

SUSTAINABILITY REPORT

2022



Banco Montepio.

Nearly two centuries of service to the community has encouraged a strong sense of social responsibility and a drive towards sustainable development. Our pledge to uphold ethical behaviour and stay true to our core values allows us to serve each person, family, community, social entity and business to the best of our ability.

Proximity | Belonging | Solidness | Transparency | Tradition | Innovation | Inclusion



SUSTAINABILITY
REPORT

2022

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01 MESSAGE FROM OUR CEO

1. A MESSAGE FROM OUR CEO

GRI 2-22 | WEF "SETTING PURPOSE" | SDG 16 | WEPS 1

To our Stakeholders,

Banco Montepio's Sustainability Report 2022 presents the progress and achievements in business sustainability and corporate social responsibility that has guided us since 1844. Our mission is to support people, families, businesses, social economy institutions, and organisations that positively impact society, the environment and the economy.

As Portugal's oldest financial institution, we recognise our role in driving positive change and remain steadfast in our commitment to sustainable growth.

Our sustainability strategy is founded on the conviction that sustainable business practices are essential to creating long-term value for our stakeholders, for a future where we can prosper, without causing irreparable damage to the planet. We set goals to reduce our environmental impact, promote social and financial inclusion and foster a culture of diversity, equity and engagement. We are committed to authenticity, accountability for progress, and the 2030 Agenda and the 17 Sustainable Development Goals as a universal plan of action for people, the planet, and prosperity. We know that the challenges we face today are opportunities to grow tomorrow.

Our Bank recognises the importance of financing and supporting initiatives that positively impact and add value to society. Thus, we are dedicated to embedding ESG considerations into our business operations and decision-making procedures to fulfil this responsibility. From credit policies to training programmes, we are committed to this global agenda for sustainability: we invest in lowering our environmental impact, promote social inclusion and diversity, and make ethics the aggregating link for governance.

In a particularly challenging year for the economy and society, such as 2022, we made progress in reducing our carbon footprint, invested in the responsible evolution of the value chain, supported social and environmental initiatives, and we remained supportive of those whose mission is to help others: in poverty alleviation, social and financial inclusion and encouraging entrepreneurship.

We have achieved significant results in our sustainability strategy. For example, we have made equality, diversity and inclusion a significant objective and achieved the national gender equality target in 2030, with 40% of women in decision-making positions. We elected the Board of Directors with the most focus on gender equality in the Portuguese financial sector, invested in training for female leaders, and joined the 17% group of international companies with the best performance in the United Nations Women's Empowerment Principles (WEPs).

Banco Montepio continues to finance sustainable infrastructure projects with renewable energy and sustainable buildings. Our investment portfolio has incorporated environmental and social indicators, projects that promote sustainability and positively contribute to society, and we secured the first Social Loan in Portugal. We have ensured initiatives for the development of our people, including well-being and reconciliation programmes, diversity and inclusion training, and ongoing learning opportunities.

We are committed to providing innovative and responsible financial services that promote inclusion and financial health. As a responsible bank, we aim to contribute towards finding solutions to pressing issues such as climate change, social inequality, employability, access to housing, and prosperity.

Our Sustainability Report 2022 embodies our mission and commitments, which are continuously implemented. We recognise that this journey will be successful if taken with our people, clients, and partners, understanding their needs, aligning their expectations, and working together towards solutions that benefit everyone.

At Banco Montepio, we value solid relationships and meaningful causes, which we actively support through our internal community, and we value the support and partnership of our stakeholders in this virtuous journey towards a more prosperous and sustainable future.

I hope you will appreciate reading our sustainability report. Thank you.

Pedro Leitão
Chief Executive Officer



02 ABOUT US

2. ABOUT US

GRI 2-1, 2-6 | SDG 1, 3, 5, 7, 8, 10, 11, 12, 17

2.1. Where we are

BRANCHES

by district and autonomous region



246 branches
1,311 thousand customers
13.1 billion in deposits
12.1 billion in loans

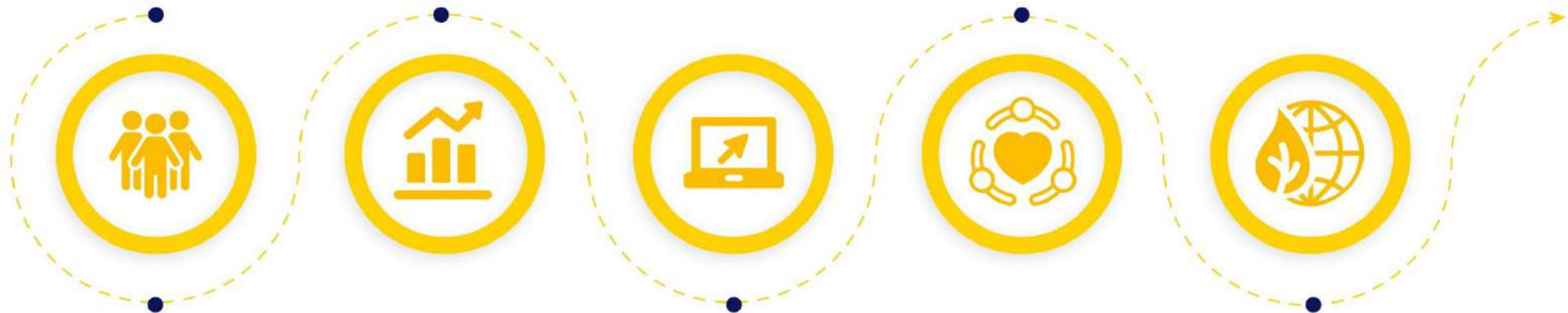
2.2. Who we are



178 years

- **+7.1% Banking product**
- **+3.2% Deposits**
- **85.7% Customer Voice Satisfaction Index**
- -21% of complaints
- Risk Appetite Statement (RAS) targeting SEE
- Governance for Sustainability

- **27% share in Social Economy entities with exclusively social purposes (3,595)**
- **1st Social Loan in Portugal**
- **Leader in the National Microcredit Programme**
- 250 Social Economy Entities (SEE) supported
- Social and Digital Entrepreneurship



- **58% of women on the Board of Directors**
- **40% of women in decision-making positions**
- **0% average pay gap in 7 of 12 functions**
- 5% average salary difference in 5 functions
- 71% of women with higher education
- 2.1% of people with a 60% disability

- **+9.4% Montepio24 adhesions**
- +7% active customers M24
- +26% mobile transactions
- +7.5% market share of ATMs
- **Banking brand with the highest loyalty in the social networks**

- **77% of bank cards are made of recycled or biodegradable material**
- 68% waste for recycling
- -28% paper consumption
- **-23% GHG emissions scope 2**
- **Inventory of financed emissions**

2.3. More than just a Bank

GRI 2-1, 2-6 | SDG 1, 3, 5, 7, 8, 10, 11, 12, 17

Established in 1844, Banco Montepio is the oldest financial institution in Portugal. With its unique foundation and mutual basis, has supported generations of Portuguese citizens and played a vital role in modernising the country.

The bank's focus on society, economy, and people has resulted in a legacy of social responsibility and community involvement, including conserving natural heritage. Our sustainability strategy pursues this ability to generate value through current activities, investing in customers' and companies' economic and technological progress, social and digital inclusion, safeguarding human rights and managing environmental impacts.

A commitment that is justified by the regular alignment with the ten principles of the Global Compact (UNGC), 17 Sustainable Development Goals (SDGs), seven principles associated with the Women's Empowerment Principles (WEPs) initiative of the United Nations, and the Letter of Commitment to Sustainable Development in Portugal, ensuring the availability of products and services with ethical, social and environmental concerns.

At the beginning of 2022, after a pandemic crisis that brought about significant changes in our daily routines, further emphasising the need for adaptability, we could not foresee the far-reaching effects of an armed conflict in Europe on the economy. This unforeseen event sparked an increase in demand, attended by the growth of inflation and the reference interest rate of the European Central Bank (ECB). In response to these economic shifts, individuals, businesses, and communities alike had to demonstrate adaptability and resilience. The importance of supporting those in need, as well as those who offer assistance, was also underscored.

The financial sector also came under increased disclosure requirements on performance on ESG matters - environmental, social and governance, highlighting European supervisory convergence on sustainable finance and the contribution to sustainable development strengthened by the Paris Agreement and subsequent European Union (EU) regulatory agenda.

We have set up a dedicated area focused on managing ESG risks overseeing environmental, social, and governance risks. It ensures these risks relate to other risks, such as credit, market, liquidity, operational, and real estate risks. The management and supervision of Banco Montepio will closely monitor the institution's risk profile, considering current and future conditions. Also, regarding the review of the Bank's risk appetite, KRI's have already been included to regulate exposure, namely to climate risks and scenarios.

In 2022, we defined a governance model for Sustainability.

We build on values. Values that we inherit and preserve, generate and distribute, and on which our investment in the future is based. We promote the full empowerment and participation of our people in a corporate culture that we work to make increasingly equitable and innovative; we achieved the National Goal for Gender Equality; we elected the most gender-balanced Board of Directors in banking and ranked as an "Achiever" in the WEPs Gap Analysis Tool - a benchmark for 17% of global companies that are signatories to the UN WEPs.

We are recognised as the "Bank for the Social Economy" because we believe in the third sector, supporting those who help achieve a more caring and inclusive society. We have a legacy of investing in social innovation and partnering with public and private social organisations, having secured Portugal's first social impact financing and social loan.

In environmental responsibility, we continued to integrate environmental considerations into processes and operations, and in procurement, providing financing for sustainable housing and mobility, decarbonisation, and circular economy, ensuring the structuring of sustainability bonds - green bonds and sustainability-linked bonds - and supporting companies in Portugal in the transition to a resilient, regenerative and positive impact economy.

In terms of economic and financial performance, we conclude 2022 with a positive consolidated net profit of 33.8 M€, an increase of 27.2 M€ in 2021.

We have a customer penetration rate in the social and solidarity economy (with a social purpose) of 27%, with a year-on-year growth of around 5% in customers and more than 250 entities supported. Our performance can also be consulted

in the "Social Economy" section of the "Business Segments" sub-chapter of Banco Montepio Annual Report 2022.

In the development of the offer with environmental concerns, we highlight the reinforcement and expansion of the Mortgage Loans with an A or A+ energy classification and the financing for works aimed at energy efficiency; the availability of the Credit Line Protocol for Decarbonisation and Circular Economy and the support for the Recovery and Resilience Plan (RRP) for the purchase of electric vehicles.

In the external environment, we adhered to the UN Global Compact, a central reference for international sustainable development, and the United Nations Women's Empowerment Principles (WEPEs) as part of our integration plan for equality, diversity and respect for Universal Human Rights. In addition to the commitments mentioned, we have signed the Renewal of Commitments of iGen of the "Fórum Organizações para a Igualdade", where we have been since 2016.

The non-financial and diversity information in the 2022 Annual Report and Accounts highlights commitment to sustainability and the future, responsible business, risk management under environmental and social premises, integrated people management, value creation for society, and sustainable finance. Banco Montepio ensures compliance with the requirements of Decree-Law No. 89/2017, which provides for the disclosure of information that enables the understanding of the organisation's sustainability and social responsibility performance.

2.4. Recognition¹

The quality of the service provided, and a transparent, rigorous and competent performance have contributed to Banco Montepio's growth in its community of customers, to whom it gives a transversal and integrated offer of products and services, advocating the brand and building trust, and helping to consolidate its market position.

¹ The awards herein mentioned are the exclusive responsibility of the awarding entities.

The recognitions and distinctions received reflect our commitment to applying our core values and long-term financial stability, contributing to confidence in our brand and services.



Nº 1 MORTGAGE LOAN BRAND

In the Consumer Choice Award, Banco Montepio stood out for the superior results achieved: a Satisfaction level of 81.66% and a Recommendation level of 83.06%.

The following attributes are where the bank excels most compared to its competitors: "Trust in the bank", "Detailed explanation of products", "Easy delivery of documents", "Flexible credit period", and "Manager availability to handle the process".



COMPANIES WITH THE BEST CORPORATE REPUTATION IN PORTUGAL

In the Merco Empresas study, Banco Montepio is ranked among the 100 companies with the best corporate reputation in Portugal. We are motivated by this recognition as it reflects public opinion and the evaluation of various stakeholders.



TOP COMPANIES IN ESG RESPONSIBILITY

Banco Montepio is part of the Merco ranking of the 100 most responsible companies in ESG, which assesses compliance in environmental, social and governance terms through a general list and others specific to each criterion.

This study was a collaborative effort, with a diverse group of participants including executives from major companies, economic

journalists, government officials, financial analysts, NGO leaders, trade union representatives, and consumer association members. Additionally, input was gathered from over 800 individuals during the consultation process.



SUPERBRAND 2022

For the 13th time, Banco Montepio has been recognised as a Superbrand. Our Bank received the Superbrands 'Brand of Excellence Award', as well as commendation for having the 'best cover. These honours testify to our steadfast dedication to upholding quality and excellence in everything we undertake.



'BEST COVER OF THE YEAR

In 2022, we highlighted the importance of Gender Equality, enshrined in the UN Universal Declaration of Human Rights. And we won the 'Best Cover of the Year Creativity Award.

We aim to craft a unique story that breaks down barriers shortens distances on the path to full equality of rights and opportunities. As a result, we are dedicated to championing fairness and inclusivity and fighting against age discrimination.

WE ARE 'HEALTHY WORKPLACES'

Banco Montepio was distinguished with the Seal of Healthy Workplaces (level 2).

This recognition is awarded by the Portuguese Psychologists' Association as part of the "Healthy Workplaces Manage Stress" campaign, which has been promoting and encouraging good safety, well-being and occupational health practices in Portugal.



pele ORDEM DOS PSICÓLOGOS PORTUGUESES

The partnership between the Authority for Working Conditions and the European Agency for Safety and Health at Work, with the support of the Ministry of Labour, Solidarity and Social Security, the Ministry of Health, and the National Health Service, aims to promote a safe and healthy working environment.



COMPLAINT PORTAL

Banco Montepio received the "Recommended Brand" and "Brand of the Month" distinctions consecutively from August to December 2022, achieving a satisfaction index of 85.7%.



OUR FIVE STARS IN BANKING-SUSTAINABILITY

Banco Montepio was recognised for its commitment to sustainability, receiving the Five Star Award in the Banking-Sustainability category.

The overall satisfaction rating of 80.1% was found through an evaluation system involving individuals with a strong affinity for sustainability, concept tests with clients and employees, and the brand's market research.



03 HOW WE DISTRIBUTE VALUE CREATED

3. HOW WE DISTRIBUTE VALUE CREATED

GRI 2-1, 2-6 | SDG 9.1, 9.4, 9.5, 16 | UNGC 10

By distributing the economic value generated, we contribute to boosting the economy and society, promoting more resilient and inclusive businesses and communities, and providing access to banking services to groups or people with specific needs.

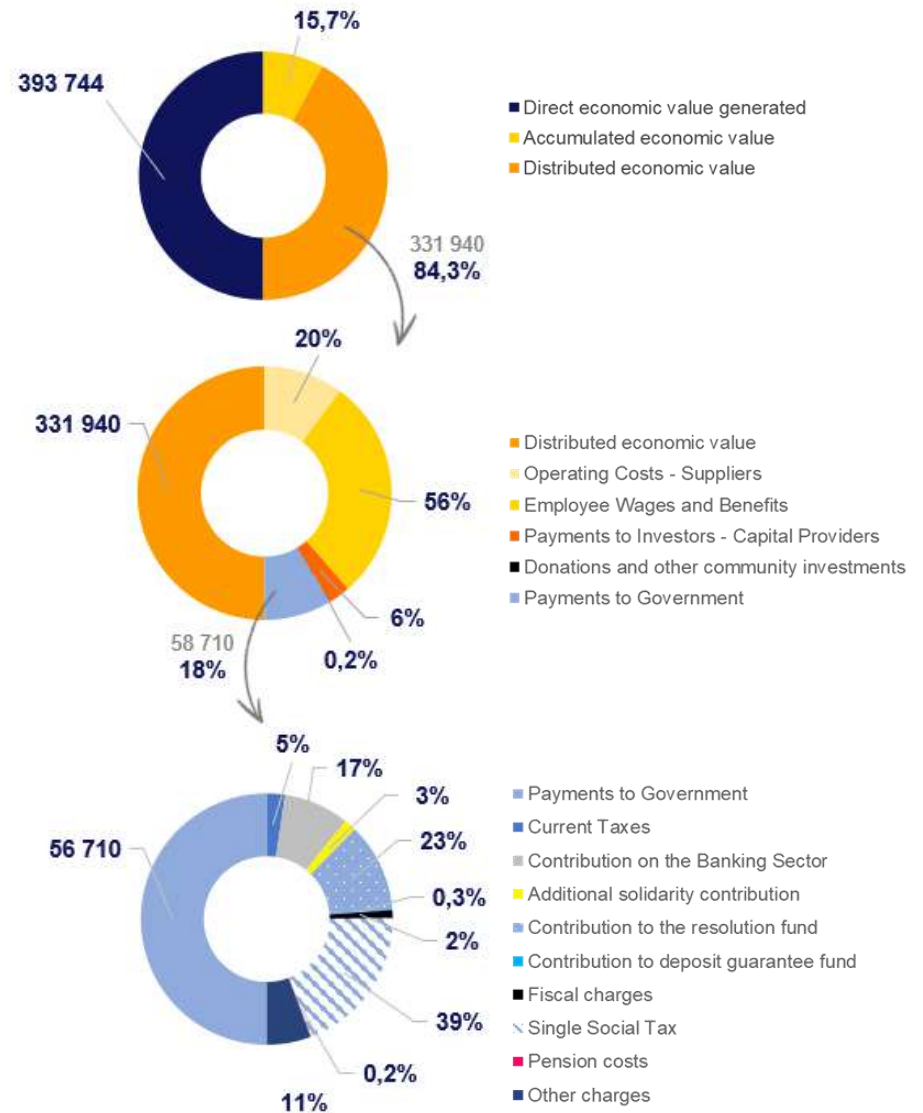
We provide initiatives for financial and digital literacy, social impact and philanthropy, supporting local charities and non-profit organisations that invest in social development, education and socio-economic inclusion. And we continue to reduce our environmental footprint by improving processes and investing in sustainable projects and infrastructure.

Figures in thousands of euros	2022
Direct economic value generated	393 744
Economic value distributed	331 940
Operating Costs - Suppliers	66 989
Employee salaries and benefits	189 255
Payments to Investors - Providers of Capital	18 319
Donations and other community investments	667
Payments to the State - Government	56 710
Current Taxes	2 664
Contribution to the banking sector	9 562
Additional solidarity contribution	1 738
Contribution to the Resolution Fund	12 935
Contribution to the Single Resolution Fund	-
Contribution to deposit guarantee funds	153
Operating Tax Charges ²	1 188
Single Social Tax	21 965
Pension Expenses ³	99
Other Charges ⁴	6 407
Accumulated economic value	61 804

² Taxes considered operating costs: stamp duty, IMI, non-recoverable VAT and vehicle taxes.

³ Payments towards pension funds and insurance policies for post-employment benefits.

VALUE DISTRIBUTION



⁴ Contributions to SAMS and other healthcare subsystems are valuable.

3.1. Highlights 2022

PROFITABILITY AND EFFICIENCY

Net income of EUR 33.8 million

Banco Montepio has achieved a positive net income for the sixth quarter in a row, reaching €33.8 million in 2022. This stands for an increase of €27.2 million compared to the previous year, due to business expansion, enhanced operational efficiency, and decreased risk costs.

Increase of ROE by 4.7%

The Return on Equity (ROE) has exhibited an increase of 4.7% compared to the previous year, indicating an upswing in the Net Income for the current fiscal year, as reported by the relevant party.

The capital ratios for 2022 have been reported to exceed the required prudential levels, with substantial gaps against the overall capital requirement (OCR), including the combined capital reserves, based on phasing-in criteria and a fully implemented basis. However, the Board of Directors is committed to enhancing capital ratios and has undertaken several measures. The approved capital plan has been executed efficiently, yielding better outcomes than projected.

To ensure a robust capital ratio, we have implemented measures to augment solvency levels, such as reducing risk-weighted assets (RWA - Risk Weighted Assets), divesting non-core or non-strategic assets, and prioritising the growth of core lending business in segments with lower risk to maximise the return on allocated capital.

Reduction of operating costs by 3.2%

We implemented an operating adjustment plan to enhance efficiency, profitability, and financial sustainability. These efforts have resulted in a 3.2% decrease in operating costs when compared previous year, with a negligible impact of -1.7%. This achievement highlights the bank's firm commitment to improving its operations and achieving its goals.

Cost-to-income of 66.6%

We have reduced the cost-to-income ratio, with a current rate of 66.6% (or 63.2% without any noted impact). This achievement can be attributed to the increase in core banking products and decreased operating expenses. A positive outcome that contributes to our overall financial stability.

BUSINESS

2.2% increase in loans and a 3.2% increase in deposits

Our gross performing credit has increased by EUR 246 million, a 2.2% growth compared to our performance at the end of 2021. This growth demonstrates our dedication to serving individuals, families, companies, and social economy entities. In addition, we have recorded deposits totalling €13,115 million as of December 31, 2022, showing a 3.2% increase from the same period in 2021.

Growth of 7.1% in Core Banking Income

In 2022, our core banking product generated €372.0 million in revenue, with a notable increase in both net interest income and net commissions by 8.1% and 5.1%, respectively, compared to the previous year.

DIGITAL TRANSITION

Automation and reengineering of internal processes

Continual strides have been made in advancing sophisticated analytics, innovative cybersecurity methodologies, and efficient deployment of cloud-native architecture.

Continuous improvement of customer experience

We have undertaken significant measures to enhance customer experience, including the introduction of APPré-pago, a payment solution that affords ease and convenience. We made Google Pay readily available, enabling seamless transactions without physical cards. Furthermore, we have launched Banco Montepio Collection, which supplies exclusive access to our curated collection. Our voice bot, M.A.R.I.A., has been enhanced to offer personalised and

efficient assistance. We have also introduced APProva, a robust authentication tool, now available in the Huawei store. Lastly, we have implemented a secure and convenient method of sending bank card PINs via SMS to ensure our customers receive them safely.

UPGRADE OF BANCO MONTEPIO'S RATING



Portuguese issuers.

Moody's raised the senior unsecured bond rating to B2, the long-term deposit rating to Ba3 and the covered bonds (HMs) to Aa2, the highest rating assigned to



Fitch revised upwards the long-term rating to B - maintaining the positive outlook-, the long-term Deposits rating to B+ and the OHs rating to AA.



The DBRS also revised the long-term rating to B (high) upwards, keeping the stable trend (*Trend Stable*) and the long-term Deposit rating to BB (*low*).

3.2. Our value chain

GRI 3-3 | SDG 5, 8, 9, 10, 12 | UNGC 3-6 | WEPS 5

We have improved our value chain, enhancing the ability to create value for clients and stakeholders, driven by a client-centric approach, investment in employee skills and competencies, and a combination of technological advancements and process optimisations. We highlight:

Digital transformation – Investing in digital technologies has made banking simpler and more user-friendly. Our secure mobile applications offer easy access to a wide range of products and services, including financial asset management, payments, and transfers.

By reducing the need for manual processes, we have significantly improved efficiency and convenience for our customers. Additionally, our commitment to environmental responsibility is reflected in our complementary management practices.

Process optimisation. At Banco Montepio, we have made it a priority to streamline our internal processes to improve our efficiency and effectiveness. To achieve this goal while also reducing operating costs, we have implemented high-performance methodologies. Additionally, we have strengthened the automation of our processes to reduce the amount of paperwork and eliminate errors, which ultimately helps us provide services at a faster pace.

Evolution in risk management processes. We have taken significant steps to enhance our risk management practices. Our top priorities are to improve operational efficiency, bolster our resilience, and provide high-quality service that safeguards our client's financial assets. We're constantly investing in advanced systems to detect fraud, fortify our cybersecurity measures, and implement comprehensive risk assessment frameworks.

Client-centric approach. We prioritise understanding and fulfilling our client's needs by conducting market research and utilising data analysis to align our financial offerings. This approach enables us to enhance the quality of our service and provide personalised solutions.

Multi-channel experience. We understand how vital it is to offer a reliable and safe banking experience on all channels, therefore we have connected and integrated every point of contact, including traditional, online, and remote options. This ensures that our customers have access to the convenience and flexibility they require while maintaining the quality level of service quality.

Improved relationship management. Banco Montepio values the management of relationships with its different stakeholders. Our employees are, therefore, managers of this important asset: the relationships of trust placed in them. In this sense, we ensure access to tools that facilitate understanding customer needs and expectations, allowing us to monitor different interactions and provide proactive support. This personalised approach has deepened customer relations and contributes to promoting loyalty to Banco Montepio.

3.3. Our supply chain

GRI 2-6, GRI 204-1 | SDG 5, 8.3, 9, 10, 12 | UNGC 3-6, 10

The supply chain plays a significant role in our value chain, as it aids in optimising the processes of supply, production, and distribution to create and deliver value efficiently.

At Banco Montepio, we outsource services and activities based on the unique qualities of each supplier entity, which considers business strategy, level of complexity, and adherence to legal and regulatory frameworks. Our relationship with suppliers aims to minimise operational risks and ensure compliance with all rules and legal requirements, including duties related to money laundering and terrorism financing prevention.

In 2022, we will continue our commitment to social and environmental responsibility - promoting awareness of human rights, equality and diversity, reducing and managing our environmental impacts, respectively - investing in sustainable supply chain management practices.

We began evaluating and qualifying suppliers' activities and attributions in this sense. We intend the relationship with our partners in the supply chain to be based on principles that favour sustainable development, environmental and social responsibility, good practices, maintaining the commitment to ethical service, and considering challenges associated with ESG factors.

Banco Montepio has undertaken various commitments at national and international levels. Our success and the prosperity of our partners are built on relationships of trust, standards of ethical conduct and responsible and fair business practices throughout the value and supply chain.

We have designed a Manual of Good Practices for Suppliers, available in Portuguese and English. This manual outline important principles for service contracting and partnership management that we value to encourage our suppliers to adopt best practices, providing opportunities for continuous improvement and helping maximise environmental and social benefits for all stakeholders.

The Manual refers to procedures, quality and delivery requirements, and relevant practices, considering:

Environmental compliance. In compliance with relevant environmental legislation, all materials must meet government and legal standards, safety restrictions on restricted, toxic, or hazardous materials and value environmental guidelines or goals.

Business continuity management. We expect our suppliers to assess the potential impact of risks that could disrupt their business or operations and then take mitigation actions.

Corporate social responsibility. Act by ethical principles and responsibility, policies to combat fraud and tax evasion, anti-corruption, respect for the dignity of the human person, and commitment to the United Nations Agenda 2030 and the 17 SDGs.

Good environmental practices. Valuing the responsible management of natural resources and secondary raw materials and continuously improving environmental performance indicators. In the manual, actions are presented for the responsible consumption and management of water, paper and other materials, the efficient use of energy, and the adequate management of waste and greenhouse gases (GHG Protocol).

Good Governance practices. Ethical and sustainable practices, including upholding human rights, rejecting child and slave labour, promoting diversity and gender equality, and providing fair working conditions.

Good social practices. Companies have a significant impact on people, families, and communities, internal and external, in terms of corporate social responsibility, especially regarding the dignity of the human person, gender equality, diversity and inclusion, salary parity, and access to health and safety at work. Its influence extends beyond touching the lives of individuals, families, and communities both within and beyond Banco Montepio.

We highly appreciate the efforts made by our suppliers and partners in enhancing their skills and continuously improving their practices in areas like management, social responsibility, environmental sustainability, and financial accountability. We strongly believe such investments will benefit our present and future generations, fostering prosperity.

💡💡 As we celebrate our 30th anniversary, we are honoured to count several companies within the Montepio Group, including Banco Montepio, as valued clients. Our business relationship has spanned nearly two decades and has evolved alongside changes in the market and new challenges.

We are committed to promoting sustainable development through ESG principles that consider environmental, social, and governance aspects. By adopting responsible practices, we mitigate risks, enhance our reputation, attract investors and talent, and strengthen our competitive position in the marketplace. This intelligent and strategic approach addresses the challenges and opportunities of today's world and contributes to a more sustainable and resilient future.

We are proud of our long-standing partnership with mutual honesty and loyalty and hold it in high regard. This is a true testament to the nature of good partnerships, where we benefit from each other's strengths. 💡💡



Paulo Veiga Founder & CEO



04 COMMITMENT
THAT DRIVES
US FORWARD

4. COMMITMENT THAT DRIVES US FORWARD

GRI 2-1, 2-6 | WEF "MATERIAL ISSUES AFFECTING STAKEHOLDERS" | SDG 8.3 | UNGC 3-6 | WEPS 5

At the heart of our business strategy lies sustainability, which drives us to create value responsibly and ethically in the medium and long term. To provide a comprehensive view of our efforts, the Sustainability Report points out our strategy, initiatives, and achievements up to 2022.

Environmental Sustainability. We understand the significance of addressing environmental concerns and promoting sustainability in our operations, products, and services. To accomplish this, we have set objectives to reduce our carbon footprint, encourage the use of renewable energy, and back sustainable infrastructure initiatives like environmentally friendly buildings and transportation.

Social Responsibility. Our mission to positively impact society through community investments, financial inclusion, and social and environmental initiatives endorses our commitment to promoting financial literacy and inclusion, focusing on disadvantaged groups and communities.

Human Capital. At Banco Montepio, the people who work diligently daily are our greatest asset and the driving force behind our commitment to fostering a corporate culture of diversity, equity, and inclusion. We prioritise the well-being of our employees by implementing mental health programs and initiatives that support a healthy balance between work, personal life, and family. Moreover, we remain dedicated to providing opportunities for professional growth and talent recognition, creativity, and solidarity.

Risk Management. As risk management evolves, we face new challenges in efficiently considering environmental, social, and governance (ESG) risks in our activities, products, and services. To address these challenges, we have implemented models and processes that enable us to identify and mitigate these risks both internally and with our counterparties.

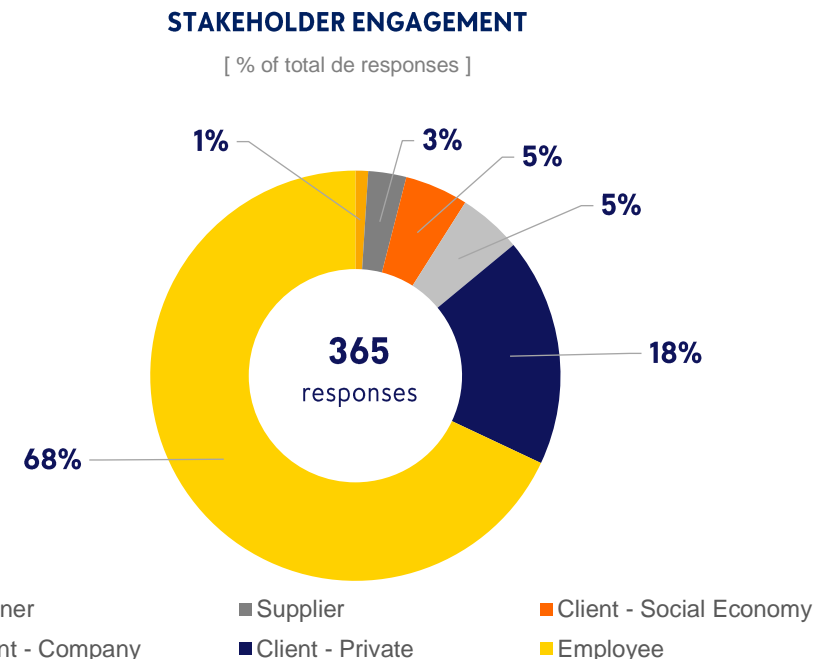
4.1. Stakeholders

GRI 2-29, 3-1, 3-2, 3-3 | SDG 16, 17 | WEPS 6

We understand the importance of stakeholders to our business, and we strive to:

- Proactively manage our stakeholders by incorporating their expectations and mitigating related risks.
- Encourage shared interests by considering their concerns and values in decision-making through an engagement strategy that promotes the communities in which we operate and deliver shared sustainable value.
- Build solid and long-term relationships to strengthen trust.
- Prioritizing the professional growth of all our employees and ensuring a healthy work-life balance.
- Strengthen our strategy, brand, and core corporate values to contribute to the Bank where we operate.

We consulted with our relevant stakeholders to ensure our sustainability strategy aligns with their expectations, financial needs, and brand positioning.



The assessment of the main themes was based on a consultation process through questionnaires on the bank's proprietary digital platform.

MATRIX OF IDENTIFIED RELEVANT THEMES

<p>GOVERNANCE</p> <ul style="list-style-type: none"> • Ethics and institutional values • Human rights, gender equality and diversity • Sustainability and ESG factors • Risk management 	<p>ECONOMIC PILLAR</p> <ul style="list-style-type: none"> • Quality of service and customer satisfaction • Security of financial assets • Management of climate and social risks • Clarity of information provided on products and services
<p>ENVIRONMENTAL PILLAR</p> <ul style="list-style-type: none"> • Climate change strategy • Management of environmental impacts • Energy efficiency and management of natural resources • Reduction of greenhouse gas emissions • Digitalization of activities • Environmental awareness 	<p>SOCIAL PILLAR</p> <ul style="list-style-type: none"> • Diversity, gender equality and inclusion • Conciliation between personal, professional and family life • Corporate volunteering • Social Investment and Support to the Community

We also assessed our positioning, sustainability strategy, the future vision for sustainability and degree of involvement with the Bank.

Banco Montepio has been identified as:

- A reference banking institution in Portugal
- Trusted brand with a good reputation
- Holder of a social responsibility strategy
- Holder of a Sustainability strategy
- Effective promoter of gender equality, diversity and inclusion

Concerning the Sustainability Strategy, five main themes have been marked:

- Digital and technological innovation
- Cybersecurity
- Financial health and management of financial liabilities
- Environment and climate change
- Human rights and non-discrimination

Our stakeholders highlighted the relevance of sustainability for "a better future for all generations", recognised the importance of communicating sustainability, and 90% rated their relationship with the Bank as "Good" or "Excellent". The perceptions gathered are essential to continuously improving our contribution to sustainable development.

4.2. Sustainability Strategy

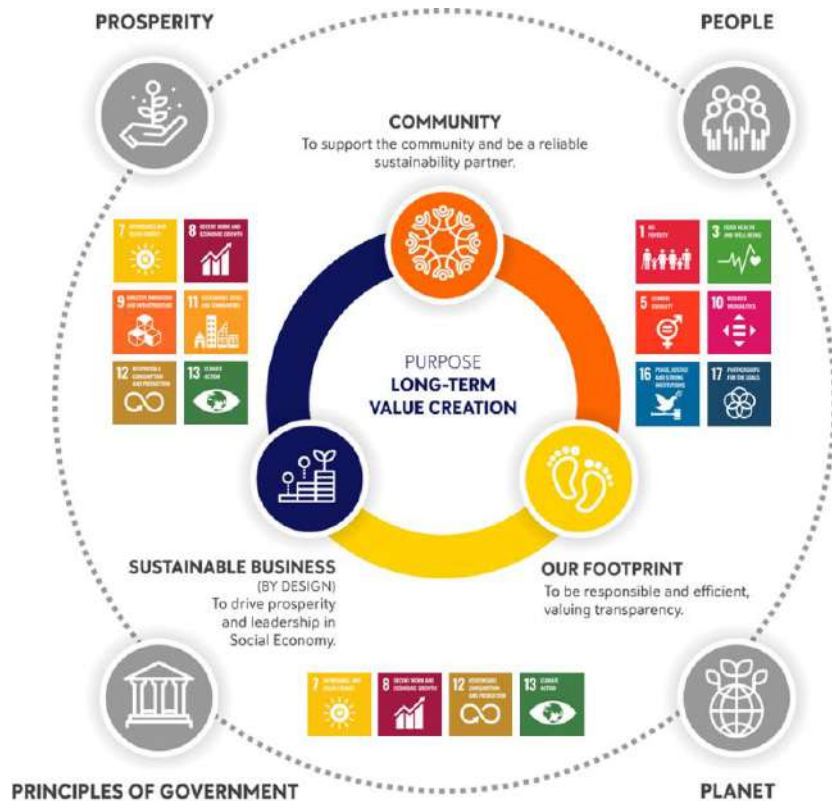
GRI 2-22 | SDG 16 | UNGC 10

We believe that acting sustainably is not only a moral obligation but also an essential step towards securing a prosperous future for Portugal and its future generations. Our approach to sustainability entails an initiative-taking risk management strategy, a focus on stakeholder value, and innovation, all while ensuring that our operations align with global sustainable development goals.

We strive to incorporate environmental, social, and governance (ESG) criteria into our decision-making and daily activities to improve our resilience, create value, and prioritize the needs of people and the planet.

As a Bank, we are committed to promoting environmentally conscious growth and have developed a comprehensive strategy based on the sustainability principles of the World Economic Forum (WEF) and "Stakeholder Capitalism" standards. Our goal is to balance the interests and expectations of diverse stakeholders while upholding these principles. Our unwavering dedication to sustainability aligns with our corporate values and contributes to a brighter and more sustainable future for all.

SUSTAINABILITY STRATEGY 2021/2023



We align with metrics that include non-financial disclosures focused on four pillars - **people, planet, prosperity and governance principles** - and benchmarks on anti-corruption practices, greenhouse gas emissions, water use and health, employee safety, salary parity and board diversity.

Our four cross-cutting and strategic vectors:

1. **People.** We recognise our commitment to our stakeholders and promote social responsibility in all operations. We support our people and the communities in which we invest, and we value programmes that promote inclusion and diversity, financial and digital literacy, social justice and economic development through employability.

2. **Planet.** We are dedicated to reducing environmental impacts associated with our activities, managing energy consumption and greenhouse gas emissions, and being aware of the preservation of natural resources. Furthermore, the bank is committed to promoting the financing of projects that support environmental sustainability.
3. **Governance Principles.** We advocate ethics and transparency in corporate governance and have a management framework with clear policies and procedures, independent oversight and regular reporting.
4. **Prosperity.** Banco Montepio is focused on building a robust and diverse economy that creates job opportunities and prosperity for all. We prioritise innovative business and financing strategies for sustainable and resilient infrastructures and industrialisation, small and medium-sized enterprises, and start-ups. Our financial services are readily accessible, empowering individuals and companies to effectively manage their assets.

To oversee and assess the progress of the sustainability strategy, a Sustainability Commission (COMSESG) was established focusing on several areas of action, including ensuring that the sustainability plan is consistent with the core business strategy.

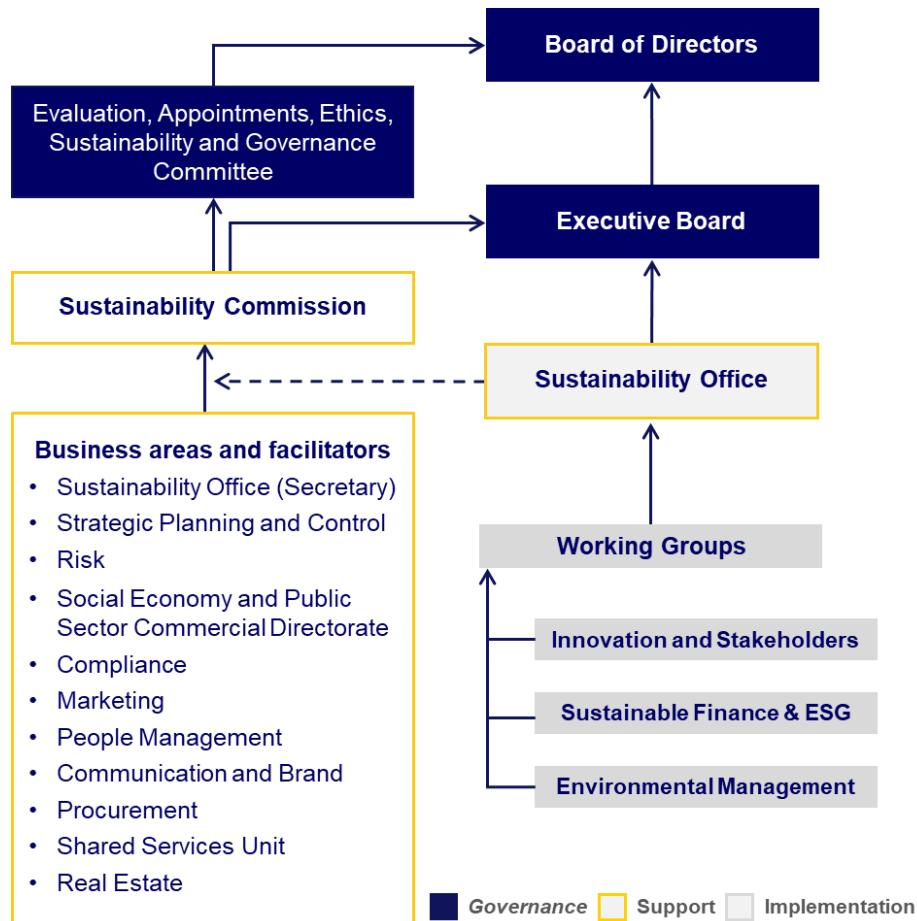
The Sustainability Commission comprises members of the Board of Directors, the Chair of the Assessment, Nomination, Ethics, Sustainability and Governance Committee, front-line decision-makers and representatives of the areas with a relevant contribution to Banco Montepio's performance in sustainability, sustainable finance and ESG. Furthermore, by involving various groups in surveys and assessments of satisfaction, we gain insight into their priorities and prominent issues for improving performance over time.

4.3. Management Model for Sustainability

GRI 2-14, 2-22 | SDG 16 | WEPS 1

In 2022, Banco Montepio approved its management model for sustainability, in line with international practices and recommendations, recognising the interconnection between environmental, social, economic and governance.

MANAGEMENT MODEL FOR SUSTAINABILITY



Our management approach considers ethics, human rights, sustainability risks, regulatory changes, resource scarcity, and reputational threats. It goes hand in hand with efficiency, continuous improvement, and optimisation, allowing us to align our institutional values with our employees and foster a motivating corporate culture. To accomplish these premises, we have established a

dedicated Sustainability Office as part of our corporate organisation chart and set up a deliberative forum - the Sustainability Commission. Additionally, the Board of Directors leads decision-making for corporate policies and strategies, the Executive Committee oversees strategy implementation, and the Evaluation, Nomination, Ethics, Sustainability, and Governance Committee advises the Board of Directors to ensure effectiveness.

GOVERNING BODIES⁵

GRI 2-9, 2-10, 2-11 | SDG 16 | UNGC | WEPS 1

On April 29, 2022, Banco Montepio's General Meeting elected the Board of Directors and Supervisory Board for the 2022-2025 term. The elected members requested authorisation from the Bank of Portugal to perform their duties, following Article 30b of the General Regime of Credit Institutions and Financial Companies (RGICSF).

The **Board of Directors** and the Supervisory Board took office on July 25.



⁵ The complete information on the Governing Bodies of Banco Montepio Group can be found in the 2022 Management Report.

Board of Directors

Chairman - Manuel Ferreira Teixeira

Directors - Clementina Barroso, Eugénio Baptista, Florbela Lima, Cândida Peixoto, Maria Lúcia Bica, Pedro Leitão, Ângela Barros, Helena Soares de Moura, Isabel Silva, Jorge Almeida Baião and José Carlos Mateus.

Audit Committee

President - Clementina Barroso

Members - Florbela Lima, Cândida Peixoto and Maria Lúcia Bica.

The Directors appointed the following internal committees, composed of non-executive members, most of whom have independent status: Risk Committee; Evaluation, Nomination, Ethics, Sustainability and Governance Committee, and Executive Committee (CANESG).

Executive Committee

Chairman - Pedro Leitão

Executive Directors - Ângela Barros, Helena Soares de Moura, Isabel Silva, Jorge Almeida Baião and José Carlos Mateus.

Regulations

As per the provisions outlined in Article 2(4) of its regulations, the Executive Committee has resolved to establish operational commissions to maintain ongoing oversight of specific matters. These committees will be spearheaded by Executive Committee members, with their composition and operations delineated in the corresponding regulations.

- Credit Commission (CC)
- Asset-Liability Commission (COMALCO)
- Business Commission (COMNEG)
- Internal Control Commission (COMCI)
- Impairment Commission (COMIMP)

- Non-Performing Assets Monitoring Commission (COMAANP)
- Cybersecurity Commission (COMCIBER)
- Technology Commission (COMTECH)
- Data Committee (COMDATA)
- Pension Fund Monitoring Commission (COMAFP)
- Solvability Commission (CRES)
- Cost and Investment Commission (COMCINTO)
- Sustainability Commission (COMSESG)

SUSTAINABILITY COMMISSION

The Sustainability Commission (COMSESG) emanates from the Executive Committee, led by the CEO, meets quarterly and comprises various departments of the Bank responsible for implementing the sustainability strategy. It deliberates on matters in line with corporate guidelines and reports to the Board of Directors, the Executive Committee, and CANESG, namely:

- The sustainability strategy for Banco Montepio and its group entities in Sustainable Finance, ESG, and Corporate Social Responsibility.
- The dissemination of sustainability principles in management, organisational culture, and current operations through policies and voluntary codes in the business areas.

SUSTAINABILITY OFFICE

The Sustainability Office is a first-level body in Banco Montepio's organic structure, which aims to recommend the Board of Directors and Banco Montepio Group entities on sustainability strategy and implementation, sustainable finance and ESG, corporate social responsibility, environmental management and climate change. It monitors the initiatives and commitments undertaken with national and international organisations and governmental and non-governmental entities, following trends and observing best practices and

opportunities. Also, it contributes to strengthening Banco Montepio's role as an accelerator of sustainable development, promoting the valorisation and regeneration of natural capital, being aware of the need to adapt and manage the impacts of climate change, maximising the positive social impact on society, collaborating with stakeholders in regional and national prosperity.

EVALUATION, NOMINATIONS, ETHICS, SUSTAINABILITY AND GOVERNANCE COMMITTEE

The Assessment, Nominations, Ethics, Sustainability and Governance Committee (CANESG), composed of a chairperson and three non-executive members, supports the Board of Directors in upholding ethical standards and promoting corporate governance. Its focus considers the long-term interests of shareholders and investors, as well as the sustainability of the institution and its impact on the public, along with concerns of other relevant entities.

4.4. Action Plan

SDG 1, 3, 5, 7, 8, 10, 11, 12, 13, 16, 17 | UNGC "ENVIRONMENTAL PROTECTION" | WEPS 5

We've ensured sustainability initiatives across our entire value chain and operations, focusing on reducing our environmental impact, streamlining processes and procedures, promoting ethical governance and corporate social responsibility, and contributing to sustainable economic growth.

In this context, we highlight the implementation of programmes aimed at reducing our carbon footprint, responsible water management, energy efficiency and waste reduction. We are committed to promoting fair labour practices, diversity, and inclusion, pursuing to increase awareness about respecting human rights throughout our supply chain. We also prioritise community development initiatives to ensure the well-being of the communities where we operate. These initiatives focus on education, health and economic empowerment and support social, cultural, digital and financial progress.

The 17 Sustainable Development Goals (SDGs), the Paris Agreement and the European Union regulatory framework for sustainable financing provide a global framework for sustainable finance in all areas. Compliance with national legislation and alignment with other international benchmarks are also

important and we have established an action plan with the relevant SDGs for our business.

SDGs IDENTIFIED BY BANCO MONTEPIO AND TOTAL INITIATIVES INTEGRATED IN THE SUSTAINABILITY STRATEGY



Throughout this report, we have identified initiatives meant to contribute to the Sustainable Development Goals of the 2030 Agenda.

4.5. Policies and Commitments

4.5.1. Policies

GRI 2-23 | SDG 16 | UNGC "HUMAN RIGHTS, LABOUR PRACTICES" | WEPS 2, 10

At Banco Montepio, we uphold ethical conduct and transparency standards in our operations. Our Code of Conduct is rooted in principles that prioritise respect for human dignity, and we value human and intellectual capital as crucial components of progress and balance.

We are committed to following legal and regulatory requirements and internal policies and guidelines. Discriminatory behaviour is unacceptable in our relationships with clients or other parties. We prioritise equitable and rigorous treatment of customers, attempting to meet their interests and expectations. To promote the quality of life of employees and their families, Banco Montepio provides a work environment that considers professional development and conciliation with the needs of personal and family life and social benefits.

It is imperative that our workplace, employment, and vocational training environments remain free of harassment and unwanted behaviour. Such actions can severely affect an individual's sense of dignity and create an environment that is hostile, intimidating, or degrading. As such, we prohibit all forms of harassment, including moral and sexual harassment, whether it manifests verbally, non-verbally, or physically. We recognize those behaviours as abusive and have a zero-tolerance policy in place to ensure a safe and respectful work environment.

To ensure compliance with these principles, monitoring and intervention mechanisms are implemented, namely, through the internal communication system of irregularities or occurrences in any area related to non-compliance with the fundamental regulations and values inscribed in our code of conduct and sharing with our relevant stakeholders, regardless of other procedures that may prove necessary, especially for continuous improvement or application of corrective measures.

Banco Montepio has a policy of reporting irregularities (*Whistleblowing*) that registers occurrences through the Ethics Channel, which may be made in writing, verbally or in a meeting, ensuring their priority according to the optimisation level. This process allows anonymity and confidentiality of the information reported.

The Irregularities Committee examines the reports, taking the necessary steps to decide whether there are grounds for investigation.

All employees must read and accept Banco Montepio's Code of Conduct.

Business related policies

- Policy on management of the risk of money laundering and financing of terrorism
- Policy of analysis and monitoring of high-risk customers
- Customer acceptance policy
- Customer Identification Policy
- Sanctions policy
- Internal control policy
- Subcontracting policy
- Conflict of interest management policy
- Policy on transactions with related parties
- Policy applicable to non-conventional or non-transparent structures and activities
- *Compliance* reporting policy of the Banco Montepio Group's subsidiaries
- Market abuse prevention policy
- *Whistleblowing* Policy
- Employee Remuneration Policy Relevant
- Remuneration policy for members of the management and supervisory bodies
- Remuneration policy for holders of significant positions
- Policy on the transmission and execution of orders
- Information security policy

- Privacy policy
- Complaints handling and management policy.
- Alternative dispute resolution for consumer disputes
- Geographical deployment policy
- Policy for Selecting and Assessing the Suitability of Members of the Management and Supervisory Body and Key Function Members
- Policy of succession of members of the management and supervisory body
- Policy of succession for holders of essential functions
- ESG risk management policy
- Policy on the Selection, Appointment and Evaluation of the Statutory Auditor (ROC) or Statutory Audit Firm (SROC) and the Contracting of Services to the ROC/SROC

Regulations

- Regulation of the Board of Directors
- Executive Committee Regulation
- Regulation of the Audit Committee
- Risk Commission Regulation
- Regulation of the Evaluation, Nomination, Ethics, Sustainability and Governance Committee

4.5.2. Commitments

GRI 2-23, 2-24 | SDG 16, 17 | UNGC "HUMAN RIGHTS, LABOUR PRACTICES" | WEPS

Our commitments:

- 10 Principles of the United Nations (UN) Global Compact.
- Agenda 2030 and the 17 Sustainable Development Goals (UN).
- Seven Women's Empowerment Principles (WEPS)

- Charter for Responsible Business (ESBG)
- Commitment Charter for Sustainable Development in Portugal

Overall, the assumptions and recommendations that bind the Bank to its stakeholders, the Social Commitment Charter stands for our foremost pact with society, the economy and the environment.

LETTER OF SOCIAL COMMITMENT

Banco Montepio, with almost two centuries of service to the community, recognises its social responsibilities and commitment to sustainable development. Therefore, it pledges to conduct activities based on the following standards and conduct for the benefit of the community and stakeholders:

- To prioritise the interests of our clients, particularly members of the Montepio Geral - Mutualist Association (MGAM), by delivering efficient and reliable services aligned with their expectations, ensuring the safety of their investments and providing access to instruments and services that enhance the quality of life for individuals, families, and businesses.
- To fulfil our historical responsibility of offering financial services that add value and cater to the unique needs of Social Economy institutions and social entrepreneurs.
- To enhance technological advancement in our services and operations while preserving the belief that technology should serve individuals and communities to enhance their standard of living. Additionally, we strive to aid in social innovation initiatives.
- To deal fairly and ethically with suppliers.
- To ensure a work environment that supports female and male employees to balance their personal and professional lives while ensuring their safety. We prioritise merit-based recruitment, fair compensation and opportunities for career growth, and remain committed to promoting gender equality and training opportunities for all employees.

- To adopt the best international practices and encourage the highest ethical standards on compliance with laws and contracts. This includes preventing money laundering, financing terrorism, tax evasion and violating labour and environmental legislation, and prioritising the natural environment by implementing sustainable practices.
- To provide banking services and financing instruments, safeguarding that are specifically designed to meet the unique and challenging demands of national, regional, or local crises and public calamities. We understand that such circumstances can have a significant impact on the economic and social fabric of communities, disrupting normal activities and impeding progress. Our commitment, accordingly, is to deliver solutions that address the long-term needs of these communities while also contributing to the overall stability and confidence of the banking system.

Our commitment aligns with the best international references and methodologies.

UNITED NATIONS GLOBAL COMPACT (UNGC)

WE SUPPORT



The United Nations Global Compact stands for the world's largest corporate sustainability initiative, addressed explicitly to the global private sector and trade associations to encourage the adoption of corporate social responsibility policies. It also has the mission to deliver the 2030 Agenda and its 17 Sustainable Development Goals (SDGs).

Banco Montepio joined the Global Compact in 2022, committing to align the operations with the ten universal principles in human rights, labour practices, environmental protection and anti-corruption, reporting annually on its progress to the United Nations.

Human Rights

- 1 Support and respect internationally recognised human rights.
- 2 Ensure non-participation in human rights violations.

Working practices

- 3 Support freedom of association and recognise collective bargaining.
- 4 Abolition of all forms of forced and compulsory labour
- 5 Effective abolition of child labour
- 6 Elimination of discrimination in employment

Environmental protection

- 7 Supporting a precautionary approach to environmental challenges.
- 8 Undertake initiatives to promote environmental responsibility.
- 9 Encourage the development and diffusion of environmentally friendly technologies.

Fight against corruption

10. Combat corruption in all its forms, including extortion and bribery

The Ten Principles are derived from four universal conventions:

- Universal Declaration of Human Rights
- International Labour Organisation Declaration on Fundamental Principles and Rights at Work
- Rio Declaration on Environment and Development
- United Nations Convention against Corruption

AGENDA 2030 AND THE 17 SUSTAINABLE DEVELOPMENT GOALS



In 2015, the United Nations and over 190 countries introduced the 2030 Agenda and the 17 Sustainable Development Goals (SDGs) as a shared vision for humanity. It's a social contract between world leaders and people that outlines a list of things to do for people and the planet and serves as a blueprint for success.

To ensure that "no one is left behind", the Agenda encourages organisations to incorporate the SDGs into their strategies, processes, and operations, encompassing 169 goals that address global needs for the survival of humanity and the balance of our planet's ecosystems.

WOMEN'S EMPOWERMENT PRINCIPLES (WEPS)

The WEPS, founded in 2010 by the United Nations, represent an international community of about 8,000 companies, including more than 40 companies in Portugal, which come together under a public declaration of commitment to gender equality in education, work, entrepreneurship, value chain and community, and to fighting all forms of abuse and discrimination.

The organisations define specific goals and actions, accessing exclusive means and tools to support the fulfilment of the principles, namely the digital platform "WEPS Gender Gap Analysis Tool", designed to help companies worldwide assess their gender equality performance.

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the
UN Global Compact Office

Banco Montepio joined the Women's Empowerment Principles (WEPS) under the action plan for diversity, equality and inclusion and respect for human rights, subscribing to the seven action principles and committing to report on performance.

Since 2020, we have been implementing initiatives that promote gender equality, in line with SDG5 of the UN Agenda 2030: "Achieve gender equality and empower all women and girls", abolishing all forms of discrimination and violence everywhere, in the public and private spheres, promoting women's full and effective participation and equal opportunities in leadership.

By adopting the WEPS, we affirm, on an international scale, our commitment to the full integration, empowerment and participation of women in the corporate culture; in access to career, management and leadership opportunities; in fair remuneration and distribution of responsibilities; in talent management and appointment to positions of high responsibility, and we also strengthen the implementation of our Equality and Diversity Policy.

WEPS principles

1. Establishing organisation business leadership for equality.
2. Treating women and men fairly at work: respecting and supporting human rights and non-discrimination.
3. Ensuring the health, safety and well-being of workers.
4. Encourage education, training and professional development for girls and women.
5. Implement actions in the organisation, value chain and marketing that promote women's empowerment.
6. Promote and advocate for equality in the community.
7. Measure and publicly report on the progress of the organisation.

In addition, adhesion to the WEPS is aligned with Banco Montepio's ambition to achieve the National Target for Gender Equality - 40% of women in decision-making positions by 2030 - Board of Directors, Executive Committee and First-line Management.

CHARTER FOR RESPONSIBLE BUSINESS, EUROPEAN SAVINGS BANKS GROUP (ESBG)



Banco Montepio is a member of the European Savings Banks Group (ESBG), an international banking association being one of the largest European banking networks, which includes one-third of the savings and retail banking market in Europe. The European Savings Banks Group is formed of 871 banks, with a total of 163 million European citizens, 610,000 employees, and 41,000 branches. The group has total assets of EUR 6.38 trillion and has provided loans of EUR 313 billion to SMEs.

ESBG members safeguard pluralism and diversity in the European banking sector and shield the social and economic model that links sustainable economic growth with high living standards and good working conditions.

Through different committees and working groups, it ensures regulatory or supervisory issues and contributions to European Union (EU) policymaking.

The Charter for Responsible Business references the UN Global Compact, 2030 Agenda and the 17 SDGs and advocates:

- Equitable and transparent relations with clients.
- Clear and transparent disclosure of information about products and services, as well as their terms and conditions of use, both through the branch network and websites.
- To advise clients on their needs, promoting products and services proper to their circumstances and risk profile.
- Carefully analyse all cases of financial difficulty.
- Report, communicate and deal with complaints efficiently and promptly.
- Combat money laundering and terrorist financing.
- Promote accessibility and financial inclusion.
- To serve all segments of the population without discrimination of age, gender or ethnicity and to ensure financial inclusion in society.
- Promote savings and ease access to financial products and services tailored to the financial profile of the person/client, including those with low incomes and modest livelihoods.
- Ensure the accessibility and proximity of its services by expanding the network of branches/delegations throughout the country (including the most depopulated and economically less developed areas) and by developing an effective network of electronic distribution channels.
- Ensure that counters and channels are accessible to people with reduced mobility or other limitations.
- To provide quality financial education programmes, giving citizens better knowledge of organisations and enabling them to make informed choices throughout their lives, thus contributing to a more resilient society.

ESBG members recognise and ensure performance by favoring:

- Environmentally friendly business
- Making a responsible contribution to the Community
- Responsible employer
- Innovation, accessibility and security in the digital dimension
- Communication of the Charter, performance and progress on sustainability



Banco Montepio is also member of the *World Savings and Retail Banking Institute* (WSBI), with 88 associations in 67 countries worldwide, comprising approximately 6,40 banks. By 2022, the total assets of WSBI members amounted to more than \$13,000 billion.

4.6. External representations

GRI 2-28 | SDG 16, 17 | UNGC | WEP 6, 7

Banco Montepio ensures external representation by taking part in working groups, committees and councils related to sustainable development.

Entity	Representation
APB - Portuguese Banking Association	Member of the Board of Directors Member of the "Sustainable Financing" Working Group
IPQ - Portuguese Institute for Quality and APEE - Portuguese Association for Business Ethics	Member of Technical Committee 217 - Sustainable Finance
GRACE Association	Member of the Financial <i>Cluster</i>
National Competence Centre for Social Innovation	Member of the Advisory Board
ESBG - European Savings Banks Group, Corporate Social Responsibility Committee	Member of the Council Member of the Coordination Committee

Youth Foundation	Member of the Founders' Council
JAP - Junior Achievement Portugal	Member of the Board of Directors



05 SUSTAINABLE FINANCE

5. SUSTAINABLE FINANCE

5.1. Taxonomy Regulation

Under the European Commission's Sustainable Finance Action Plan, Regulation (EU) 2020/852 establishes a regime for promoting sustainable investment, introducing disclosure requirements for financial and non-financial entities, and providing businesses, investors and policymakers with appropriate definitions of economic activities that can be considered environmentally sustainable. It was subsequently complemented by delegated acts for technical criteria:

- Delegated Regulation (EU) 2021/2139 - climate change adaptation and mitigation objectives.
- Delegated Regulation (EU) 2021/2178 - specifies the content, methodology and presentation of the information to be disclosed under Article 8 of the Regulation.
- Delegated Regulation (EU) 2022/1214 - amends Delegated Regulation (EU) 2021/2139 on economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 on specific public disclosures for those economic sectors.
- Delegated Regulation (EU) 2022/1288 - application of the "no significant harm" criterion.

COMPLIANCE WITH THE TAXONOMY

Indicator	2022
(i) Proportion of total assets linked to exposures to central governments, central banks and supranational issuers	29%
(ii) Proportion of total assets linked to exposure to Companies that do not have to publish non-financial information according to Article 19a or 29a of Directive 2013/34/EU	20%
(iii) Proportion of the trading portfolio in total assets	0%
(iv) Proportion of exposure to derivatives in total assets	0%
(v) Proportion of interbank spot loans in total assets	0%

Indicator	Methodology for clearance
(i)	Considers in the numerator: <i>cash balances</i> and other <i>demand deposits</i> with central banks, securities and credit to central governments, central banks and supranational issuers; Considers in the denominator: total assets.
(ii)	Considers in the numerator: securities, interests and loans to companies not required to publish non-financial information; Considers in the denominator: total assets. Small and medium-sized companies are considered "Companies not required to publish non-financial information".
(iii)	Considers in the numerator: <i>trading portfolio</i> , excluding derivatives; considers in the denominator: total assets.
(iv)	Considers in the numerator: <i>derivatives - hedge accounting</i> ; Considers in the denominator: total assets.
(v)	Considers in the numerator: interbank loans <i>on demand</i> ; Considers in the denominator: total assets.

Source: FINREP consolidated Banco Montepio Group as of 31 December 2022.

Regarding the proportion of total assets associated with exposures to eligible and ineligible economic activities under Taxonomy, we do not yet have complete visibility on the eligibility of the exposures at the date of publication of the Non-Financial Statement integrated into Banco Montepio's 2022 Annual Report and Accounts and integrated in this fifth chapter of the 2022 Sustainability Report. In this sense, its clearance would have to be estimated, moving to a voluntary scheme by the European Commission's guidelines.

The Bank places foremost importance on acquiring comprehensive and meticulous data to ascertain the suitability of its positions, maintaining a strict policy of non-disclosure regarding its affiliations and abstains from reporting based on conjecture or rough calculations.

Understanding our carbon footprint is essential in taking action to reduce and manage the impact of our operations, both direct and indirect. To determine the baseline of financed emissions and address operational concerns, we assessed Banco Montepio's involvement in the seven sectors with the highest greenhouse gas (GHG) emissions, as outlined in the 2022 Climate Risk Stress Test conducted by the European Central Bank.

TOP 7 - SECTORS WITH THE MOST GHG EMISSIONS

31 DEC 2022

	NACE	Exp. M€	% Exp
Extractive industries	B05-B09	23	0,32%
Manufacture of coke and refined petroleum products	C19	4,4	0,06%
Manufacture of other non-metallic mineral products	C23	130,8	1,82%
Electricity, gas, steam and air conditioning supply	D35	112,5	1,56%
Water transport	H50	15	0,21%
Manufacture of chemicals and chemical products	C20	71,5	0,99%
Manufacture of basic metals and fabricated metal products, except machinery and equipment	C24-C25	239,7	3,33%
Total Exposure Top-7		597	8,29%
Total exposure with NACE mapping		7 198,70	

5.2. ESG Factors

Sustainable financing integrates environmental, social and governance (ESG) criteria into financial decision-making processes. It aims to promote economic development by mitigating adverse environmental and social impacts under proper management of associated risks.

Sustainable finance considers multiple factors, including climate change, human rights, labour standards, corporate governance and community development.

Performance in ESG matters may be consulted in the indicators that fill out the tables of alignment with international *standards* GRI, WEF, TCFD and UN Global Compact in the Annexes to this report.

5.3. Climate risk

GRI 201-2 | SDG 13-17 | UNGC 7-9 | TCFD

At Banco Montepio, we recognise the importance of managing environmental and climate risks to ensure the long-term sustainability of our business and future contribution to our stakeholders. We understand that climate change and other

associated risks can have a significant impact on our investments and operations, clients and other *stakeholders*. To manage these risks, we consider the following:

Risk assessment. Banco Montepio has instituted a risk management model that considers environmental and climate aspects in funding, investments and operational activities. Various tools and techniques, including scenario weighting and stress tests, are considered to find potential risks and assess their impact on the business.

Development of policies and strategies. The European regulatory framework, *stakeholders'* expectations and the responsibility with which we manage our business in the medium and long term determine an increasingly robust approach capable of keeping pace with the financial sector's major changes. To this end, the strategic development associated with risk management is a continuous process in terms of our ambition to continuously improve and reduce our environmental footprint and adapt to the external environment.

Product development. The development of a financial offer oriented towards sustainability aims to contribute to customers choosing to manage their expectations on environmental matters while favouring adequate financial solutions. Our commercial portfolio includes credit with environmental criteria or goals (qualification, works, mobility, among others), products with reduced environmental impact, bonds, and financing options for renewable energies.

Engagement and collaboration. We work relationships with clients, regulators and other stakeholders to raise awareness of environmental and climate risks, helping to promote sustainable financial practices across the financial industry. We also collaborate with other banks and financial institutions in multidisciplinary working groups to share best practices and develop solutions to address these risks.

We have implemented a process to identify and review all risks recognised as material, and they are subject to regular control and mitigation actions.

Regarding ESG risks, we are implementing a specific framework for their management, ensuring their interconnection with credit, market, liquidity, operational and real estate risks, among others. Within this *framework*, the management and supervision will monitor the current and prospective evolution of the institution's risk profile.

The Bank's revised risk appetite for 2022 incorporated *KRI* to regulate exposure to ESG risks, namely, climate risks.

In 2022, we defined the ESG Risk Management Policy, which is part of Banco Montepio Group's Risk Management Policy and is established by Banco Montepio Group's Risk Appetite Policy, which establishes the guiding principles and responsibilities inherent to the management and internal governance of ESG risk. Environmental risk ("Climate and Environmental Risks") is defined in Banco Montepio's Risk Taxonomy and is individually found and assessed as part of the risk materiality assessment process. In the first stage, this process will be mostly qualitative but under a forward-looking perspective that will depend on creating a historical and robust base to support the construction of quantitative analysis.

Regarding social and governance risks, Banco Montepio considers that their inherent characteristics are already integrated into the remaining processes of material risk analysis, for example, in credit analysis of clients (e.g., verification of the type of management of the counterparty).

5.4. Sustainable Finance

The European Union's Sustainable Finance Action Plan (FSAP) stands for the commitment of its States in the transition towards a carbon-neutral, climate-resilient fair, resource-efficient and circular economy. As a result, Sustainable Finance and the consideration of ESG factors are crucial for companies to align investments with their values, ensure the management of different types of risk, improve financial performance, build trust and good reputation, keep pace with regulatory changes, meet *stakeholders'* expectations and decide on long-term investment.

Banco Montepio understands the complexity of a changing European regulatory framework that will gradually affect companies, namely SMEs, concerning the integration and reporting of ESG indicators.

In this context, the Bank takes part in working groups for sustainable finance: the Portuguese Banking Association (APB) and Technical Committee 217 "Sustainable Finance" of the IPQ / APEE. As part of CT 217, participates in *Technical Committee 322*, "Sustainable Finance" of ISO⁶ (*International Organization for Standardization*). ISO/TC322 is drafting the future International Standard on Sustainable Finance to set up principles and framework standards (ISO 32210) applicable to the global financial system.



In 2022, we hosted the 5th ISO TC/322 Plenary Meeting in Lisbon, with participants from dozens of countries, organised by ISO, IPQ and the Portuguese Association for Business Ethics (APEE), which ran with ESG Week 2022.

Banco Montepio hosted and supported ESG Week 2022, an APEE initiative, pioneered at a national level, and co-organized the sessions "The path to sustainability and transparency in SMEs" and "Financing beyond Profit: Sustainable Financing in the Social Sector". Government representatives, business leaders, national and international experts, academia and civil society organisations debated sustainability and ESG.

⁶ Independent, non-governmental international organisation for standardisation, which has 168 bodies. Portugal is represented by the Portuguese Quality Institute (IPQ).



06 VALUES
WE MANAGE

6. VALUES WE MANAGE

We pursue to attend socioeconomic evolution, promoting a close customer relationship model and accelerating digital transformation as a vehicle for financial inclusion by strengthening the reach and convenience of the service and associated offer.

One hundred seventy-nine years at the service of the Portuguese represent a heritage of experience and knowledge about Portugal that we apply on a daily basis through our branches and point of contact channels.

6.1. Proximity and inclusion

GRI 413-1 | SDG 1, 4, 10-12 | UNGC 1

We recognise that digital innovation drives social inclusion and contributes to reducing environmental impacts. Thus, using digital technology enables a cross-cutting and structuring approach to innovation with opportunities through:

- **Digital banking services.** Digital banking services provide clients with greater and better access to managing their financial assets at Banco Montepio and to our offer, ensuring cybersecurity and literacy mechanisms to support the fight against fraud, namely by electronic means. Mobile banking applications, online banking platforms, and other digital tools facilitate the management of finances and contracted liabilities.
- **Sustainable financial solutions.** We have developed solutions leveraging digital technology to promote environmental sustainability. In this way, we have strengthened our offer in the scope of "green" loans, bonds and other financing options that support socially and environmentally responsible projects and initiatives.
- **Digital inclusion initiatives.** We launched digital inclusion programmes and actions designed to promote literacy, financial inclusion, and reduce digital exclusion. And we invested in digital literacy training and programmes that provide access to technology, solutions and support for people and communities in need.

- We continue to invest in **digital innovation** and work closely with our stakeholders to develop solutions that address the demanding challenges facing society, the economy and the environment.

In 2022, we continued the automation and re-engineering of processes; we progressed in data collection and processing models, adjusted service models, optimised customer journeys, we strengthened accessibility and cybersecurity mechanisms.

We highlight the launch of APPré-pago, an autonomous smartphone application that simplifies the consultation of balances and movements of prepaid cards; the launch of "Banco Montepio Collection", an online platform for the purchase of non-financial products; the availability of Google Pay and the dematerialisation of the PIN of bank cards, which is now sent by electronic message (SMS) instead of post.



As a result, we recorded growth in the usage levels of our distance channels and digital sales.



On 31 December 2022, the Montepio24 service, a platform that integrates the various remote channels, recorded a 7% increase in the number of active customers compared to 2021, totalling 456,047 users, of which 387,556 in the Individuals segment (+7.4%) and 68,491 in the Companies segment (+4.6%). In 2022, the number of transactions through Montepio24 increased to 79.7 million, compared favourably with 70.9 million in 2021, reflecting a positive variation of 12.5%. Since May 2021, APProva has cumulatively more than 307,000 profiles and 14 million operations, 89% of which are from Montepio24.

6.2. Products and Services

GRI G4-FS7, G4-FS8, G4-FS13, 417-1, 417-2 | SDG 10, 12 | UNGC "ENVIRONMENTAL PROTECTION

The commitment to innovate in the financial offer to meet evolving customer needs is accompanied by investment in digital technology that enables a convenient and accessible banking experience without depending on location and means and reinforcing:

Financial empowerment. Our offering has helped individuals and families achieve their financial goals over generations. Savings and investment products, current management, credit financing, and means of payment help build prosperity and plan the future.

Business growth - Business and social economy entities also drive the development and evolution of products and services-tailored solutions for corporate clients, including cash management, trade finance and capital project finance.

Investment opportunities - Our investment and asset management products and services have delivered different investment and return opportunities. Specialised follow-up and diversified financial instruments contribute to the enhancement of assets.

6.2.1. Products and services with environmental benefits

Product / Service	2022	
	Amount financed (€)	Customers concerned
Housing loan: Energy Certificate A or A+	0	0
Credit Line for Decarbonisation and Circular Economy	250.000,00	1
Support Line for the Qualification of Offer - Environmental Sustainability in Tourism	3.410.674,82	14
Renewable Energy Credit	157.526,30	20
Montepio Mobilidade Elétrica Auto (Leasing)	174.862,62	7
Cards made from recycled material		227 143

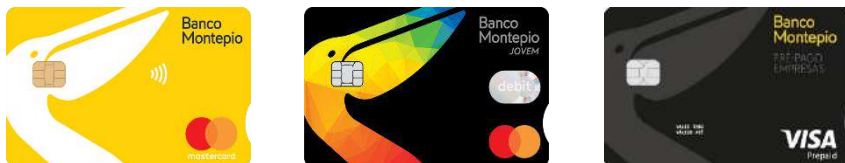
Offering products and services with environmental benefits enables customers to make socially and environmentally responsible choices.

Products that consider environmental factors or practices:

- Mortgage Loan Energy Certificate A or A+ - Consumer Choice No. 1.** Banco Montepio continued to be effective and to reinforce the delivery of value to customers, recognising home loans with energy certificate A and A+ by returning 1.7% (vs1.1% in 2021) of the loan amount contracted for the Karma prepaid card. In this campaign, Banco Montepio assumed the contribution to Associação Cáritas Portuguesa for each transaction made with the card where the recovered value was credited.

This innovative and solidary initiative aimed to value sustainable real estate construction and the possibility for houses with less environmental impact. And Banco Montepio recognised the trust, donating to people and families in need and pursuing a greater mission - to stand by the Portuguese at every stage of their lives.
- “Linha de Crédito para a Descarbonização e Economia Circular” (Credit Line for Decarbonisation and Circular Economy).** The credit line supports industrial and tourism sector companies to invest in projects that improve energy efficiency, accelerate decarbonisation models and transition to the circular economy.
- “Linha de Apoio à Qualificação da Oferta - Sustentabilidade Ambiental no Turismo” (Support Line for the Qualification of Supply - Environmental Sustainability in Tourism).** Specific financial instruments aimed at financing projects to improve the environmental performance of small and medium-sized enterprises in the tourism sector, with projects that contribute to efficient management of water consumption and production of solid urban waste being eligible.
- “Crédito Energias Renováveis” (Renewable Energy Credit).** Financing line for buying and installing renewable energy equipment, improving energy efficiency and reducing energy bills.
- Montepio Mobilidade Elétrica Auto (Leasing).** Credit line for issuing the leasing offer for individuals, companies and institutions in the Social Sector, which promotes the acquisition and use of electric vehicles.

- **Bank cards made from recycled material.** we recognize the significance of decreasing waste and lessening our ecological footprint. To accomplish this, we make certain that our cards are made from recycled materials, enabling us to offer a secure, convenient, and eco-friendly banking solution.



The materials used in production are sourced from post-consumer waste, specifically recycled plastics. This process of reusing secondary raw materials helps to reduce plastic waste in both landfills and oceans, conserving valuable resources and energy that would otherwise be used in creating new plastic. Our bank cards feature advanced chip technology, secure PIN verification, and real-time transaction monitoring to provide maximum security and privacy protection, guarding against unauthorized use and preventing fraud.

Collection and recycling of bank cards

In 2022, Banco Montepio became a part of Merece, a business movement that focuses on recycling cards with electronic components. This initiative ensures that plastic from these cards is sent to a company that produces urban furniture, reducing the associated environmental impact.

The bank card collection and recycling initiative aims to encourage, besides their responsible production - upstream, with secondary raw material - the collection of expired or unusable cards - downstream, in the branch network - by sending them to recycle and, complementarily, ensuring the elimination of cardholder data. For each kilogram of waste collected, the Merece movement plants a tree and guarantees its five-year maintenance.

With the participation of customers and our branch network, we collected 141,900 cards for recycling, which represented 851 kg of recycled plastic, equivalent to 851 trees planted.

6.2.2. Products and services with social benefits

In recent years there has been a growing awareness of the importance of promoting social and economic well-being alongside traditional financial services, prioritising the development of products and services with social or differentiated benefits specifically designed for the social sector. Banco Montepio has consistently followed this path, earning recognition as the "Social Economy Bank in Portugal", offering financial resources and services that enable individuals, organizations, and communities to foster inclusion and diversity.

PRIVATE CUSTOMERS

Product / Service	2022	
	Amount financed (€)	Customers concerned
Home Credit & Karma+ Card	186.802.933	1.651
Low-interest housing loans for people with disabilities	14.177.082,75	155
Special Young Account	-	5 352
Debit card adapted for the visually impaired.	-	103 145
Grows Account	-	4 436
Savings Grows at one year; Savings Grows three years and Special Young People's Savings.	-	2 984
Active Savings	-	4 165
Purpose-Based Saving	-	9 627
Voucher Savings	-	13
Rounding Program	-	88
Credit Training	1.522.378,28	153
Code Academy	453.319,14	79
Health Credit	728.895,95	94

Impact on financial inclusion

- **Mortgage Loan & Karma+ Card.** Financing for house purchase with energy certification A and A+, which ensures donation to social causes.

Solutions for financial inclusion

- **Mortgage loan disabled people.** People, over 18 years of age, with a declared limitation, can benefit from subsidised housing credit.
- **“Conta Especial Jovem” (Special Youth Account).** Current account for young people up to 30 years old, with differentiated pricing conditions.
- **Debit card adapted for the visually impaired.**

Promotion of savings

- **“Conta Cresce” (Grow Account).** A current account for children and young people up to the age of 17, which promotes savings.
- **“Poupança Cresce 1 ano” (Grow 1 year Savings), “Poupança Cresce 3 anos” (Grow 3 years Savings) and “Poupança Especial Jovem” (Special Youth Savings).** Term deposits for children and young people from 0 to 30 years.
- **“Poupança Ativa” (Active Savings).** Deposit is aimed at customers who want to build savings based on scheduled monthly payments.
- **“Poupança por Objetivos” (Savings by Objectives).** A deposit aimed at customers who wish to plan their savings, defining a plan of payments with a minimum value and frequency - daily, weekly, fortnightly, monthly, quarterly, half-yearly or on the renewal date.
- **“Voucher Poupança” (Savings Voucher).** Allows the purchase of a gift voucher, with a certain amount, to open or reinforce a term deposit.
- **“Programa de Arredondamento” (Rounding-off programme).** This is a free automatic programme through which each customer can transfer the amount resulting from the rounding up of purchases and payments made with the debit card to the savings account of a child or young person.

Supporting education, entrepreneurship and employability

- **“Crédito Formação” (Training Credit).** Financing line to support education or training expenses.

- **Code Academy. Code Academy credit line,** to support students (<Code Cadets>) who attend Code Academy boot camps, a project that delivers a social experience by holding boot camps on computer language.

Solutions for health promotion and well-being

- **“Crédito Saúde” (Health Credit).** Medium and long-term financing to support health expenses.

BUSINESSES

To meet the financing needs of micro, small, and medium-sized enterprises (MSMEs), we have strengthened our participation in public entities' initiatives to boost the supply of finance.

Product / Service	2022	
	Amount financed (€)	Customers concerned
Participation in the Capitalizar Programme - Portugal 2020	8.155.643,58	9

- **Participation in the “Capitalizar Portugal 2020” Programme** through the collaboration protocol with Instituição Financeira de Desenvolvimento, SA (IFD) and the Mutual Guarantee Companies (Agrogarante, Garval, Lisgarante and Norgarante). Credit line to support the financing of SMEs with business capacity-building projects for developing new products and services or innovations in terms of processes or products.



Banco Montepio has a concept of sustainability, which the DST group identifies as semiotic sustainability. There is an ecology of thought that it inherits from its foundation. The bank was founded to simplify the lives of people and companies. Trust is a concept that defines Montepio; it is part of its ethos.

Banco Montepio is an institution that believes it is legitimate to win if its client wins. The DST group experience with Montepio has a future because its values are aligned with ours. 💡💡



José Teixeira President DST Group

SOCIAL ECONOMY⁷

Product / Service	2022	
	Amount financed (€)	Customers concerned
ESocial Solution	-	510
Agreement Account	4.890.850,00	176
Leasing Auto Social Sector	13.791.167,86	401
Social Sector COVID-19 Support Line	465.000,00	7
+Social Impact Credit Line	32.990.734,52	136
Credit Line Social Innovation Fund (FIS)	-	0
Social Invest Credit Line	-	1
Volunteer Insurance	-	374
+Life Card	-	334
Entrepreneurship and Self-Employment Support Line (LAECPE)	1.491.925,86	87
Montepio Microcredit (Own Line)	0	0
Business Development Support Line 2018 StartUp	345.637,02	9

Banco Montepio has been helping Social and Solidarity Economy Entities (SSEs) and entrepreneurs by leveraging the different areas of the Social Sector, which has led to improved project quality in various communities, sustainable employment creation, and increased value for society.

Global solutions

- **“Solução ESocial” (ESocial Solution).** Products and services for the day-to-day management of social and solidarity economy entities. Banco Montepio is the only one on the national scene to provide this offer, first launched in 2010 and improved in 2021 in the pandemic context.
- **“Conta Acordo” (Agreement Account).** An exclusive product of Banco Montepio to ease and ensure the treasury needs that may arise before receiving state funds. Banco Montepio launched the Conta Acordo campaign that donates 0.50% of the amount paid by the State to IPSS holders of this product.
- **“Leasing Auto Setor Social” (Social Sector Auto Leasing).** Financing modality to guarantee the mobility of the EESS and allow the acquisition of light, passenger or goods vehicles (transformed for home support or mobility), with differentiated conditions in terms of pricing and insurance.

Investment support

- **“Linha de Apoio ao Setor Social COVID-19” (Social Sector COVID-19 Support Line).** Line of credit that supported treasury needs of SEEs affected by the Covid-19 pandemic.
- **“Linha de Crédito +Impacto Social” (+Social Impact Credit Line).** Line of credit for SEEs and other non-profit social entities that aim to help the entity or institution and promote social inclusion.
- **“Linha de Crédito Fundo para a Inovação Social (FIS)” (Social Innovation Fund Credit Line).** Access to bank finance and better financing conditions for Social Innovation and Entrepreneurship Initiatives (IIES).
- **“Linha de Crédito Social Investe” (Social Invest Credit Line).** Social sector institutions use this financing mechanism frequently by partnering with the Institute of Employment and Vocational Training (IEFP), the António Sérgio Cooperative for the Social Economy (CASES), and mutual guarantee societies. The purpose of this investment is to strengthen existing or new

⁷ Detailed information in the sub-chapter Business Segments, Report & Accounts 2022.

areas of intervention, modernize management, improve cash management, and enhance services provided to communities.

Protection and Solidarity

- **“Seguro Voluntariado” (Volunteer Insurance).** Personal accident, sickness and civil liability insurance – is compulsory for all institutions that rely on the collaboration of volunteers. Available in two types of subscription: permanent (for one year, automatically renewable) and temporary (up to seven days), valid in Portugal 24 hours a day.
- **“Cartão +Vida” (+Life Card):** Exclusive credit card for Banco Montepio customers who wish to support social causes. Whenever customers use the +Vida Card, they contribute to social solidarity institutions. The values attributed are part of the Bank's margin and do not constitute direct donations by the customer.

Entrepreneurship support

Banco Montepio continues to invest in microcredit, supporting the creation of self-employment and the respective entrepreneurs in implementing their projects and sustainable business ideas.

- **“Linha de Apoio ao Empreendedorismo e à Criação do Próprio Emprego (LAECPE)” (Support Line for Entrepreneurship and the Creation of Self-Employment).** LAECPE, which is the result of a cooperation agreement between Banco Montepio, the Institute of Employment and Professional Training, I.P. (IEFP) and four Mutual Guarantee Companies (Norgarante, Garval, Lisagarante and Agrogarante), aims to combat economic and social exclusion and long-term unemployment using a line of credit for the creation of one's own small business with a guaranteed and subsidised interest rate.
- **“Montepio Microcrédito” (Montepio Microcredit).** Financing of small, viable investment projects granted to natural or legal persons with the motivation and capacity to develop economic activity. Microcredit (Own

Line) is aimed at Individual Entrepreneurs (ENI), Companies and Other Collective Persons with projects sanctioned and selected by Partner Entities.

- **“Linha Apoio Desenvolvimento Negócio 2018 – StartUp” (Business Development Support Line 2018 – StartUp).** Cooperation protocol, with the designation "Linha Apoio Desenvolvimento Negócio 2018 - StartUp", between Banco Montepio, IAPMEI - Agência para a Competitividade e Inovação IP, TP - Turismo de Portugal IP, SPGM - Sociedade de Investimento SA and the Mutual Guarantee Companies (Agrogarante, Garval, Lisgarante and Norgarante). Aimed at microenterprises in the initial phase of their life cycle, with a minimum of 15% of equity, and that aim to carry out credit operations with an associated mutual guarantee.



Banco Montepio is a partner of excellence for LIPOR, with which we work on a solid basis of trust and commitment. These values are fundamental to the sustainability of organisations, similar to environmental and social sustainability, which plays an increasingly relevant role in society and future generations.



Fernando Belém

Head of Division, Supplies and Accounting

6.3. Risk Management⁸

GRI 2-12, 2-13, 2-25 | SDG 16 | UNGC 10 | TCFD

Policies and processes for risk identification, management and monitoring

The main risks arising from Banco Montepio's activity may directly or indirectly affect sustainability and social responsibility.

⁸ More detailed information can be found in the chapter Risk Management, of the Report & Accounts 2022.

Of the existing risks described in the chapter Risk Management in the 2022 Annual Report & Accounts, the following stand out: risk of corruption and attempted bribery, risk of money laundering and financing of terrorism, risk of conflict of interests, risk of market abuse, risk of breach of privacy, *compliance risk* and reputational risk.

There are also operational and market risks, specifically associated with the armed conflict in Ukraine, as well as changes arising from monetary policy and rising inflation. In addition to naming these (and other) risks, Banco Montepio has implemented a system of internal control that includes policies, regulations and procedures to signal and prevent their occurrence, complemented by *compliance* and internal audit functions.

To guarantee the continuity of the business, we have been taking measures to protect the health and safety of our employees, operational measures with an impact on processes, communication actions with employees, customers and *stakeholders*, decisions on emergency offers and exceptions to the regulations in force. Additionally, business recovery measures were adopted emphasising the protocolled lines of credit and the new offer of home loans. Under the moratorium regime, the measures to protect families and companies, the Bank's customers were also monitored.

In 2022, the goals of protecting employees' health were achieved (with a residual number of infected people) and of business continuity - with the efficiency of processes and minimum disruption, and effectiveness in decision-making and response to customers.

The management of the crisis accelerated digital transformation and remote communication and highlighted opportunities for the improvement of processes, people management and governance.

In risk management, we have a set of policies, procedures, the definition of limits within the scope of the risk appetite and controls which allow us, in an appropriate and integrated manner, to identify, measure, evaluate, monitor, mitigate and report the risks arising from the activities carried out in the various business lines. These principles have been made operational by adopting measures that contribute to efficiently managing operational risk.

During 2022, we completed a set of validation procedures relating to various models, of which the periodic validations of the models, methodologies and results of the ICAAP and ILAAP processes and the validations of the IFRS 9 *Probability of Default* (PD), *Early Warning System* (EWS) and Impairment Projection models stand out.

The Early Warning System (EWS) is a system of communications and prompt alerts for all customer profiles, which helps to detect possible threats to the fulfilment of credit responsibilities in advance and contributes to risk management, fraud prevention, customer protection, financial stability and regulatory compliance.

Early detection allows for setting up a personalised follow-up model with the customer that avoids default and associated penalties. This model involves other financial products and services, renegotiation of terms, price, etc., always to guarantee the responsibility assumed by the customer, contributing to improving financial health and strengthening confidence in Banco Montepio.

6.4. Fight against corruption

GRI 2-23, 2-24, 2-25, 2-27, 205-1 | WEF "ANTICORRUPTION" | SDG 16 | UNGC 10

At Banco Montepio, we have a strict internal control system that separates the functions of execution, decision-making, and control to minimize the risks of corruption and employee bribery. This approach ensures that transactions and processes are thoroughly scrutinized, providing a safe and secure environment for our customers and stakeholders.

Our policies and procedures include the Code of Conduct, Conflict-of-Interest Management Policy, Whistleblowing Policy, Policy for Non-Conventional or Non-Transparent Structures and Activities, and other measures to prevent money laundering and terrorist financing.

The Bank's Code of Conduct strictly prohibits corruption and any associated acts, including bribery and influence peddling, regardless of the circumstances. It applies to both employees and clients, and any such practices must be reported through the proper channels. Committing crimes of corruption,

embezzlement, influence peddling, and related crimes generates funds that can be laundered in the financial market, which is also strictly prohibited.

The prevention and repression of corruption are therefore conducted through the fight against money laundering, and Banco Montepio manages its business activity by following policies and applying controls aimed precisely at preventing the use of the Bank for these purposes following the legislation in force, namely Law No. 83/2017.

	2022	
	Type	%
Disclosure of the total percentage of members of the <i>governance</i> body, employees and business partners that have received training on anti-corruption policies and procedures of the institution.	Members of governance bodies (Board of Directors, executive and non-executive)	86
	Collaborators	77
	Business partners	0

6.5. Complaints management

GRI 418-1 | SDG 16 | UNGC 10

At Banco Montepio, we ensure that clients and other stakeholders have access to means, channels or services that allow formal communication of any suggestion or possible dissatisfaction. It is essential to know relevant stakeholders' opinions, concerns, complaints and suggestions for successful relationships and effective engagement with the market.

The information received or provided by stakeholders is a preventive alert for future issues, allowing us to respond correctly and manage operational and reputational risks.

We ensure the analysis and transmission of communications received, considering the existence of irregularities in safeguarding interests or the Bank's failure to fulfil its obligations, in addition to the legally enshrined Complaints Book. Suggestions and complaints may be presented at any Branch, through the

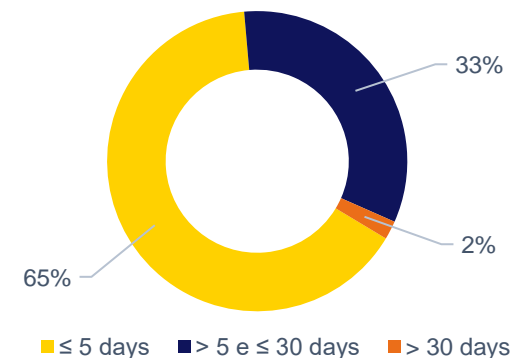
Customer Service line, the institutional site or even by a communication addressed to the Customer and Quality Office (GCQ).

Customers can communicate and complain to the Supervisory Authorities (Bank of Portugal, Securities Market Commission, Insurance, and Pension Funds Supervisory Authority). Complaints management is the responsibility of the QCG, which operates within the scope of Banco Montepio Group, pursues and ensures compliance with the guidelines defined in the scope of Complaints Management, as well as their reception and treatment and due response to the Complainant and Supervisory Entities.

	2020	2021	2022	Δ 21-22
Total Complaints	6 779	5 641	4 457	-21%
Through the Bank of Portugal	279	300	295	-1,7%
Through the Complaints Book and Electronic Complaints Book	970	853	740	-13,2%

In the year 2022, Banco Montepio received a total of 4,457 complaints. However, despite our increased activity, we noticed a decrease in the number of complaints received, with a 21% reduction compared to the previous year, mainly due to changes in our workflow process related to card misuse (fraud), which resulted in a more efficient response to customers.

AVERAGE TIME FOR ANSWER (working days)



Regarding the response time recorded in 2022, 65% of new complaints were answered within five days or less and 98% were answered within 30 working days. The average response time was seven working days, corresponding to a decrease of 2 working days compared to 2021.

Regarding complaints received through the complaints book, electronic complaints book, and Banco de Portugal, the response time averaged at 11 and 8 working days, respectively. It's important to note that the legal deadline for responding to these complaints is 20 working days if submitted to Banco de Portugal and 15 working days if submitted through the Electronic Complaints Book. The QMSC implements Quality Management principles, enabling us to prioritize customer satisfaction and relevant interest groups. Continuous improvement guarantees the quality of our service, positively changing our business and ensuring customer satisfaction.

"PORTAL DA QUEIXA" - THE COMPLAINT PORTAL



Banco Montepio was recognised as a "Recommended Brand" and "Brand of the Month" from August to December 2022. This achievement was due to the high satisfaction index of 85.7% that the brand has received.

The Complaint Portal is a reputational marketplace platform where customers can express dissatisfaction with a specific brand. This platform allows customers to share their complaints and allows brands to respond to them. Since these complaints are public, visitors to the portal can view both the complaints and the brand's responses. Most visitors to the portal are interested either in evaluating a brand before purchasing or when they are dissatisfied with a brand.

"Recommended Brand" and "Brand of the Month" awards were due to the Bank's commendable approach to managing complaints. The satisfaction index parameters have shown that customers trust the brand as they can rely on the company to "solve the complaint."



07 PEOPLE WE ARE INSPIRE BY

7. PEOPLE WE ARE INSPIRED BY

GRI 102-8 | SDG 4, 5, 8, 10, 16 | UNGC "LABOUR PRACTICES" | WEPS 2, 4, 5, 7 | WEF "THE GOOD WORK FRAMEWORK" 1-5

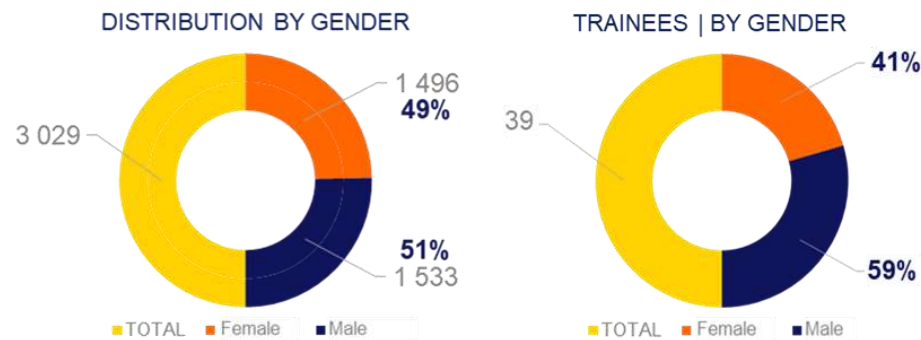
Our people are the driving force behind our longevity and success.

Banco Montepio has been able to thrive and preserve its position in the industry through the outstanding service delivered by its workforce, which includes the central services and branch networks. Our employees' experience and unwavering commitment are crucial in providing customers with a sense of importance and support as they route their banking journey.

Our community fosters a strong brand culture, upholds core values, preserves our unique legacy, and holds trust-based relationships that form the foundation of our business and the commitments held.

7.1. Our People, our human capital

GRI 2-7, 2-8, 2-30, 201-3 | WEF "EMPLOYMENT NUMBERS AND RATE" | OECD 8, 10 | UNGC "LABOUR PRACTICES" | WEPS 2, 4, 5



In 2022, we gradually returned to a sense of normalcy after the Covid-19 pandemic, and we've continued with a hybrid work model for jobs that don't require in-person interactions. Our branch offices have remained open to serve the Portuguese community, including individuals, families, and businesses. Despite the challenges arising from this re-adaptation phase and return to the office, we kept our people safe and connected to the organisation.

BANCO MONTEPIO EMPLOYEES

	2022		
	TOTAL	Female	Male
Type of contract	3 029	1 496	1 533
Permanent/ indefinite (no.)	3 028	1 495	1 533
Temporary/ fixed term (no.)	1	1	0
Type of employment	3 029	1 496	1 533
Full-time (no.)	3 026	1 494	1 532
Part-time (no.)	3	2	1
Type	3 029	1 496	1 533
Central Services	1 384	701	683
Commercial Services	1 645	795	850
Region	3 029	1 496	1 533
North (no.)	961	459	502
Centre (no.)	330	156	174
South (no.)	1 649	830	819
Islands (no.)	89	51	38
Subcontracted employees	0	0	0
Trainees	39	16	23
Internship programmes 32 internships as <i>trainees</i> and 7 professional internships			

	2022		
	TOTAL	Female	Male
New hirings (no.)	43	28	15
<30	25	17	8
30 a 50	15	9	6
>50	3	2	1
New hirings (no.)	43	28	15
North	3	2	1
Centre	0	0	0
South	40	26	14
Islands	0	0	0

	2022		
	TOTAL	Female	Male
<30	29%	30%	26%
30 a 50	1%	1%	1%
>50	0	0	0
Rate of new hirings (%)	1,4%	1,9%	1,0%
North	0	0	0
Centre	0	0	0
South	2%	3%	2%
Islands	0	0	0
The exit of Employees (no.)	121	48	73
<30	26	12	14
30 a 50	46	21	25
>50	49	15	34
The exit of Employees (no.)	121	48	73
North	29	10	19
Centre	10	6	4
South	77	29	48
Islands	5	3	2

	2022		
	TOTAL	Female	Male
Turnover rate (%)	4%	3%	5%
<30	30%	21%	45%
30 a 50	2%	2%	3%
>50	5%	3%	6%
Turnover rate (%)	4%	3%	5%
North	3%	2%	4%
Centre	3%	4%	2%
South	5%	3%	6%
Islands	6%	6%	5%

7.2. Working Conditions and Safety

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-9, 403-10 | SDG 5.8 | UNGC "LABOUR PRACTICES" | WEPS 2-5 | WEF "THE GOOD WORK FRAMEWORK" 2

At Banco Montepio, we prioritise the safety and well-being of our employees, ensuring compliance with legal and technical provisions and promoting occupational health and safety.

Conformity. The legal regime regulates occupational health and safety service activities to promote OSH - Law 102/2009 of 10 September and later updates. Thus, we ensure full compliance with labour and safety regulations and the standards and good practices within the financial sector.

Risk assessment. Banco Montepio conducts comprehensive risk assessments to name potential facility hazards and risks, enabling us to proactively implement measures to mitigate any potential accidents or incidents, thereby ensuring the safety and well-being of our employees.

Policies and procedures. We develop and implement comprehensive labour and safety policies, procedures and guidelines that set clear expectations and protocols for our people, safeguarding a consistent approach to supporting a benign and ethical working environment.

Training and awareness-raising. Educating and promoting awareness about health and safety in the workplace is crucial for male and female employees to realise the potential hazards and risks associated with their work. This approach can significantly decrease the possibility of preventable accidents. In 2022 we assured:

- General First Aid Basics Approach
- Welcome & Integration
- How to build an Equality Plan
- Let's grow together 2022 - Emotional Customer Management
- Growing Together 2022 - Keeping the Balance Amidst the Chaos
- Let's grow together 2022 – *Work-Life Balance*

- Emotional Intelligence Course
- Diversity, Equality, Inclusion in Corporate Culture: Internal Audits Role
- Meeting M: App 29K FJN: well-being and personal development
- Active and Healthy Ageing - Guidelines for better health and disease management
- Happy Conference
- How To Survive a Bad Boss
- The Body in Leadership Excellence
- First Aid
- Emergency Procedures
- Female Resilience
- Occupational health and safety in a pandemic context
- Basic Life Support and AED
- The 6 Behaviours of Great Leadership
- Why You Should Be Comfortable Being Uncomfortable

Communication and involvement. We ensure means and channels that ease sharing information on practices and procedures and recording work or safety circumstances.

👏 When I joined Banco Montepio as a trainee, I was far from realising this institution's transformative impact.

Working at Banco Montepio goes beyond just being a financial entity; it's taking on the daily responsibility of making a difference in communities, driving innovative projects that solve social problems and taking responsibility for our environmental impact, with the commitment to always do more and better.

In my short time as an employee, I have had the privilege of contributing to impact and inspire people, motivating students to explore entrepreneurship and find solutions to problems of social exclusion in their schools, I have participated in initiatives to reduce our environmental footprint, and every day I find a space where I can share my ideas, evolve and grow professionally.

At Banco Montepio, I have found an alignment between my values and ambitions and the work I do every day. Here, there is a greater purpose beyond profit, acknowledging that behind the numbers, there are people. With firm steps, Banco Montepio commits to leaving the world better than the one we found.

My ambition is to be an agent of change, committed to promoting well-being and prosperity in our communities. It is a source of inspiration to know that my work is part of this movement for positive change. 👏



Sofia Martins Dias
Sustainability Office

7.3. Diversity and Inclusion

GRI 405-1 | WEF "COMPOSITION OF GOVERNANCE BODIES, DIVERSITY AND INCLUSION", "THE GOOD WORK FRAMEWORK "4 | SDG 4, 5, 10 | UNGC 1, 3-6 | WEPS 2

We trust that creating a thriving and prosperous workplace requires us to embrace diversity, equity, and inclusion.

That's why we've established clear objectives, made untiring commitments, and taken proactive measures to foster a culture that values diversity, encourages entrepreneurship, promotes collaboration, and inspires shared leadership and day-to-day mentoring.

We aim to cultivate a corporate environment where all individuals can thrive and contribute to our collective success.

DIVERSITY BY PROFESSIONAL CATEGORY, GENDER AND AGE GROUP

	Professional Category							
	TOTAL	%	Directors and managers	%	Technique	%	Administrative	%
Age group	3 029		726		1 313		990	
< 30 years	87	3	0	0	63	5	24	2
30 to 50 years	1947	64	355	49	896	68	696	70
> 50 years	995	33	371	51	354	27	270	27
Gender	3 029		726		1 313		990	
Female	1496	49	248	34	684	52	564	57
Male	1533	51	478	66	629	48	426	43

DIVERSITY

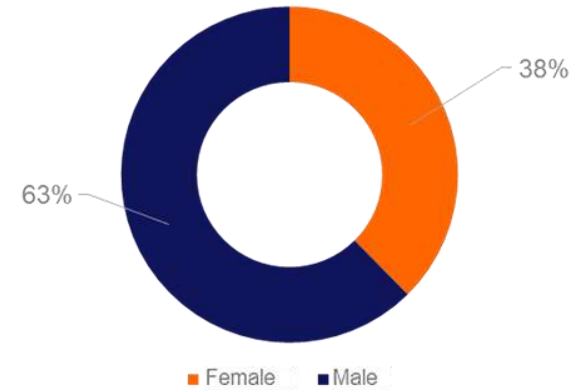
	TOTAL	%	Female	%	Male	%
Gender and age group	3 029		1 496	49	1 533	51
< 30 years	87	3	56	4	31	2
30 to 50 years	1947	64	1 005	67	942	61
> 50 years	995	33	435	29	560	37

DIVERSITY IN THE GOVERNING BODIES

	TOTAL	%	Female	%	Male	%
Gender and age group	12		7	58	5	42
< 30 years	0	0	0	0	0	0
30 to 50 years	4	33	4	33	0	0
> 50 years	8	67	3	25	5	42

By 2022, we had achieved the National Target for Gender Equality, which aimed for 40% of women in leadership roles by 2030, including positions on the Board of Directors, Executive Committee, and First Line Management.

HOLDERS OF ESSENTIAL FUNCTIONS



When it comes to first-line management, employees who perform crucial duties were included in this category for accounting purposes.

Essential Duty Holders are those who, although not belonging to the Board of Directors, hold positions with significant influence in the management of Banco Montepio, namely: Audit and Inspection Department (Internal Audit Function); Compliance Department (Compliance Function); Risk Department (Risk Management Function); Strategic Planning and Control Department; Accounting and Financial Reporting Department; Financial and International Department; Data Protection Office, and Credit Analysis Department.



We marked International Women's Day on March 8, 2022, by presenting the Diversity and Inclusion Policy to all employees. Our commitment to promoting diversity and inclusion was highlighted during an online event, "A Different Day for Equality", where top management emphasised the worth of

this message, ensuring that it was conveyed and comprehended by all.

7.4. Gender pay parity

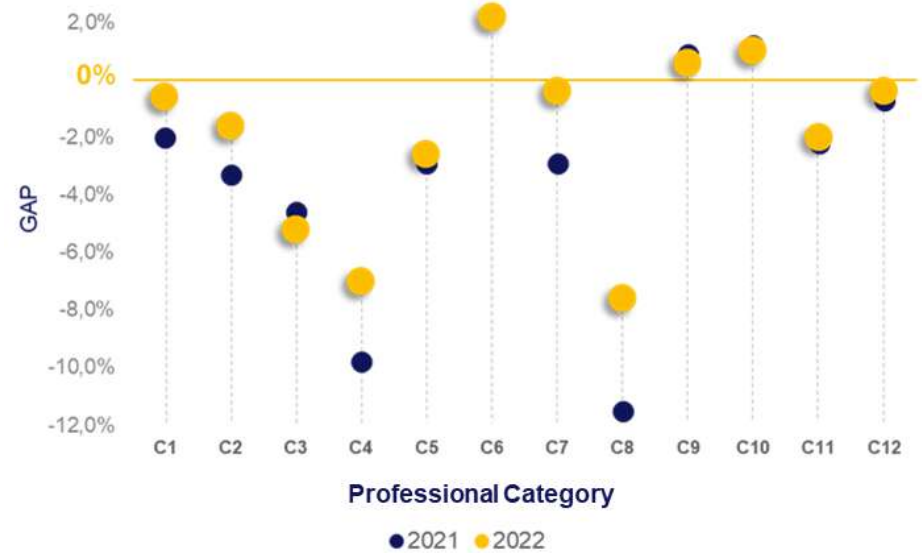
GRI 405-1 | SDG 5, 8, 10 | UNGC "HUMAN RIGHTS", "LABOUR PRACTICES" | WEF "THE GOOD WORK FRAMEWORK" 4

On 31 December 2022, Banco Montepio disclosed a 5% salary difference between genders, with a positive evolution compared to the 7.1% in the same period, considering the 12 existing professional categories: (1) Director, (2) Assistant Director, (3) Deputy Director, (4) Area Manager, (5) Technician, (6) IT Technician, (7) Technical Assistant, (8) Regional Manager, (9) Manager, (10) Assistant Manager, (11) Manager and (12) Commercial Assistant.

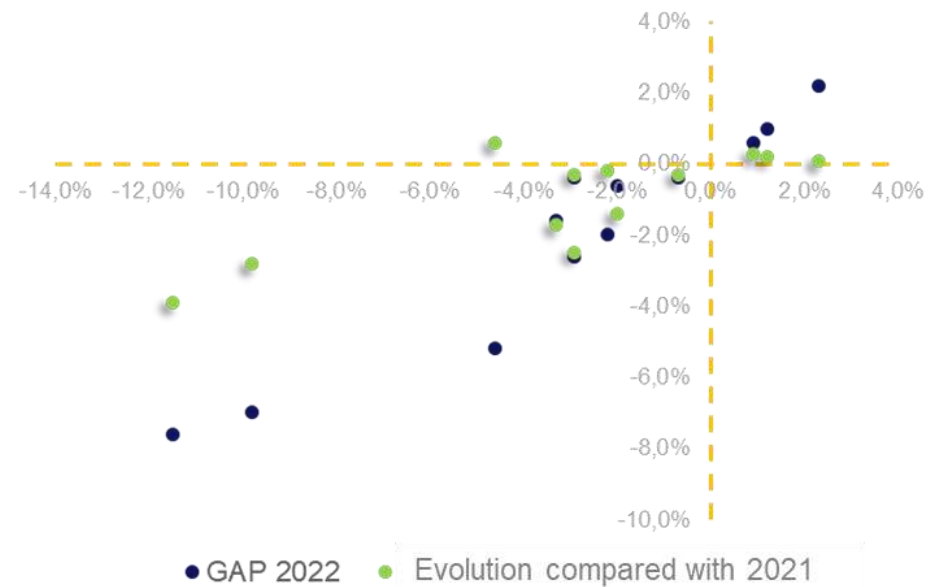
PAY PARITY BETWEEN WOMEN AND MEN

	2021	2022
	%	%
C1 Directors	2,0	0,7
C2 Deputy Directors	3,3	1,7
C3 Deputy Directors	4,6	5,2
C4 Area managers	9,8	7,0
C5 Technicians	2,9	2,7
C6 Computer Technicians	-2,3	-2,1
C7 Technical Assistants	2,9	0,4
C8 Regional Officers	11,5	7,5
C9 Managers	-0,9	-0,6
C10 Deputy Managers	-1,2	-1,0
C11 Managers	2,2	2,0
C12 Commercial Assistants	0,7	0,3

The average reduction of 2% in the set of professional categories positions Banco Montepio closer to pay equality, provided for in Law no. 60/2018, of 21 August, between women and men, for equal work or work of equal value. In five of the 12 categories (42%) existing in Banco Montepio, we reached or exceeded the value associated with pay parity: zero (0%).



The payment policy is based on evaluating job components, or professional categories, considering standard criteria - such as seniority.



TRAINING

GRI 405-1 | SDG 4, 5, 8, 10 | UNGC "LABOUR PRACTICES" | WEPS 4-5 | WEF "THE GOOD WORK FRAMEWORK" 5

Training for women at Banco Montepio promotes diversity and innovation, improves financial performance, builds trust and strengthens our brand's reputation. Our investment in developing women leaders aims, hence, to create a more inclusive and prosperous organisation that can adapt to the demands of a fast-changing environment. To date, we have dedicated 1752 hours to training programs designed specifically for female managers and leaders.

Female Leadership Training - ISEG Executive Education

On March 8, we presented the training offer for Banco Montepio Women to support the efficient and effective management of possible barriers and stereotypes of their own or the surrounding environment, which may condition their team leadership and career management:

- Women in Action, for women of the 3rd structure level, carried out in partnership with Católica Lisbon Business & Economics.
- Bet on Women, open to all self-registered female employees.

EMPOWERMENT

The first **Diversity and Inclusion** event was held in May 2022, with external guests and representatives from all the Bank's departments, to raise awareness of the importance of the topic among employees. The agenda included Professor and researcher Sara Falcão Casaca, who presented the results of the study "The long path of gender equality in corporate leadership", as well as debate panels on good corporate practices, with interventions from speakers and partner companies such as Jerónimo Martins, Banco Credibom, Altice and Microsoft, and sharing of experiences by male and female employees.

7.5. Endorsing UN Women's Empowerment Principles (WEPS)

GRI 405-1 | SDG 5, 8, 10 | UNGC "HUMAN RIGHTS", "LABOUR PRACTICES" | WEF "THE GOOD WORK FRAMEWORK" 4



In 2022, Banco Montepio joined the Women's Empowerment Principles (WEPs), an initiative of the United Nations Global Compact (UNGC) and United Nations Women oriented to the global private sector, which contemplates the gender equality dimensions of the United Nations Agenda 2030 - SDG#5,

committing to align its practices, projects and policies with seven principles.

We recognise the importance of promoting gender equality in our operations and value chain. These are vital attributes to leverage fair opportunities and a work environment that allows everyone to thrive and achieve their full potential.

The seven WEPS principles boil down to the following:

1. Establishing corporate leadership for Gender Equality
2. Treating women and men fairly at work: respecting and supporting human rights and non-discrimination
3. Ensuring the health, safety and well-being of workers
4. Promote training and professional development for women.
5. Implement actions in the organisation, value chain and marketing that promote the *empowerment* of women.
6. Promote and advocate for equality within the community.
7. Measure and publicly report on the progress of the organisation.

WEPS GENDER GAP ANALYSIS TOOL

We assessed our performance and progress using the United Nations platform "WEPS Gender Gap Analysis Tool" to facilitate a comprehensive understanding of Banco Montepio's current position regarding integrating WEPS principles. This platform provides a framework for self-assessment, allowing us to identify areas of strength, evolution and continuous improvement. Banco Montepio scored 71% - level of **Achiever** - reflecting the commitment and progress achieved, above the European average (2021), and placing along with the 17% best international performers among 8,000 signatory companies worldwide.

7.6. Professional Development and Training

GRI 404-1, 404-3 | WEF "TRAINING PROVIDED" | SDG 4, 8, 10 | WEPS 4-5

HOURS OF TRAINING BY CATEGORY AND GENDER

	TOTAL	Female	Male
Training Hours by Category	150 301	75 722	74 579
Directors and managers	39 344	14 643	24 701
Technique	24 955	15 473	9 482
Administrative and others	86 002	45 606	40 396
Average hours of training by category and gender (h/employee)	TOTAL	Female	Male
Directives and management	54	59	52
Technicians	19	23	15
Administrative and others	87	81	95
Training volume / Gender	TOTAL	Female	Male
Collaborators	390	335	284
Training volume / Type	TOTAL		
e-learning / b-learning	79,2%		
In-person	20,8%		
Training actions	TOTAL		
Number of shares	390		
Number of participants (employees trained)	3 388		

We have ensured training through development programmes which involved 45,331 participants, 144,888 hours and 3,083 employees.

In addition to regulatory training, totalling 103,218 hours, in the Banking and Business area, there were two new editions of the Montepio Avança programme aimed exclusively at employees in the branch network. This programme aims to update technical knowledge and commercial action in banking, current trends in the sector and training on internal procedures and policies. It covered 143 employees from the commercial network's functional groups in 8,076 hours of training.

The **Dr Bell programme** intends to align the commercial network with good practices in telephone service, enhancing the customer experience and leading to better commercial results. We ensured two editions with 333 participants from different commercial functions.

Within the scope of the Leadership School and to reinforce the knowledge and skills of Banco Montepio's leaders, in addition to the Women in Action training offer, we highlight the following:

- One edition of the Leadership of Excellence Programme aimed at first-line directors, in partnership with the Católica Lisbon Business & Economics.
- One edition of the Transforming for a New Tomorrow Programme, aimed at 2nd line managers, in partnership with ISEG Executive Education.

The **Montepio Potential** programme names the talent and internal potential of Banco Montepio's human and intellectual capital and the approaches necessary for its development to meet functional and organisational challenges adequately. In 2022, two cycles of this programme took place: one dedicated to control areas and the second focused on regional managers. The development process continued with training actions based on the needs found by the participants. In this sense, training was assured considering topics such as: Interpersonal Communication, Communication and Influence, Conscientious Productivity, Leadership and Non-Verbal Communication.

The "**We Grow Together**" programme, a training offer made available to the entire Bank on a self-registration basis, had 505 participants and 5,410 hours of training on technical subjects: Financial Economic Analysis, Bank Accounting, Financial Markets and Banking Law; soft skills contents such as Non-Verbal Language, Conversations with Impact, Emotional Customer Management, Conscientious Productivity and within the scope of well-being: Keeping Balance in the Midst of Chaos and *Work & Life Balance*.


Companies face complex challenges due to the changing needs of banking customers and the transformation of the industry. It is essential to invest in reskilling and upskilling resources to tackle the technological and digital changes in the market.

Therefore, in 2022, we invested in consolidating knowledge in **Agile** work and data processing tools through training actions or webinars in Power BI, SAS, Excel, PowerPoint, Agile and others, using internal and external trainers.

The dissemination programme, in **Live Event** format, for the training platform to all employees, for certification in technological areas, will continue until 2023.

 Banco Montepio has values linked to associative and voluntary work in its history, which are also especially important to me.

There is a constant concern for people and their needs. Working in an institution that has always contributed to society is effortless, from simple voluntary work to large projects with a relevant impact through partnerships with other entities. We have planted trees, painted schools and restored establishments that support people in need, always with a single goal: To contribute.

Working in a private institution is a source of pride, where profit is not the most important thing, but the people and society surrounding us. I didn't grow up wearing the "Banco Montepio jersey", but today it's my skin. Our future will be better the more we can contribute; this institution is doing more than its share. 



Marco Neves
Marketing Department

7.7. Employer Branding

GRI 401, 402 | WEF "GOOD WORK FRAMEWORK" | SDG 4, 8, 10 | WEPS 4-5

The World Economic Forum (WEF) advocates for a healthy, fair, resilient and human-centred future of work that respects fundamental rights in face-to-face, hybrid and virtual work for all workers. The WEF has collaborated with various stakeholders under the "The Good Work Alliance" initiative to introduce a comprehensive framework known as "The Good Work Framework". The

primary objective of this framework is to tackle the challenges and opportunities that have emerged as a result of the pandemic and its aftermath, by redefining work, the workforce, and the workplace. The framework advocates for five key areas of action that can be implemented within organizations.

1. Promoting pay and technology equity
2. Providing flexibility and protection
3. Ensuring health and well-being
4. Promote diversity, equity and inclusion
5. Fostering employability and a learning culture

Banco Montepio values and considers these benchmarks to be important, as they contribute to the efficient management of the demanding contexts faced by society, the economy and companies.

Employer Brand Recognition



Banco Montepio was distinguished by Randstad Employer Brand Research 2022 as the 3rd most attractive employer brand to work for in the banking sector in Portugal.

For the seventh consecutive year, Randstad Employer Brand Research consulted a representative sample of the Portuguese population on the 150 largest employers in Portugal, screening the criteria on which companies are best perceived and sectors are the most appealing to work.

7.8. Organisational well-being

GRI 401, 403 | SDG 4, 8, 10, 16 | WEPS 4-5 | WEF "GOOD WORK FRAMEWORK" 2-3

HEALTHY WORKPLACE

Ensuring a healthy working environment is at our main priorities.

Safeguarding the well-being of our team is important for their personal growth, job fulfilment, success, and creating a harmonious balance between work and life, and plays a significant role in shaping our corporate culture and fostering a positive internal community.

A healthy workplace benefits employees promotes productivity and collaboration and contributes to a positive customer experience. By prioritising health and well-being, we are building an environmentally sound, positive and sustainable work environment that supports the overall success of Banco Montepio and the happiness of our teams.

We emphasise the significance of reconciliation by pointing out the high return-to-work rate of all employees, regardless of gender and parental status. Furthermore, the retention rates of those who took parental leave were exceptionally high, demonstrating the effectiveness of support in achieving a healthy work-life balance and a smooth transition into parenthood.

RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE

	2022	
	Female	Male
Employees entitled to parental leave	100%	100%
Employees who took parental leave	24	24
Employees who returned to work after the end of parental leave	24	24
Employees who have returned to work after the end of their parental leave and are still employed after 12 months of their return	23	23
Rate of return to work (%)	100,0%	100,0%
Retention rate (%)	95,8%	95,8%

Banco Montepio was distinguished as Healthy Workplace 2022, an award of the Portuguese Psychologists' Association for encouraging the best guidelines and practices in Portugal on Occupational Safety, Health and Well-being.

The award recognises the effort and investment that Banco Montepio has made to promote integrated well-being, for a dynamic, safe and resilient corporate culture.

WELLNESS INITIATIVES

In 2022, we organised the **1st Open Day** to celebrate our employees' work and dedication and contribute to organisational happiness and quality of life. Employees were offered body and mind relaxation programmes through therapeutic sessions such as massages, shiatsu, osteopathy and reflexology.

We organized the second edition of our Well-being Weekend to cater to the needs and interests of our employees and increase the number of activities dedicated to promoting a healthy lifestyle. The event spanned four days and included activities focused on healthy eating, mental health, physical exercise, and face-to-face online interactions. Approximately 8% of our employees actively took part in the event, leading to a grand total of 250 attendances.

The annual **Well-being Week** had daily activities for the health and well-being of employees, aiming to:



- Stimulate a culture of health and well-being.
- Contribute to more productive and happier teams.
- Encourage changes for the benefit of health and promote healthier environments.

This initiative was successful and garnered support for its fourth edition in 2022. Around 70% of Banco Montepio employees participated in both online and face-to-face activities, totalling 2,008 participants. The satisfaction survey revealed an overall score of 4 and an importance score of 4.4 out of 5.

Within the scope of **Health Promotion** actions, we continued to provide free access to the vaccine against seasonal flu for all our people. In response to employees' social and mental health issues, the Psychosocial Assistance Programme, with integrated psychological and social monitoring, has sessions held by a psychologist and a social worker, and the contacts are completely confidential. At the premises of Banco Montepio, there are four Well-being

rooms in central service buildings (Lisbon and Porto) for the practice of various therapies, e.g., osteopathy, recovery massages, shiatsu, and a gymnasium.

Banco Montepio also ensures protocols, mostly in partnership with Social Services, for alternative therapies and gymnasiums to guarantee the offer in all geographic locations.

7.9. Health and Benefits

GRI 401-2, 401-3, 403-6, 403-7, 403-8 | SDG 3, 8 | WEPS 3 | WEF "GOOD WORK FRAMEWORK" 2-3

Regarding employee benefits, Banco Montepio ensures social and health support covering the family unit.

- Leave on Anniversary Day
- Health Insurance, extensive to the family unit
- Availability of free buses to the Alfragide and Soeiro Pereira Gomes premises
- Additional days of seniority leave
- Worker's / Student's Allowance
- Influenza vaccine
- Family Support Allowance for Children with Special Needs
- Childbirth support allowance
- Child benefit, monthly up to 6 years of age
- Monthly supplementary support for child allowance up to 6 years of age
- Extra Tuition Allowance, quarterly - Year 1 to Higher Education Year 1 to Higher Education
- Supplementary school merit-based quarterly support - from Year 5 to Higher Education. Year to Higher Education, for employees up to level 12
- Annual subsidy for school materials - from Year 5 to Higher Education. Year to Higher Education, for employees up to level 12

- Housing Benefit, 10 months - Higher Education, for employees up to level 12
- First day off from school for children - 1st. Year of Schooling
- Mut Network" health card for AMMG members
- Montepio Saúde" health card for AMMG members

We offer Health Insurance that covers employees of Banco Montepio for health expenses not covered by the health sub-system.

Additionally, during the 2022 Christmas season, we distributed more than 1,600 presents to employees' children and gave away show tickets. We also facilitate social initiatives through the Social Services canteens, offering meals at a more affordable price.

We provided our employees with opportunities to expand their cultural knowledge. They were able to choose from a vast selection of over 1,200 books and had the chance to take part in more than 80 events, including shows and exhibitions. And we planned a study trip to Ireland and Eurodisney - Paris towards the end of the year.



Banco Montepio has long had internal social responsibility practices, in which the social services are integrated, presenting and proposing activities to improve the social climate and promote its employees' well-being. I am proud to be able to make my contribution in such a key area of the Bank. 🗨️🗨️



Nuno Gonçalves Chairman of Montepio's Social Services

7.10. Corporate culture

GRI 2-7, 404 | SDG 8, 10, 16

Throughout 2022, our primary focus remained on initiatives aimed at promoting employee engagement within the organization. We also prioritized internal events as a means of effectively transmitting strategic messages. Some noteworthy initiatives include:

E-Coffee with the CEO. In 2022, our CEO's weekly meeting with a group of six employees to discuss ideas about the Bank received the APCE 2021 Excellence in Communication Grand Prize in the Managerial Involvement in Corporate Communication category from the Portuguese Association of Corporate Communication.

This initiative was designed by the CEO to enable all employees to share their experiences, suggestions, and contributions to the present and future of Banco Montepio directly. By the end of 2022, there were 82 recorded sessions and close to 500 participants.

Banco Montepio 2025 - High Performance Meeting



On September 23, 2022, Banco Montepio's Management and Commercial Network held their first meeting at Monte Real No. 5 Air Base in Leiria.

The event brought together 446 employees, including the Board of Directors, first and second-line managers, regional managers, and commercial network managers. The main objective was to mark a new cycle in the Institution after the new governing bodies took office to align goals and inspire new objectives.

The agenda included interventions from the Board of Directors, debate panels on themes such as mobility (Erasmus Programme), attracting young talent (Montepio Trainees), and presentations from the Consumer Behaviour Lab with motivational speaker Alexandre Monteiro.

Our CEO concluded the day with a speech aligned with the future.

Based on the evaluation survey, attendees were "highly satisfied" with the event, scoring 4.7 out of 5. Participants used the following words to describe the event: inspiring, challenging, unifying, fantastic, innovative, and excellent.



08 THE VALUE
WE DELIVER TO
COMMUNITY

8. THE VALUE WE DELIVER TO THE COMMUNITY

GRI 413-1 | SDG 1, 3, 4, 5, 8, 10, 11, 17 | UNGC "HUMAN RIGHTS" | WEP 6

Responsibility encompasses many factors, including social equity, human rights, health and safety, and community development. We recognise that success is linked to the well-being of the communities and societies in which we operate. We, therefore, continue to promote social investment through our operations, policies, programmes and partnerships.

Banco Montepio actively engages in community development initiatives to improve the welfare of vulnerable people, families and communities and contribute to social economy entities that address persistent or emerging social needs. We partner with local and national organisations to support financial education and vocational training programmes, fight poverty, contribute to access to primary healthcare, promote diversity and socio-economic inclusion, employability and entrepreneurship, and invest in resilient communities.

8.1. Social Economy and Impact

GRI 413-1 | SDG 1, 3, 10, 11 | UNGC 1, 2, 6 | WEP 6

Social impact has gained significant importance in recent years as businesses and organisations recognise the importance of creating value beyond traditional financial metrics. We can deliver social impact through various approaches or means, such as social responsibility, philanthropy, innovative business practices and models that prioritise social and environmental objectives alongside financial ones.

Measuring social impact involves tracking a range of metrics and more intangible factors, such as social cohesion and community resilience, aiming to create positive change in society and improve the well-being of people and the planet. Banco Montepio has a strong dedication towards making a difference in society and promoting inclusivity for all, while working closely with social and solidarity economy entities (SSEs) on projects, aspirations, and endeavours to fulfil this ambition.

In 2022, we returned to face-to-face events and saw the strengthening of social and environmental sustainability matters with the EESS. Throughout the year, we supported the evolution of more than 250 Institutions with more than 520 thousand euros. Of the projects and initiatives supported, we highlight:

- **E-Social.** Banco Montepio's 360° communication platform is aimed at Social Sector *stakeholders*. With the mission of boosting and disseminating this area and participants in the most varied forms of action, E-Social's social networks Instagram and Facebook (@montepioesocial) function as a meeting point for causes, initiatives, projects, challenges, exposure and dissemination of the best that is being done in the social economy, entrepreneurship, social innovation and social responsibility in Portugal.
- **Building The Future** took place on 26, 27 and 28 January 2022 and was supported by Microsoft and Banco Montepio. On January 26, Banco Montepio and Fenacerci stood side by side at the most prominent digital transformation event to discuss inclusion and promote one of the country's most emblematic social solidarity campaigns, featuring the magic of the Magic Firefly. This solidarity campaign reverted in full to Fenacerci, contributing to making a difference in the lives of people with special needs.
- **National Caritas Week.** The initiative gathered the Caritas network in Portugal from March 13 to 20. It is a week during which we try to highlight the action of Caritas in the fight against poverty and social exclusion, and also fundraising initiatives, particularly the National Public Solicitation, where around 4 thousand volunteers participate every year.
- **Support Ukraine** through partnerships and respective initiatives launched within the scope of the reintegration of refugees in the context of the armed conflict in Ukraine. We highlight the Ukraine Account, with no commissions and special conditions, free transfers at Banco Montepio, the support to Rádio Comercial Ucrânia and the partnership with Caritas.
- **IPSS Annual Congress**, national in scope, took place on 7 and 8 June in Viseu. The slogan "The IPSS in Social Policies" addressed issues relevant to the IPSS (charities) moments of reflection and sharing. Banco Montepio

sponsored this VI Congress of the National Confederation of Institutions of Solidarity (CNIS), Portugal's representative structure of IPSS.

- **8th edition of the Inspiring Career Camp**, a programme of the “Associação Inspirar o Futuro” (Inspiring the Future Association) that took place from 7 to July 20, with the participation of Banco Montepio. This initiative aims to show the reality of the labour market and the existing professions, in various sectors, to young people who are finishing high school. During these days, young people were allowed to visit the headquarters of Banco Montepio in Lisbon to learn about our reality of origin and mutualistic nature.
- **Electoral Congress of the “Confederação Portuguesa das Coletividades de Cultura, Recreio e Desporto”** (Portuguese Confederation of Culture, Recreation and Sports Collectivities) took place on July 16 at Fórum Lisboa and counted on Banco Montepio's participation as a speaker. Relevant themes of the Social Economy, wealth creation, and the way collectivities can contribute to the circular economy, as well as the expected financial offer for this segment, were addressed.
- **“XV Festa da Solidariedade”** (XV Solidarity Festival) took place from 21 to September 24, 2022, in Viana do Castelo and was supported by Banco Montepio. The National Confederation of Solidarity Institutions (CNIS) promoted a space where the country's solidarity institutions shared good practices in social, cultural and recreational support.
- **“Encontro Anual do Associativismo”** (Annual Meeting of Associativism), organised by the Association of the Collectivities of the Municipality of Loures (ACCL). The meeting, whose theme was "An interventive pole in active citizenship", took place at Sociedade 1º August Santa Iriense in Santa Iria De Azóia, Loures, on October 8. Banco Montepio was part of the opening and panel of the event.
- **“XV Congresso Insular das Misericórdias dos Açores e da Madeira”** (XV Insular Congress of the Misericórdia of Azores and Madeira), an initiative organised by the Union of Portuguese Misericórdia (UMP) which took place between 14 and 16 October at the Sociedade Amor da Pátria, in

the city of Horta, Azores. The event brought together the Misericórdias of the Autonomous Regions of the Azores and Madeira and focused on two strategic themes: "Sustainability in the Social Sector" and "The Misericórdias and Social Policies in the Future". The meeting debated the future challenges faced by the Santas Casas, reflected on ageing in Portugal and the proposed new model of home support service.

- **Pirilampo Mágico** (Magic Firefly), the solidarity campaign promoted by Fenacerci from October 15 to November 6, where Banco Montepio had an extraordinary mission: to spread the magic by helping to fly more than 8,000 Magic Fireflies and to raise awareness of the need for equal opportunities for people with special needs.
- **12th Edition of the Social Scholarships**, which had the support of Banco Montepio in the attribution of six scholarships that recognised students' academic merit at the end of the 9th and 12th school years, contributing to equal opportunities and social inclusion in the access to education.
- The gift *kit* given by Banco Montepio to social and solidarity economy entities from the North to the South of the country gave presents to children, young people and adults from 62 institutions.

💡💡 The Centro Social do Vale do Homem (CSVH), as a Private Institution of Social Solidarity (IPSS), sees Banco Montepio as an essential partner that aligns its social and environmental values with the values advocated by and in CSVH.

Banco Montepio has been extremely important in the growth, development and evolution of CSVH, being a significant ally in the visibility we achieved. 💡💡



Jorge Pereira

Chairman of the Board CSVH

PUBLIC SECTOR SUPPORT

The Public Sector encompasses diverse entities, including public administrations and the State Business Sector (SEE). Banco Montepio supports this sector through a team of experienced professionals with specific expertise, particularly in analysing credit proposals for public tenders.

We have achieved global involvement rewards and proposals resulting from the strategy of client loyalty through day-to-day products and services.


8.2. Support for Entrepreneurship and Social Innovation

At Banco Montepio, we invest in entrepreneurship and social innovation for a more sustainable, innovative, fair and inclusive society. In entrepreneurship, the financing lines for sustainable projects ensure the continuity of partnerships that promote equal opportunities and help make life dreams come true.

As a partner and promoter of social entrepreneurship, Banco Montepio actively takes part in the development of technology-based and innovative ideas, projects and businesses, highlighting:

- **Code Academy** provides a social experience by holding boot camps on computer language. To help those who want to reprogram their life by starting boot camps, we designed the Code Academy Credit Line to support students (<Code Cadets>) who attend. The most fulfilling reward is the positive feedback we receive from students in the form of testimonials.

 I'm a Tech Programmer, but it wasn't always like this!


I found out about and loved the Code Academy. I learned about Banco Montepio's help and embarked on a very intense, enriching and door-opening four-month experience. I wouldn't be where I am today without Banco Montepio and Code Academy. I have much love for what I do and much pride too! 



Francisco Code Cadet > Code Academy

 I'm a Padawan Master Coder, but it wasn't always like this.

When I learned that Code Academy was launching a boot camp in September, I decided to invest in my education. I reached out to Banco Montepio, which has a unique partnership with Code Academy that offers benefits to students.

I learned how to program and fully embrace the intense experience of completely changing my life in 14 weeks. Through this journey, I discovered a newfound passion that brings me immense joy. 



Daisy Code Cadet > Code Academy

- **Banco Montepio Acredita Portugal** is the acceleration programme which aims to reward and empower entrepreneurial projects, which an independent jury of the Association will select.

The 12th edition of this Programme had more than 3,257 applications from 27 countries from all continents. In addition to Portugal, Brazil, Angola and other Portuguese-speaking countries, there were solutions from the United States, Venezuela, India and Australia, and from Europeans Spain, England, Holland and Germany.

The winners were divided into six categories: Social Entrepreneurship, Mobility, Smart Cities, H2O Innovation and Technological Solutions, in addition to the category Acredita Portugal, respectively: The Inventors, GoWizi, BeGreen, Hoterway, WhyWaste and Witseed.

Unlimit supported over 100,000 teams in various areas: 23% creating a workable prototype following the Programme, 25% of projects securing support from various funding channels, 73% having up to €100,000 in turnover one year after taking part and raised approximately €68 million.

As a Social Investor, Banco Montepio has followed best practices in investing in social innovation through a joint initiative with Santa Casa da Misericórdia de Lisboa (SCML) to boost social investment through eight projects (two Impact Bonds and six Impact Partnerships), two of the financial

instruments of the Portugal Social Innovation Mission Structure (EMPIS), which represent innovative responses to society's challenges and enable the fight against several forms of social exclusion.

- **Social Impact Bonds (SIB)** aim to finance innovative projects in priority public policy areas in employment, social protection, education, health, justice and digital inclusion through contractual agreements and payment based on results. The winners:
 - Ubbu - programming school for children
 - Gamezone Lisbon - Reducing Portuguese and Maths skills deficit.

💡 Ever since I founded Spot Games/Gamezone Lisbon at Casa do Impacto, I had a clear vision of where I wanted to go: to develop and disseminate a digital gamified tool for the classroom that would allow schools of all backgrounds to introduce motivating and innovative pedagogical practices in the teaching of fundamental subjects such as Portuguese in the first cycle of primary education.

With this dream and a little more, we reached Banco Montepio, which promptly helped us materialise into a project. It became a Social Impact Bond with Banco Montepio and SCML being social investors, along with the involvement of the Directorate-General of Education and a set of public schools in highly vulnerable borderline areas.

The project was a remarkable success, with ever-present support from Banco Montepio, with great proof of concept and impact in the Olaias and Alto do Lumiar school groupings. Among the different impacts generated in the students' pathway, the following stand out: improvement of the student's performance in classes (+92%, according to teachers' evaluation), a decrease of the retention rate (-10% vs control group), digital transition in the classroom (100% of students' users). Already this school year (22/23), we have reached the mark of 135 public school groupings using it, 19.3% of the groupings of schools at a national level.

Thank you, Banco Montepio, for helping to make this dream and impact come true. We hope to count on you for new adventures. 💡


SPOTGAMES
Francisco Pires de Miranda

Founder SpotGames/Gamezone Lisboa

- **Partnerships for Impact** fund the creation and development of social innovation projects together with social investors. In this category, we have supported the projects:
 - The World is my Neighbourhood - promoting social inclusion and cultural dynamization in the Loureiro neighbourhood.
 - WeGuide - professional support through a health guide for cancer patients and their careers.
 - 55+ digital platform for providing services to people over 55, promoting active ageing, digital and social inclusion and fighting unemployment.
 - Skoola, Urban and Contemporary Music School - music project for social inclusion of children and young people at risk.
 - Cognitive Rehabilitation with PEPE Robot - therapeutic tool for active ageing using robotics and *gamification* with augmented reality.
 - “Sê Bairrista” - project for cultural dynamization and regeneration of three Marvila neighbourhoods.

Banco Montepio, as a partner for Social Innovation, supports five projects and places aimed at promoting entrepreneurship in Portugal:

- **“Acredita Incubação”** comprises two coworking spaces in Vila Nova de Gaia. An incubation project, also supported by Vila Nova de Gaia City Council, aimed at providing support and tools to entrepreneurs in the areas of creative industries, technological entrepreneurship and social economy.
- **“Associação Rede do Progresso”** (Progress Network Association), in Loures, is a non-profit organisation that promotes employment, social welfare and development in the areas of entrepreneurship and social action.

- **“Casa do Impacto”**, founded by SCML, is the "home" of the new generation of entrepreneurs who believe in sustainable business models capable of creating social and environmental impact. Banco Montepio, the sole partner bank, is part of the Board of Trustees of the Casa do Impacto project, a reference in Social Innovation in Portugal.
- **“Incubadora Regional de Impacto Social (IRIS)” (Regional Incubator for Social Impact)**, located in Amarante and Oporto, is a *hub* for attracting ideas and projects, supporting the creation, development and acceleration of social innovation and social entrepreneurship initiatives promoted by the European Investment Bank and Associação do Parque de Ciência e Tecnologia do Porto.
- **Incubadora de Inovação Social do Baixo Alentejo (IISBA)**, a project of the Nossa Senhora da Graça Social Centre that promotes entrepreneurship and social innovation in the district of Beja.

8.3. Microcredit

Since 2006, Banco Montepio has been developing projects with a team of nationwide experts in Microcredit who follows, support and help birth sustainable ideas and businesses.

Throughout 2022, we presented the following products to people with an entrepreneurial spirit and a desire to create their businesses:

- **“Linha de Apoio ao Empreendedorismo e à Criação do Próprio Emprego (LAECPE)”** (Support Line for Entrepreneurship and the Creation of Self-Employment), consisting of two distinct credit lines (MicroInvest and Invest+) for different amounts, is aimed at unemployed people registered at job centres. LAECPE, which is the result of a cooperation protocol between Banco Montepio, Instituto de Emprego e Formação Profissional, I.P. (IEFP) and four Mutual Guarantee Companies (Norgarante, Garval, Lisgarante and Agrogarante), aims to fight economic and social exclusion and long-term unemployment.

- **“Solução E.mpreendedor”** (E.Entrepreneur Solution), a Banco Montepio solution for new businesses less than two years old, presents a selection of integrated products and services to give the right course to the business.
- **“Solução E.mpresário” (E.Businessperson)** supports growing companies through a selection of integrated products and services.
- **Banco Montepio’s Microcredit Line**, a privileged instrument of social insertion for those who, with entrepreneurial capacity, present added difficulties in access to credit and the labour market.

Banco Montepio provides access to protocols and partnerships with national, district or local entities, distinguished by their experience in social entrepreneurship and protocolled finance lines. We maintained the collaboration protocol, established in 2021, with the consortium between the University of Beira Interior (UBI) and the University of Coimbra (UC), under the project "The Role of Microcredit in Promoting Financial and Social Inclusion".

The consortium studies microcredit's impact in Portugal, aiming to stimulate interdisciplinarity between academic areas and cooperation between academia and society, thus targeting the impact and social innovation.

In 2022 we supported:



8.4. Social Responsibility

GRI 413-1 | SDG 1, 3, 4, 5, 8, 10, 16 | UNGC "HUMAN RIGHTS" | WEPS 2, 6

We continue implementing actions to deliver value to the Community, such as volunteering. It promotes employee engagement, strengthens community

relations, attracts and retains talent, facilitates skills development, enhances our reputation, and contributes to regulatory expectations. By actively taking part in volunteering initiatives, we create a positive impact, internally and externally, while aligning our operations with social responsibility objectives and promoting a collaborative and caring corporate culture.

VOLUNTEERING

8th Edition of the **Montepio Group Volunteering Month** as part of the Montepio Group Volunteering Programme occurred between May, October and November. Nine initiatives were implemented throughout the country (North, Porto/Great Porto, Centre, Lisbon/Great Lisbon and South), using criteria such as the geographical area, the intervention area, and the relationship between the volunteers and the local communities.

The relaunch of collective activities brought together Montepio Group volunteers and beneficiaries from local communities for a series of collective activities and skills volunteering initiatives. In Montepio Group's Volunteering Month, the following took place:

- Póvoa do Varzim Community; Local Partner: MAPADI - Support of Parents of the Intellectually Disabled.
- São Mamede de Infesta Community; Local Partner: Associação Rumo à Vida.
- Community of Viseu; Local Partners: Social Works Staff of the City Council and Municipal Services of Viseu and CLDS Viseu Project - Community of Affects.
- Community of the Padre Cruz neighbourhood in Lisbon; Local Partner: Crescer a Cores Association.
- Setúbal Community; Local Partner: C.A.S.A - Centre for Support to the Homeless (Setúbal, Banco Montepio's branch).
- Tadim Community, Braga; Local Partner: Dómus Humanitarian Association.
- Barcarena Community; Local Partner: CERCIEORAS.

- Community of Bairro do Zambujal, Amadora; Local Partner: Ad Gentes.

A total of 69 volunteers participated in interventions in the following areas:

- Pedagogical garden
- Tree planting
- Repairing, cleaning and painting interior and exterior places
- Financial literacy
- Cooking meals for the homeless
- Assortment of food, clothes, school and computer equipment for children
- Library support

We promote corporate volunteering among the Bank's different areas from a perspective of internal social responsibility, promoting solidarity values and team spirit. Volunteering took place in the Bairro da Liberdade/Serafina Community in Lisbon and involved 34 volunteers. The local partner was ADM Estrela, Lisbon Banco Montepio's branch.

12th Edition of the Montepio Youth Volunteering Award

In October 2022, the 12th Edition of the Montepio Youth Volunteering Award was launched. Ten entities presented ten social intervention projects created by young students or residents in communities in mainland Portugal.

The projects were evaluated by an external jury of representatives from various organisations, including Associação Mutualista Montepio, Montepio Foundation, GRACE, Portuguese Confederation of Volunteering, Portuguese Foundations Centre, and APPDI - Portuguese Association for Diversity and Inclusion. Local facilitators who are volunteers from the Montepio Group will oversee the implementation of the winning projects in their respective territories.

EDUCATIONAL COMMUNITY

Junior Achievement Portugal (JAP)

Banco Montepio has been a member of Junior Achievement Portugal (JAP), the Portuguese counterpart of Junior Achievement, since 2006, the world's largest and oldest organisation for entrepreneurship education.

As an associate and member of the Board of Directors in Portugal, our employees had the opportunity to participate as volunteers in different programmes available, making a difference and impacting the school and educational community. Over 16 years of partnership, 438 employees took part as volunteers in JAP initiatives, impacting 10,574 students in a total of 4,292 hours of volunteering.

In the 2021/2022 academic year, 23 volunteers participated in the programme (and its competitions) in both face-to-face and digital formats, impacting 1,412 students, and matching 280 hours of corporate volunteering.

In addition to the volunteering hours carried out in the programmes mentioned above, Banco Montepio and JAP promoted the 2nd Edition of the **Social Innovation Camp**, which challenged 91 students from secondary schools from the North to the South of Portugal to develop projects related to environmental and social sustainability, concerning the following SDGs: 5 (Gender Equality), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure), 10 (Reducing Inequalities), 12 (Sustainable Production and Consumption) and 13 (Climate Action). The students were challenged to develop projects that could contribute to solving problems in their communities - the municipality or district of their school.

Eighteen employees from Banco Montepio took on the role of consultants and mentors for young people, promoting work skills such as leadership, decision-making, resistance to failure, teamwork, presentation techniques and oral communication.

At the closing event on 25 November, the scholars presented their projects to a panel of judges made up of Gonçalo Duque, CEO of JAP, Isabel Silva, Member of the Board of Directors of Banco Montepio, and Miguel Queimado, Founder and President of the Acredita Portugal Association.

ENTREPRENEURS FOR SOCIAL INCLUSION

In 2022, we partnered with **Empresários pela Inclusão Social (EPIS)**, also known as Entrepreneurs for Social Inclusion, which is a national organisation that focuses on developing innovative methods to improve academic success, education and training systems, employment opportunities, and the professional integration of young people in Portugal.

As a result, a total of six scholarships have been awarded to students in both secondary and higher education who have shown exceptional academic prowess at the culmination of their 9th or 12th year of schooling. This worthy achievement is a testament to the unwavering support of the 12th iteration of the **Social Scholarships** program.

8.5. Protocols

GRI 413-1 | SDG 1, 3, 4, 5, 10 | UNGC "HUMAN RIGHTS" | WEPS 6

We have a historic corporate responsibility to help design social progress, tackle social challenges, combat discrimination, and promote social entrepreneurship.

One of our key commitments is investing in the communities where we operate, ensuring our impact is increasingly positive and effective. We collaborate closely with local stakeholders to understand their needs and priorities and find further collaboration and partnership opportunities.

Banco Montepio kept its commercial protocols with institutions that are effective in society, seeking to contribute to their activities positively.

Casa do Professor (Teacher's House)

The oldest social solidarity association in the country, created with the purpose of supporting teachers of all educational levels through the promotion of social, scientific, training, cultural and recreational initiatives.

National Confederation of Solidarity Institutions (CNIS)

The confederated organisation of IPSS, of national scope, which pursues non-profit goals. Its mission is to serve populations in situations of greater social fragility.

Portuguese Confederation of Culture, Recreation and Sports Collectivities (CPCCRD)	Represents the organisations or other associations of culture, recreation and sports and is constituted by an unlimited number of entities that practice activities in the cultural, recreational, sports and social areas.
Diocese of Algarve	Its territory corresponds to the Faro district, with around 400,000 habitual residents, and a notable increase during the high tourist season.
Diocese of Porto	Located in the North of Portugal, along the Atlantic coast, it encompasses twenty-six municipalities, 17 of which belong to Porto's district, eight to Aveiro's and one to Braga's. It has 477 parishes and covers around two million inhabitants.
National Federation of Youth Associations (FNAJ)	The FNAJ has a decisive political representation, defending and promoting the interests of youth associations before public authorities through critical and active participation.
National Federation of Social Solidarity Cooperatives (Fenacerci)	FENACERCI has the mission of structuring adequate responses to the development of people with intellectual disabilities and supporting and promoting their inclusion in society.
National Federation of Volunteers in Health (FNVS)	The FNVS operates in Volunteering in Health, developing and broadening the social support base with regard regarding this type of volunteering and improving they provide to beneficiaries. At the same time, it integrates, represents, promotes the values, preserves the identity, and defends the interests of organisations working in this field.
League of Portuguese Firefighters	Founded in 1930, the Liga dos Bombeiros Portugueses is the Confederation of the Associations and Firemen's Bodies, whether voluntary or professional.

Network of Universities of the Third Age (RUTIS)	Private Institution of Social Solidarity and of public utility supporting the community and seniors. It currently has 305 UTIs as members, 45,000 senior students and 5,000 volunteer teachers in the senior universities.
Union of Portuguese Misericórdias' (UMP)	Created in 1976 to guide, coordinate, energise and represent the Santas Casas da Misericórdia, defending their interests and organising services for common gain.



09 COMMITMENT TO THE ENVIRONMENT

9. OUR COMMITMENT TO THE ENVIRONMENT

GRI 3 | WEF.SCM Pillar 1 | SDG 6.4, 6.5, 11.6, 12, 13 | UNGC 7, 8

The importance of environmental commitment has become clearer and demanding as climate change, environmental degradation and biodiversity are assumed to be significant global impacts on societies and economies, particularly in the financial sector. At Banco Montepio, we understand that our activities affect the environment, so we work to gradually consider environmental sustainability throughout our operations, products and services to reduce our environmental impact and adopt sustainable practices in the value chain.

Our commitment to the environment and climate change encompasses different initiatives expressed in calculating our environmental footprint, which comprises a range of indicators, including greenhouse gas emissions, water and energy consumption, waste generation and material use, waste minimisation and pollution.

9.1. Consumption management

GRI 301-1, 302-1, 302-4, 303-5, 306-1, 306-2, 306-3 | WEF "WATER CONSUMPTION AND WITHDRAWAL IN WATER-STRESSED AREAS" | SDG 12, 13 | UNGC 7, 8

It is our nature to respect, protect and preserve what is essential to human life and all forms of life in general, integrating these values into our management and day-to-day activities.

By 2022, the effect of the pandemic was fading, and consumption was restored to quasi-normal levels in return to mobility and workplaces. Nonetheless, several initiatives contributed to reducing the environmental footprint, the consumption of paper and single-use materials by replacing them with sustainable solutions, waste production and management.

Yet, the international situation and the lack of electronic components imposed a slowdown in the execution of some planned targets, namely the replacement of ATMs with RoHS (Restriction of Certain Hazardous Substances) certified

machines and the conversion of the Bank's automobile fleet to hybrid and electric vehicles.

▲ 21-22

Total Paper Consumption (t)	263	169	118	-28,1%
Electricity consumption (kWh)	12 686	9 848	9 944	1%
Petrol consumption - fleet (l)	68 433	97499	115581	19%
Diesel consumption - fleet (l)	421 430	342 108	326 613	-5%
Total fuel consumption (l)	489863	439607	442194	0,6%
Mains water consumption (m3)	-	-	328 8730	-
Waste (total in t)	115	141	167	19%
Toners (t)	-	-	1	-
Paper and cardboard (t)	115	140	52	-63%
Light bulbs (t)	-	-	2	-
Edible oils and fats (t)	-	-	2	-
Discarded electrical and electronic equipment (t)	-	-	58	-
Aseptic containers (t)	0,3	0,5	0,2	-57%
Others (t)	-	-	52	-

Given the return to face-to-face work, although partial, electricity consumption registered a slight increase (1%), as did fuel consumption (0.6%) associated with on-duty mobility.

At Banco Montepio, we assess the impact of our consumption of materials and the following waste generation through quantitative indicators. More specifically, due to our sector of activity, the waste with the most significant impact on the environment and society is limited to the consumption and disposal of paper, plastic, toners and light bulbs. These materials are collected by suppliers and then transported for end-of-life treatment. In 2022, 68% of the waste produced was sent to recycling.

The plainest impacts occur when manufacturing materials upstream, due to the use of raw materials, and downstream, with the destination of waste. No significant impacts were found regarding the generated waste.

We implemented measures to reduce the consumption of different goods and materials. Filtered water equipment connected to the public network was distributed in central buildings, eliminating the use of plastic water bottles. We reduced the use of single-use materials by replacing paper cups with reusable cups in the service pantries. Additionally, we conducted a feasibility study on implementing selective waste collection at our branches, which we plan to implement by 2023.

The measures in progress to dematerialise processes and the growth in the use of mobile and digital banking channels by customers contributed to a 28.1% reduction in paper consumption compared with the previous year, equivalent to forty-six tons less in 2022.

	2019	2022	Δ19-22
Total Paper Consumption (t)	248	118	-52%
Electricity consumption (kwh)	13431589	9944846	-26%
Total fuel consumption (l)	693679	442194	-36%
Waste (total in t)	90	167	86%
Toners (t)	-	1	
Paper and cardboard (t)	89	52	-42%
Light bulbs (t)	-	2	
Edible oils and fats (t)	-	2	
Discarded electrical and electronic equipment (t)	-	58	
Aseptic containers (t)	0,7	0,2	-67%
Others (t)	-	52	

Comparing our consumption in 2022 with that recorded in 2019, the pre-pandemic period, we see a downward trend in the consumption of the different resources. The increase in waste production in 2022 is due to the inclusion of more categories of waste to report, with individual reductions in the two categories considered in 2019 (paper and cardboard and aseptic containers).

Water Consumption

Water consumption was recorded at the head office, Edifício Castilho, in Lisbon, while water management is expected to be extended to the Bank's branches and other proprietary premises in 2023 and 2024. The assessment of water consumption in areas of "water stress" was conducted following the WRI Aqueduct Water Risk Atlas tool.

Regions considered	Level of water stress	2022	
		Consumption (megalitres)	Consumption in regions of "High" or "Extremely High" water stress
Lisbon	Medium-High	3.289	0%

9.2. Carbon footprint

GRI 305-1, 305-5 | WEF "EMISSIONS GEE" | SDG 13, 15 | UNGC 7 | GHG PROTOCOL

In 2022, we made a significant effort to promote environmental sustainability by carefully evaluating and addressing our environmental impact. We understand this is a complex issue, so we have taken steps to measure and monitor our emissions as extensively as possible, allowing us to take more effective action in the most relevant areas.

To calculate the carbon footprint associated with greenhouse gas (GHG) emissions, we have expanded the range of categories we consider. As a result, there has been a 24% increase in Scope 1 emissions compared to 2021 due to the inclusion of emissions associated with leaks of fluorinated gases from air conditioning systems in our carbon footprint calculation for 2022. Considering the emissions associated with fuel consumption, there was a slight increase of 2% in 2022.

About Scope 2, the reduction in emissions is attributed to increased electricity production from renewable sources by the energy supplier contracted with Banco Montepio.

We have assessed our Scope 3 emissions, considering, in this first exercise, the emissions associated with the following categories:

- 1 - Purchase of goods and services
- 3 - Other energy-related emissions
- 4 - Transportation of purchased materials
- 5 - Waste treatment
- 6 - Business trips
- 7 - Commuting
- 15 - Investments

Regarding category seven, "commuting", a questionnaire was given to male and female employees about "home-work-home" commuting, with a response rate of 31%. We have considered professional groups, emphasising management, administrative and technical positions. The primary means of transport is the automobile, followed by public transport. We used the absolute number of employees and extrapolated days worked to calculate the GHG emissions associated with travel.

	2021	2022	Δ 21-22		
	t CO2e	t CO2e	%		
Scope 1	1 087	1 350	0,1%	24%	
Fleet (diesel and petrol)	1 087	1 108	0,1%	2%	
Fluorinated gas leaks	-	242	0,0%	-	
Scope 2	2 772	2 148	0,2%	-23%	
Electricity consumption	Market based	2 772	2148	0,2%	-23%
	Location-based	-	1362	0,1%	-
Scope 3	-	1 225 723	99,7%	-	
Purchase of Goods and Services	-	143	0,0%	-	
Other energies	-	866	0,1%	-	
Transport materials	-	4	0,0%	-	
Waste treatment	-	2	0,0%	-	
Business trips	-	33	0,0%	-	
Commuting	-	4 639	0,4%	-	
Investments	-	1 219 840	99,3%	-	
TOTAL	3 859	1 228 435	100,0%		

9.3. Financed emissions

GRI 305-3 | SDG 13 | UNGC 7

We performed a first analysis to determine the Scope 3 emissions of Category 15 GHG, focused on the financed emissions attributable to our credit and investment portfolio.

This exercise was based on the PCAF guide, The Global GHG Accounting and Reporting Standard, which sets up methodologies to calculate emissions financed by financial institutions for seven different types of asset classes, and considered the quantification of emissions from three material asset types in our portfolio:

- Listed Equity & Corporate Bonds.
- Business Loans & Unlisted Equity.
- Sovereign Debt.

We consider Banco Montepio's Top 20 exposures for *Listed Equity & Corporate Bonds*, *Business Loans & Unlisted Equity* assets and the Bank's entire exposure for *Sovereign Debt* assets, representing around 99% of our total carbon footprint.

Type of Asset (PCAF)	Type of Assets	2022		
		GHG emissions (t CO2e)	%	Scope
<i>Listed Equity & Corporate Bonds</i>	<i>Listed Equity</i>	0,02	0	1 e 2
	<i>Corporate Bonds</i>	8 186	1	1 e 2
	Total	8 186	1	1 e 2
<i>Business Loans & Unlisted Equity</i>	<i>Business Loans</i>	463 345	38	1 e 2
	<i>Unlisted Equity</i>	43 676	4	1 e 2
	Total	507 021	42	1 e 2
<i>Sovereign Bonds</i>	<i>Sovereign Bonds</i>	704 633	58	1
TOTAL		1 219 840	-	-

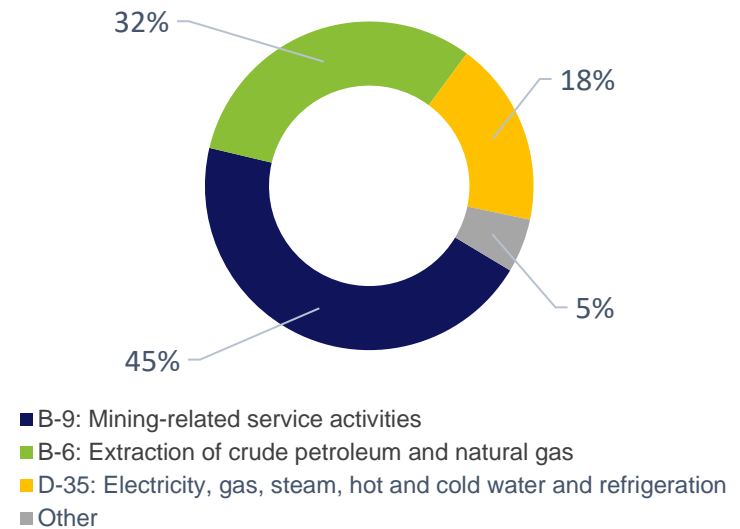
Whenever possible, we used financial and non-financial data reported by companies - PCAF, best practice. In cases where companies do not report Scope 1 and 2 GHG emissions, these were estimated based on the respective sector of activity and auxiliary financial indicators.

For fund exposures, where the underlying assets are real estate or small companies, we estimate them through public databases. A detailed description of the method used can be found in the Methodological Annex.

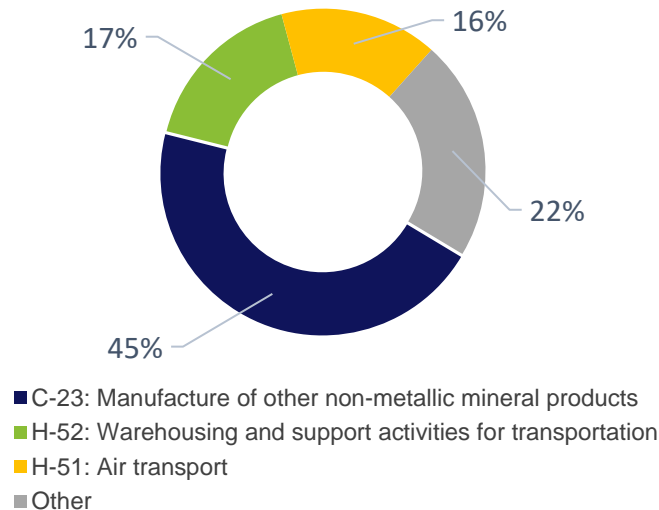
This voluntary exercise allows us to look deeper at the climate side of our credit, investment and sovereign debt portfolio. In line with our ambition, this first introspective analysis writes down the sectors and companies where GHG emissions are concentrated and build the first foundations for reporting financed emissions for all asset classes in the portfolio in 2024, in line with Pillar 3 disclosure requirements on ESG risks.

The results will underpin the approach to future decarbonisation plan, including communication between Banco Montepio and the companies or funds financed to benchmark decarbonisation and alignment with Paris Agreement targets.

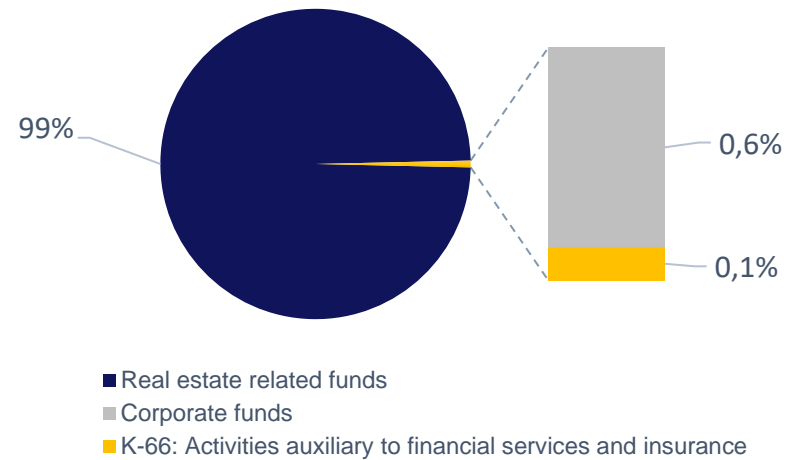
CORPORATE BONDS | % ISSUES BY SECTOR

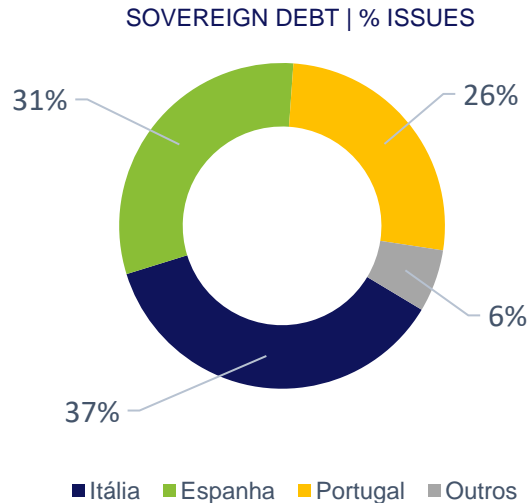


BUSINESS LOANS | % EMISSIONS BY SECTOR



UNLISTED EQUITY | % EMISSIONS BY SECTOR





9.4. Dematerialisation Project

SDG 12, 13 | UNGC 7, 8, 9

Throughout 2022, we have been enhancing energy efficiency and optimising resource utilisation. As part of our efforts, we have continued to dematerialise communication and processes, which has helped us provide better service to our customers while reducing our reliance on paper and minimising ink and consumables usage associated with printing, archiving and avoiding postal delivery. Our achievements include:

Initiatives

- Stimulating the dematerialisation of cash operations.
- Extending dematerialisation to new processes/transactions:
 - Fund Account Opening and Fund Subscription Instructions.
 - Debit Card Requests/Alterations.
 - Prepaid Card Requests.
 - Requests for Menu/Real Cards.

Objectives

- Dematerialisation of processes, elimination of printing and paper.
- Improving the customer journey and experience.
- Streamlining procedural processing, contributing to the improvement of the service provided, reducing costs and consumption.
- Reduction of environmental footprint.
- Best market trends and customer expectations.
- Positioning the Banco Montepio brand in modernity and innovation.

Results

- **Decreasing paper consumption** - Since 2020, we have reduced paper consumption by approximately 1.3 million sheets by dematerialising the process of opening an account and supporting customer data/AD account. Our efforts have prevented the consumption of 2.3 million sheets of paper/prints.
- **Reduction in the consumption of printing materials** - Compared to 2021, there has been a 7% reduction in the use of printing materials, resulting in a saving of about 3.3 million physical supports. Additionally, there has been a total saving of 8.8 million forms since 2020 due to reduced consumption.
- **Reduction in the consumption of consumables** linked to the generation of printed documents (toners, archive folders and others).



10 CORPORATE GOVERNANCE & CONTACTS

10. CORPORATE GOVERNANCE & CONTACTS

GRI 2-1, 2-3, 2-9, 2-10, 2-11 | SDG 16

GOVERNING BODIES AND COMMITTEES OF THE BOARD OF DIRECTORS

During the General Meeting on April 29, 2022, the members of Banco Montepio's management and supervisory bodies were elected for the 2022-2025 term of office. Banco de Portugal authorised under Article 30 Legal Framework of Credit Institutions and Financial Companies (RGICSF).

30 June 2022

Composition of the Governing Bodies of Banco Montepio (2018-2021 mandate) in office, following article 391 of the CSC.

Board of the General Meeting

Chairman: António Tavares
Secretary: Cassiano Calvão

Board of Directors

Chairman: Carlos Tavares
Directors: Manuel Ferreira Teixeira, Amadeu Paiva, Carlos Ferreira Alves, José Nunes Pereira, Pedro Alves, Vítor Martins, Pedro Leitão, Dulce Mota, Helena Soares de Moura, Jorge Almeida Baião, José Carlos Mateus, Leandro Graça Silva, Nuno Mota Pinto, Pedro Ventaneira

Audit Committee

Chairman: Manuel Ferreira Teixeira
Members: Amadeu Paiva, Carlos Ferreira Alves, José Nunes Pereira, Vítor Martins

Composition of the Board of Directors' Internal Committees

Risk Committee

Chairman: Vítor Martins
Vice-President: Carlos Ferreira Alves
Members: Amadeu Paiva, Manuel Ferreira Teixeira

Remuneration, Nomination and Evaluation Committee

Chairman: José Nunes Pereira
Members: Amadeu Paiva, Carlos Ferreira Alves
Substitute Members: Manuel Ferreira Teixeira

Corporate Governance, Ethics and Sustainability Committee

Chairman: Carlos Tavares
Members: Carlos Ferreira Alves, José Nunes Pereira, Pedro Alves

Composition of Banco Montepio's Executive Committee

Chairman: Pedro Leitão
Vice-President: Dulce Mota
Members: Helena Soares de Moura, Jorge Almeida Baião, José Carlos Mateus, Leandro Graça Silva, Nuno Mota Pinto, Pedro Ventaneira

25 JULY 2022

Members of the management and supervisory body elected for the 2022-2025 term of office were granted authorization to perform their duties by the Bank of Portugal's Board of Directors on July 19, 2022. The members officially assumed their positions on July 25, 2022, with the following composition:

Board of Directors

Chairman: Manuel Ferreira Teixeira
Directors: Clementina Barroso, Eugénio Baptista, Florbela Lima, Cândida Peixoto, Maria Lúcia Bica, Pedro Leitão, Ângela Barros, Helena Soares de Moura, Isabel Silva, Jorge Almeida Baião, José Carlos Mateus

Audit Committee

President: Clementina Barroso
Members: Florbela Lima, Cândida Peixoto, Maria Lúcia Bica

Risk Committee

Chair: Florbela Lima

Members: Eugénio Baptista, Maria Lúcia Bica

Evaluation, Nominations, Ethics, Sustainability and Governance Committee

President: Cândida Peixoto

Members: Clementina Barroso, Eugénio Baptista

At the meeting held on July 25, 2022, the Board of Directors at Banco Montepio granted the Executive Committee the responsibility of managing the bank's day-to-day operations, except for any activities that are restricted by law or reserved for the Board as per its Regulations. The committee is comprised of the following members:

Executive Committee

Chairman: Pedro Leitão

Members: Ângela Barros, Helena Soares de Moura, Isabel Silva, Jorge Almeida Baião, José Carlos Mateus

ADDRESS AND CONTACTS

Caixa Económica Montepio Geral (Montepio Bank)

Rua Castilho nº5, 1250-066 Lisbon PORTUGAL

This Sustainability Report considers Banco Montepio's activity during 2022 (1 January to 31 December) and is published annually.

To request further clarification or comment on this report, don't hesitate to contact Banco Montepio's Sustainability Office at sustainability@montepio.pt

WORDING

When drafting the Sustainability Report 2022, we followed guidelines for neutral and inclusive language from national documents such as the "Commission on Gender Equality Guide" and "Economic and Social Council Guide", as well as the international support ISO standards known as "Gender-responsive standards - Guidance for ISO technical committees".

TECHNICAL DATA SHEET

Title

Sustainability Report 2022

Editor

Banco Montepio, Caixa Económica Montepio Geral (CEMG)

Rua Castilho, 5

1250-066 LISBOA

bancomontepio.pt

Realisation

Banco Montepio's Sustainability Office

External consultancy

EY - Support for Scope 3 emissions accounting (GHG Protocol)

Periodical publication

Annual

We are pleased to share Banco Montepio's Sustainability Report 2022 in PDF format, presenting the bank's commitment to sustainability, social responsibility, and ESG practices. Per Decree-Law 89/17, the report includes audited non-financial and diversity information, also available in the Annual Report 2022. You can access both reports at www.bancomontepio.pt

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SUSTAINABILITY REPORT 2022 - EVALUATION QUESTIONNAIRE [HERE](#)

We appreciate your feedback and thank you for taking the time to share your thoughts with us.

ANNEXES



ANNEXES

I. METHODOLOGICAL NOTES - CARBON FOOTPRINT

GHG EMISSIONS SCOPE 1 (305-1)

Scope 1 emissions include emissions from fuel consumption and leakage of fluorinated gases.

In fuel consumption the following factors were used in the calculations:

Conversion factors

Energy	Unit	Factor	Source
Electricity	GJ/kWh	0,0036	International Energy Agency - Basic Conversions
Diesel	Density (kg/l)	0,84	APA (2022) National Inventory Report 2022 Portugal
	PCI (GJ/t)	42,7	
Petrol	Density (kg/l)	0,75	APA (2022) National Inventory Report 2022 Portugal
	PCI (GJ/t)	43,8	

Emission factors

Energy	Unit	CO ₂	CH ₄	N O ₂	Source
Electricity	(kg CO ₂ /GJ)	60,00			EDP Comercial Empresas - Electricity Labelling
Diesel	(kg CO ₂ /GJ)	70,52	0,000014	0,0027	APA (2022) National Inventory Report 2022 Portugal
Petrol	(kg CO ₂ /GJ)	71,91	0,006249	0,0004	APA (2022) National Inventory Report 2022 Portugal

The conversion factors used were mapped by the latest assessment report issued by the IPCC:

Conversion factors

	CO ₂	CH ₄	N O ₂	Source
Global Warming Potential	1	28	265	https://www.ghgprotocol.org/sites/default/files/gp/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf

For F-gas leaks the emission factors are considered:

Emission factors

Gas	Unit	Factor	Source
R410A	(kg CO ₂ e/kg gas)	2,088	Figures consulted on the website of the Portuguese Environment Agency, available at https://formularios.apambiente.pt/convertor/
R134a	(kg CO ₂ e/kg gas)	1,430	APA (2022) National Inventory Report 2022 Portugal

GHG EMISSIONS SCOPE 2 (305-2)

EDP Comercial is Banco Montepio's electricity supplier. Scope 2 emissions GHG emissions cover this purchase and the consequent electricity use. The table below shows the emission factors used:

Emission factors

	Unit	Factor	Source
EDP Comercial	(kg CO ₂ e/kWh)	0,216	https://www.edp.pt/origem-energia/

GHG EMISSIONS SCOPE 3 (305-3)

Scope 3 emissions were calculated for the following categories:

- Category 1: Purchased Goods and Services
- Category 3: Fuel and energy related activities
- Category 4: Transport of Materials
- Category 5: Waste Management and Transportation
- Category 6: Business Travel
- Category 7: Outbound Travel
- Category 15: Investments

Category 1: Goods and Services Purchased (by the Bank)

The following emission factors have been considered for the acquired assets:

Emission factors

Well	Unit	Factor	Source
Paper	(kg CO2e/kg product)	0,919	DEFRA 2022. UK Government GHG Conversion Factors for Company Reporting https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022
Toners	(kg CO2e/kg product)	3,116	

Category 3: Fuel and energy related activities

The emissions associated with upstream purchased fuels and energy were calculated with the following emission factors:

Emission factors

Fuel/Electricity	Unit	Factor	Source
Diesel	(kg CO2e/l)	0,919	DEFRA 2022. UK Government GHG Conversion Factors for Company Reporting https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022
Petrol	(kg CO2e/l)	3,116	
Electricity - Extraction, refining and transport of fuels for electricity generation	(kg CO2e/kWh)	0,05	DEFRA 2021. UK Government GHG Conversion Factors for Company Reporting https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021
Electricity - Associated to the electricity losses from Distribution and Transmission	(kg CO2e/kWh)	0,005	

Category 4: Transport of Materials

In transporting materials to Banco Montepio workplaces, transport by road vans and boats is considered. The emission factors are as follows:

Emission factors

Transport	Unit	CO ₂	CH ₄	N O ₂	Source
Vans	(kg CO2e/ton.km)	0,574	0,000010	0,004650	DEFRA 2022. UK Government GHG Conversion Factors for Company Reporting https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022
Boat	(kg CO2e/ton.km)	0,016	0,000005	0,000217	

The conversion factors used for greenhouse gases are those used in scope 1.

Category 5: Waste Management and Transportation

Using the waste reported in GRI indicator 306 as a basis, the final destinations per type of waste were mapped to find the corresponding emission factors:

Emission factors

Waste	Unit	Factor	Source
Paper	(kg CO2e/kg waste)	0,02128	DEFRA 2022. UK Government GHG Conversion Factors for Company Reporting https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022
Aseptic containers	(kg CO2e/kg waste)	0,44620	
Lamps	(kg CO2e/kg waste)	0,02128	
Construction materials	(kg CO2e/kg waste)	0,00098	
Metal	(kg CO2e/kg waste)	0,02128	
Electrical equipment	(kg CO2e/kg waste)	0,02128	

Category 6: Business Travel

Within the scope of business travel, air and train travel were considered.

The emission factors are as follows:

Emission factors

Transport	Unit	CO2	CH4	N2O	Source
Domestic flight	(kg CO2e/p.km)	0,24455	0,00010	0,00122	DEFRA 2022. UK Government GHG Conversion Factors for Company Reporting
Short-haul flights	(kg CO2e/p.km)	0,15276	0,00001	0,00076	https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022
Long distance flight	(kg CO2e/p.km)	0,19212	0,00001	0,00096	https://www.cp.pt/StaticFiles/Institucional/2_gestao_sustentavel/1_RelatorioSustentabilidade/relatorio-de-sustentabilidade-2020.pdf
National train	(kg CO2e/p.km)	0,02580			

The conversion factors used for greenhouse gases are those used in scope 1.

Category 7: Outbound Travel

In 2022, we surveyed Banco Montepio employees to know how they travel to work. We used the data we collected to estimate their transportation habits for the year, assuming the employees surveyed are similar to all Banco Montepio employees. The emission factors mapped are as follows:

Emission factors

Transport	Unit	Factor	Source
Bus	(kg CO2e/km)	0,0965	DEFRA 2022. UK Government GHG Conversion Factors for Company Reporting https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022
Train (CP)	(kg CO2e/p.km)	0,0258	https://www.cp.pt/StaticFiles/Institucional/2_gestao_sustentavel/1_RelatorioSustentabilidade/relatorio-de-sustentabilidade-2020.pdf

Train (Fertagus)	(kg CO2/km)	0,023	https://www.fertagus.pt/Portals/0/RelatorioContas/RC%20Fertagus%202019.pdf?ver=2020-06-30-125859-823&timestamp=1602158576315
Train (other)	(kg CO2e/p.km)	0,00446	DEFRA 2022. UK Government GHG Conversion Factors for Company Reporting https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022
Metropolitan (Lisbon)	(kg CO2e/p.km)	0,0422	https://www.metrolisboa.pt/wp-content/uploads/2022/07/relatorio_consolidado_2021.pdf
Metropolitan (Porto)	(kg CO2e/p.km)	0,062	https://www.metroporto.pt/metroporto/uploads/document/file/615/relatorio_de_sustentabilidade_2019_2021.pdf
Motorbike (<50 cm ³)	(kg CO2/km)	0,07099	https://apambiente.pt/clima/inventario-nacional-de-emissoes-por-fontes-e-remocao-por-sumidouros-de-poluentes-atmosfericos
Motorbike (>50 cm ³)	(kg CO2/km)	0,12912	https://apambiente.pt/clima/inventario-nacional-de-emissoes-por-fontes-e-remocao-por-sumidouros-de-poluentes-atmosfericos
Boat Transtejo	(kg CO2e/p.km)	0,230	https://ttsl.pt/wp-content/uploads/2018/01/rs_2014_min.pdf
Boat Soflusa	(kg CO2e/p.km)	0,160	
Boat (other)	(kg CO2e/p.km)	0,018738	DEFRA 2022. UK Government GHG Conversion Factors for Company Reporting https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022
Bicycle	(kg CO2e/km)	0	
On foot	(kg CO2e/km)	0	
Car (diesel)	(kg CO2/km)	0,19653	https://apambiente.pt/clima/inventario-nacional-de-emissoes-por-fontes-e-remocao-por-sumidouros-de-poluentes-atmosfericos
Car (petrol)	(kg CO2/km)	0,20419	

Car (electric vehicle)	(kg CO2e/km)	0,0514	DEFRA 2022. UK Government GHG Conversion Factors for Company Reporting https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022
Car (hybrid plug-in)	(kg CO2e/km)	0,09349	
Car (non-plug-in hybrid)	(kg CO2e/km)	0,12004	
Electric	(kg CO2e/p.km)	0,03918	https://www.carris.pt/media/gkiftdd4/dnf_carris2021.pdf
Automotive (CNG)	(kg CO2e/km)	0,17517	DEFRA 2022. UK Government GHG Conversion Factors for Company Reporting https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022
Scooter	(kg CO2e/km)	0,0514	

Category 15: Investments

This preliminary exercise covers three asset classes: listed equity & corporate bonds, business loans & unlisted equity and sovereign debt. The approaches and assumptions used for each class are summarised below:

- **Listed Equity**

Financial data

Enterprise Value Including Cash was taken from the Yahoo Finance platform⁹ on 30 March 2023.

Emissions

The value of scope 1 and 2 GHG emissions were extracted from the sustainability reports referring to year 2021 (information available at the time).

Emissões GEE, atribuídas ao Banco, da empresa listada X (tCO2e)

$$= \frac{\text{Exposição financeira à empresa X (em euros)}}{\text{Enterprise Value Including Cash (em euros)}}$$

* *Emissões Âmbito 1 + 2 da empresa X (tCO2e)*

- **Corporate Bonds**

Financial data

Preference was given to financial data (assets, liabilities and debt in euros) from the most recent Reports and Accounts of each company.

Emissions

Preference was given to data on GHG emissions scope 1 and 2 reported by the entities in their reports (Report and Accounts, Integrated Report, Sustainability Report) or by information disclosed on the company's website.

Emissões GEE, atribuídas ao Banco, da empresa X (tCO2e)

$$= \frac{\text{Exposição financeira à empresa X (em euros)}}{\text{Equity + Debt (em euros)}}$$

* *Emissões Âmbito 1 + 2 da empresa X (tCO2e)*

Sectors were, whenever possible, taken from the European Commission website using the NACE/CAE code. Where it was not possible to find the company's sector, internal Bank information on the activities carried out by the company was used.

The funds' financial and non-financial information (monetary exposure equivalent to 1.6% of the top 20) does not contain data on GHG emissions or the individual breakdown of the fund's counterparties, making it impossible to calculate GHG emissions for these exposures.

Where emissions are not reported, these have been estimated using proxies based on their industry of activity and using OECD public databases. Thus, mapping the companies to the industries that most closely resemble their

⁹ [Yahoo Finance - Stock Market Live, Quotes, Business & Finance News](#)

activity, the following formula is used for the estimation of GHG emissions of the companies:

$$\begin{aligned} & \text{Emissões GEE Estimadas à empresa X (tCO2e)} \\ & = \frac{\text{Produção de emissões carbono do país e indústria da empresa X (tCO2e)}}{\text{Custo com o pessoal do país e indústria da empresa X (em euros)}} \\ & * \text{Custo com o pessoal da empresa X (em euros)} \end{aligned}$$

- **Business Loans**

Financial data

Preference was given to financial data (assets, liabilities and debt in euros) from each company's most recent Reports and Accounts. In cases where no paragraphs are considered, companies were excluded from the emissions calculation for these three types of financial reporting.

Funds where extraction of individual counterparties and companies of regional governments not covered by the PCAF methodology were excluded from the calculation.

Emissions

Preference was given to scope 1 and 2 GHG emissions data reported by entities in their reports (Annual Report, Integrated Report, Sustainability Report) or information disclosed on the company's *website*.

$$\begin{aligned} & \text{Emissões GEE, atribuídas ao Banco, da empresa X (tCO2e)} \\ & = \frac{\text{Exposição financeira à empresa X (em euros)}}{\text{Equity + Debt (em euros)}} \\ & * \text{Emissões Âmbito 1 + 2 da empresa X (tCO2e)} \end{aligned}$$

Sectors were, whenever possible, taken from the European Commission website using the NACE/CAE code. Where it was not possible to find the company's sector, internal Bank information on the activities carried out by the company was used.

Where emissions are not reported, these have been estimated using proxies based on their industry of activity and using OECD public databases.

Thus, mapping the companies to the industries that most closely resemble their activity, the following formula is used for the estimation of GHG emissions of the companies:

$$\begin{aligned} & \text{Emissões GEE Estimadas à empresa X (tCO2e)} \\ & = \frac{\text{Produção de emissões carbono do país e indústria da empresa X (tCO2e)}}{\text{Custo com o pessoal do país e indústria da empresa X (em euros)}} \\ & * \text{Custo com o pessoal da empresa X (em euros)} \end{aligned}$$

- **Unlisted Equity**

Financial data

Preference was given to financial data (assets, liabilities and debt in euros) from the most recent Reports and Accounts of each company. In cases where there are no paragraphs considering these three types of financial reporting companies were excluded from the calculation of emissions.

For funds, the value considered is the *Net Asset Value*, also known as the *Net Asset Value of the fund*, extracted from the financial documents provided by the asset managers.

Emissions

Preference was given to emissions 1 and 2 data disclosed by the entities in their reports (Annual Report, Integrated Report, Sustainability Report) or information disclosed on the company's website.

$$\begin{aligned} & \text{Emissões GEE, atribuídas ao Banco, da empresa X (tCO2e)} \\ & = \frac{\text{Exposição financeira à empresa X (em euros)}}{\text{Equity + Debt (em euros)}} \\ & * \text{Emissões Âmbito 1 + 2 da empresa X (tCO2e)} \end{aligned}$$

The sector classification was, whenever possible, taken from the European Commission's website, using the NACE/CAE code. Where it was not possible to find the company's sector, internal Bank information on the activities carried out by the company was used.

As the information collected from the funds does not contain data on GHG emissions, the emissions attributable to Banco Montepio will have to be

estimated using *proxies* for the companies or real estate participated in each fund, in case there is individual information on each asset invested by the fund.

For the estimation of emissions for real estate assets within the funds, the PCAF's public database on real estate for the European Union was used, on emission factors (tCO₂e per square meter) associated with certain types of buildings in Portugal.

For the estimation of emissions for companies, mostly small businesses, within the funds, statistical data from Pordata¹⁰ from 2020 were used which include: Carbon Intensity per million euros of wealth created by activity sector in Portugal, wealth created by activity sector in Portugal and number of companies by activity sector in Portugal. An average of tCO₂e emissions was thus calculated for each sector of activity:

$$\begin{aligned} & \text{Emissões GEE Estimadas ao setor } X \text{ (tCO}_2\text{e)} \\ &= \frac{\text{Intensidade Carbónica do setor } X \text{ (tCO}_2\text{e / m€ riqueza criada)}}{\text{Número de empresas no setor } X} \\ & * \text{Riqueza criada no setor } X \text{ (milhões de euro)} \end{aligned}$$

Whenever possible and available, the percentage of capital of the companies held by the funds was mapped. If the information is not reported by the Fund it is assumed, as a conservative factor, that it holds 100% of the company and, consequently, of the issues.

Where emissions are not reported, these have been estimated using *proxies* based on their industry of activity.

Thus, mapping the companies to the industries that most closely resemble their activity, the following formula is used for the estimation of GHG emissions:

$$\begin{aligned} & \text{Emissões GEE Estimadas à empresa } X \text{ (tCO}_2\text{e)} \\ &= \frac{\text{Produção de emissões carbono do país e indústria da empresa } X \text{ (tCO}_2\text{e)}}{\text{Custo com o pessoal do país e indústria da empresa } X \text{ (em euros)}} \\ & * \text{Custo com o pessoal da empresa } X \text{ (em euros)} \end{aligned}$$

- **Sovereign Debt**

The most recent PCAF methodology was used to calculate the issuances associated with sovereign debt securities:

$$\begin{aligned} & \text{Emissões GEE atribuídas ao País } X \text{ (tCO}_2\text{e)} \\ &= \frac{\text{Exposição ao título de dívida soberano ao País } X \text{ (em euros)}}{\text{PPP – adjusted GDP do País } X \text{ (em euros)}} \\ & * \text{Emissões GEE domésticas do País } X \text{ (tCO}_2\text{e)} \end{aligned}$$

The data necessary to calculate emissions were extracted from public and verified databases. Financial data, PPP-adjusted GDP updated to 2021, were extracted from the World Bank¹¹. Domestic GHG emissions for each country came from EDGAR¹², a database managed by the European Commission.

Types of data

Type of data	Data and scope
Financial	Equity+Debt: For unlisted companies' equity, which represents the net worth of a company, is calculated by subtracting assets from liabilities and corresponds to <i>Equity</i> as defined in the PCAF methodology. <i>Debt</i> items were mapped through each company's Annual Report and Accounts, or similar financial document, where it includes explanatory notes on what is considered as debt.
	Enterprise Value Including Cash: For listed companies this figure represents the total value of the enterprise, including market capitalisation (number of shares multiplied by market price of the share), short and long-term debt and <i>cash</i> or <i>cash equivalents</i> on the company's balance sheet.
	Labour Costs: Usually disclosed in the financial documents of companies the item labour costs represent the monetary value of expenditure, direct and indirect, on company employees.
	Net Asset Value: The Net Asset Value of a fund represents the value of a fund's assets less the value of its liabilities.

¹⁰ [Portugal Database | Pordata](#)

¹¹ [GDP, PPP \(current international \\$\) | Data \(worldbank.org\)](#)

¹² [EDGAR - The Emissions Database for Global Atmospheric Research \(europa.eu\)](#)

	<p>PPP - adjusted GDP: Purchasing Power Parity Adjusted GDP is a macroeconomic indicator used to calculate the financed issues related to sovereign debt securities.</p>
Non-financial	<p>Sector of activity: Represented in this exercise through the CAE, the sectors corresponding to the companies were mapped through their largest area of activity.</p>
	<p>Emissions of Greenhouse Gases (GHG) Scope 1 and 2: Emissions, direct and indirect from their activities, reported by companies through a Sustainability Report or non-financial document.</p>
	<p>GHG Scope 1 emissions by country: Emissions, attributed to domestic activity in each country, as reported by the "EDGAR" database¹³ managed by the European Commission.</p>
	<p>Production-related CO2 emissions: Data on carbon emissions emitted and consumed internally by companies. These data come from OECD¹⁴ and are used to estimate emissions in cases where companies do not disclose their scope 1 and 2 GHG emissions.</p>
	<p>Carbon intensity (tCO2e/m²): Emission factor present in the PCAF database¹⁵ for real estate. This database has emission factors divided by country and by type of real estate, allowing its use for estimating real estate related emissions present in the funds invested by the Bank.</p>

¹³ [EDGAR - The Emissions Database for Global Atmospheric Research \(europa.eu\)](https://edgar.ec.europa.eu/)

¹⁴ [Carbon dioxide emissions embodied in international trade \(2021 ed.\) \(oecd.org\)](https://www.oecd.org/)

¹⁵ [PCAF European building emission factor database \(carbonaccountingfinancials.com\)](https://www.carbonaccountingfinancials.com/)

II. ESG PERFORMANCE 2022

ESG FACTORS - ENVIRONMENT - SOCIAL - GOVERNMENT

ACTION	KPI	TARGET 2022	OUTCOME 2022	STATUS
Bringing the positioning of Banco Montepio brand closer to the issue of sustainability	Measuring the effectiveness of communication in the area of Sustainability through the <i>Brand Score</i> study	Increase the visibility of the brand in the Sustainability area, among clients and non-clients	In 2022, the number of bank customers who associated Banco Montepio with Sustainability and Social Responsibility actions rose from 9% (in 2021) to 19% of all bank customers.	100%
	Communication campaign	1	Internal communication campaign and external teaser.	75%
	Application for a Sustainability Award	1	Banco Montepio won the Five Stars award in the Banking - Sustainability category.	100%
Promote Banco Montepio's participation in initiatives linked to sustainability and ESG factors	No. of initiatives with intervention [#]	1	1	100%
Standardise knowledge on sustainability internally (<i>talks</i>, training, etc)	No. of courses provided [#]	1	2	>100%
	No. of hours of training per Employee covered	25h	25h	100%
Assess the level of knowledge of the organisation in Sustainability	Create internal questionnaire for dissemination to Employees	1	N.A.	0%
Development of commitment model for suppliers	Model of commitment for suppliers via a declaration/manual of good practice	Start the Supplier Qualification process, which includes this theme	Declaration of commitment and good practices of Montepio Group Suppliers concluded	75%
Supplier sustainability rating (<i>supply chain</i>) with integration in the supplier risk assessment model and integration with sustainability assessment in each purchase made	Sustainability rating of new suppliers (<i>supply chain</i>)	Start Supplier Qualification process, which includes this theme (and derives from the previous action)	Beginning of the Supplier Qualification process, where the themes of risk and sustainability assessment are integral parts	25%
Catalogue customers according to sustainability criteria and develop DBE Pilot scoring	Development of pilot <i>scoring</i>	100%	0	0%

Development of skills and rules for customer analysis from a sustainability perspective	Development of skills and rules for customer analysis from a sustainability perspective that allows, through the <i>scoring</i> developed and with the integration of the <i>Guidelines on Loan Origination and Monitoring</i> (in articulation with the materialisation of the credit policy) to perform: adjustments to be made to the risk classification and respective <i>pricing</i> ; adjustments to be made to collateral evaluations; the customer sustainability <i>due diligence</i> process and possible exclusions from financing	25%	0	0%
Identification of <i>stakeholders</i> and means of consulting the different internal and external <i>stakeholders</i> to develop the materiality matrix	Identification of <i>stakeholders</i> and means of listening to the different internal and external <i>stakeholders</i>	100%	Questionnaire carried out	25%
Formalisation of risk objectives for sustainability integrated in the Risk Appetite Statement	Identification of factors of additional risks in the process of identifying risks in existing categories and assessing their materiality	100%	100%	100%
	Implementation of the ASR metrics, at an early stage, without indication and definition of limits in the <i>Risk Appetite Framework</i> and <i>Risk Appetite Statement</i>	100%	100%	100%

ENVIRONMENT

ACTION	KPI	TARGET 2022	OUTCOME 2022	STATUS
Drawing up a list of specific regulations and processes to be amended in order to integrate sustainability	Drawing up of the list of standards and processes	100%	Work started to review internal regulations on ESG issues	30%
Identifying the environmental footprint of home loans	Create a database of existing energy efficiency certificates	1	0	0%

Reinforcement and expansion of CH with energy classification A+, A, B and credit works	No. of campaigns carried out [#]	1	1	100%
Formalisation and reinforcement of structural supply with the use of specific credit lines (e.g., credit line for modular or prefabricated houses)	No. of lines created	1	1	100%
	New credit granted	N/A	There was no credit granted.	N/A
Issuing of plastic cards (made of recycled and/or biodegradable material/material)	Issuing of plastic cards	85% of cards issued	77%	91%
Dematerialisation of external communication	Clients adhering to M24	550000	569169	>100%
	Customers with digital documentation [#]	N.A.	90%	100%
	Products inducing uptake of the digital documentation service [#]	2	2	100%
	Digital transformation products and initiatives [#]	13	13	100%
Dematerialisation of internal communication	Publication of price list on digital media [#]	60	9	15%
	Dematerialisation of processes by dynamizing the dematerialisation of cash operations	75%	73%	97%
Preparation of climate-related information under discussion at the European Banking Authority (EBA)	Preparation of information to support communication of climate-related information under discussion at EBA	100%	On going	25%
Implementation of the solid waste selective collection project	Preparation of a report on opportunities/feasibility of selective collection at branches	Drawing up a report on opportunities/feasibility of selective collection at branches	Implementation feasibility report prepared.	100%
Distribution of filtered water equipment (with connection to the public network) in central buildings	Number of sites replaced	10 cups	Approved for implementation in 2023	0%
Measures to reduce fuel consumption	% reduction in consumption compared to 2019 (pre-pandemic period)	10%	37% reduction	>100%

Measures to reduce electricity consumption	% reduction in consumption compared to 2019 (pre-pandemic period)	10%	26% reduction	>100%
Measures to reduce paper consumption	% reduction in consumption	25%	39% reduction	>100%
Use of a 100% renewable energy source	Preparation of a report on the opportunity to transform energy consumption into renewable energy	100%	Not implemented in 2022 for contractual reasons. However, Banco Montepio is working on a study to implement renewable energy (solar panels) in its buildings.	0%
Reduction of consumption of single-use material by substitution with sustainable solutions (through the elimination of paper coffee cups for a cup given to each Employee)	Number of directorates covered	4	4	100%
Replacement of HVAC equipment (using R22 refrigerant gas) at the branches, with more efficient equipment with less environmentally aggressive refrigerant gases (R410a and R32)	No. of equipment replaced in branches	10	12	>100%
Replacement of ATM machines with more modern machines that are RoHS (Restriction of Certain Hazardous Substances) certified	Number of machines replaced	95	95	100%
Maintain the vehicle fleet replacement plan	Replacing combustion vehicles with <i>plug in</i> , hybrid and 100% electric vehicles	90% plug-in vehicles 100% electric vehicles	38%	42%
Implementation of analysis of current purchases/materials in use by Banco Montepio to verify the possibility of integrating sustainable solutions/elimination of particularly harmful purchases	Negotiate in order to correspond with the various initiatives of the internal areas	Maintain the focus on the incorporation of sustainability criteria, whenever feasible	<i>Work in progress</i>	100%

SOCIAL

ACTION	KPI	TARGET 2022	OUTCOME 2022	STATUS
Launch of products for individuals in which part of the remuneration reverts to the social sector or <i>crowd funding</i> initiatives under the Banco Montepio programme	No. of products made available	2	1	50%
Formalisation of risk objectives for sustainability integrated in the <i>Risk Appetite Statement</i>	Differentiated <i>rating target</i> for credit to social sector institutions	100%	This indicator has been defined and monitored in the SAN.	75%
Support and investment for entities and projects related to innovation and social entrepreneurship	Support to entities and projects in the area of innovation and social entrepreneurship [#]	15	10	67%
	Investment in innovation and social entrepreneurship projects [€]	118.445,84 €	93.845,84€	79%
Support for Social and Solidarity Economy projects and initiatives	Number of institutions or projects supported [#]	130	256	>100%
	Support to Social and Solidarity Economy projects and initiatives [€]	280.000,00€	525.016,62€	>100%
Micro-credit financing and support for self-employment	Supported microcredit projects [#]	60	42	70%
	Amount of microcredit granted [€]	900.000,00€	591.360,00€	66%
	Jobs created - microcredit [#]	70	48	69%
Expansion of social economy market penetration and clear differentiation of banking and insurance products for this area	Work-Life	12%	11%	95%
	New credit granted	100.000.000,00€	117.316.266,00€	100%
Visibility of Social Economy organisations	Number of E-Social Facebook followers	8.500	8.172	96%
	Number of Instagram followers of the E-Social	1.750	1.708	98%
Protocols and partnerships	Protocols and partnerships with entities promoting innovation and social entrepreneurship [#]	35	29	83%
	Protocols and partnerships with entities promoting Social and Solidarity Economy [#]	12	11	92%

Ensuring the management integrated human capital	Wellness activities or initiatives (<i>webinars</i> and face-to-face sessions)	40	42	>100%
	Ergonomic equipment provided to Employees	Response to the number of duly justified equipment requests	17	100%
	Psychosocial support	100%	100% (of requested support)	100%
	Vaccination campaign against influenza	90%	592 (employees vaccinated)	96%
	Implementation of talent attraction programmes (<i>Trainees, Summer</i> , among others)	2	2 Trainees Programmes; 1 Summer Internship Programme; Other Internships (6); 3 brand promotion initiatives at Universities/Schools	100%
	Participation rate in performance evaluation	99%	99%	100%
	No. of hours of training per Employee	40h	46h	115%
	Nº of participations in employee involvement initiatives (<i>E-Coffee; Breakfast, Lunch with the Board; Ideas Bank, Academy and Erasmus</i>)	286	673	235%
Implementation and control of Equality, Diversity and Inclusiveness metrics for Banco Montepio employees	Employees aged 30 or under [%]	>4%	3,34%	88%
	Integration of Employees with disabilities [%]	2,30%	2,11%	92%
	No. of women in functions [#]	1518	1496	99%
	% of women in functions	>49%	49%	100%
	Women in Executive Board and Management positions 1st line [%]	>40%	38%	94%
	Gender pay gap between women and men	6%	5%	117%
	Participations in initiatives related to the Gender Equality Plan of Banco Montepio [#]	160	142	89%
	Boosting internal communication (<i>M Talks, Internal Newsletters</i> and M Meetings)	60	52	87%

GOVERNANCE

ACTION	KPI	TARGET 2022	OUTCOME 2022	STATUS
Association with an international reference entity in sustainability	Aligning financial sector activity with the SDGs and the Paris climate change agreement	Adherence to the UN Global Compact and its principles	100%	100%
Evaluate the inclusion of the Sustainability topic in the Vision, Mission and Values of the Bank	Incorporation of sustainability in the Bank's mission and vision	100%	100%	100%
Development of governance model for sustainability	Development of governance model for sustainability (with integration in the organic model)	100%	In December 2022, the Board of Directors approved the creation of the Sustainability Office and the COMSESG Committee, which define the management model for sustainability in Banco Montepio and Banco Montepio Group. In addition, CANESG, a non-executive body, also monitors these matters.	100%
Adherence to Women's Empowerment Principles (WEPs)	Align gender equality activity <i>reporting</i> with 4 WEPs Principles	100%	100%	100%

III. CORRESPONDENCE WITH DECREE-LAW NO. 89/2017

This table summarises and circumscribes Banco Montepio's performance in response to Decree-Law no. 89/2017 of 28 July on the disclosure of non-financial information and diversity information by large companies and groups, transposing Directive 2014/95/EU. References and cross-references are also distributed throughout the chapters and sub-chapters of this report and are included in Banco Montepio's Annual Report & Accounts 2022.

REQUIREMENT	ANSWER	PAGE
BUSINESS MODEL		
DL 89/2017 - Article 3 (Referred to Article 508g(2) of the CSC) - Directive 2014/95/EU - Article 19a (1)(a)		
Company business model	Report & Accounts 2022 - The Banco Montepio Group - Group structure page 27	*
	Report & Accounts 2022 - Business Segments page 41	*
	Report & Accounts 2022 - Activity by Segments page 58	*
	Report & Accounts 2022 - Subsidiaries and International Activity page 59	*
	Report & Accounts 2022 - Sustainable finance page 113	*
	Report & Accounts 2022 - Responsible business page 122	*
DIVERSITY IN GOVERNING BODIES		
DL 89/2017 - Article 4 (Referred to Article 245 - Paragraph 1 r) and Paragraph 2 of the CVM) - Directive 2014/95/EU - Article 20 (1) (g)		
Diversity policy applied by the company with regard to its management and supervisory bodies	7. PEOPLE WE ARE INSPIRED BY - 7.3. Diversity and Inclusion	46
ENVIRONMENTAL ISSUES		
DL 89/2017 - Article 3(2) (Referred to Article 508g(2) of the CSC) - Directive 2014/95/EU - Article 19a (1) (a-e)		
Specific policies related to environmental issues	4. COMMITMENT THAT DRIVES US FORWARD	20
Work-Life	9. OUR COMMITMENT TO THE ENVIRONMENT	67
Main associated risks and how they are managed	5. SUSTAINABLE FINANCE - 5.3. Climate risk	33
	6. VALUES WE MANAGE - 6.3. Risk Management	41
Key performance indicators	9. OUR COMMITMENT TO THE ENVIRONMENT - 9.1. Consumption management	67
	9. OUR COMMITMENT TO THE ENVIRONMENT - 9.2. Carbon footprint	68
	9. OUR COMMITMENT TO THE ENVIRONMENT - 9.3. Financed emissions	69

*The information should be consulted in Banco Montepio's Annual Report & Accounts 2022.

SOCIAL AND WORKERS' ISSUES

DL 89/2017 - Article 3(2) (Referred to Article 508g(2) of the CSC) - Directive 2014/95/EU - Article 19a (1) (a-e) PAGE

Specific policies related to social and workers' issues	4. COMMITMENT THAT DRIVES US FORWARD - 4.5. Policies and Commitments	25
Policy implementation results	7. PEOPLE WE ARE INSPIRED BY	46
Main associated risks and how they are managed	5. SUSTAINABLE FINANCE - 5.3. Climate risk	33
	6. VALUES WE MANAGE - 6.3. Risk Management	41
Key performance indicators	7. PEOPLE WE ARE INSPIRED BY - 7.1. Our People, our human capital	46
	7. PEOPLE WE ARE INSPIRED BY - 7.3. Diversity and Inclusion	48
	7. PEOPLE WE ARE INSPIRED BY - 7.6. Professional Development and Training	52
	7. PEOPLE WE ARE INSPIRED BY - 7.8. Organisational well-being	53

IV. GRI (Global Reporting Initiative)

We have identified the relevant initiatives and disclosures regarding our performance, in accordance with the Global Reporting Initiative (GRI) standards for the period 1 January to 31 December 2021, underpinning the information also in Banco Montepio 2022 Annual Report & Accounts.

GRI 2 - General Disclosures

DISCLOSURES AND FORMS OF MANAGEMENT	LOCATION / OMISSION	PAGE
THE ORGANISATION AND ITS REPORTING PRACTICES		
2-1	Organisation Details Caixa Económica Montepio Geral (Banco Montepio) Rua Castilho nº5, 1250-066 Lisbon Report & Accounts 2022 - "Who we are" page 27, "Channels, networks and customer relations" page 37-38	
2-2	Entities included in the organisation's sustainability report List of all entities included in the reporting: Banco Montepio. List of entities included in the financial reporting not covered by this Sustainability Report: Montepio Holding, Sociedade Gestora de Participações Sociais, S.A.; Banco Montepio Geral Cabo Verde, Sociedade Unipessoal S.A. - In liquidation; Finibanco Angola, S.A.; Montepio Crédito - Instituição Financeira de Crédito, S.A.; Montepio Investimento, S.A. (Banco Empresas Montepio); SSAGIncentive - Sociedade de Serviços Auxiliares e Gestão de Imóveis, S.A.; Montepio Gestão de Activos Imobiliários, ACE; HTA - Hotéis, Turismo e Animação dos Açores, S.A.; Cesource, ACE. Report & Accounts 2022 - "1 Accounting Policies" page 189-220	
2-3	Reporting period, frequency and contact points This Sustainability Report considers Banco Montepio's activity during the year 2022, in the period from 1 January to 31 December, and is published annually. Sustainability Office: Paula Viegas gabinetesustentabilidade@montepio.pt; sustainability@montepio.pt	
2-4	Reformulations of information No rewording took place.	
2-5	External verification This Report will not be subject to external verification.	
ACTIVITIES AND COLLABORATORS		
2-6	Activities, value chain and other business relationships Report & Accounts 2022 – "03 The Banco Montepio Group: Business Segments" page 41-47 Chap.3. How we distribute value created Subchapter 6.2. Products and Services Financial sector, CAE and NACE: K-64 Financial service activities, except insurance and pension funding and K-65 Insurance, reinsurance and pension funding, except compulsory social security This is Banco Montepio's first Sustainability Report and there is no historical period for comparison.	14-18, 36-41
2-7	Collaborators Subchapter 7.1. Our people, our human capital	46-47
2-8	Workers who are not employees Subchapter 7.1. Our people, our human capital	46-47

GOVERNANCE

2-9	Governance structure and composition	Report & Accounts 2022 - "B. Governing Bodies and Committees" page 588-611 Subchapter 4.3. Management Model for Sustainability Chap. 10. Corporate Governance & Contacts	22-25, 73-74
2-10	Appointment of the highest governance body	Report & Accounts 2022 - "I. General Meeting", "II. Management and Supervision" page 588-609	
2-11	Chairman of the highest governance body	The <i>Chairman</i> is a non-executive director and Chairman of the Board of Directors (BD). The <i>Chief Executive Officer</i> (CEO) is an executive director and the Chairman of the Executive Committee (EC).	
2-12	Role of the highest governance body in overseeing impact management	Report & Accounts 2022 - "21.4. Evaluation, Nomination, Ethics, Sustainability and Governance Committee" page 598-600 The Assessment, Nominations, Ethics, Sustainability and Governance Committee (CANESG) receives regular status reports from the areas responsible for monitoring the processes, requesting evolutions to them whenever necessary. These changes, whenever they are reflected in Bank policies or commitments, are reported to the supervisor.	
2-13	Delegation of responsibility for impact management	The Board of Directors receives information on these issues from the CANESG, which supervises the execution reports and monitors the work of the Bank's respective areas, assessing them and making recommendations for improvement. There are regular meetings of the various deliberative committees, whose agendas are made known to the supervisor.	
2-14	Functions of the highest governance body in sustainability reporting	Report & Accounts 2022 - "21.4. Evaluation, Nomination, Ethics, Sustainability and Governance Committee" page 598-600	
2-15	Conflicts of interest	Report & Accounts 2022 - "II. Whistleblowing" page 615	
2-16	Communication of critical concerns	The EC portfolio administrators (PA), during the monthly EB sessions, may share the critical concerns of the areas, namely the QCG, IAD and DCOMP. Semi-annual reports prepared by the QCG and presented to the EC. Report & Accounts 2022 - "Complaints Management" page 39-40	
2-17	Knowledge of the highest governance body	Training given to the highest governance body (BD): Training in <i>Sustainable Finance</i> and the Sustainability Programme - B'talks.	
2-18	Evaluation of the performance of the highest governance body	Report & Accounts 2022 - "21.4. Evaluation, Nomination, Ethics, Sustainability and Governance Committee" page 598-600 Evaluations are annual and carried out by CANESG.	
2-19	Remuneration policies	https://www.bancomontepio.pt/resources/SiteMontepio/documentos/institucional/informacao-financieira/politica-remuneracoes-membros-orgaos-administracao-fiscalizacao.pdf Report & Accounts 2022 - "D. Remunerations" page 620-627 The Remuneration Policy for members of the management and supervisory bodies does not include specific objectives on performance with regard to the management of the Bank's impact on the economy, the environment and people.	

2-20	Process for determining remuneration	https://www.bancomontepio.pt/resources/SiteMontepio/documentos/institucional/informacao-financeira/politica-remuneracoes-membros-orgaos-administracao-fiscalizacao.pdf Report & Accounts 2022 - "D. Remunerations" page 620-627			
	2-21	Ratio of total annual compensation	CEO REMUNERATION / MEDIAN EMPLOYEE REMUNERATION		Total annual compensation (euros)
Bank's highest-paid individual			395 479,1	12,3	
Median total annual compensation of all employees (excluding the highest paid individual)			32 097,7		
INCREASE IN CEO REMUNERATION / INCREASE IN MEDIAN EMPLOYEE REMUNERATION			Percentage increase in total annual compensation	Ratio	
Bank's highest-paid individual		9,4%	1,4		
Median total annual compensation of all employees (excluding the highest paid individual)		6,6%			
2-22	Sustainable development strategy statement	Chap.1. A Message from our CEO			6

STRATEGY, POLICIES AND PRACTICES

2-23	Policy commitments	The policy commitments are approved by the Board of Directors and are published on the intranet and institutional <i>website</i> where employees and other <i>stakeholders</i> can access the published information. Subchapter 4.5. Policies and Commitments	25-30
2-24	Incorporation of policy commitments	Subchapter 4.5. Policies and Commitments	25-30
2-25	Processes to remedy negative impacts	Report & Accounts 2022 - "Complaints Management" page 39-40 Banco Montepio reports regularly to the supervisor who carries out a <i>benchmarking</i> exercise in order to monitor the effectiveness of complaint mechanisms and other remediation processes. Chap.6. Values we manage	36-44
2-26	Mechanisms for advice and raising concerns	Customers or users who wish to express their dissatisfaction regarding the provision of services, the commercialisation of products or the quality of service must do so formally, and the complaint must be analysed and answered by the Customer and Quality Office, which is directly dependent on the Executive Committee. The complainant must indicate its identification elements that allow the analysis, namely: full name, address, tax identification number and e-mail address. The complainant must clearly describe, in a complete and reasoned manner, the facts that motivate the complaint, accompanied by the respective supporting documents, if any, so that a rigorous analysis may be carried out for a subsequent objective response. Complaints may be filed by filling out the <i>online</i> form available in the Customer Support Area of the institutional website (https://www.bancomontepio.pt/institucional/apoio-cliente) or, alternatively: - By email to gabinetecliente@montepio.pt	43-44

		<ul style="list-style-type: none"> - By letter to the Customer and Quality Office, Rua Castilho, n. º 5 - 3.º piso (Sala 12), 1250-066 Lisboa - Through the <i>Contact Centre</i> (exclusive for Montepio24 subscribers) - In the Complaints Book, available in all branches and at www.livroreclamacoes.pt SubChapter 6.5. Complaints management															
2-27	Legal compliance	Chap.6. Values we manage <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; width: 20%; color: #FFC000;">2022</th> </tr> </thead> <tbody> <tr> <td>Total number of significant cases of non-compliance with laws and regulations for which fines were applied</td> <td style="text-align: right;">14</td> </tr> <tr> <td>Total Nº of significant cases of non-compliance with laws and regulations in which non-monetary sanctions were applied</td> <td style="text-align: right;">2</td> </tr> <tr> <td>Total no. of fines for non-compliance with laws and regulations</td> <td style="text-align: right;">16</td> </tr> <tr> <td>Monetary value of fines for cases of non-compliance with laws and regulations that occurred during the reporting period</td> <td style="text-align: right;">1 075 869,75 €</td> </tr> <tr> <td>Monetary value of fines for non-compliance with laws and regulations that were paid in previous reporting periods</td> <td style="text-align: right;">1 466 467,57 €</td> </tr> <tr> <td>Monetary value of fines for non-compliance with laws and regulations</td> <td style="text-align: right;">2 542 337,32 €</td> </tr> </tbody> </table>		2022	Total number of significant cases of non-compliance with laws and regulations for which fines were applied	14	Total Nº of significant cases of non-compliance with laws and regulations in which non-monetary sanctions were applied	2	Total no. of fines for non-compliance with laws and regulations	16	Monetary value of fines for cases of non-compliance with laws and regulations that occurred during the reporting period	1 075 869,75 €	Monetary value of fines for non-compliance with laws and regulations that were paid in previous reporting periods	1 466 467,57 €	Monetary value of fines for non-compliance with laws and regulations	2 542 337,32 €	36-44
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2-28	Member of associations	Subchapter 4.6. External representations	30														
STAKEHOLDER ENGAGEMENT																	
2-29	Stakeholder Engagement	Chap.4. Commitment that drives us forward	20-30														
2-30	Collective labour agreements	Number of employees covered by Collective Bargaining Agreements: 3,029 Percentage of employees in relation to the total: 100%.															
GRI 3 - MATERIAL TOPICS																	
3-1	Process to determine material topics	Chap.4. Commitment that drives us forward	20-30														
3-2	List of material topics	Chap.4. Commitment that drives us forward	20-30														

3-3	Management of material topics	<p>Governance Ethics and institutional values: Ch.1. A Message from our CEO; Subchapter 4.5. Policies and commitments Human rights, gender equality and diversity: Subchapter 4.5. Policies and commitments; Subchapter 7.3. Diversity and inclusion Sustainability and ESG factors: Subchapter 4.2. Sustainability Strategy; Subchapter 4.4. Action plan; Subchapter 5.2. ESG factors; Subchapter 5.3. Climate risk; Subchapter 6.2. Products and services; Subchapter 6.3. Risk management ESG Risk Management: Chap.5. Sustainable Finance; Subchapter 6.3. Risk Management</p> <p>Environmental Climate change strategy: Subchapter 4.4. Action plan; Subchapter 4.2. Sustainability Strategy; Chapter 9. Our Commitment to the Environment Management of environmental impacts: Subchapter 4.4. Action plan; Chapter 9. Our Commitment to the Environment Energy efficiency and natural resources management: Subchapter 4.4. Action plan; Subchapter 9.1. Consumption management; Subchapter 9.4. Dematerialisation Project Reduction of greenhouse gas emissions: Subchapter 4.4. Action plan; Subchapter 9.2. Carbon footprint; Subchapter 9.3. Financed emissions Digitalisation and environmental education: Subchap.4.4. Action plan; Subchap.6.1. Proximity and inclusion; Subchap.7.6. Professional development and Training; Subchap.8. The value we deliver to the Community; Subchapter 9.4. Dematerialisation Project Environmental awareness and education: Subchapter 4.4. Action plan; Subchapter 6.1. Proximity and inclusion; Subchapter 7.6. Professional development and Training; Chapter 8. The value we deliver to the Community</p> <p>Economic Service quality and customer satisfaction: Subchapter 6.5. Complaints management Security of clients and financial assets: Chap.3. How we distribute value created Climate and Social Risk Management: Ch.5. Sustainable Finance; Subchapter 6.3. Risk Management Clarity of information provided to customers on products and services: Subchapter 6.1. Proximity and inclusiveness; Subchapter 6.2. Products and Services</p> <p>Social Diversity, Gender Equality and Inclusion: Subchapter 4.5. Policies and Commitments; Subchapter 7.3. Diversity and Inclusion; Subchapter 7.4. Gender pay parity Conciliation between personal, professional and family life: Subchapter 7.8. Organizational well-being; Subchapter 7.9. Health and benefits; Subchapter 7.10. Corporate culture Corporate volunteering: Chap.8. The value we deliver to the Community. Social Investment and Community Support: Subchapter 6.2. Products and Services; Chap.8. The value we deliver to the Community.</p>	<p>6, 14-18, 21-22, 25-30, 32-34, 36-44, 48-49, 52-56, 58-65, 67-71</p>
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GRI 200 - Economic Disclosures

GRI 201 - Economic performance

201-1	Direct economic value generated and distributed	Chap. 3. How we distribute value created		14-18																																				
201-2	Financial implications and other risks and opportunities for the organisation due to climate change	TCFD Table		110																																				
201-3	Obligations under defined benefit plans and other retirement plans	Report & Accounts 2022 - "Pension Fund" page 85-86 and "Accounts and Notes to the Consolidated Accounts - Post-employment and Long-term Benefits" page 213-214																																						
201-4	Significant financial benefits received by the government		<table border="1"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">2022</th> </tr> <tr> <th></th> <th style="text-align: center;">Total (EUR)</th> <th style="text-align: center;">Portugal</th> </tr> </thead> <tbody> <tr> <td>Financial benefits</td> <td></td> <td></td> </tr> <tr> <td>Tax benefits and tax credits</td> <td style="text-align: right;">4 614 311</td> <td style="text-align: right;">4 614 311</td> </tr> <tr> <td>Grants</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Investment grants, research and development grants and other relevant types of awards</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Prizes</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Exemption of the payment of capital gains</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Financial assistance from Export Credit Agencies (ECAs)</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Financial incentives</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Other financial benefits received or receivable from any government for any operation</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>TOTAL (€)</td> <td style="text-align: right;">4 614 311</td> <td style="text-align: right;">4 614 311</td> </tr> </tbody> </table>		2022			Total (EUR)	Portugal	Financial benefits			Tax benefits and tax credits	4 614 311	4 614 311	Grants	0	0	Investment grants, research and development grants and other relevant types of awards	0	0	Prizes	0	0	Exemption of the payment of capital gains	0	0	Financial assistance from Export Credit Agencies (ECAs)	0	0	Financial incentives	0	0	Other financial benefits received or receivable from any government for any operation	0	0	TOTAL (€)	4 614 311	4 614 311	
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GRI 204 - Purchasing Practices

		2022		
204-1	Proportion of expenses with local suppliers	Suppliers	318	
		Nationals	297	
		International	21	
		% Domestic Suppliers	93,4%	
		Expenditure	euros	%
		Professional business support services	9 857 191	17,5%
		Technology	39 024 550	69,2%
		Energy and <i>utilities</i>	617 230	1,1%
		Security	736 912	1,3%
		Cars	906 428	1,6%
		Legal services	651 740	1,2%
		Other (Facilities; Office Supplies; Health; Travel; HR)	4 590 249	8,1%
		TOTAL (€)	56 384 300	100%
		Expenditure with suppliers	euros	%
		Expenses with international suppliers	54 840 114	97,26%
Expenditure with local suppliers	1 544 185	2,74%		
TOTAL (€)	56 384 300			

GRI 300 - Environmental Disclosures
GRI 301 - Materials

301-1	Materials used, broken down by weight or volume	Subchapter 9.1. Consumption management	67-68
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GRI 302 - Energy

302-1	Energy consumption within the organisation	Subchapter 9.1. Consumption management	67-68
302-4	Reducing energy consumption	Subchapter 9.1. Consumption management	67-68

GRI 303 - Water and effluents

303-3	Water consumption	Subchapter 9.1. Consumption management	67-68
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GRI 305 - Emissions

305-1	Direct greenhouse gas (GHG) emissions (scope 1)		
305-2	Indirect GHG emissions (scope 2)	Subchapter 9.2. Carbon Footprint	68-71
305-3	Indirect GHG emissions (scope 3)	Subchapter 9.3. Financed emissions	
305-5	Reduction of greenhouse gas (GHG) emissions		

GRI 306 - Waste

306-1	Waste generation and significant impacts related to waste	<p>Banco Montepio assesses the impact of its consumption of materials and consequent creation of waste through quantitative indicators. More specifically, due to the Bank's sector of activity, the waste with the greatest impact on the environment and society is related to the consumption and disposal of paper, plastic, <i>toners</i> and light bulbs. These materials are delivered by the Bank's suppliers and subsequently transported for end-of-life treatment. In this context, the greatest impacts occur when manufacturing the materials, upstream, due to the use of raw materials and downstream with the final destination of the waste. No significant current impacts have been identified due to waste generated by the Bank. As the waste generated from materials consumed by the Bank is of a domestic type, the potential impacts that may occur relate to waste generated in the value chain upstream and downstream of the Bank, due to the use of raw materials and final disposal of waste.</p> <p>Subchapter 9.1. Consumption management</p>	67-68
306-2	Management of significant impacts related to waste	<p>Banco Montepio updates annually targets for paper consumption reduction.</p> <p>In all the institution's buildings, there are recycling containers, in order to increase the circularity of the material. Filtered water equipment (with connection to the public network) was distributed in central buildings to eliminate the use of plastic water bottles. Reduction of consumption of single-use material by substitution with sustainable solutions - through the elimination of paper coffee cups by the delivery of cups in the service pantries.</p> <p>Preparation of a report on opportunities for selective collection at branches for implementation during 2023. The Bank's Shared Services Unit (USP) uses waste balances, presented by waste management suppliers, for the reporting of quantitative indicators in the Sustainability Report.</p> <p>Subchapter 9.1. Consumption management</p>	67-68
306-3	Waste produced, by type and treatment method	Subchapter 9.1 Consumption management	67-68

GRI 400 - Social Disclosures
GRI 401 - Employment

401-1	Number and rate of new hirings and turnover rate by age group, gender and region	Subchap7.1. Our People, our human capital	46-47
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401-2	Benefits for full-time employees that are not provided to temporary or part-time employees	Day off on birthday; Health Insurance, extensive to the family unit; free buses available to the Alfragide and Soeiro Pereira Gomes premises; canteens (3) with meals at more affordable prices; Menu card; additional days' holiday for seniority; study grant for working students; employee protocol (see details elsewhere); domestic use of Microsoft Office for up to 5 machines; protocol with MEO; protocol with CP; anti-flu vaccine. family support allowance (children with disabilities); monthly child benefit (up to 6 years of age); monthly supplementary support for child benefit (up to 6 years of age); quarterly education allowance (from 1st year to Higher Education); supplementary school merit allowance (from 5th year to Higher Education, employees up to level 12); annual education material allowance (from 5th year to Higher Education, employees up to level 12). (5th to higher education, employees up to level 12); housing allowance, 10 months (higher education, employees up to level 12); children's first day off school (1st year of schooling); health card extendible to the "Rede Mut" family unit (if an AMMG member); health card extendible to the "Montepio Saúde" family unit (if an AMMG member). Benefits do not apply to temporary workers.
401-3	Return to work and retention rates after parental leave, by gender	Chap 7.9. Health and Benefits 57-58
GRI 403 - Occupational health and safety		
403-1	Occupational health and safety management system	There is an occupational health and safety management system in accordance with the applicable legal and technical provisions. The activities of occupational health and safety services are regulated by the Legal Regime of OSH promotion - Law 102/2009 of 10 September, and subsequent updates. All employees of Banco Montepio are covered by the occupational health and safety system.
403-2	Hazard identification, risk assessment and incident investigation	Processes are in place to identify work-related hazards through IPAR (Hazard Identification and Risk Assessment) Audits carried out at all workplaces. The internal OHS area (DGP) plans the activities, monitors and controls the quality of the services provided by SAGIES, a company contracted to complement the OHS activities, under its dependence. All IPAR Reports are technically analysed, and corrective measures are identified and proposed in articulation with the internal interlocutors with responsibilities, according to the area of intervention involved. Hazardous situations can be reported: to the SST email (sst@montepio.pt), they can report directly to SAGIES technicians who visit their workplaces and can also be reported by MAC if applicable (computer assisted maintenance). In situations of Serious and Imminent Danger, the workers are instructed to immediately interrupt their activity; the confidentiality of workers who report dangerous situations is guaranteed. All approaches in this matter are on a case-by-case basis, within the applicable technical requirements.
403-3	Occupational health services	The activities of occupational safety and health services are regulated by the Legal Regime of OSH promotion - Law 102/2009 of 10 September, as amended by Law 3/2014 of 28 January. The prevention of occupational risks, identification and elimination of hazards are guaranteed through IPAR (Hazard Identification and Risk Assessment) audits carried out in all workplaces by SAGIES, a company contracted for this purpose. SAGIES carries out its activities under the dependence of the internal area of OHS (DGP), which plans the activities, monitors and controls the quality of the services provided, namely through the analysis of reports, audits and also through complaints and/or suggestions for improvements presented by the users of the services, making it possible to make the adjustments necessary.
403-4	Worker participation, consultation and communication regarding occupational health and safety	At Banco Montepio, consultation with employees is carried out through the Employees' Representatives for Health and Safety at Work, who are consulted in accordance with the Legal Regime for the Promotion of Health and Safety at Work (law 102/2009 and amendments). There are three to four annual meetings between RTSST, Executive Committee and DGP/SST.

403-5	Training workers in occupational health and safety	Subchapter 7.2. Working conditions and Safety 47-48																
403-6	Promotion of workers' health	<p>Banco Montepio provides medical services and health care related to work, ensuring the performance of Medical Examinations of occupational health, and does not have "Curative Medicine" services provided to employees or non-employees. Additionally, Banco Montepio provides access to a set of medical services and non-occupational health care, described in the following paragraph, to all employees and non-employee workers. The Bank promotes training and initiatives linked to voluntary health where employees can participate online or in person. And it establishes links with strategic partners that offer access to health-related protocols and packages.</p> <p>Banco Montepio provides a Psychosocial Support Programme, with a psychology and social assistance service. It develops various activities in the field of Wellbeing and Health Promotion, such as <i>workshops</i> and events on healthy eating, physical exercise, emotional well-being, screenings, etc. There are four <i>Wellbeing</i> rooms in central service buildings (Lisbon and Porto) for the practice of various therapies, e.g., osteopathy, recovery massages, <i>shiatsu</i>, etc. and a gymnasium, also providing protocols, mostly in partnership with the Social Services for massages, other alternative therapies, gymnasiums, etc. in order to guarantee the offer in all geographies. Banco Montepio also has Health Insurance that covers health costs not covered by the health sub-system, which covers all employees (and not non-employee workers). The anti-flu vaccination campaign (annual) covers all employees and some non-employee workers.</p>																
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	The activities of the health and safety at work services are regulated by the Legal Regime of Health and Safety at Work - Law 102/2009 of 10 Sept, as amended by Law 3/2014 of 28 Jan. The prevention of occupational risks, identification and elimination of hazards are guaranteed through the carrying out of IPAR Audits (Identification of Hazards and Risk Assessment) carried out in all workplaces by SAGIES, a company contracted for this purpose.																
403-8	Workers covered by an occupational health and safety management system	<p>The activities of occupational safety and health services are regulated by the Legal Regime of OSH promotion - Law 102/2009 of 10 September, as amended by Law 3/2014 of 28 January.</p> <p>The prevention of occupational risks, identification and elimination of hazards are guaranteed through IPAR (Hazard Identification and Risk Assessment) Audits carried out in all workplaces by SAGIES, a company contracted for this purpose.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3"></th> <th style="text-align: right; color: #FFC000;">2022</th> </tr> </thead> <tbody> <tr> <td style="width: 5%;">i.</td> <td style="width: 75%;">Employees and non-employee workers whose work and/or workplace is controlled by the organisation and who are covered by a management system.</td> <td style="width: 10%; text-align: center;">All</td> <td style="width: 10%; text-align: right;">100,0%</td> </tr> <tr> <td>ii.</td> <td>Employees and non-employee workers whose work and/or workplace is controlled by the organisation and who are covered by an internally audited management system.</td> <td style="text-align: center;">All</td> <td style="text-align: right;">100,0%</td> </tr> <tr> <td>iii.</td> <td>Employees and non-employee workers, but whose work and/or workplace is controlled by the organisation, and who are covered by a management system that has been audited or certified by an external entity.</td> <td style="text-align: center;">N/A</td> <td style="text-align: right;">0,0%</td> </tr> </tbody> </table> <p>There are no groups excluded from the indicator. All legislation in force is used within the scope of this indicator applicable to the OHS area.</p>				2022	i.	Employees and non-employee workers whose work and/or workplace is controlled by the organisation and who are covered by a management system.	All	100,0%	ii.	Employees and non-employee workers whose work and/or workplace is controlled by the organisation and who are covered by an internally audited management system.	All	100,0%	iii.	Employees and non-employee workers, but whose work and/or workplace is controlled by the organisation, and who are covered by a management system that has been audited or certified by an external entity.	N/A	0,0%
			2022															
i.	Employees and non-employee workers whose work and/or workplace is controlled by the organisation and who are covered by a management system.	All	100,0%															
ii.	Employees and non-employee workers whose work and/or workplace is controlled by the organisation and who are covered by an internally audited management system.	All	100,0%															
iii.	Employees and non-employee workers, but whose work and/or workplace is controlled by the organisation, and who are covered by a management system that has been audited or certified by an external entity.	N/A	0,0%															

2022

Absolute values for employees	
Deaths resulting from accidents at work	0
Serious accidents at work (excluding fatalities)	0
Mandatory reporting of accidents at work	29 - "Normal" work accidents. Work with special risks does not exist at Banco Montepio.
Hours worked	4 539 959
Staff ratios	
Deaths resulting from accidents at work	0
Serious accidents at work (excluding fatalities)	0
Mandatory reporting of accidents at work	0,00001
Value of hours worked (basis for calculating the ratios shown)	4 539 959
Absolute values for employees who are not employees, but whose work / workplace is controlled by the organisation	
Deaths resulting from accidents at work	Not applicable
Serious accidents at work (excluding fatalities)	Not applicable
Mandatory reporting of accidents at work	Not applicable
Hours worked	Not applicable
Ratios for employees who are not employees, but whose work / workplace is controlled by the organisation	
Deaths resulting from accidents at work	Not applicable
Serious accidents at work (excluding fatalities)	Not applicable
Mandatory reporting of accidents at work	Not applicable
Value of hours worked (basis for calculating the ratios shown)	Not applicable

403-9 Accidents at work

The main types of accidents at work are accidents on the way to work, sprains, falls and strains. Manual handling of loads, bad posture and falls are identified hazards that present a risk of work accidents with serious consequence. Hazards are identified through (1) to the internal OHS area *email sst@montepio.pt*) and (2) directly to SAGIES technicians who visit the workplaces in IPAR Audits (Hazard Identification and Risk Assessment). There were no serious accidents at work. In order to eliminate dangers and mitigate risks, as well as to eliminate other dangers and minimise the risks of accidents at work, technical analyses are carried out on a case-by-case basis, in accordance with the legal framework in force and always in coordination with the internal teams *responsible/owner* of the area in intervention (e.g., MGAI for the installations). Training or information on prevention and day-to-day care is disseminated on the *intranet* to all employees. The data was collected in accordance with the technical and specific regulations in force.

2022

Absolute values for employees

Deaths resulting from occupational diseases	0
Mandatory reporting of occupational diseases	2 confirmed
Hours worked	4 539 959

Staff ratios

Deaths resulting from occupational diseases	0
Mandatory reporting of occupational diseases	0,0000004
Value of hours worked (basis for calculating the ratios shown)	4 539 959

Absolute values for employees who are not employees, but whose work / workplace is controlled by the organisation

Deaths resulting from occupational diseases	Not applicable
Mandatory reporting of occupational diseases	Not applicable
Hours worked	Not applicable

Ratios for employees who are not employees, but whose work / workplace is controlled by the organisation

Deaths resulting from occupational diseases	Not applicable
Mandatory reporting of occupational diseases	Not applicable
Hours worked	Not applicable

403-10 Occupational diseases

The main occupational diseases are caused or aggravated by repetitive movements or inadequate postures (alteration of tendons, joints, nerves and muscles). The use of display screen equipment, with repetitive movements and inappropriate postures, represents a health hazard and effectively contributes to recorded occupational diseases. The hazards are identified through the Hazard Identification, Evaluation and Risk Control Reports that are carried out periodically, through the analysis of work accident reports and through the reporting of situations that workers and supervisors make to the OHS.

Conducting periodic audits of CEMG establishments and analysing the respective Hazard Identification, Assessment and Risk Control Reports to correct any non-conformities, replacing "dangerous" with "less dangerous", favouring collective protection over individual protection; systematic application of ergonomic approaches in the planning of new workplaces by a multidisciplinary team (including senior OSH safety technicians) and revision of work stations; reorganisation of work, adaptation to technical progress and revision of processes to eliminate/minimise individual / monotonous work or work causing negative stress control of excessive workloads; provision of equipment and support for handling loads; carrying out training (includes training and information actions on OSH themes); coordination of occupational health and safety activities; analysis and treatment of work accident reports, with the implementation of corrective measures if applicable; management of a medical or occupational health surveillance programme with an extended / differentiated protocol and individualised follow-up of workers identified as being at risk (physical and mental health) with medical and psychosocial support; supply of PPE and instructions for its use, in the situations identified.

GRI 404 - Training and Education

404-1	Average annual training hours per employee, gender and professional category	Subchapter 7.6. Professional Development and Training			52-53
404-3	Percentage of employees receiving regular performance evaluation, by gender and professional category				
		TOTAL NUMBER OF EMPLOYEES SUBJECT TO PERFORMANCE EVALUATION AND CAREER DEVELOPMENT	2021	2022	
		Employees evaluated (no.)	2 982	2 617	
		Female (no.)	1 443	1 270	
		Male (no.)	1 539	1 347	
		Directors and managers (no.)	651	593	
		Technicians (no.)	607	570	
		Administrative (no.)	1 724	1 454	
		Total percentage (%)	100,0%	100,0%	
		Female (%)	48,4%	48,5%	
		Male (%)	51,6%	51,5%	
		Directors and managers (%)	21,8%	22,7%	
		Technicians (%)	20,4%	21,8%	
		Administrative (%)	57,8%	55,6%	

GRI 405 - Diversity and Equal Opportunities

405-1	Workforce by gender, age group and minority and other diversity indicators	Subchapter 7.3. Diversity and Inclusion			48-49
405-2	Ratio of basic salary and remuneration received by women to that received by men				
			2022		
		Type	Gender	Annual monetary value	Ratio
		Average Base Salary	Directives and management	Woman 24 420	0,98
				Man 25 016	
		Average Base Salary	Techniques	Woman 18 334	0,96
				Man 19 042	
		Administrative		Woman 16 050	1,01
				Man 15 875	
		Subchapter 7.4. Gender pay parity			

GRI 413 - Local Communities

413-1	Operations with local community involvement, impact assessment and development programmes	Chap.8, The value we deliver to the Community	58-65
413-2	Operations with significant current and potential negative impacts on local communities	Banco Montepio did not identify operations, within the scope of its activity, with negative impacts on local communities.	

GRI 417 - Marketing and Labelling

417-1	Information and labelling requirements for products and services	<p>No. of legal diplomas: 15</p> <ul style="list-style-type: none"> - Decree-Law No. 74-A/2017, of 23 June (last amendment Law No. 57/2020, of 28/08). - Decree-Law no. 133/2009, of 02 June (last amendment Law no. 57/2020, of 28/08). - Decree-Law no. 149/95, of 24 June (last alteration Decree-Law no. 30/2008, of 25/02). - Decree-Law no. 181/2012, of 6 August (last amendment Decree-Law no. 47/2018). - Law no. 64/2014, of 26 August. - Decree-Law no. 27-C/2000, of 10 March (last amendment Law no. 56/2021, of 30/06) - Decree-Law No. 107/2017, of 30 August (last amendment DL No. 56/2021, of 30/06). - Decree-Law 430/91, 2nd November (last alteration Decree-Law 88/2008, 29/05). - Decree-Law no. 12/2010, of 19 February. - Law no. 7/2019, of 16 January. - Decree-Law No. 91/2018, of 12 November. - Decree-Law 486/99, of 13 November (last amendment Law 23-A/2022, of 09/12). - Law 16/2015, of 24 February (last amendment Decree-Law 31/2022, of 06/05). - Law no. 35/2018, of 20 July (last amendment Law no. 23-A/2022, of 09/12). - Regulation (EU) No 1286/2014 of 26 November 2014. 	
417-2	Non-conformities concerning product and service information and labelling	<p>There were no non-conformities that resulted in a fine or penalty.</p> <p>There were no non-compliances with voluntary codes.</p> <p>There were 12 non-conformities that resulted in a warning, namely: CEX_2022_1000004884, CEX_2022_1000009957, CRI_2022_00000271, CEX_2022_1000026938, CRI_2022_00000358-C, CEX_2022_1000042056, CEX_2022_100005882, CEX_2022_1000128963, CEX_2022_1000138565, CRI_2022_100003046, CEX_2022_1000144632, CEX_2022_1000144669</p>	

GRI Sector Indicators for the Financial Sector

G4-FS7	Monetary value of products and services with social benefits, by business line	<p>Subchapter 6.2. Products and Services</p> <p>Subchapter 8.1. Social Economy and Impact</p>	<p>36-41,</p> <p>58-60</p>
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G4-FS8	Monetary value of products and services with environmental benefits, by business line	Subchapter 6.2. Products and Services 36-41												
G4-FS13	Access points in sparsely populated or economically disadvantaged locations	<p>Despite the closure of branches in recent years, Banco Montepio has a network of branches in every district of mainland Portugal and the islands and also has five (5) representative offices: Frankfurt, Geneva, Paris, Newark and Toronto.</p> <p>Banco Montepio also provides its private and corporate customers with the means and channels for the distribution of products and services being marketed and customer relations, namely the Montepio24 service by telephone, <i>internet</i>, <i>sms</i> and <i>app</i>.</p> <table border="1" data-bbox="593 470 1075 750"> <thead> <tr> <th></th> <th style="text-align: right;">2022</th> </tr> </thead> <tbody> <tr> <td>No. of branches</td> <td style="text-align: right;">264</td> </tr> <tr> <td>Home Networking</td> <td style="text-align: right;">239</td> </tr> <tr> <td>Mainland Portugal</td> <td style="text-align: right;">223</td> </tr> <tr> <td>Autonomous Regions</td> <td style="text-align: right;">16</td> </tr> <tr> <td>Representative offices</td> <td style="text-align: right;">5</td> </tr> </tbody> </table>		2022	No. of branches	264	Home Networking	239	Mainland Portugal	223	Autonomous Regions	16	Representative offices	5
	2022													
No. of branches	264													
Home Networking	239													
Mainland Portugal	223													
Autonomous Regions	16													
Representative offices	5													

V. ALIGNMENT WITH WEF INDICATORS (World Economic Forum | Stakeholder Capitalism Metrics)

This table summarises and circumscribes Banco Montepio's performance in line with the "Common metrics and consistent reporting of Sustainable Value Creation", according to the World Economic Forum, namely regarding the respective basic criteria of measurement and disclosure. WEF" references are also associated with headings and subheadings, distributed throughout the chapters and subchapters of this report.

DISCLOSURES AND FORMS OF MANAGEMENT	LOCATION / OMISSION	GRI	PAGE
Principles of Governance			
Define purpose	Chap.1. Message from our CEO	2-22	6
Composition of the Governing Bodies	Report & Accounts 2022 - "B. Governing Bodies and Committees" page 588-614 Subchapter 7.3. Diversity and Inclusion	2-9 405-1 a)	48-49
Material issues affecting stakeholders	Chap.4. The commitment that drives us forward	3-2	20-30
Anti-Corruption	Subchapter 6.4. Fight against corruption We are not aware of any cases of corruption involving Banco Montepio.	205-2 205-3	42-43
Protected ethical counselling and reporting mechanisms	<p>Customers or users who wish to express their dissatisfaction in relation to the provision of services, marketing of products or quality of service should do so formally, and the complaint should be analysed and answered by the Customer and Quality Office, which reports directly to the Executive Committee. The complainant must indicate the identification elements that allow the analysis: full name, address, tax identification number and e-mail address, if any.</p> <p>The complainant must describe clearly, completely and grounded the facts that motivate the complaint, accompanied by the respective receipts, if any, so that a rigorous analysis may be carried out for a later objective reply. Complaints may be submitted by completing the online form available in the Customer Support Area of the institutional website (https://www.bancomontepio.pt/institucional/apoio-cliente) or, alternatively, to:</p> <ul style="list-style-type: none"> - gabinetecliente@montepio.pt - Customer and Quality Office, Rua Castilho, n.º 5 - 3º piso (Sala 12), 1250-066 Lisboa - <i>Contact Centre</i> (exclusive for customers subscribing to the Montepio24 service) - Complaints Book, available in all branches - Electronic Complaints Book at www.livroreclamacoes.pt 	2-26	
Planet			
Greenhouse gas (GHG) emissions	Subchapter 9.2. Carbon footprint Subchapter 9.3. Financed emissions	305-1 305-2 305-3	68-71
Implementation of the TCFD	TCFD Table		110
Water consumption and withdrawal in areas under water stress	Subchapter 9.1. Consumption management	303-3	67-68

People			
Diversity and Inclusion	Subchapter 7.3. Diversity and Inclusion		405-1 b)
Equal pay	Subchapter 7.4. Gender pay parity		405-2 50-51
	Gender	Annual monetary value (euros)	Ratio
Starting salary	Female	12 064	1,22
	Male	12 370	1,25
Portuguese minimum wage		9 870	
Level of remuneration			202-1
		Total annual compensation (euros)	Ratio
Bank's highest-paid individual		395 479,1	
Median total annual compensation of all employees (excluding the highest paid individual)		32 097,7	12,3
Risk of occurrence of child, forced or compulsory labour	The Good Practices and Quality Manual for Suppliers includes principles of action that are valued in the contracting of services subsequent to the management of partnerships in force, in order to safeguard the risk of occurrence of child, forced or compulsory labour in the supply chain.		408-1 b) 409-1
Health and Safety	<p>Banco Montepio provides work-related medical services and health care, ensuring the performance of occupational health medical examinations, and does not have "Curative Medicine" services provided to employees or non-employee workers. Additionally: it facilitates access to a set of medical services and non-occupational health care, described in the following paragraph, to all employees and non-employee workers; it promotes training and initiatives related to voluntary health where employees can participate <i>online</i> or in person; and it establishes links with strategic partners that offer access to health-related protocols and packages.</p>		403-6 a) 403-9 (a) and (b)
	Absolute values for employees	2022	
	Deaths resulting from accidents at work	0	
	Serious accidents at work (excluding fatalities)	0	
	Mandatory reporting of accidents at work	29 - Work accidents considered "normal", not associated with work involving special risks and which do not exist at Montepio.	
	Deaths resulting from occupational diseases	0	
	Mandatory reporting of occupational diseases	2	
Training provided	Subchapter 7.6. Professional Development and Training		404-1 52-53

Prosperity
Figures and employment rate

Subchapter 7.1. Our People, our human capital

 401-1 (a)
and (b)

46-47

2022

Direct Economic Value Generated (in thousands of euros)	393 744
Banking product	393 744
Economic Value Distributed (in thousands of euros)	331 940
Operating Costs - Suppliers	66 989
Employee salaries and benefits	189 255
Payments to Investors - Providers of Capital	18 319
Payments to the State - Government	56 710
Donations and other community investments	667
Accumulated Economic Value (in thousands of euros)	61 804

Economic contribution

Financial benefits	Total (EUR)
Tax benefits and tax credits	4 614 311
Grants	0
Investment grants, research and development grants and other relevant types of awards	0
Prizes	0
Exemption of the payment of capital gains	0
Financial assistance from Export Credit Agencies (ECAs)	0
Financial incentives	0
Other financial benefits received or receivable from any government for any operation	0
TOTAL	4 614 311

 201-1
201-4

Financial investment contribution

Acquisitions of tangible fixed assets in the year 2022: 4,594 thousand euros.

Acquisitions of intangible fixed assets in progress in the financial year 2022: 28,727 thousand euros.

Total taxes paid

in thousands of euros	2022
Payments to the State - Government	1 791

201-1

VI. Alignment with the Task Force on Climate-Related Financial Disclosures (TCFD)

The present table summarises and locates Banco Montepio performance aligned with the recommendations of the Task Force on Climate Related Financial Disclosures, irrespective of the fact that "TCFD" references may be associated with headings and subheadings, distributed across the chapters and subchapters of this report.

DISCLOSURES AND FORMS OF MANAGEMENT	LOCATION / OMISSION
GOVERNANCE	
Description of the management bodies' oversight of climate-related risks and opportunities	Market Discipline Report
Description of the Administration's role in the assessment and management of climate-related risks and opportunities	Market Discipline Report
STRATEGY	
Description of the risks and opportunities related to climate that the institution has identified in the short, medium and long term	Market Discipline Report
Description of the impact of climate-related risks and opportunities on the business, strategy and financial planning of the institution	Market Discipline Report
Description of the resilience of the institution's strategy, taking into account different climate-related scenarios, including a scenario of 2°C or less	Market Discipline Report
RISK MANAGEMENT	
Description of the institution's processes for identifying and assessing climate-related risks	Market Discipline Report
Description of the institution's processes for managing climate-related risks	Market Discipline Report
Description of how the processes of identification, assessment and management of climate-related risks are integrated into the institution's overall risk management	Market Discipline Report
METRICS AND TARGETS	
Disclosure of the metrics used by the institution to assess climate-related risks and opportunities in line with its risk management strategy and process	
Disclosure of Scope 1 + 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and related risks	Chap.9. Our commitment to the environment
Description of targets used by the institution to manage climate-related risks and opportunities and performance against targets	

VII. UN GLOBAL COMPACT (United Nations Global Compact)

This table summarises and locates Banco Montepio's performance aligned with the 10 principles of the United Nations Global Compact, independently of the references "UNGC" which are associated with titles and sub-titles, distributed throughout the chapters and sub-chapters of this report.

DISCLOSURES AND FORMS OF MANAGEMENT	LOCATION / OMISSION
HUMAN RIGHTS	
1. Businesses should support and respect the protection of internationally recognised human rights	Subchapter 4.5. Policies and Commitments
2. Ensure their non-participation in human rights violations	
LABOUR PRACTICES	
3. Businesses should uphold the freedom of association and the effective recognition of collective bargaining	GRI 2-30 Subchapter 4.5. Policies and Commitments
4. The abolition of all forms of forced and compulsory labour	Subchapter 4.5. Policies and Commitments
5. Effective abolition of child labour	
6. Elimination of discrimination in employment	
ENVIRONMENTAL PROTECTION	
7. Businesses should support a precautionary approach to environmental challenges	Subchapter 4.4. Action plan
8. Undertake initiatives to promote environmental responsibility	Subchapter 4.4. Action plan Subchapter 6.2. Products and services
9. Encourage the development and diffusion of environmentally friendly technologies	Subchapter 6.2. Products and services
FIGHT AGAINST CORRUPTION	
10. Businesses should work against corruption in all its forms, including extortion and bribery	Subchapter 6.4. Fight against corruption

