



**Banco
Montepio**

**Summary Green, Social and
Sustainability Bond Framework
(June 2026)**



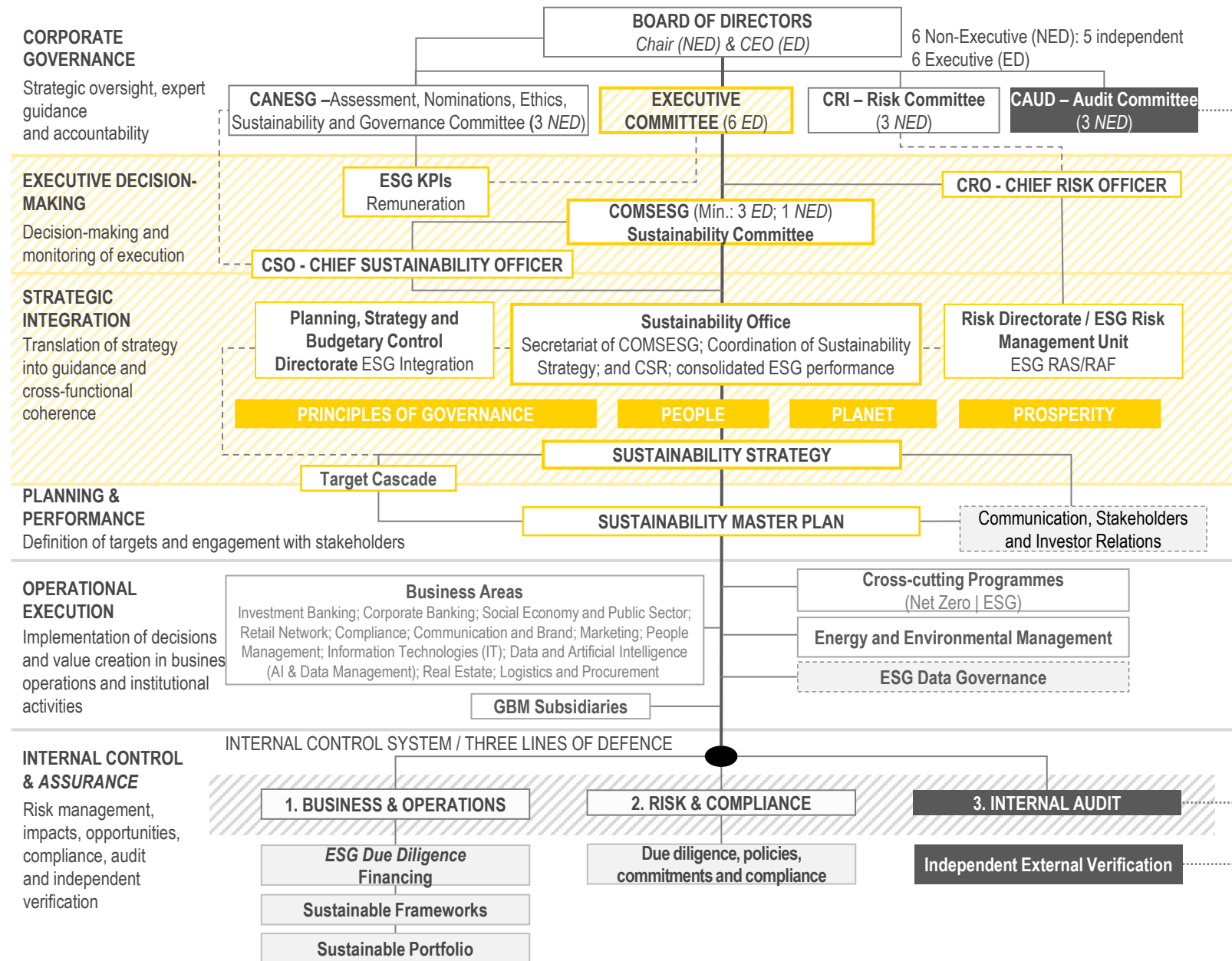
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1. Sustainability Overview



Sustainability Governance model

- ✓ **Sustainability governance** is fully embedded in Banco Montepio's overall corporate governance framework, with **Board-level oversight and Executive accountability**.
- ✓ **ESG strategy, policies and risk integration** are overseen by the Board of Directors, with execution ensured by the Executive Committee, supported by the Assessment, Nominations, Ethics, Sustainability and Governance Committee (CANESG).
- ✓ **Dedicated structures (Sustainability Office and COMSESG)** ensure **day-to-day coordination**, monitoring and integration of sustainability matters with Risk Management and Strategy.
- ✓ **Clear allocation of ESG responsibilities across governance layers**, in line with ECB/SSM supervisory expectations.



Sustainability Policy and Related Commitments

- ✓ Sustainability Policy establishes the overarching ESG framework, complemented by thematic policies (Human Rights, Environment, Anti-Corruption, Diversity & Inclusion)
- ✓ ESG principles are progressively integrated into core banking activities, including risk management and lending
- ✓ ESG commitments translated into operational policies rather than stand-alone statements



Sustainability Strategy

- ✓ The 2024–2026 Sustainability Strategy defines a **three-year cycle that frames Banco Montepio’s institutional priorities in response to sustainable development challenges and prudential guidance** applicable to the financial sector
- ✓ The strategy ensures consistency between market expectations, regulatory requirements and the Bank’s sustainability commitments, integrating internal analysis, stakeholder engagement, innovation and the management of emerging risks
- ✓ The strategy adopts a stakeholder-capitalism approach, structured around four reference pillars:
 - ❖ Governance Principles
 - ❖ Planet
 - ❖ People
 - ❖ Prosperitysupporting medium and long-term value creation through the integration of environmental, social and economic factors
- ✓ The strategic pillars are operationalised through key strategic axes, including:
 - Net Zero emissions & environmental risk management
 - Development of sustainable revenue and value propositions
 - Stakeholder engagement and organisational culture
 - Strengthening the management of impacts, risks and opportunities (IROs), including double materiality
- ✓ **Sustainability strategy is embedded across the business model and supported by the Sustainability Master Plan and the Group’s Triple A strategic programme, ensuring progressive integration of ESG factors into decision-making, risk management and core business processes**

2025 Sustainability Master Plan – Execution rate






OVERALL EXECUTION RATE: 95%



ESG Snapshot 2025

- ✓ The sustainability strategy, structured around Governance Principles, Planet, People and Prosperity, continued to guide decision-making, supported by the implementation of the Triple A strategic programme and the execution of the Sustainability Master Plan
- ✓ Governance, transparency and stakeholder engagement were reinforced, including the update of the double materiality assessment, ensuring consistency with European regulatory expectations
- ✓ In 2025, Banco Montepio consolidated the integration of ESG factors into its strategy and business model, strengthening the alignment between sustainability and long-term value creation
- ✓ ESG integration in 2025 reflects a balanced and governance-led approach, combining regulatory alignment, structured execution and gradual embedding of ESG factors into business, investment and financing decisions

ESG PILLAR	INDICATOR	2025	UNIT	REGULATORY ALIGNMENT
	Green Asset Ratio (GAR)	0.8	%	EU Taxonomy (Reg. 2020/852)
	Financed emissions coverage (Scope 3.15)	76	%	EBA ESG Risk Guidelines / PCAF
	Sustainable finance issued (Green / SLB)	70	€M	ICMA Principles
	Financing to the Social and Solidarity Economy	94	€M	ESRS S3 / CSRD
	Mortgage lending to young people (<35 years)	696	€M	ECB supervision / Financial inclusion
	Mortgage lending to people with disabilities	20	€M	ECB supervision / Financial inclusion
	Mortgage lending in low-population-density areas	170	€M	ECB supervision / Financial inclusion
	Gender equality – first-line decision-making roles	44	%	ESRS S1 / EBA Diversity Guidelines
	Investments aligned with the SDGs	23	%	UN SDGs
	Pension Fund – allocation under SFDR Art. 8/9	≥25	%	EBA Guidelines / SFDR (Reg. 2019/2088)

Perspectives and Future Commitments

- ✓ The 2026 Sustainability Master Plan defines the forward-looking priorities for the evolution of the sustainability strategy and its integration into management and decision-making processes
- ✓ The Plan reinforces ESG integration in risk management, financial decisions and performance monitoring, supported by strengthened internal capabilities and ESG data governance
- ✓ Clear climate and decarbonisation targets, including Net Zero by 2045 and interim Scope 1 and Scope 3 milestones, are complemented by structured initiatives aligned with the Triple A strategic programme

INDICATOR	COMMITMENTS	REFERENCE FRAMEWORK
Net Zero target	2045	ESRS E1-4, SBTi, SDG 13
Decarbonisation target Scope 1	-75% emissions by 2030	ESRS E1-4, SDG 13
Decarbonisation target Scope 3 (Category 15)	Interim targets by 2030 Sectors: agriculture, automotive, aviation, electricity and cement	ESRS E1-4, SBTi, SDG 13
2026 Sustainability Master Plan	75% strategic alignment with the Triple A programme	ESRS 2 SBM-3, SDG 16

- ❖ Forward-looking ESG commitments are supported by defined targets, governance structures and integration into risk management and decision-making, enhancing transition preparedness and regulatory alignment



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**2. Green, Social and
Sustainability Bond Framework**

Overview of Banco Montepio's Green, Social, Sustainability Bond Framework

- ✓ Fully aligned with ICMA's Green Bond Principles 2025, Social Bond Principles 2025, Sustainability Bond Guidelines 2021, and consists of the following four core components

Use of Proceeds

Process for Asset
Evaluation and Selection



Management of Proceeds

Reporting



- ✓ Also, includes a best-effort mapping to the substantial contribution criteria of the EU Taxonomy Regulation
- ✓ The net proceeds of any Green, Social and/or Sustainability Bonds ("Sustainable Debt Instruments") will be exclusively allocated to financing or refinancing, in whole or in part, of new or existing assets that seeks to deliver positive environmental and social outcome

Green Buildings

Energy Efficiency

Renewable Energy

Affordable Housing

Employment Generation












Access to Essential
Services – Healthcare

The Framework has been developed as a tool to formalise Banco Montepio's approach to sustainable finance and align its funding activities with its sustainability objectives








- Channel capital towards eligible assets with clear, measurable environmental and social outcomes
- Support national and EU climate targets, including the European Green Deal and Portugal's Roadmap to Carbon Neutrality 2050
- Enhance investor engagement by offering transparent, impact-driven investment opportunities
- Strengthen the Bank's ESG profile and demonstrate leadership in sustainable finance

This Framework sets out Banco Montepio's approach to the issuance of green, social, sustainability bonds and other financing instruments, while providing investors with transparency on the allocation of proceeds to activities delivering measurable environmental and/or social benefits

Use of Proceeds – Eligible Green Categories

	Eligibility Criteria	EU Taxonomy Activity	UN SDGs
Green Buildings	<ul style="list-style-type: none"> ▪ Construction of new commercial and residential buildings <ul style="list-style-type: none"> – Nearly-zero energy buildings-10 percent: The building's primary energy demand is at least 10% below the threshold values set in the national measures for implementing Directive 2010/31/EU for nearly zero-energy buildings or validated by Portuguese energy performance certificate (EPC) A or A+ ▪ Renovation of existing buildings <ul style="list-style-type: none"> – Renovations of existing buildings that either lead to a reduction in the Primary Energy Demand (PED) of at least 30%, or where the building meets the applicable national and regional building regulations for 'major renovation' according to the Directive 2010/31/EU ▪ Acquisition and ownership of commercial and residential buildings <ul style="list-style-type: none"> – Buildings built before 31 December 2020, where the building has an Energy Performance Certificate (EPC) class A or A+, or the building has a Primary Energy Demand (PED) which is within the top 15% of the national or regional building stock – Buildings built after 31 December 2020, The building's primary energy demand is at least 10% below the threshold values set in the national measures for implementing Directive 2010/31/EU for nearly zero-energy buildings or validated by Portuguese energy performance certificate (EPC) A or A+ – Certified sustainable buildings: LEED (Gold or better), BREEAM (Excellent or better), HQE (Excellent or better) 	7.1, 7.2, 7.7	   
Energy Efficiency	<ul style="list-style-type: none"> ▪ (Re)financing of other interventions aimed at improving the energy performance of buildings, for example reduction of energy needs, thermal improvement of the building, installation of solar panels or other renewable energies, installation of Ventilating and Air-Conditioning (HVAC) systems ▪ (Re)financing the manufacturing and / or installation of energy efficient equipment and technology: <ul style="list-style-type: none"> – Smart grid, smart meters, smart thermostats – LED lighting – District heating and cooling 	3.5, 4.15, 7.3, 7.5, 7.6	   
Renewable Energy	<ul style="list-style-type: none"> ▪ Construction, acquisition, development, and maintenance of facilities generating and/or distributing energy from renewable sources such as: <ul style="list-style-type: none"> – Wind energy: onshore and offshore wind energy generation facilities – Solar energy: solar photovoltaic (PV) generation facilities – Equipment and infrastructure dedicated to connecting renewable energy projects to electricity transmission and distribution grids – Battery electric storage systems 	4.1, 4.3, 4.9, 4.10	  

Use of Proceeds – Eligible Social Categories

	Eligibility Criteria	Target Population	UN SDGs
Affordable Housing	<ul style="list-style-type: none"> Loans provided for the construction and/or renovation of properties to provide housing for individuals/families experiencing financial difficulty Loans provided for the construction and/or renovation of properties with a specific proportion of units ring fenced for those who are experiencing financial difficulty 	<ul style="list-style-type: none"> Those living below the poverty line Excluded and/or marginalised populations and/or communities 	  
Employment Generation	<ul style="list-style-type: none"> Loans to businesses located in the most economically disadvantaged regions of Portugal Loans to MSMEs led or owned by women or other gender minorities Loans to microfinance institutions, who provide finance to excluded customers, poorer population segments, often socially marginalized, or geographically more isolated, who lack access to mainstream sources of finance 	<ul style="list-style-type: none"> Excluded and/or marginalised populations and/or communities Women and/or sexual and gender minorities Unemployed and/or workers affected by climate transition 	 
Access to Essential Services - Healthcare	<ul style="list-style-type: none"> Construction/renovation and related infrastructure for medical care centres, outpatient and inpatient rehabilitation centres and health real estate, elderly care facilities as well as facilities for other vulnerable groups such as disabled and children Financing for the construction and/or renovation of public hospitals 	<ul style="list-style-type: none"> Excluded and/or marginalised population and/or communities People with disabilities Aging population 	 

Process for Asset Evaluation and Selection, Management of Proceeds, and Reporting



Process for Asset Evaluation and Selection

- The governance of the Framework is embedded within Banco Montepio's sustainability governance model, which is overseen by the Board of Directors and implemented by the Executive Committee
- The Sustainability Office and Sustainability Committee ("COMSESG"), oversees the selection and evaluation of projects in accordance with the defined criteria
- Eligible Green and Social Assets are evaluated against Banco Montepio's internal ESG risk assessment framework

Management of Proceeds

- Proceeds to be managed on a portfolio basis, with proceeds allocated to a sub-portfolio of eligible green and/or social assets
- COMSESG will monitor allocation of proceeds at least annually and ensures eligible assets match or exceeds outstanding Sustainable Debt Instruments
- Full allocation within 24 months; unallocated proceeds temporarily invested as per liquidity management policies and does not conflict with sustainability objectives of the Framework

Reporting

- Annual Report covering allocation and impact details will be published on Banco Montepio's website
- Follows ICMA Harmonised Framework for Impact Reporting to the greatest extent possible
- The report may include case studies, methodologies, assumptions, in addition to the allocation and impact metrics, and where possible comparison versus prior years

Banco Montepio obtained a Second Party Opinion from DNV



Confirmed alignment with the principles:

- ✓ **Green Bond Principles, ICMA, 2025**
- ✓ **Social Bond Principles, ICMA, 2025**
- ✓ **Sustainability Bond Guidelines ICMA, 2021**

✓ **Use of proceeds**

- *The Bank intends to use the net proceeds of the Sustainable Debt Instruments to finance and/or refinance of new and/or existing eligible projects: Green Buildings; Energy Efficiency; Renewable Energy; Affordable Housing; Employment generation; Access to Essential Services - Healthcare*
- *Eligibility criteria for the use of proceeds have been defined for each project category. Exclusionary criteria have been defined as detailed in Schedule 1. Additionally, the Framework includes a best-efforts mapping to the substantial contribution criteria of the EU Taxonomy Regulation*
- *DNV concludes that the eligible categories outlined in the Framework are consistent with the categories outlined in the Principles & Standards*

✓ **Process for project evaluation and selection**

- *DNV confirms that Banco Montepio has reported in the Framework, a clear and robust management structure in place to select and evaluate the Eligible assets it will (re-)finance.*
- *The Sustainability Office, led by the Chief Sustainability Officer (CSO), ensures that sustainability activities are aligned with the Bank's sustainability strategy, ESG risk management framework and regulatory obligations. To ensure the framework is effectively governed and robustly implemented, the Sustainability Office and the Sustainability Committee (COMSESG) will oversee and monitor its operational aspects, ensuring alignment with regulatory standards and market best practices. This includes evaluating and selecting eligible green and/or social assets in accordance with the defined eligibility and exclusion criteria, and the substantial contribution criteria of the EU Taxonomy Regulation, on a best efforts basis, for climate change mitigation.*

✓ **Management of proceeds**

- *The Bank will allocate the proceeds to a sub-portfolio of eligible green and/or social assets, which will be tracked through its internal systems. Until full allocation has been made, any unallocated proceeds may be temporarily invested in accordance with the Bank's liquidity management policies, in cash or other liquid instruments that do not conflict with the sustainability objectives of the Framework. Allocation will be tracked using internal systems and reviewed annually. The COMSESG will monitor the allocation of proceeds at least annually to ensure that the balance of the Green and Social Assets portfolio matches or exceeds the total outstanding Sustainable Debt Instruments. Banco Montepio will strive to fully allocate all net proceeds within 24 months of issuance of each Green, Social or Sustainability Bond.*
- *DNV can confirm that Banco Montepio has committed to appropriately managing the proceeds arising from issuances of Sustainable Debt Instruments, with regard the storage, tracking and disbursement of funds in line the criteria set out in the Principles & Standards.*

✓ **Reporting**

- *In line with the guidance set out in the ICMA Harmonised Framework for Impact Reporting, Banco Montepio has confirmed its commitment to the annual reporting of allocations and impacts of bonds issued under the Framework. This report will be made publicly available to investors via the Bank's website until the net proceeds are fully allocated*
- *The Impact Report will present information on the environmental and social outcomes associated with the eligible green and/or social assets financed. The report will cover key environmental and social impact metrics.*
- *DNV can confirm that the Bank has made appropriate plans to produce reporting on the allocation and the impact of the issuances, and that the process for Reporting is consistent with the criteria set out in the Principles & Standards*

Source: DNV Second Party Opinion (June 2026)



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3. Eligible Assets Portfolio

Eligible Assets Portfolio

Green Buildings

Eligibility Criteria

Acquisition and ownership of commercial and residential buildings

- Buildings built before 31 December 2020, where the building has an Energy Performance Certificate (EPC) class A or A+, or the building has a Primary Energy Demand (PED) which is within the top 15% of the national or regional building stock
- Buildings built after 31 December 2020, The building's primary energy demand is at least 10% below the threshold values set in the national measures for implementing Directive 2010/31/EU for nearly zero-energy buildings or validated by Portuguese energy performance certificate (EPC) A or A+



Refinancing of existing mortgage portfolio



Buildings with an Energy Performance Certificate (EPC) class A or A+



Residential buildings



Located in Portugal

Thank you
