several topics that should be addressed in the coming years for the purpose of engaging with stakeholders taking into account the relevance of the topics for society and the environment, and Forests is one of them. Especially considering that forest management is an especially relevant issue for Portugal, which is a country heavily affected by fires.
Clients – Water	No, but we plan to within the next two years	As part of its 2021-2024 financing strategy, CGD has been investing in several initiatives to engage with its stakeholders on several environmental issues. As an example, in 2021 CGD released a climate action position paper that was sent directly to CGD's investors. The main purpose of this document was to demonstrate to CGD's stakeholders the bank's main developments in climate action, as one of humanity's main challenges. CGD is internally assessing several topics that should be addressed in the coming years for the purpose of engaging with stakeholders taking into account the relevance of the topics for society and the environment, and water management is one of them. Especially taking into consideration that water management is an especially relevant theme for Portugal, which is a country very much affected by water stress.
Investees – Forests	Yes	<Not Applicable>
Investees – Water	Yes	<Not Applicable>

FW-FS4.1b

(FW-FS4.1b) Give details of your forests- and/or water-related engagement strategy with your investees.

Issue area this engagement relates to
Forests

Type of engagement
Engagement & incentivization (changing investee behavior)

Details of engagement
Encourage better forests-related disclosure practices
Encourage investees to obtain third-party certifications to verify positive impacts on forests

Investing (asset manager) portfolio coverage of engagement
100

Investing (asset owner) portfolio coverage of engagement
<Not Applicable>

Rationale for the coverage of your engagement
Engagement targeted at investees currently not meeting forests-related policy requirements

Impact of engagement, including measures of success
CXA employs, as the last few years have been marked by the integration of environmental, social and corporate governance (ESG) aspects as strategic pillars for the development of its activity,
an engagement strategy with its investees through an external provider, in which biodiversity (namely protection of forest) and water resources is one of the topics of engagement, although there were no engagements related to forest realized in 2021.

Issue area this engagement relates to
Water

Type of engagement
Engagement & incentivization (changing investee behavior)

Details of engagement
Encourage better water-related disclosure practices
Encourage investees to obtain third-party certifications to verify positive impacts on water security

Investing (asset manager) portfolio coverage of engagement
100

Investing (asset owner) portfolio coverage of engagement
<Not Applicable>

Rationale for the coverage of your engagement
Engagement targeted at investees currently not meeting water-related policy requirements

Impact of engagement, including measures of success
CXA employes, as the last few years have been marked by the integration of environmental, social and corporate governance (ESG) aspects as strategic pillars for the development of its activity,
an engagement strategy with its investees through an external provider, in which biodiversity (namely protection of forest) and water resources is one of the topics of engagement, although there were no engagements related to forest realized in 2021.

FW-FS4.2

(FW-FS4.2) Does your organization exercise its voting rights as a shareholder on forests- and/or water-related issues?

	We exercise voting rights as a shareholder on this issue area	Issues supported in shareholder resolutions	Give details of the impact your voting has had on this issue area	Explain why your organization does not exercise voting rights on this issue area and any plans to address this in the future
Forests	Yes	Halting deforestation	Under CXA policy for exercise of its voting rights in the shareholders meetings, the company will vote on all ESG themes, in the companies we deemed relevant, including on forest and water issues, as long as we also deem those topics relevant. In 2021, CXA didn't managed to vote in any topic related with forests and/or water related issues.	<Not Applicable>
Water	Yes	Reduce water withdrawal and/or consumption Improve water efficiency Reduce water pollution Water, Sanitation and Hygiene (WASH) provision for all workers	Under CXA policy for exercise of its voting rights in the shareholders meetings, the company will vote on all ESG themes, in the companies we deemed relevant, including on forest and water issues, as long as we also deem those topics relevant. In 2021, CXA didn't managed to vote in any topic related with forests and/or water related issues.	<Not Applicable>

FW-FS4.3

(FW-FS4.3) Does your organization provide financing and/or insurance to smallholders in the agricultural commodity supply chain?

	Provide financing and/or insurance to smallholders in the agricultural commodity supply chain	Agricultural commodity	Primary reason for not providing finance and/or insurance to smallholders	Explain why your organization does not provide finance/insurance to smallholders and any plans to change this in the future
Row 1	No, but we plan to in the next two years	<Not Applicable>	Other, please specify (ESG products under development for this sector according to the CGD Sustainable Finance Framework)	Within the scope of CGD's sustainable debt issue, the following funding category was created in the CGD Sustainable Finance Framework: "Financing related to agricultural loans for small holder farmers in rural areas that ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, and support sustainable development in rural areas", in this sense, it is expected that new financing lines in this area will be developed in the short term.

FW-FS4.4

(FW-FS4.4) Does your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may impact forests and/or water security?

	Direct or indirect engagement that could influence policy, law, or regulation that may impact this issue area	Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area	Explain why you do not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area
Forests	Yes, we engage indirectly by funding other organizations whose activities may influence policy, law, or regulation that may significantly impact this issue area	<Not Applicable>	<Not Applicable>
Water	Yes, we engage indirectly by funding other organizations whose activities may influence policy, law, or regulation that may significantly impact this issue area	<Not Applicable>	<Not Applicable>

FW-FS5.1

(FW-FS5.1) Does your organization measure its portfolio impact on forests and/or water security?

	We measure our portfolio impact on this issue area	Explain how your organization measures its portfolio impact on this issue area, including any metrics used to quantify impact	Primary reason for not measuring portfolio impact on this issue area	Explain why your organization does not measure its portfolio impact on this issue area and any plans to change this in the future
Banking – Impact on Forests	Yes	For a financial institution, scope 3 - category 15 emissions (investments) most often represent the most significant part of its GHG emissions inventory, so accounting for them is crucial for assessing the risks and opportunities associated with climate change and also for the definition of emission reduction targets and the business strategy. Therefore, in 2021 CGD calculated and disclosed for the first time its financed emissions. This exercise was performed in line with the guidelines of the Partnership for Carbon Accounting Financials (PCAF), a collaborative initiative that aims to develop methodologies for calculating and reporting issues associated with the credit and investment portfolio of financial institutions, for six types of asset classes: business loans and unlisted equity, listed equity and corporate bonds, project finance, residential mortgages, commercial mortgages and motor vehicle loans. This standard was developed based on the guidelines of the GHG Protocol, being recognized by the SBTi in the "Financial Sector Science-Based Targets Guidance". The results showed that CGD's investment on the forestry and logging sector in 2021 accounted for 0.1% of its financed emissions, emitting 2,500 tCO2.	<Not Applicable>	<Not Applicable>
Banking – Impact on Water	Yes	For a financial institution, scope 3 - category 15 emissions (investments) most often represent the most significant part of its GHG emissions inventory, so accounting for them is crucial for assessing the risks and opportunities associated with climate change and also for the definition of emission reduction targets and the business strategy. Therefore, in 2021 CGD calculated and disclosed for the first time its financed emissions. This exercise was performed in line with the guidelines of the Partnership for Carbon Accounting Financials (PCAF). The results showed that CGD's investment on the collection, treatment and distribution of water; sanitation, waste management and depollution sector in 2021 accounted for 17.4% of its financed emissions, emitting 815,830 tCO2.	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Impact on Forests	No, but we plan to in the next two years	<Not Applicable>	Lack of tools or methodologies available	The last few years have been marked by the integration of environmental, social and corporate governance (ESG) aspects as strategic pillars for the development of the activity of Caixa Gestão de Ativos (CXA). As part of the definition of its sustainability strategy, CXA completed the adoption of ESG criteria in all asset classes under management at the end of the year. The real estate and alternative investment classes have defined internal methodologies that allow the incorporation of ESG criteria in the composition and valuation of its assets. This improvement was followed by CXA's development of an internal rating methodology referred to as its sustainability rating which consolidates different analytical approaches/methodologies depending on the underlying asset class, thereby ensuring across-the-board coverage in respect of the sustainability of all asset classes managed by it. Within this context, CXA is working on developing additional metrics to identify and measure impact to forest and water security.

	We measure our portfolio impact on this issue area	Explain how your organization measures its portfolio impact on this issue area, including any metrics used to quantify impact	Primary reason for not measuring portfolio impact on this issue area	Explain why your organization does not measure its portfolio impact on this issue area and any plans to change this in the future
Investing (Asset manager) – Impact on Water	No, but we plan to in the next two years	<Not Applicable>	Lack of tools or methodologies available	The last few years have been marked by the integration of environmental, social and corporate governance (ESG) aspects as strategic pillars for the development of the activity of Caixa Gestão de Ativos (CXA). As part of the definition of its sustainability strategy, CXA completed the adoption of ESG criteria in all asset classes under management at the end of the year. The real estate and alternative investment classes have defined internal methodologies that allow the incorporation of ESG criteria in the composition and valuation of its assets. This improvement was followed by CXA's development of an internal rating methodology referred to as its sustainability rating which consolidates different analytical approaches/methodologies depending on the underlying asset class, thereby ensuring across-the-board coverage in respect of the sustainability of all asset classes managed by it. Within this context, CXA is working on developing additional metrics to identify and measure impact to forest and water security.
Investing (Asset owner) – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS5.2

(FW-FS5.2) Does your organization provide finance or insurance to companies operating in any stages of the following forest risk commodity supply chains, and are you able to report on the amount of finance/insurance provided?

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Lending to companies operating in the timber products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	CGD is currently expanding the scope of its report on the amount of finance provided for this commodity.
Lending to companies operating in the palm oil products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	CGD is currently expanding the scope of its report on the amount of finance provided for this commodity.
Lending to companies operating in the cattle products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	CGD is currently expanding the scope of its report on the amount of finance provided for this commodity.
Lending to companies operating in the soy supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	CGD is currently expanding the scope of its report on the amount of finance provided for this commodity.
Lending to companies operating in the rubber supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	CGD is currently expanding the scope of its report on the amount of finance provided for this commodity.

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Lending to companies operating in the cocoa supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	CGD is currently expanding the scope of its report on the amount of finance provided for this commodity.
Lending to companies operating in the coffee supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	CGD is currently expanding the scope of its report on the amount of finance provided for this commodity.
Investing (asset manager) to companies operating in the timber products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	The last few years have been marked by the integration of environmental, social and corporate governance (ESG) aspects as strategic pillars for the development of the activity of Caixa Gestão de Ativos (CXA). As part of the definition of its sustainability strategy, CXA completed the adoption of ESG criteria in all asset classes under management at the end of the year. The real estate and alternative investment classes have defined internal methodologies that allow the incorporation of ESG criteria in the composition and valuation of its assets. This improvement was followed by CXA's development of an internal rating methodology referred to as its sustainability rating which consolidates different analytical approaches/methodologies depending on the underlying asset class, thereby ensuring across-the-board coverage in respect of the sustainability of all asset classes managed by it. However, within this context, while CXA aims to reduce portfolio impact to commodity risk in the supply chain of the companies it invest in, the lack of granularity regarding the supply chain of the companies does not allow, as of right now, to fully and accurately measure the full amount of investing provided for this commodity.
Investing (asset manager) to companies operating in the palm oil products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	The last few years have been marked by the integration of environmental, social and corporate governance (ESG) aspects as strategic pillars for the development of the activity of Caixa Gestão de Ativos (CXA). As part of the definition of its sustainability strategy, CXA completed the adoption of ESG criteria in all asset classes under management at the end of the year. The real estate and alternative investment classes have defined internal methodologies that allow the incorporation of ESG criteria in the composition and valuation of its assets. This improvement was followed by CXA's development of an internal rating methodology referred to as its sustainability rating which consolidates different analytical approaches/methodologies depending on the underlying asset class, thereby ensuring across-the-board coverage in respect of the sustainability of all asset classes managed by it. However, within this context, while CXA aims to reduce portfolio impact to commodity risk in the supply chain of the companies it invest in, the lack of granularity regarding the supply chain of the companies does not allow, as of right now, to fully and accurately measure the full amount of investing provided for this commodity.
Investing (asset manager) to companies operating in the cattle products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	The last few years have been marked by the integration of environmental, social and corporate governance (ESG) aspects as strategic pillars for the development of the activity of Caixa Gestão de Ativos (CXA). As part of the definition of its sustainability strategy, CXA completed the adoption of ESG criteria in all asset classes under management at the end of the year. The real estate and alternative investment classes have defined internal methodologies that allow the incorporation of ESG criteria in the composition and valuation of its assets. This improvement was followed by CXA's development of an internal rating methodology referred to as its sustainability rating which consolidates different analytical approaches/methodologies depending on the underlying asset class, thereby ensuring across-the-board coverage in respect of the sustainability of all asset classes managed by it. However, within this context, while CXA aims to reduce portfolio impact to commodity risk in the supply chain of the companies it invest in, the lack of granularity regarding the supply chain of the companies does not allow, as of right now, to fully and accurately measure the full amount of investing provided for this commodity.
Investing (asset manager) to companies operating in the soy supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	The last few years have been marked by the integration of environmental, social and corporate governance (ESG) aspects as strategic pillars for the development of the activity of Caixa Gestão de Ativos (CXA). As part of the definition of its sustainability strategy, CXA completed the adoption of ESG criteria in all asset classes under management at the end of the year. The real estate and alternative investment classes have defined internal methodologies that allow the incorporation of ESG criteria in the composition and valuation of its assets. This improvement was followed by CXA's development of an internal rating methodology referred to as its sustainability rating which consolidates different analytical approaches/methodologies depending on the underlying asset class, thereby ensuring across-the-board coverage in respect of the sustainability of all asset classes managed by it. However, within this context, while CXA aims to reduce portfolio impact to commodity risk in the supply chain of the companies it invest in, the lack of granularity regarding the supply chain of the companies does not allow, as of right now, to fully and accurately measure the full amount of investing provided for this commodity.
Investing (asset manager) to companies operating in the rubber supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	The last few years have been marked by the integration of environmental, social and corporate governance (ESG) aspects as strategic pillars for the development of the activity of Caixa Gestão de Ativos (CXA). As part of the definition of its sustainability strategy, CXA completed the adoption of ESG criteria in all asset classes under management at the end of the year. The real estate and alternative investment classes have defined internal methodologies that allow the incorporation of ESG criteria in the composition and valuation of its assets. This improvement was followed by CXA's development of an internal rating methodology referred to as its sustainability rating which consolidates different analytical approaches/methodologies depending on the underlying asset class, thereby ensuring across-the-board coverage in respect of the sustainability of all asset classes managed by it. However, within this context, while CXA aims to reduce portfolio impact to commodity risk in the supply chain of the companies it invest in, the lack of granularity regarding the supply chain of the companies does not allow, as of right now, to fully and accurately measure the full amount of investing provided for this commodity.
Investing (asset manager) to companies operating in the cocoa supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	The last few years have been marked by the integration of environmental, social and corporate governance (ESG) aspects as strategic pillars for the development of the activity of Caixa Gestão de Ativos (CXA). As part of the definition of its sustainability strategy, CXA completed the adoption of ESG criteria in all asset classes under management at the end of the year. The real estate and alternative investment classes have defined internal methodologies that allow the incorporation of ESG criteria in the composition and valuation of its assets. This improvement was followed by CXA's development of an internal rating methodology referred to as its sustainability rating which consolidates different analytical approaches/methodologies depending on the underlying asset class, thereby ensuring across-the-board coverage in respect of the sustainability of all asset classes managed by it. However, within this context, while CXA aims to reduce portfolio impact to commodity risk in the supply chain of the companies it invest in, the lack of granularity regarding the supply chain of the companies does not allow, as of right now, to fully and accurately measure the full amount of investing provided for this commodity.
Investing (asset manager) to companies operating in the coffee supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	The last few years have been marked by the integration of environmental, social and corporate governance (ESG) aspects as strategic pillars for the development of the activity of Caixa Gestão de Ativos (CXA). As part of the definition of its sustainability strategy, CXA completed the adoption of ESG criteria in all asset classes under management at the end of the year. The real estate and alternative investment classes have defined internal methodologies that allow the incorporation of ESG criteria in the composition and valuation of its assets. This improvement was followed by CXA's development of an internal rating methodology referred to as its sustainability rating which consolidates different analytical approaches/methodologies depending on the underlying asset class, thereby ensuring across-the-board coverage in respect of the sustainability of all asset classes managed by it. However, within this context, while CXA aims to reduce portfolio impact to commodity risk in the supply chain of the companies it invest in, the lack of granularity regarding the supply chain of the companies does not allow, as of right now, to fully and accurately measure the full amount of investing provided for this commodity.
Investing (asset owner) to companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Investing (asset owner) to companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS6.1

(FW-FS6.1) Have you published information about your organization's response to forests- and/or water-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In a voluntary sustainability report

Status
Complete

Attach the document
CGD_Position_Paper_EN.PDF

Page/Section reference
Page 5

Content elements
Governance
Strategy
Other, please specify (Financing to forest and water key sectors)

Comment
Following the 26th United Nations Climate Change Conference (COP26), Caixa published a Position Paper demonstrating its involvement, positioning, main commitments, initiatives and results in terms of climate action.
This document, with a more technical nature, also shares a set of very relevant information for different groups of stakeholders, such as scope 3 greenhouse gas emissions — category 15 (investments) and the respective identification of the TOP 5 most carbon-intensive sectors.
For a financial institution, category 15 emissions (investments) often represent the most significant part of its GHG emissions inventory, so their accounting is crucial for assessing risks and opportunities associated with climate change, and also for setting its emission reduction goals and business strategy.

Publication
In mainstream reports

Status
Complete

Attach the document
Annual-Report-CGD-2021.pdf

Page/Section reference
Page 621

Content elements
Governance
Strategy
Risks and opportunities
Other, please specify (Financing to forest and water key sectors)

Comment
The Financial Stability Board has created the Task Force on Climate Financial Disclosures (TCFD), with the aim of promoting the disclosure of more transparent, effective and comparable financial
information related to climate change. Various stakeholders, particularly in the financial markets, are increasingly demanding access to consistent risk information that enables them to make more informed investments with lower risks of incorrect capital allocations.
Caixa presents a detailed approach to the recommendations of the TCFD in Annex D to the 2021 Sustainability Report.

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Please indicate your consent for CDP to showcase your disclosed environmental actions on the European Climate Pact website as pledges to the Pact.
No, we do not wish to pledge under the European Climate Pact at this stage

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