



# PRINCIPLES FOR RESPONSIBLE BANKING REPORTING AND SELF-ASSESSMENT TEMPLATE

## Caixa Geral de Depósitos

CGD adhered on 22 September 2019 to the UNEP-FI Principles for Responsible Banking, together with 132 founding banks. After 18 months of signing this commitment, CGD developed the first self-assessment report on the response to the six Principles: 1) Alignment, 2) Impact and Targets, 3) Clients and Customers, 4) Stakeholders, 5) Governance & Culture, 6) Transparency.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)
<p><b>Principle 1: Alignment</b>            We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>1.1 <i>Describe</i> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>Caixa Geral de Depósitos (CGD) is a major player in the Portuguese financial market. CGD was formed as a public limited liability company by the Portuguese state in 1876 and is one of Portugal's leading institutions and fully owned by Republic of Portugal. CGD's mission consists of creating value for the Portuguese society, by providing quality banking services to individuals and companies, thus contributing for the well-being of Portuguese families and for the development of the corporate sector. CGD ensures that its customers have access to a diversified set of high-quality financial products and services, with a particular emphasis on the attraction of savings and the granting of medium and long-term loans, based on an efficient corporate governance model in compliance with the highest ethical standards. CGD's activity and its employees' conduct are governed by the following fundamental values: Trust, Profitability, Transparency, Integrity, Professionalism, Proximity, Responsibility, Risk Culture and Rigor and Innovation.</p>	<p>Annual Report 2019 – Chapter CGD Today: <a href="https://www.cgd.pt/Engl/ish/Investor-Relations/Financial-Information/CGD/2019/Documents/Annual-Report-CGD-2019.pdf">https://www.cgd.pt/Engl/ish/Investor-Relations/Financial-Information/CGD/2019/Documents/Annual-Report-CGD-2019.pdf</a></p>
<p>1.2 <i>Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>CGD has successfully implemented its Sustainability Strategy for the 2018/2020 triennium in line with the Bank's business strategy, based on a set of areas of activity that go beyond legal and compliance obligations and address six areas focus on: Responsible Business, Social Responsibility, Environmental Footprint, Ethics and Compliance, Risk Management and Stakeholder Engagement. The 2018/2020 Sustainability Action Plan had more than 110 actions and involved 15 Departments.</p> <p>Additionally, CGD voluntarily subscribes commitments and/or principles from national and international organizations, complementary to its corporate policies and codes, within the Sustainability Programme, among which the Ten Principles of the United Nations (UN) Global Compact, letter of Commitment to sustainable finance in Portugal, principles for Responsible Banking (PRB), Principles for Responsible Investment (PRI), Climate Action - Business Ambition 1.5°C, Portuguese Charter for Diversity, Letter of Commitment "Lisbon European Green Capital 2020 – Climate Action 2030" and Timely Payment Commitment.</p> <p>Recognizing the importance of Gender Equality and Diversity, in 2020, CGD published its Diversity Policy that sets out the principles applicable to CGD employees, in terms of diversity, as well as the targets for</p>	<p>Investment on community: <a href="https://www.cgd.pt/Engl/ish/Investor-Relations/Financial-Information/CGD/2019/Documents/Annual-Report-CGD-2019.pdf">https://www.cgd.pt/Engl/ish/Investor-Relations/Financial-Information/CGD/2019/Documents/Annual-Report-CGD-2019.pdf</a> (page 585 and 586 - GRI-FS7/FS8);</p> <p>Partnerships: <a href="https://www.cgd.pt/Engl/ish/Sustainability-CGD/Vision/Pages/Partnerships.aspx">https://www.cgd.pt/Engl/ish/Sustainability-CGD/Vision/Pages/Partnerships.aspx</a></p>

	<p>balanced representation between women and men in management and supervisory functions at CGD; and defined the Equality Plan (scope CGD, S.A.) that Identifies the objectives, measures and targets to be pursued within the scope of Gender Equality, including measures already adopted and which, due to their being permanent or recurring, will continue in the forthcoming years.</p> <p>Considering the specificities of the financial sector and taking into account the material issues identified in the materiality analysis exercise, CGD highlights six priority SDGs, developed in line with its Sustainability Strategy, based on the 10 Principles of the Global Compact: 1 – No poverty, 8 – Decent work and economic growth, 10 – Reduced inequities, 11- Sustainable cities and communities, 13 – Climate action, 16 – Peace, Justice and strong institution. The development of initiatives in line with each of the priority SDGs is enhanced through the establishment of strategic partnerships (SGD 17).</p> <p>In alignment with the Sustainable Development Goals, at the social level, in 2019 the proportion of the monetary value of products and services with social benefit for individuals and companies was 9% and 5%, respectively. Additionally, in 2019, CGD S.A. invested 10.7 million euros in the community, focusing areas such as Patronage (6.8 million euros) and the Promotion of Knowledge (3.1 million euros). At the environmental level, the proportion of the monetary value of products and services with benefit for individuals and companies was 1%. More details about this information and alignment with sustainable development goals can be found in CGD’ annual report 2019, which is presented according to the GRI standards.</p>	<p>Equity Plan:  <a href="https://www.cgd.pt/Institucional/Governo-Sociedade-CGD/Praticas-de-Bom-Governo/Documents/CGD_Plano-para-igualdade-genero.pdf">https://www.cgd.pt/Institucional/Governo-Sociedade-CGD/Praticas-de-Bom-Governo/Documents/CGD_Plano-para-igualdade-genero.pdf</a>  (only in Portuguese)</p> <p>Diversity Policy:  <a href="https://www.cgd.pt/English/Sustainability-CGD/Vision/Documents/Diversity-Policy-CGD.pdf">https://www.cgd.pt/English/Sustainability-CGD/Vision/Documents/Diversity-Policy-CGD.pdf</a></p> <p>SDG alignment:  <a href="https://www.cgd.pt/English/Sustainability-CGD/Vision/Pages/Sustainable-Development-Goals.aspx">https://www.cgd.pt/English/Sustainability-CGD/Vision/Pages/Sustainable-Development-Goals.aspx</a></p>
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**Principle 2: Impact and Target Setting**  
**We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.**

<p><b>2.1 Impact Analysis:</b>  <i>Show</i> that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <p>a) <b>Scope:</b> The bank’s core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.</p> <p>b) <b>Scale of Exposure:</b> In identifying its areas of most significant impact the bank has considered where its core business/its major</p>	<p>In addition to the materiality analysis carried out previously, CGD used the UNEP-FI impact measurement tool to support the identification of SDGs with positive and negative impacts on the business.</p> <p>a) The definition of the scope took into account the analysis of the net operating income by the different geographies, even though Portugal represents 97% of the total net operation income. The analysis based on the PRB impact tool made it possible to assess the following CGD business areas: Consumer Banking, Business Banking and Corporate Banking.</p> <p>b) Consumer banking comprises banking activities with individuals, sole traders and micro companies. This segment includes consumer credit, mortgage credit, credit cards and also deposits taken from individuals. For Business Banking and Corporate Banking CGD assumes the top 10 sectors with highest exposure at default, namely: Manufacturing, Financial and insurance activities, Construction, Wholesale and retail trade, repair of motor vehicles and motorcycles, among others.</p>	<p>Net operation income by geographies:  <a href="https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2019/Documents/Annual-Report-CGD-2019.pdf">https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2019/Documents/Annual-Report-CGD-2019.pdf</a>  (page 237)</p> <p>Credit exposure:</p>
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activities lie in terms of industries, technologies and geographies.

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

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

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

*Show* that building on this analysis, the bank has

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

c) For Portugal, based on the resource provided by the tool, CGD identified the eight main country needs (score of 3 or 4 - high or very high need level): Availability – Water; Food; Housing; Mobility; Strong institutions, peace & stability; Quality –Water; Resources efficiency / security and Waste.

d) With the UNEP FI Portfolio Impact Identification Tool holder, CGD concluded the identification of the areas with the greatest positive and negative impact, such as:

Inclusive and healthy economy (SDGs 1 and 8), CGD have a positive impact on society as it allows individuals access to finance services that promote inclusion and consequently decrease the risk of poverty.

Efficiency / Security in the use of resources (SDG 6, 7 and 12) with a negative impact associated with energy and water consumption and waste generation in manufacturing, transportation and real estate activities. CGD can impact positively with financing of research activities for the development of more efficient and less polluting technologies, with the possibility of repairing metals (manufacturing activities), repairing machines and selling second-hand goods.

Climate (SDG 13) CGD's financing activities have some negative indirect impact on the climate due to emissions associated with combustion vehicles, the use of energy in housing / construction as well as production and / or air transport activities.

In line with the materiality analysis carried out, CGD will cross-check the data extracted from this tool and address actions in the Sustainability Strategy for 2021-2024 that will allow it to boost the positive impacts and mitigate the negative impacts associated with its activity.

<https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2019/Documents/Annual-Report-CGD-2019.pdf> (page 261)

**Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.**

CGD developed the impact analysis according to the tool made available by UNEP-FI, these data are very relevant to support the definition of strategic actions associated with the CGD portfolio. In order to take full advantage of this information, the CGD is conducting a more in-depth analysis of the results.

2.2 Target Setting

**Show** that the bank has set and published a minimum of two **S**pecific, **M**easurable (can be qualitative or quantitative), **A**chievable, **R**elevant and **T**ime-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.

**Show** that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals,

Over the past few years, CGD has been establishing metrics to assess the improvement in its business performance taking into account the needs and expectations of stakeholders and the alignment with best practices on responsible banking.

Aiming to be the leading Portuguese bank in Sustainable Finance by adapting and mitigating to climate change, CGD, has embraced the goal of reducing 43% of the overall GHG emissions (scope 1 and 2) until 2021, as compared to 2015. This goal was set on the back of the tool of one of the main international trends, Science Based Targets Initiative (SBTi), to whose simulation five percentage points were added. Within this scope, CGD has achieved in 2019 a 63% reduction compared to 2015 (market-based method), due to policies and measures implemented for the efficiency of resources and awareness-raising for environmental issues carried for the past few years.

GHG emissions target:  
<https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2019/Documents/Annual-Report-CGD-2019.pdf> (page 508)

<p>the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p><b>Show</b> that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<p>In order to improve the efficiency of resource use (SDG 12), CGD defined the following aspect as a goal of the Lisbon Green Capital 2020 - Climate Action 2030 commitment: "Promote the acquisition of certified, low-carbon sustainable materials and products in the production chain and, whenever possible, locally sourced.</p> <p>At this moment, and taking into account the commitment assumed in respect of the Business Ambition 1.5°C aligned with limiting global temperature rise to 1.5°C above pre-industrial levels, CGD is calculating the emissions associated with its credit portfolio (scope 3); the definition is aligned with science to be validated by SBTi.</p> <p>CGD is defining a Sustainable &amp; Inclusive Finance Action Plan that will support the implementation of the Sustainability Strategy for 2021-2024.</p>	<p>Lisbon European Green Capital 2020:  <a href="https://www.cgd.pt/English/Sustainability-CGD/Environmental-Responsibility/Pages/Lisbon-2020European-Green-Capital.aspx">https://www.cgd.pt/English/Sustainability-CGD/Environmental-Responsibility/Pages/Lisbon-2020European-Green-Capital.aspx</a></p>
<p><b>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.</b></p>		
<p>In 2021, CGD will define targets corresponding to identified areas of significant impact. Next year CGD will improve the answer to this question.</p>		
<p>2.3 Plans for Target Implementation and Monitoring</p> <p><i>Show</i> that your bank has defined actions and milestones to meet the set targets.</p> <p><i>Show</i> that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>At board level, CGD monitors the implementation of the Sustainability Action Plan defined under the Sustainability Strategy in the Sustainability Committee, at least every 6 months. The Sustainability Area coordinates and evaluates the implementation of the Sustainability Action Plans with the different departments within the CGD's business units, on a quarterly basis.</p> <p>Please see more detail about Governance model in question 5.1 (Principle 5)</p>	<p>Sustainability Corporate Governance Model:  <a href="https://www.cgd.pt/English/Sustainability-CGD/Pages/Sustainability.aspx">https://www.cgd.pt/English/Sustainability-CGD/Pages/Sustainability.aspx</a></p>
<p><b>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</b></p>		
<p>CGD monitors the actions defined in its strategy every six months, so we consider that in this first year CGD have complied with the requirements of this principle.</p>		
<p>2.4 Progress on Implementing Targets</p> <p><u>For each target separately:</u></p>	<p>Every year CGD monitors, evaluates and presents social, environmental and governance data in its Sustainability report in accordance with the guidelines of the GRI Standard.</p> <p>In 2019/2020, CGD achieved the following targets:</p> <ul style="list-style-type: none"> <li>• Installation of LED lighting in all buildings (indoors and outdoors, if applicable);</li> <li>• Reduction of power consumption by 10% as compared to 2017;</li> </ul>	

<p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p><i>Or explain</i> why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p>	<ul style="list-style-type: none"> <li>• Renewable of the certification of the Environmental Management System in accordance with ISO 14001, and influence our suppliers into adopting environmental best practices;</li> <li>• Reduction of paper consumption through the digitalization of operations;</li> <li>• Definition of the Equality Plan and the Diversity Policy;</li> <li>• Subscription of the Lisbon European Green Capital 2020 commitment - Climate action 2030 with 21 actions to assist in combating climate change;</li> <li>• Development of two consultations with stakeholders and define new material topics;</li> <li>• Revision of the Code of Conduct including the reinforcement of ESG principles;</li> <li>• Emissions scope 1 and 2 (market-based method) reduction in 741%, from 2015;</li> <li>• Caixa Social 2020 Awards and anticipation of 2021 (support to fight the impacts of pandemic situation), 1 million euros;</li> <li>• Caixa and CASES established a partnership towards promoting microcredit;</li> <li>• Donation of 120 computer equipment to various educational institutions, supporting students who, without a computer at home, were confronted with the reality of distance learning;</li> <li>• Renewable energy produced: 4,966 GJ (72% is produced from the Solar Thermal Power Plant at the headquarters building and 28% from photovoltaic panels of CGD branches).</li> </ul>	
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**Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets**

In 2021, CGD will define the strategic goals and objectives for the Sustainability Strategy for 2021-2024. Next year, CGD will have a more aggregated report of this information.

**Principle 3: Clients and Customers**  
**We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.**

<p>3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>The Code of Conduct of CGD establishes ethical and deontological behaviours and aims to contribute to the harmonization of standards in the face of ethical issues, affirmation of values, principles of action and rules of conduct that guide the relationship with the various stakeholders, promoting an organizational culture of legal compliance and agreement with the values and principles adopted, as well as for the development of best corporate governance practices and ethical conduct, reducing exposure to various risks, namely compliance.</p> <p>Accordingly, in April 2020, based on the best international practices, CGD's Code of Conduct was updated, with the reinforcement of the provisions related to ethics issues, such as the prevention of corruption, social responsibility and sustainable development, conflicts being ensured interests, communication of irregular practices, among others.</p> <p>The new version of the Code containing examples of some good practices that aim to guide employees.</p>	<p>CGD's Code of Conduct: <a href="https://www.cgd.pt/English/Institutional/Corporate-Governance/Documents/CGD-Code-of-Conduct.pdf">https://www.cgd.pt/English/Institutional/Corporate-Governance/Documents/CGD-Code-of-Conduct.pdf</a></p> <p>Customer Experience: <a href="https://www.cgd.pt/English/Investor-Relations/Financial-">https://www.cgd.pt/English/Investor-Relations/Financial-</a></p>
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<sup>1</sup> Un-Audited value

	<p>Clients' expressions of dissatisfaction are essential for CGD to assess the Customer Experience and the continuous improvement of service quality. They allow for the regular identification of opportunities for correction and improvement, crucial for the identification of certain types of risk, including those related with compliance, as well as for an increase in the level of satisfaction of the Client. Process efficiency requires close collaboration between units responsible for product development, operations and support, as well as internal control units. In 2019, the interaction with these structures was reinforced, in order to guarantee the incorporation in the service provided by CGD of the improvements identified through complaints, satisfaction surveys and the monitoring of service levels. In 2019, regular production and reporting of the integrated Customer Experience report was ensured, showing all the indicators of quality and Customer satisfaction currently assessed by the various areas of CGD: Reputation and Image, Customer Satisfaction with Caixa and with key services and moments of interaction between Customers and the Bank, Volume of Complaints and Performance of Business Processes.</p> <p>In the Management and Treatment of Complaints, the Customer Service area, the focus was kept on mitigating complaints, which contributed to the holding of periodic meetings between the support and business areas "Caixa Customer Care Network", with the objective of anticipating and minimizing eventual impacts on Clients of planned events.</p> <p>The focus was also kept on the efficiency of the process, namely with the robotization introduced in the treatment of complaints in very specific situations, which allow some sorting in the response and in the implementation of an automatic worklist management process in order to optimize rules for handling cases. The number of complaints in 2019 was 12.253, a reduction of 6% compared to the previous year and the lowest level since 2015. The most recurrent themes were related with Customer Service, Deposits and Means of Payment with 32%, 20% and 20% of the total, respectively although the last item decreased 27% when compared with 2018. There were also decreases in the number of complaints related with Financial Instruments (-26%), Credit (-10%), Deposits (-7%) and Self-Service channels (-7%). In 2019 CGD guaranteed the renewal for a new 3 year period (to be confirmed on an annual basis) of its ISO 9001 Quality Certificate for the process Management and Treatment of Client Suggestions and Complaints (excluding those related with fraud) relative to its activity in Portugal.</p>	<p><a href="#">Information/CGD/2019/Documents/Annual-Report-CGD-2019.pdf</a> (page 308)</p>
<p>3.2 <i>Describe</i> how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>Policies and commitments reflect CGD's ambition within the scope of its responsible management practices, reinforcing ethics, rigor and transparency to all activities and operations, binding employees and functional structures, Group companies and, whenever applicable, partners, suppliers and remaining stakeholders to the compliance therewith, as example:</p> <ul style="list-style-type: none"> <li>- Sustainability Policy, that lays down the Sustainability Management Model and the guidelines concerning the key sustainable operation areas.</li> <li>- Environmental Policy, that lays down CGD's commitments and performance guidelines linked with environmental issues.</li> <li>- Community Involvement Policy, that sets out CGD's commitments and guidelines for structuring, assessing and monitoring its impacts on society.</li> <li>- Principles of exclusion and limitation, that sets out a list of Principles underlying activities and projects that are excluded, or restricted under certain terms, from CGD's credit policy.</li> </ul>	<p>Policies: <a href="https://www.cgd.pt/English/Sustainability-CGD/Vision/Pages/Policies.aspx">https://www.cgd.pt/English/Sustainability-CGD/Vision/Pages/Policies.aspx</a></p>

- Human Rights declaration that strengthens the commitment to respect human rights in the relationship with all stakeholders.

During 2020, Caixa Gestão de Ativos published its Involvement Policy, committing itself, by hiring a partner, to develop dialogue initiatives with the main companies in which financial investments are made. This dialogue, which aims to promote the adoption of best practices in the field of sustainability by companies, is another step towards strengthening CXA's strategy for sustainability.

In CGD website shows some products that are designed to achieve specific social responsibility and environmental goals. Among these products we highlight:

- i. **Credit facility for hybrid and electric vehicles** - Created for financing the purchase of hybrid or electric, new or second-hand, light passenger or mixed use vehicles, without reservation of title.,
- ii. **Mortgage loan facility "Caixa Casa Eficiente"** - Designed for individual customers interested in implementing projects or making renovations aiming to improve the Environmental and energetic performance of residential buildings mainly focused on energetic and hydric efficiency, as well as on urban waste treatment;
- iii. **Credit facility for decarbonization and circular economy** - Credit facility aiming to modernize companies and make them more competitive through the implementation of energy-efficient measures and the adoption of renewable energy sources.

In September 2020, CGD published a newsletter exclusively dedicated to Sustainable Mobility to celebrate the European Mobility Week (this can be consulted in [https://www.cgd.pt/Empresas/Informacao-Empresas/Documents/Newsletter-Caixa-Empresas-setembro-2020\\_edicao13.PDF](https://www.cgd.pt/Empresas/Informacao-Empresas/Documents/Newsletter-Caixa-Empresas-setembro-2020_edicao13.PDF) - only in Portuguese).

Other focus area of CGD is financial literacy which embeds in the Saldo Positivo portal. This is an editorial project that integrates the Financial Literacy pillar of the Bank's Sustainability strategy. With a special focus on Finance and Banking; New Technology and Digital; Family Management; Environment and Sustainability; Taxation and Laws; Work and Mobility, among others, fulfil the main purpose of contributing effectively to the increase of the literacy levels of the community.

Involvement Policy:  
[https://www.cgd.pt/Site/CXA/Caixa-gestao-ativos/Institucional/Publicacoes-Obrigatorias/Documents/Politica\\_envolvimento\\_CXAfinal.pdf](https://www.cgd.pt/Site/CXA/Caixa-gestao-ativos/Institucional/Publicacoes-Obrigatorias/Documents/Politica_envolvimento_CXAfinal.pdf) (only in Portuguese)

Sustainable offer:  
<https://www.cgd.pt/English/Sustainability-CGD/Responsible-Business/Pages/Sustainable-Supply.aspx>

Saldo Positivo portal:  
<https://www.cgd.pt/site/saldo-positivo/Pages/Saldo-Positivo.aspx> (only in Portuguese)

#### Principle 4: Stakeholders

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

4.1 *Describe* which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.

CGD interacts with several stakeholders on a regular basis, allowing for continuous management and a close follow-up on their relationship, whether it is a commercial relationship, a partnership, a cooperation or other.

Contacting with stakeholders makes it possible to assess their expectations in terms of sustainability, their perception of CGD and their ability to respond to relevant topics; to assess the adequacy of the communication channels used; and to identify opportunities for improvement in terms of economic, environmental and social performance.

In the chapter 4.6.3 Forms of interaction with stakeholders (Annual Report 2019), CGD describes the most relevant forms of interaction. Please see page 477.

At 2019, CGD has reviewed material topics for the bank. In order to have a holistic view of all relevant topics pertaining to environmental, social and governance matters, a systematic, comprehensive and rigorous process was implemented, based on the following premises:

- 1) Consulting with stakeholders to understand their main expectations; - That consultation had around 3.000 answers, from the on-line survey, between employees and stakeholders, namely: customers, suppliers, investors and financial analysts, organizations from the industry, financial institutions, media, local community, social institutions and environmental organizations. More details about this process can be found in page 476 of Annual Report 2019 (<https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2019/Documents/Annual-Report-CGD-2019.pdf>)
- 2) Identifying the main trends of the financial market trends at an international level;
- 3) Acknowledging future challenges and opportunities identified by leading institutions in the financial sector.

This process resulted in the identification of the seven material topics to CGD: Sustainable Finance, Management Practices and Governance Models, Human Capital Management, Anti-corruption Practices, Corporate Social Responsibility, Information Security and Financial Sustainability.

CGD performed an additional Stakeholders consultation, from December 2020 to January 2021, in order to better acknowledge their expectations and to identify the priorities that should be addressed in its future sustainability strategy, in the economic, social and environmental dimensions. The questionnaire was aligned with the United Nations Sustainable Development Goals (SDGs), that defines the priorities and aspirations for global sustainable development for 2030 and aims to mobilize global efforts around a set of common goals and targets. This process involved 15 stakeholders' groups (employees of CGD,S.A., individual customers, employees of the CGD Group Companies, third sector institutions, business clients, state bodies and public entities, suppliers, financial companies, local community, business associations, investors, sustainability partners, supervisors, high education institutions and unions), in a total of 3.089 responses. From stakeholders' group responses, CGD listed the top priorities that are link to: SDGs 1 - Develop products that support social entrepreneurship and job creation, 3 - Protect the health of employees and their families, 4 - Take an active role fighting Climate Change, 6 - Ensure the existence of a Corporate Government model at CGD that respects the issues of independence, ethics and compliance with legal and regulatory

Forms of interactions with stakeholders:  
<https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2019/Documents/Annual-Report-CGD-2019.pdf> (page 477)

Consultation of stakeholders:  
<https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2019/Documents/Annual-Report-CGD-2019.pdf> (page 476)

requirements, 7 - Increase the consumption of energy from renewable sources at CGD's facilities, 8 - Develop policies, initiatives or programs that encourage job creation and decent work, 10 - Integrate into the CGD's human resources management, principles and policies of equal opportunities, respect for minorities and inclusion of people with disabilities and 16 - Ensure the existence of a Corporate Government model at CGD that respects the issues of independence, ethics and compliance with legal and regulatory requirements and adopt principles of environmental, social and governance management into the CGD Corporate Governance model.  
These results will be taken into account on the Sustainability Strategy for 2021-2024.

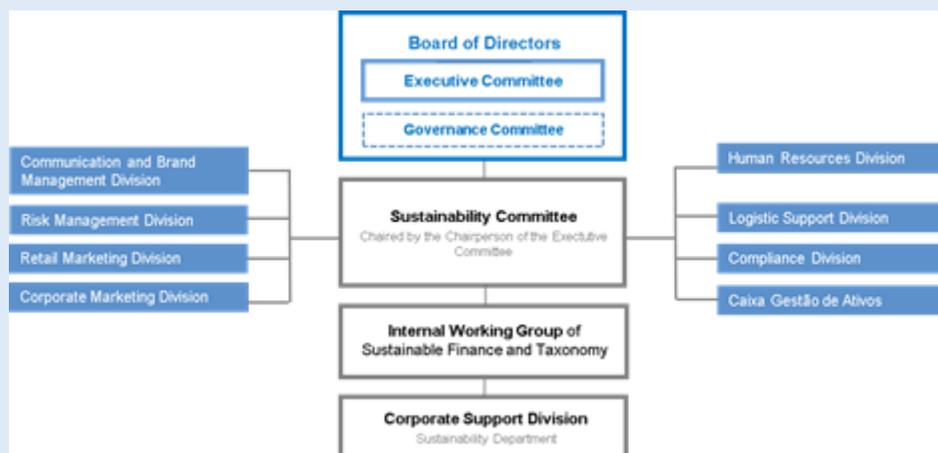
## Principle 5: Governance & Culture

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

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

The existence of an effective governance structure, policies and procedures are essential for the implementation of the Principles for Responsible Banking. In this context, the Sustainability Committee has a clear role on monitoring and controlling the management and implementation of the CGD's Sustainability Strategy as well as overseeing the fulfilment of its corporate policies and commitments, both domestically and internationally.

The management model of sustainability is multi-Department within CGD' business units, with the most relevant structural bodies involved in the execution of the Corporate Sustainability Program, as well as other structures (national and international) depending on the subjects under assessment.



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

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

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

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

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

Sustainability management model

<https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2019/Documents/Annual-Report-CGD-2019.pdf> (page 487)

<p>5.2 <i>Describe</i> the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>At the business level CGD has invested in developing innovative, environmentally and socially responsible financial products and services. As an example, CGD launched in 2020 the credit line for Decarbonization and Circular Economy that aims to make companies more modern and competitive through the implementation of energy efficiency measures and the adoption of renewable energy sources. CGD signed the ACEGE Commitment for timely payment to suppliers and the CEO Guide on Human Rights to reinforce CGD's commitment to human rights, internationally obliged, without developing its relations with the stakeholders.</p> <p>At the social level, in a year of diverse challenges due to the pandemic crisis, CGD challenged its employees to develop corporate volunteering actions to support social institutions, with this action it was possible to mobilize 250 CGD volunteers and raise more than 9 tons of goods across the country, including the archipelagos of Azores and Madeira.</p> <p>At the environmental level, it is important to highlight two distinctive initiatives, the Environmental Management System and the project to promote circular economy - Card Recycling Program. CGD's environmental management system is certified according to the ISO14001: 2015 standard. CGD promotes an integration of good practices on environmental efficiency, through e-learning training and internal communications. Regarding the circular economy project, CGD had implemented a Bank Card Recycling Program, in partnership with Extruplás that transform expired bank cards on a recycled material that is included into urban furniture. This furniture delivered to social entities and since the beginning of the project CGD has already collected more than 4 million cards and donated furniture to 14 institutions.</p> <p>Employees whose responsibilities are directly related to Sustainability have KPI's that assess the achievement of certain objectives and that are also related to CGD's Sustainability Strategy. The achievement of these objectives has a positive impact on performance evaluation and on the performance bonuses/incentives.</p>	<p>ACEGE Commitment:  <a href="https://www.cgd.pt/Empresas/Informacao-Empresas/Noticias/Pages/Caixa-promove-Compromisso-de-Relógio-Pontual.aspx">https://www.cgd.pt/Empresas/Informacao-Empresas/Noticias/Pages/Caixa-promove-Compromisso-de-Relógio-Pontual.aspx</a></p> <p>CEO Guide to Human Rights:  <a href="https://www.cgd.pt/English/Sustainability-CGD/Vision/Documents/CEO-Guide-Human-Rights_digital.pdf">https://www.cgd.pt/English/Sustainability-CGD/Vision/Documents/CEO-Guide-Human-Rights_digital.pdf</a></p> <p>Corporate Volunteering:  <a href="https://www.cgd.pt/English/Sustainability-CGD/Social-Responsibility/Pages/Corporate-Volunteering.aspx">https://www.cgd.pt/English/Sustainability-CGD/Social-Responsibility/Pages/Corporate-Volunteering.aspx</a></p> <p>Environmental Responsibility:  <a href="https://www.cgd.pt/English/Sustainability-CGD/Environmental-Responsibility/Pages/Environmental-Responsibility.aspx">https://www.cgd.pt/English/Sustainability-CGD/Environmental-Responsibility/Pages/Environmental-Responsibility.aspx</a></p>
<p>5.3 <b>Governance Structure for Implementation of the Principles</b>  <i>Show</i> that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>a) target-setting and actions to achieve targets set</p> <p>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>	<p>The Sustainability Committee, chaired by the CEO of CGD, is the body responsible for monitoring and controlling the implementation of the Sustainability Strategy and, consequently, the commitments assumed for its implementation, which include the Principles for Responsible Banking.</p>	<p>Sustainability management model  <a href="https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2019/Documents/Annual-Report-CGD-2019.pdf">https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2019/Documents/Annual-Report-CGD-2019.pdf</a> (page 487)</p>
<p><b>Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</b></p>		
<p>CGD meets the requirements for this Principle.</p>		

## Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

### 6.1 Progress on Implementing the Principles for Responsible Banking

Progress from September 2019, we highlight:

- Definition of Equality Plan 2021 and the Diversity Policy.
- Adherence to the Lisbon European Green Capital 2020 commitment - Climate action 2030 with 21 actions to assist in combating climate change.
- Development of two consultations with stakeholders.
- Definition of new material topics.
- Revised Code of Conduct.
- Emissions scope 1 and 2 (market-based method) reduction by 63%, from 2015 until 2019 and expected to reduce by 74% until 2020 (value in auditing process).

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

The definition of CGD's Sustainability Strategy for 2021-2024 will take into account the impact analysis carried out according to the methodology made available by UNEP-FI and the consultation with stakeholders recently concluded. The Sustainability Strategy will be one of the pillars of CGD, S.A Strategy Plan.

Working Groups details:

<https://www.cgd.pt/English/Investor-Relations/Financial-Information/CGD/2019/Documents/Annual-Report-CGD-2019.pdf> (page 478)

Sustainability website:

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

### Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking

CGD has achieved several goals towards more responsible banking, so it considers that the progress in these 18 months of implementation has been positive. Furthermore, with the definition of the Bank's new Strategic Plan for 2021-2024 and the integration of the ESG pillar, CGD will reinforce its commitment to be an increasingly sustainable Bank.