

SUSTAINABILITY

R E P O R T



Banco Montepio

2023

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1874 SINCE 1874

1 **ABOUT US**

1.1. JOINT MESSAGE FROM OUR CHAIRMAN OF THE BOARD OF DIRECTORS AND OUR CEO

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

Our reporting practices prioritise accuracy and transparency to ensure our performance benefits current and future generations. Each year, we add a new chapter to Banco Montepio's corporate social responsibility storyline, strengthening our dedication to act ethically and contribute to social and environmental well-being. //

The 2023 Sustainability Report underscores Banco Montepio's steadfast commitment to sustainability, upheld by a robust governance model and transparent performance disclosure practices, as our mission remains to serve our clients and communities, contributing to their prosperity.

Since 1844, this goal line has been at the heart of our ethical adherence and corporate social responsibility, as cooperation with our stakeholders fosters joint contributions to a more resilient, regenerative, and inclusive country.

This report showcases the progress, achievements, and challenges that have enhanced our performance in 2023, reflecting the enduring nature of our ambitions registered in the sustainability strategy. Our focal points encompass long-term organisational, social, cultural, and financial well-being and the advancement of digital inclusion and accessibility. Consequently, the provision of sustainable finance has not only assisted numerous clients in reducing their emissions but has also facilitated a deeper comprehension of the value chain's social, environmental, and governance impacts.

As Portugal's oldest banking institution, Banco Montepio has played a pivotal role in its growth, evolving through challenges and opportunities that have shaped its history. We have steadfastly supported the dreams and projects of individuals, families, businesses, and entities in the social and solidarity economy, inspiring hope and progress. Our mission is to reciprocate the trust endowed by the communities we serve at every touchpoint and to each of our people at Banco Montepio, fostering a sense of belonging and importance.

Our intangible heritage is built from the testimonies of many generations and contributions that have made Banco Montepio a national reference. Founded to support the development of individuals, families, businesses and disadvantaged communities, our bank continues to serve these vital components of the social and economic fabric.

At Banco Montepio, we view sustainability as more than an objective or regulatory requirement. It is a responsibility to all stakeholders, including the environment, and an opportunity for evolution. We apply these principles daily, understanding the urgency of addressing environmental and climate issues and believing in our ability to contribute to socio-economic development while ensuring ethical governance and commitments that shape the global agenda.

Purpose-driven management is reflected in the most gender-balanced management team in the national financial sector, in teams dedicated to implementing the sustainability strategy, and in each of our people, who remain a steadfast ambassador of the brand and values.

Our reporting practices prioritise accuracy and transparency to ensure our performance benefits current and future generations. Each year, we add a new chapter to Banco Montepio's corporate social responsibility storyline, strengthening our dedication to act ethically and contribute to social and environmental well-being.

As we reflect on our sustainability journey and look to the future, we remain as committed as ever to driving positive change, dedicated to creating shared value for all our stakeholders and inspiring hope and confidence in our ability to make a difference.

Our corporate values and actions define us. We embody the essence of Portugal, advocating for causes, upholding commitments, and drawing inspiration from the people we serve.

Pedro Leitão

Chief Executive Officer

Manuel Ferreira Teixeira

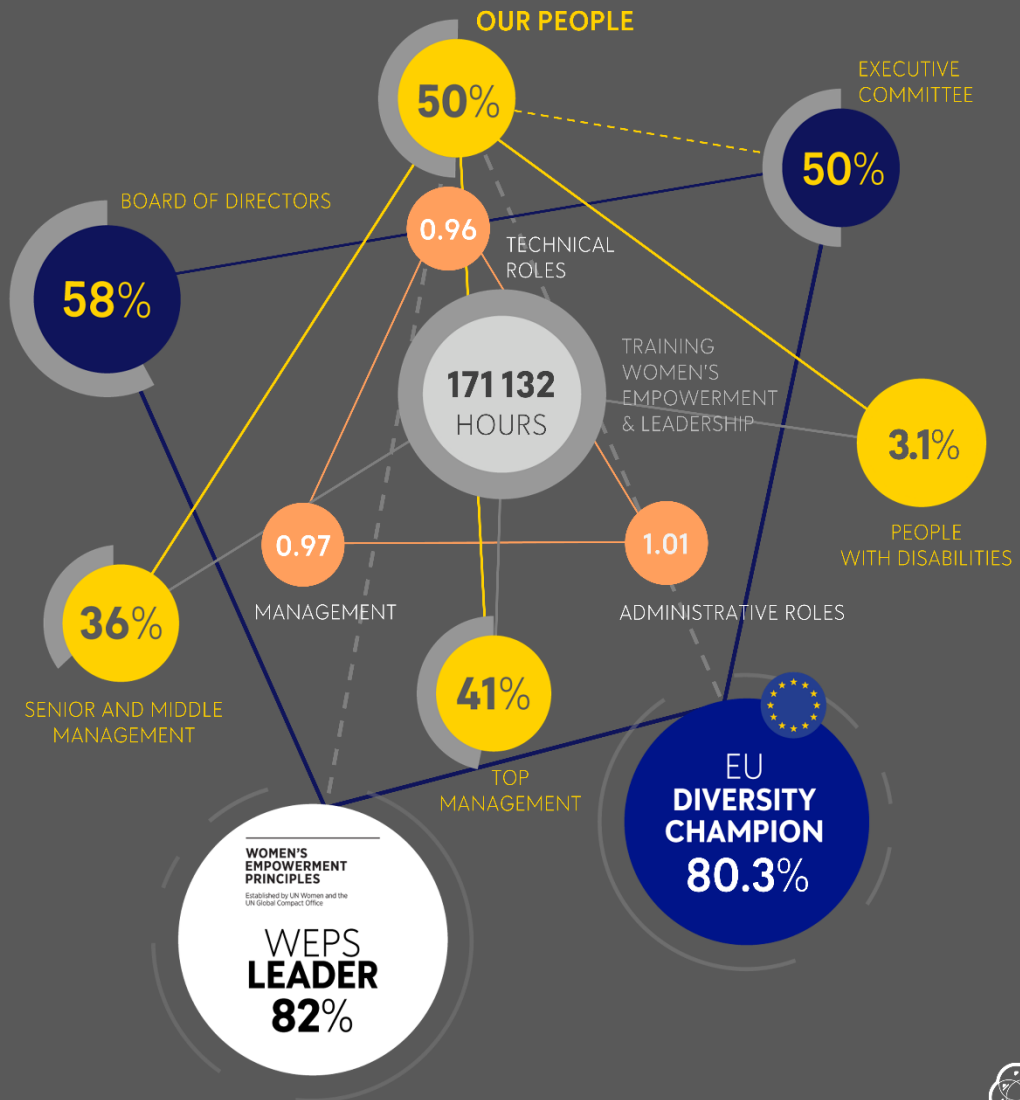
Chairman

2023

BEYOND NUMBERS,
IMPACTFUL VALUES.



WE STRENGTHENED
OUR COMMITMENT TO PEOPLE,
DIVERSITY AND INCLUSION



● % of Women

● Pay Equity
Ratio of women's to men's wages
A value above 1 represents a higher proportion of salary earned by women.

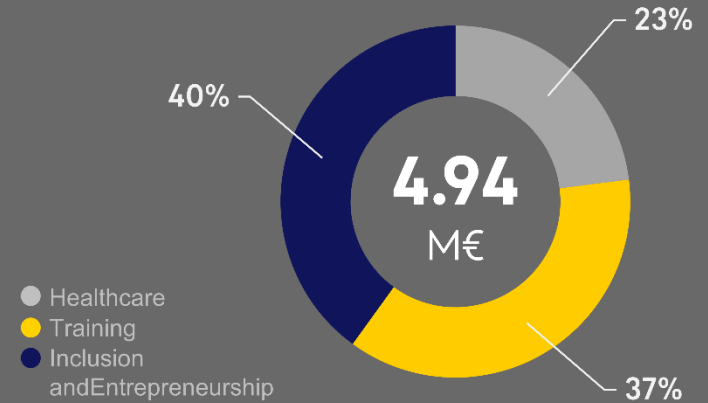
Banco Montepio
FLAGSHIP COMPANY
OF THE NATIONAL TARGET
FOR GENDER EQUALITY



ColorADD



We granted **credit through products that support the People's strategic pillar**, from entrepreneurship to self-employment projects, education, skills training for employability and medical needs.



Home loans to those who need them the most...



... and we continued to support **Social and Solidarity Economy Entities** with an exclusively social purpose.

270.2 M€

CREDIT GRANTED



+3.9%
COMPARED TO 2022

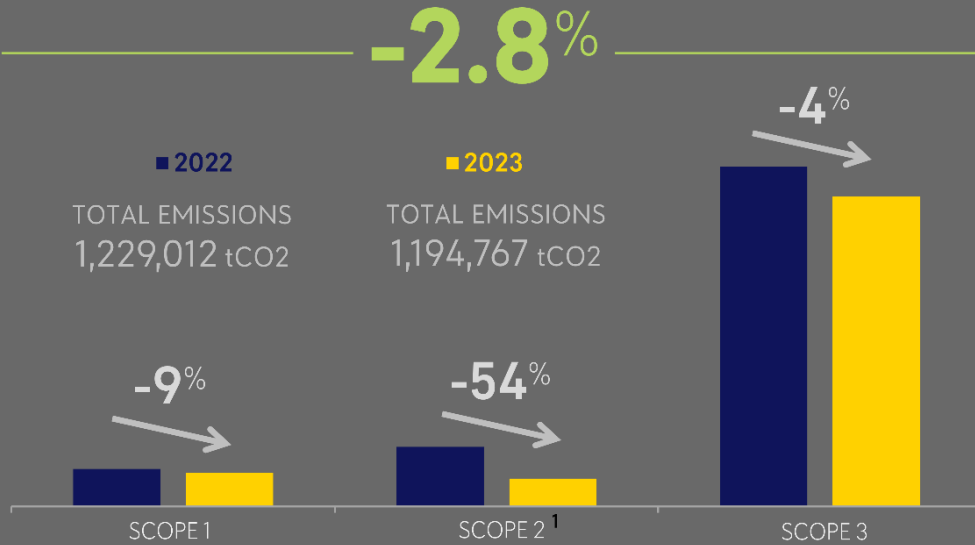
2023

BEYOND NUMBERS,
IMPACTFUL VALUES.



WE CONTINUED TO INVEST IN REDUCING OUR CARBON FOOTPRINT

Emissions reduction compared to 2022



1 - Considering Market-Based emissions from Banco Montepio buildings' energy consumption.

We optimised the production of our bank cards and **raised awareness among customers and the community about returning unused cards for recycling** and the safe disposal of personal data.



447,072

COLLECTED BANK CARDS

2,682^{Kg}

RECYCLED PLASTIC



ColorADD



We ran our first **Green Asset Ratio (GAR)** calculation, and of the 12 billion assets considered, 62 million are green assets.



62M€

IN GREEN ASSETS

We broadened the scope of our emissions calculation

SCOPE 2

- We included the electrical charging of the car fleet outside Banco Montepio's premises.

SCOPE 3

- We added category 13, "Downstream Leased Assets"
- We included assets related to home loans and car loans in category 15 calculations.

We worked with our **supply chain** on our commitment to sustainable development.

76%

OF OUR SUPPLIERS ARE NOT
FROM "BROWN" SECTORS

95%

OF OUR BUSINESS TIES
INVOLVE LOCAL SUPPLIERS

We provided defensive driving training and **our fleet has been certified with an "A" energy efficiency level** by the Portuguese Energy Agency, ADENE.

Vehicles | Drivers | Driving
Fuel consumption



MOVE+

THE EFFICIENT MOBILITY

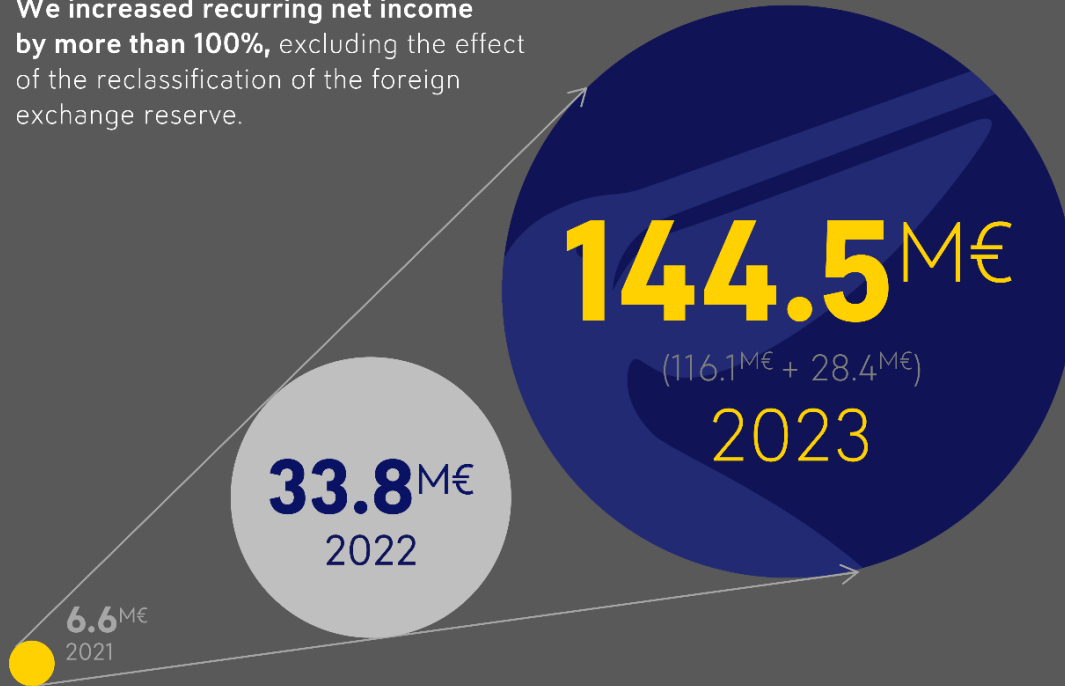
2023

BEYOND NUMBERS,
IMPACTFUL VALUES.

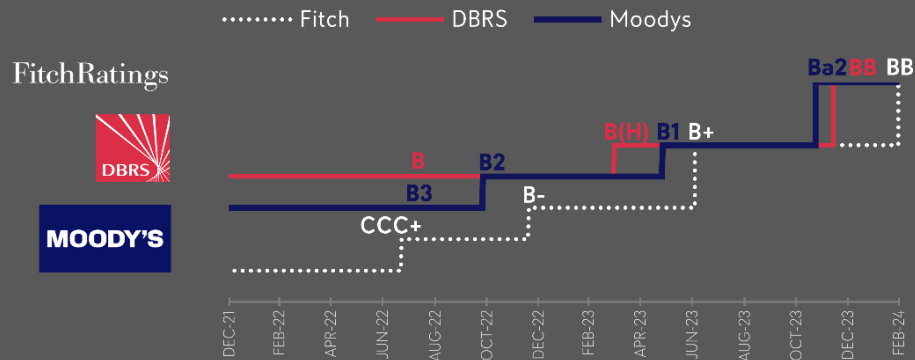


WE IMPROVED
OUR FINANCIAL RESULTS

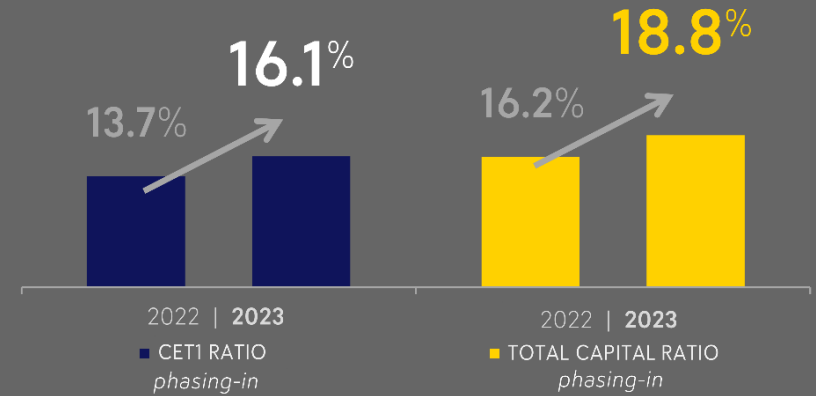
We increased recurring net income by more than 100%, excluding the effect of the reclassification of the foreign exchange reserve.



Successive upward revisions led to the **evolution of the "Investment Grade" rating in deposits and covered bonds**, showcasing external recognition of our results.



We increased the Total Capital Ratio by 2.6pp and the CET1 Ratio by 2.4pp



... and Sustainability enhanced our brand value.

9.4M€

The contribution of Sustainability to our brand's positive reputation and value.

Source: Brand Finance



WE INTRODUCED NEW SUSTAINABILITY INDICATORS AND FRAMEWORKS

Indicator	2022	2023		TOTAL 2023
		#	Δ 22/23	
GRI	73	88	+15	112
WORLD ECONOMIC FORUM	18	20	+2	
CAPITALS COALITION	-	4	+4	

+23%
COMPARED TO 2022

1.3. ABOUT OUR SUSTAINABILITY REPORT 2023

Banco Montepio's annual sustainability report provides a comprehensive overview of the significant non-financial challenges and opportunities of its sustainable corporate practices while also highlighting its progress in addressing environmental, social, and governance issues.

The standards and requirements for reporting on sustainable business practices, both voluntary and mandatory, are undergoing constant evolution, and this report encompasses a wide range of aspects including, but not limited to, the alignment of corporate performance taken into consideration:

- Decree-Law 89/2017, of July 28, on the disclosure of non-financial and diversity information by large companies and groups, transposing Directive 2014/95/EU (Non-Financial Reporting Directive, NFRS).
- The Sustainability Accounting Standards Board (SASB) guidelines of the International Financial Reporting Standards (IFRS) Foundation.
- The Taxonomy Regulation (EU) 2020/852 of June 22, 2020.
- The materiality assessment is according to the AA1000 Standard AccountAbility Principles (2018) for the stakeholder engagement process.
- Universal standards of the Global Reporting Initiative (GRI)
- The stakeholder capitalism metrics of the World Economic Forum (WEF).
- The capitals of the Capitals Coalition.
- The Sustainable Development Goals of the United Nations 2030 Agenda (SDGs).
- The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- The Guide of the Commission for Gender Equality, the Guide of the Economic and Social Council, and the international document supporting the development of ISO "Gender Responsive Standards - Guidance for ISO Technical Committees".

Furthermore, Banco Montepio also provides additional information that can be found on our corporate website under the Sustainability and Investor Relations sections and also referenced in this report, namely:

- The 10 Principles of the United Nations Global Compact.
- The United Nations Women's Empowerment Principles (WEPIs).
- Banco Montepio's policies and commitment statements on ethical conduct, sustainability, ESG risk, human rights, the environment, diversity and inclusion, and anti-corruption.
- Banco Montepio's Annual Report 2022.
- Banco Montepio's Sustainability Report 2022.

1.4. MISSION, VISION, VALUES AND BRAND

Through strategic investments, environmental impact management, community involvement and commitment to our people and stakeholders, we shape the future we deliver every day. Sustainability is more than just a conviction; it is a fundamental part of our historical heritage and identity: who we are and how we operate.

Mission, vision and values

Banco Montepio stands as the oldest financial institution in Portugal, embodying a steadfast dedication to upholding the nation's universal mutual banking principles. Our unwavering commitment anchors in advancing social, economic, and environmental sustainability to foster the prosperity of our country. With a legacy dating back to 1844, we have influenced the financial landscape, championing the notion that economic prosperity hinges on societal well-being and environmental stewardship. Our guiding principle, encapsulated in the tagline "We are a Bank of Causes with a People's Soul," underscores our conviction that financial establishments can effect positive transformations amidst the world's intricate challenges, empowering us to revisit "capital" in society, envisioning a future where the pursuit of financial gain harmonises with the imperative of fashioning a better world for all.

Our Mission

To meaningfully impact the lives of individuals, families, companies, and social economy entities, we are committed to actively contributing to a more conscious and supportive presence and building a more sustainable future for all generations through collaboration. As an institution, we embrace economic and social responsibilities beyond those of a standard bank.

Our Values

Since our foundation, we have upheld humanist values as guiding principles of our 100% Portuguese mutual bank. Democracy, freedom, independence, and solidarity are at the core of our identity, culture, and brand. We value Proximity, Trust, Solidarity, Transparency, Tradition, Innovation, and Inclusion, which support us in fulfilling our purpose and endorse each chapter of our sustainability report.

Our brand

Protecting and Strengthening Brand Reputation

Banco Montepio is among the top 10 brands with the highest perceived sustainability value.

According to Brand Finance, the world's leading brand valuation consultancy, Banco Montepio is among the top 10 Portuguese brands with the highest perceived sustainability value. Sustainability represents 9.4 million euros in Banco Montepio's positive reputation, thus generating an important contribution to the financial value of our brand.

This results from the path the brand has been developing in sustainability: joining the United Nations Global Compact, acquiring a 100% electric fleet or financing companies transitioning to a circular and low-carbon economy. "However, the most important thing is that this action has been amplified by Banco Montepio's communication and brand strategy, which positions sustainability as a priority theme," explains Robert Haigh, director of strategy and sustainability at Brand Finance.

Brand Value

Banco Montepio's brand is valued at 131 million euros, making it the 23rd most valuable brand in Portugal, according to a study by Brand Finance. The brand's value has grown by 37% from 2022 to 2023, reaching €9.4 million, with sustainability playing a significant role in shaping its positive reputation. As a result, Banco Montepio has entered the top 10 brands in Brand Finance's Sustainability ranking.

... in the TOP 100 companies with the best corporate reputation

The 4th edition of "Merco Empresas e Líderes Portugal" featured the

companies with the best reputation in our country in 2023. Banco Montepio is among the 100 companies with the best reputation in Portugal. This ranking results from a survey involving 1,299 executive managers of large companies, economic journalists, political and government actors, university professors, financial analysts, NGOs, communication directors and opinion leaders, trade unions and consumer associations, and citizens - Merco Sociedade.

... and ranks with the 100 most responsible companies on ESG topics

Banco Montepio is in the TOP 100 of the Merco ESG Responsibility 2023 ranking of companies, which assesses the companies that have best complied with environmental, social, and corporate governance parameters in 2023. It has risen 10 places compared to the same period last year.

WHERE WE ARE

Through our multi-channel and branch network, we strive to make our services accessible to empower socio-economic growth at the regional and national levels.

We are dedicated to providing convenient and easy banking services, striving to be easily accessible with 200+ open doors, catering to each person, business, social entity, and institutional organization.

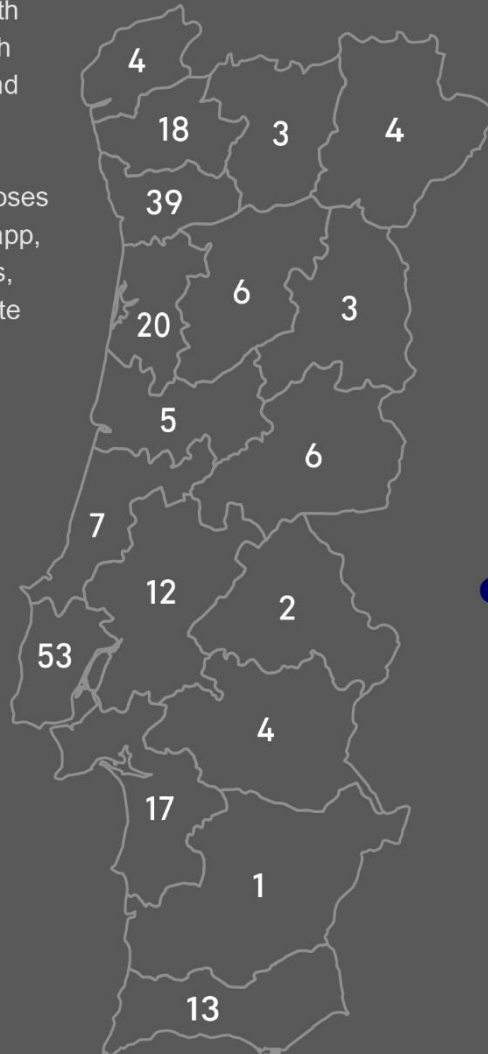
Our self-banking ecosystem encloses ATM network, Montepio24, M24 app, Connect24, and other touchpoints, in addition to our corporate website bancomontepio.pt

AZORES

10

MADEIRA

5



Representation Offices

TORONTO NEWARK PARIS GENEVA FRANKFURT

"A Portuguese bank that speaks our language"

● PORTUGAL

- +200 branches
- 978 Chave24 and Multibanco network ATMs
- +1.3 million clients
- +13.4 billion euros in deposits
- +11.7 billion euros in gross loans
- +560,000 active digital customers



ColorADD



1.6. SUSTAINABILITY STRATEGY

Banco Montepio's sustainability strategy is a vision of prosperity in a changing world and our investment in Portugal's current and future generations.



The foundations of our sustainability strategy are based on the standards set out in the World Economic Forum's "Stakeholder Capitalism", based on its four pillars - People, Planet, Principles of Governance and Prosperity - and the ambition to balance the interests and goals of different stakeholder groups. In addition, they aim to highlight our contribution to the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda.

In doing so, we promote an alignment with metrics that include non-financial disclosures centred on these four pillars and assessments of anti-corruption practices, greenhouse gas emissions, water use, health and safety, wage parity and diversity of the board of directors, among others.

Therefore, our strategic commitment aims to create sustainable and shared

value while seeking medium- and long-term financial performance. In 2023, we started a new cycle of reflection and ambition upon the conclusion of our three-year corporate sustainability strategy, highlighting:

- **Environmental commitment.** Our Statement of Commitment to the Environment acknowledges that our activities and operations can directly and indirectly impact the environment. Thus, we are defining our ambition to contribute to preserving and restoring natural capital.
- **Commitment to Human Rights.** Human dignity and social development have always been part of Banco Montepio's attitude and actions. That is why the Declaration of Respect for Human Rights has consolidated our commitment to respecting universally recognised rights, inseparable from our relationships with our people, clients, social and solidarity economy institutions, suppliers, partners, the communities in which we operate, and other stakeholders.
- **Commitment to Sustainability for Suppliers.** Our contribution to sustainability is also made through our supply chain, sharing values and standards of ethical and responsible action that support sustainable practices, which can enhance the principles of circular economy and ESG performance.
- **Best Practice Handbook for Suppliers.** This guide shares recognised practices that aim to raise awareness and empower companies in our supply chain to achieve sustainable performance.
- **Stakeholder Engagement Commitment.** We understand the significance of various stakeholder groups for our business and the positive impact we aim to achieve. That's why we have publicly stated our commitment to all those entities who contribute to our journey and are the focus of our mission.
- **Recognition at the IRGAwards.** In the 35th edition of the IRGAwards, promoted by Deloitte, Banco Montepio was a finalist in the "Sustainability Initiative Award" category with the "Equality, Inclusion and Citizenship" project, demonstrating that it is possible to "break the glass ceiling" by building a corporate culture of equity and inclusion that has underwritten the delivery of the Institution's best results in 2023.
- **The Portuguese Charter for Diversity.** Subscribing to the Portuguese

Charter for Managed Diversity represented another step towards taking on the issues we consider essential for a society and economy with greater justice, inclusion, and appreciation of people. The Portuguese Association for Diversity and Inclusion (APPDI) represents the European Union (EU) initiative for Diversity in Portugal, based on the charters each country draws up as a sovereign commitment. The European Charters for Diversity helps public and private sector organisations design and implement workplace diversity and inclusion policies. Altogether, more than 17,000 signatories (private and public organisations, NGOs, trade unions) cover over 17 million employees and can be accessed on the European Platform of Charters for Diversity, facilitating the exchange of good practices and successful policies.

- **National Target for Gender Equality.** This path is based on our conviction in valuing our people, which has allowed us to reach the national target of 40% of women in top management and senior management positions by 2023, set for 2030. UN Global Compact Network Portugal recognised Banco Montepio as one of the 14 "Flagship Companies" for Gender Equality in Portugal.
- **ColorADD Code.** In 2023, we reinforced the importance of the term "include" and committed to adopting the ColorADD colour blind system. The human eye can distinguish around 2 million colours, but some people recognise only 50 to 70% of them, sometimes only 10% or, more seldom, only black and white. Created by Portuguese designer Miguel Neiva, it has been recognised by the United Nations as one of the most important social innovations in the world. ColorADD is a unique chromatic alphabet that uses graphic symbols, the three primary colours, and black and white. This system allows people with colour blindness to identify all colours for various purposes, such as identification, orientation, and choices. In Portugal, around 10% of the population is colour-blind, with 41% facing integration difficulties and 90% needing support for colour choices. ColorADD aims to integrate with standard communication codes to facilitate social integration for millions of colour-blind individuals, most of whom are male, advocating for their independence and autonomy in daily life.

1.7. MAIN ACHIEVEMENTS AND DISTINCTIONS

GRI 203-2 | WEF "DIVERSITY AND INCLUSION" | UNGC "ENVIRONMENT" | UNGC FORWARD FASTER 2030 "GENDER EQUALITY, CLIMATE ACTION, LIVING WAGE, FINANCE & INVESTMENT" | WEPS 2, 5, 6, 7 | SDG 5, 8, 9, 13, 17

Media Campaigns



Banco Montepio has introduced a new home loan campaign with a reduced minimum spread of 0.8%. Clients will still benefit from returning 1% of the loan value, or 1.1%, for homes with an A or A+ energy certificate. Additionally, to mitigate the impact of increased reference indexes on mortgage credit contracts, Banco Montepio has introduced a new 2-year Fixed Rate solution. The spread will not be charged during this period, resulting in no change in the instalment for two years.



Home Loans, "We've lowered the spread."

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International Women's Day

We celebrated a particular date with an equally remarkable testimony. On March 8th, we talked to Ana Sofia Antunes, Secretary of State for Inclusion, about life, women, motherhood and the extent of their mission - about inclusion and exclusion. We highlighted the role of women in all spheres of life, society, and the economy, reinforcing the importance of human rights in diversity and equality so that today's girls can become women with full rights and equal opportunities.

SOS Children's Villages, ACAPO, APAV, ColorADD, Fenacerci and Banco Montepio join hands for inclusion

We launched the social responsibility initiative "This is not a Christmas campaign" - in partnership with five institutions that act daily for inclusion - SOS Children's Villages, ACAPO, APAV, ColorADD, and Fenacerci. Together with these five institutions, the campaign told a story about Inclusion in five images through a photojournalist's lens.

This is also the mission of our institution, which has an economic and social role, aims to build a sustainable and equitable society, and endorses fundamental human rights.



PIRILAMPO MÁGICO 2023



Pirilampo Mágico 2023 (The Magic Firefly)

The Magic Firefly, a national symbol of solidarity, has returned with the motto "Dreams that light up every day." Its mission advocates for the rights of people with disabilities and supports the organisations that assist them. The Pirilampo Mágico campaign is organised by FENACERCI, Antena 1, and RTP+ and has been endorsed by Banco Montepio since 2017. This partnership celebrates diversity and provides encouragement and inspiration to those who support individuals with intellectual or multiple disabilities, as well as their families and caregivers, raising funds for CERCI entities, which are members of FENACERCI and similar organisations.



Expresso's weekly podcast, " Ser ou Não Ser "

Ser ou Não Ser, "To Be or not To Be", is Expresso's weekly podcast that challenges listeners to think and act on sustainability, ecology and responsibility.

Each podcast, supported by Banco Montepio, covers significant topics and features guests such as business leaders, entrepreneurs, and experts who share experiences and innovative solutions for a more sustainable future. Our strong economic and social commitment has driven our involvement in this project to raise collective awareness and contribute to a better understanding of sustainability.

Commitments and Partnerships



We joined the Portuguese Delegation to COP 28

Banco Montepio attended the 28th United Nations Conference on Climate Change (COP 28) at the invitation of the UN Global Compact Network Portugal and as part of Portugal's Official Delegation to this important global event. In doing so, we reinforced our commitment to environmental sustainability and the

goals of the United Nations 2030 Agenda at a summit that welcomed industries and organisations from around the world. We shared the financial sector's environmental challenges, the approach to ESG risks that require an increasingly holistic assessment, and the contribution of gender equality to fulfilling the climate agenda and preserving natural ecosystems. COP 28 was the first global meeting of the UN to deliver a statement mentioning the need for a worldwide transition without fossil fuels. 200 countries signed "the beginning of the end" of the fossil fuel era, laying the foundations for a faster and more equitable transition underpinned by deep cuts in GHG emissions and reinforced financing for weaker or more dependent economies.



We helped set up Nova SBE's "VOICE Leadership" initiative to empower SMEs

Banco Montepio is one of the 20 founders of the "Nova SBE VOICE Leadership Initiative", which seeks to increase the competitiveness and ambition of SMEs, impacting value creation, managerial empowerment and citizens' quality of life. Our motivation for this partnership is driven by:

- *Our raison d'être*, which serves social and solidarity economy, stemming from our origins as an SME.
- Our belief in the value that social and solidarity economy institutions can bring to this program, bringing together organisations, sectors, and people with different skills and challenges but with the same goal of prospering ethically and responsibly.
- Our daily commitment to sustainability principles stems from our belief

that these create opportunities, address market imbalances, and, when implemented, bring out the best in companies and their stakeholders.



We joined the "Forward Faster 2030" initiative of the UN Global Compact, which has the high patronage of the Secretary-General of the United Nations.

Banco Montepio was the first Portuguese company to join the Forward Faster 2030 initiative, launched on September 19, 2023, by the UN Global Compact, committing to act in four accelerator areas by 2030: (i) Gender Equality, (ii) Living Wage, (iii) Climate Action and (iv) Financing and Investment. We were also one of the first international banks to recognise this global platform for ambitious and faster corporate action in five key areas - Gender Equality, Living Wage, Climate Action, Water Resilience and Financing and Investment - to achieve the 17 Sustainable Development Goals (SDGs). As part of this commitment, Banco Montepio was part of the international and multisectoral working group of priority organisations linked to and making an effective contribution to the 2030 Agenda.



JAP Social Innovation Camp by Banco Montepio

The 3rd edition of the JAP Social Innovation Camp by Banco Montepio with Junior Achievement Portugal (JAP) challenged students aged 15 to 18 to develop entrepreneurship projects following the SDGs:

1. **Gender Equality**, through SDG 8 "Decent Work and Economic Growth" and SDG 10 "Reducing Inequalities".
2. **Responsible Consumption and Production**, through SDG 9 "Innovation and Infrastructure" and SDG 13 "Climate Change".

This youth entrepreneurship training program also involves the teachers in supporting the development of ideas and people from Banco Montepio, who mentor the projects regarding their feasibility and alignment with the market. We have been JAP partners since 2006, and the investment we make in initiatives to enhance young talent is followed up by other actions organised by JAP, for which the maturity and viability of the projects are relevant.



National Target for Gender Equality

In 2023, we reached the target for gender equality in Portugal by ensuring 40% of women in top management and senior management. Advocating the National Target for Gender Equality demonstrates our performance in line with targets

5 and 9 of SDG 5 - Gender Equality.



Pacto Contra a Violência

Gender Equality (CIG) that supports the work of the structures within the National Support Network for Victims of Domestic Violence. Violence in any form represents a regression in humanity's behaviour and evolution. By expressing our stance against violence, particularly domestic violence, we highlight the preservation of human dignity in a society where people feel safe, respected, and empowered.

We subscribed to the Pact Against Violence.

We were pioneers in signing the Pact Against Violence, a network of partner organisations of the Portuguese Commission for Citizenship and

Gender Equality (CIG) that supports the work of the structures within the National Support Network for Victims of Domestic Violence. Violence in any form represents a regression in humanity's behaviour and evolution. By expressing our stance against violence, particularly domestic violence, we highlight the preservation of human dignity in a society where people feel safe, respected, and empowered.



We were at the Social Innovation Village

Banco Montepio was an official partner of the most prominent social innovation meeting. The 2nd edition of the event organised by Portugal Inovação Social (PIS) took place at Aldeia da Luz in Mourão. This initiative brought together different organisations involved in social innovation in Portugal, from social and solidarity economy institutions, incubators, consultancies, foundations, municipalities, and public and private social investors. The six stages held debates, showcasing innovative initiatives and social entrepreneurship, and themed workshops.



We were at the XIV National Congress of Misericórdias

Banco Montepio was an official partner of the XIV National Congress of Misericórdias, alongside the institutions that fight daily to improve our society. Over 500 delegates gathered in Lisbon under the slogan "Valuing the past, Living the present, Projecting the future." They represented

388 Misericórdias in Portugal (some of which have existed for more than 500 years), supporting more than 165,000 people daily in strategic social areas such as education, health, socio-professional inclusion, and hospital infrastructures and long-term care units.



We hosted ESG Week 2023

Banco Montepio was the host and main sponsor of the 2nd ESG Week 2023, which promoted debate on the significant sustainability issues and ESG challenges. National and international experts, business leaders, representatives of academia and public administration addressed the challenges, but also the opportunities, of the European regulatory framework, taking advantage of the reorientation of investments towards the energy, digital and technological transition of industries, and the recognition of more sustainable

companies, seeking to ensure the necessary conditions to achieve climate neutrality in Portugal by 2045.



We celebrated the Festa dos Tabuleiros

We were the "official bank" of the Festa dos Tabuleiros de Tomar. A unique and secular bank supported a unique and secular festival. The Festa dos Tabuleiros is a National Intangible Heritage and one of the most important traditions in Tomar. It takes place every four years, is organised by the town's population and welcomes hundreds of thousands of visitors from all over the world to watch the procession of trays through the streets decorated with thousands of handmade flowers.



We were Volunteers at EPIS 2023

Banco Montepio volunteers met at the Interpretation Center in Monsanto Forest Park for the "EPIS 2023 Volunteers Meeting," organised by the Entrepreneurs for Social Inclusion Association (EPIS). We collected approximately 3,700 kg

of waste, uniting multiple generations and encouraging responsibility for shared spaces and natural parks.



We granted the first Social Loan in Portugal, reinforcing our position as the "Portuguese Social Economy Bank."

Banco Montepio granted Santa Casa da Misericórdia de Vila Franca de Xira a social loan of €12 million for the construction of the infrastructures of the Health Campus Project, which is part of a more extensive €22 million program that will upgrade the former Vila Franca de Xira

Hospital into a health unit with three facilities: (i) Ambulatory Medical Clinic, (ii) Integrated Care Unit and (iii) Residential Structure for the Elderly.

The social loan is a financing instrument that aligns with Banco Montepio's strategic priority of supporting its clients and partners as they move towards a better future, providing an innovative financial offer with a return associated with sustainability goals, performance, and ESG factors. This financing complied with the requirements defined in the "Social Loan Principles" of the International Capital Market Association and the Loan Market Association, under the endorsement of ISQ's "Second Party Opinion", which validated respect for the principles of sustainable development and ESG factors.



We celebrated the 16th Festa da Solidariedade

The 16th "Solidarity Festival" took place on October 14 in Portalegre, with the support of Banco Montepio.

The National Confederation of Solidarity Institutions (CNIS) organised the event, and 15 municipalities in Portalegre hosted the "Flame of Solidarity", promoting interaction between the district's IPSS. The meeting was

recognised by individuals, including Ana Mendes Godinho (Minister of Labour, Solidarity and Social Security).

Awards and Brand Recognition

Our home loan won the Consumer Choice Award.

For the second time in a row, Banco Montepio was the "No. 1 Brand in



Consumer Choice" in the "home loans" category, with an overall rating of 77.54% and satisfaction of 77.40%. Out of the 12 banks assessed, our home loan offer received the highest score in the overall evaluation of the ten most valued attributes by consumers. These attributes include flexible loan terms, trust in Banco Montepio, detailed product explanations, easy document delivery, loan spread, amortisation benefits, offering 1% of the loan amount, process length, interest rate, and "no obligation" to complementary products.



... and "Escolha Acertada" to Deco Proteste

DECO PROTESTE has awarded Banco Montepio with two "Right Choice" seals:

- Home Loans - with associated sales,
- Home Loans - without associated sales.

Banco Montepio's home loan offered the best value for money, whether with or without associated sales. DECO PROTESTE (Portuguese Association for Consumer Protection) evaluated the offerings of 13 banks for a 30-year loan of 200,000 euros with a variable interest rate and an 80% financing-guarantee ratio and concluded that Banco Montepio was the top choice.



We are Five Stars in "Banking - Sustainability"

Banco Montepio was awarded Five Stars 2023 in the Banking - Sustainability category with an overall satisfaction rating of 80.1%. This index results from an evaluation system involving consumers with an affinity for sustainability, concept tests with clients and employees, and a market study of the brand.

An independent evaluation committee evaluated our brand on various factors influencing purchasing decisions in this category. These factors include customer service, responsible offering and promotion of sustainable behaviour, ethics and integrity in relationships with clients, employees, and partners, and adherence to social, environmental, and economic sustainability principles and responsible consumption. Additionally, the evaluation considered the brand's

social, environmental, and economic responsibility actions, its promotion of economic, social, and environmental sustainability, and its alignment with international best practices.

In a subsequent market study, Banco Montepio's brand was assessed for the level of trust and innovation recognised by consumers. The study revealed that seven out of 10 people surveyed trust our brand, and seven out of 10 consider the sustainability actions undertaken to be innovative.



... and were elected Brand of Excellence again

Banco Montepio has been awarded "Superbrand" for the 14th time. This initiative recognises Portugal's most influential brands on an annual basis. We take great pride in this achievement, which serves as a continuous motivation for us. The Superbrands are chosen through an independent study on a population sample. This study involves questions about the brands people know, trust, and recommend. These results are then assessed by the Superbrands Council, resulting in a selection of brands deemed memorable and significant to the Portuguese.



associação portuguesa
de ética empresarial

Our commitment to Social Responsibility in Portugal has been recognised and appreciated by APEE.

The Portuguese Association for Business Ethics (APEE) awarded Banco Montepio the "Social Responsibility and Sustainability Strategy" Award. This acknowledgement validates our efforts and highlights the value we bring to our stakeholders and our active contribution to sustainable development. The distinction aims to recognise ongoing contributions to implementing policies and models of good governance in both profit and non-profit public and private sector organisations.

APEE acknowledged our purpose, shaped by our heritage, history, celebrations, and challenges, and shared among generations of people, families, communities, companies, public institutions, and entities in the social and solidarity economy - a path leading towards the future.



We became a "flagship company" of Portugal's National Target for Gender Equality.

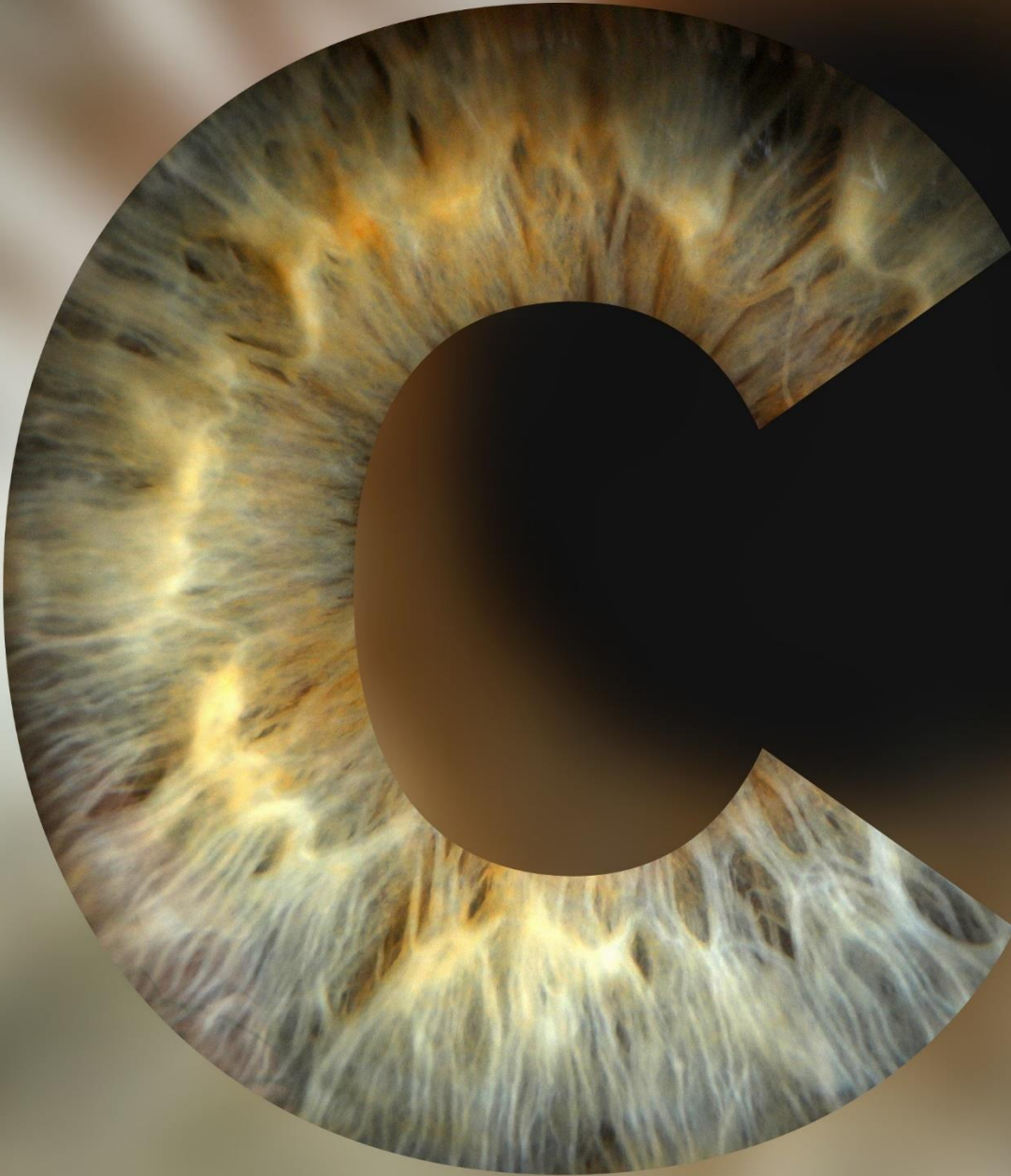
On the 20th anniversary of the UN Global Compact Network Portugal, Banco Montepio was recognised as a "flagship company" of the National Target for Gender Equality in Portugal. We have achieved the objectives set for 2030 and boast the most equal board of directors in national banking. 49% of our employees are women, and women hold 40% of top decision-making positions.



We were finalists at the IRGAwards 2023

Banco Montepio has made significant progress under its Diversity and Equality Policy in alignment with various national and international commitments on gender equality, pay parity, including people with disabilities, cross-cutting diversity training, and female leadership.

The results achieved in 2023 demonstrate the positive impact of these initiatives. Deloitte recognised these results at the IRGAwards, which selected our performance in gender equality, "We Broke the Glass Ceiling," as one of the four finalist projects in the "Sustainability Initiative Awards" category.



2 COMMITMENTS DRIVING US



2.1. POLICIES AND COMMITMENTS

GRI 2-15, 2-19, 2-23, 2-24 | WEF "PROTECTED ETHICS ADVICE AND REPORTING MECHANISMS" | UNGC "HUMAN RIGHTS, LABOUR" | SDG 5, 16

Sustainability is a fundamental part of our historical heritage and identity driven by transparency, responsibility and innovation, guiding us on a mission of lasting impact and ethical performance while reconciling economic prosperity with social well-being and respect for the environment. This path journeys with our people, clients, partners, and other stakeholders, whom we believe to be confident in our commitments and deliver the future we endorse to benefit society, the planet, and the economy.

Policies and Regulations

At Banco Montepio, we adhere to clear codes and guidelines that promote

transparency, respect, and ethical standards and vehemently oppose discrimination and harassment. Our policies and statements sum up these assignments and responsibilities, particularly embodied in our Code of Conduct, which all employees are required to read and agree to.

The Whistleblowing policy is a testament to our commitment to accountability and transparency, offering a platform for reporting incidents through the Ethics Channel. Reports can be submitted in writing, verbally, or in a meeting and are prioritised based on their seriousness. We follow strict procedures to ensure the anonymity and confidentiality of the information provided. The Irregularities Committee further evaluates reports, determines if an investigation is warranted, and oversees the subsequent measures outlined.

The declarations of commitment relating to the Sustainability Policy play an

essential role in the bank’s strategic framework, enabling the integration of sustainability and ESG (Environmental, Social, and Governance) considerations into our operational practices.

Sustainability-related policies encompass fundamental principles and specified responsibilities and endorse action plans targeted at minimising environmental impact, advancing diversity and inclusivity, upholding human rights, fostering stakeholder relationships, and continuous improvement through ethical business conduct. These commitments, aligned with international standards and best practices, ensure consistency in risk mitigation, maximisation of opportunities, and long-term value creation, all of which are focal points of our Sustainability Policy.

Directly related to the Sustainability Policy

Upstream

- Social Commitment Charter
- Code of Conduct
- ESG Risk Policy

Downstream

- Diversity and Inclusion Policy
- Declaration on Human Rights
- Declaration of Commitment to the Environment
- Declaration of Commitment to Sustainability for Suppliers
- Declaration of Commitment to Stakeholder Engagement

Business and ethical governance policies

Banco Montepio adheres to ethical governance and compliance policies and regulations, prioritising transparency, integrity, and trust among stakeholders and ensuring responsible banking practices. Our policies, regulations, and statutes are published in the institutional area of our corporate website.

Commitments

- 10 Principles of the UN Global Compact
- The United Nations 2030 Agenda & 17 Sustainable Development Goals

- UN Women’s Empowerment Principles
- ESGB / WSBI Charter for Responsible and Sustainable Business
- Charter of Commitment to Sustainable Development in Portugal

Subscribed in 2023

- Portuguese Charter for Diversity
- Pact Against Violence
- UN Global Compact “Forward Faster 2030”

External Representations

GRI 2-28 | WEPS 6, 7 | SDG 16, 17

Financial services are decisive in supporting the shift towards a sustainable global society, in line with the 17 Sustainable Development Goals and 169 associated targets. This vision is a worldwide effort that involves building relationships in different forums.

Banco Montepio enhances its external representation through active participation in diverse working groups, committees, and domestic and international councils.

These engagements are designed to foster constructive contributions toward the respective objectives. Moreover, our involvement in forums and events provides opportunities to exchange best practices, acquire insights, and leverage the collective expertise of our teams.

Event	Representation
Conference “Transforming Portugal”	Executive Committee
ESG Week 2023	Sustainability Office, Social Economy and Public Sector Division
United Nations Global Compact Leaders’ Summit	Sustainability Office
ESBG 5th Sustainable Finance Committee	Sustainability Office
28th United Nations Climate Change Conference, COP 28	Executive Committee, Corporate Governance Division and Sustainability Office

Entity	Representation
Portuguese Banking Association (APB)	<ul style="list-style-type: none"> • Board of Directors • Sustainable Financing Regulatory Framework Working Group (WG) • ESG Risk Prudential Treatment WG • Sustainable Finance Task Force (TF) • Sustainable Taxonomy TF • APB/ADENE Collaboration TF
Portuguese Association for Business Ethics (APEE)	General Council
Portuguese Institute for Quality (IPQ) & APEE	Technical Committee 217 – Sustainable Finance
NOVA SBE - Nova School of Business and Economics	Advisory Board VOICE Leadership Initiative mentorship
GRACE	Finance Cluster and Water Cluster
World Savings and Retail Banking Institute & European Savings and Retail Banking Group (ESBG / WSBI)	<ul style="list-style-type: none"> • Board of Directors • Coordination Committee • Corporate Social Responsibility & Sustainable Development Committee • Sustainable Finance Committee
National Centre for Social Innovation Skills (CNCS)	Advisory Board
Portugal-Mozambique Chamber of Commerce (CCPM)	Board
Youth Foundation	Founders' Council
Junior Achievement Portugal (JAP)	Board
Portuguese Business Confederation (CIP)	Environment and Sustainability Strategic Council and 11 other councils

2.2. MATERIALITY ASSESSMENT

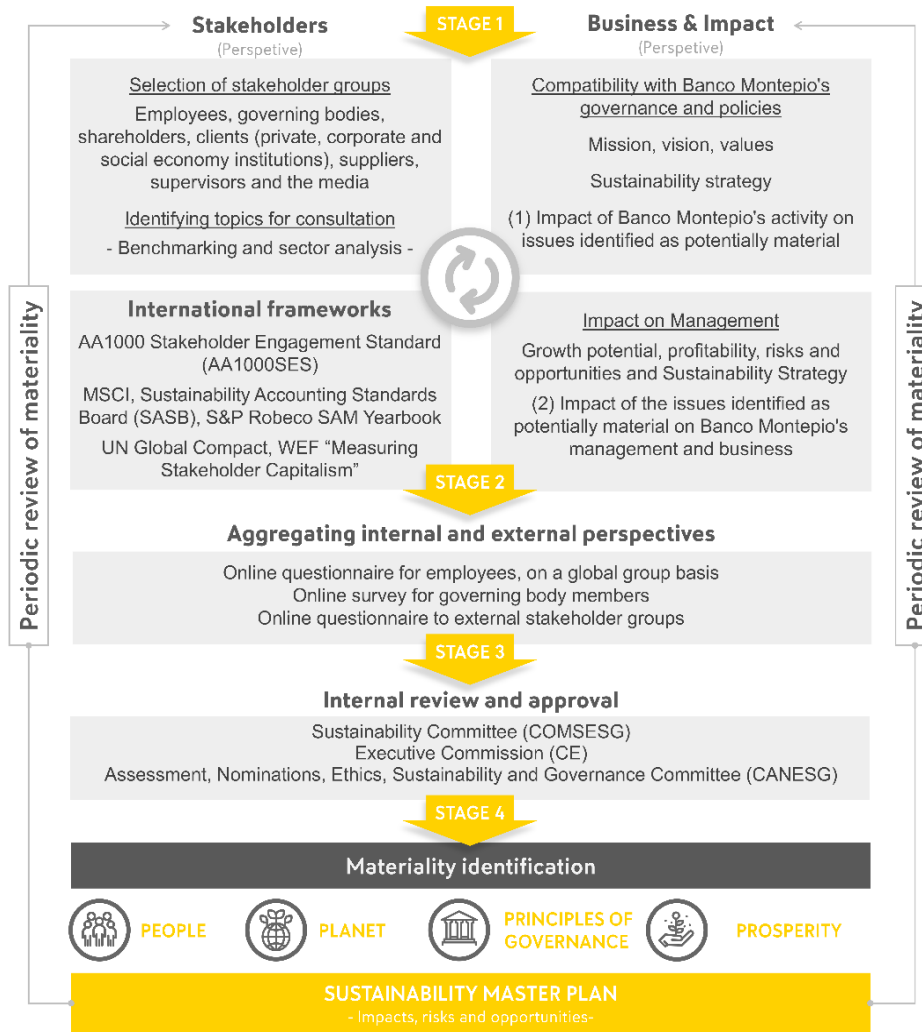
GRI 3-1, 3-2, 3-3 | WEF "MATERIAL ISSUES IMPACTING STAKEHOLDERS" | SDG 8.3 | UNGC "LABOUR" | WEPS 5

In 2023, a comprehensive materiality exercise identified the significant sustainability topics for our stakeholders and operations, following the double materiality principles outlined by the Global Reporting Initiative (GRI), the European Financial Reporting Advisory Group (EFRAG), and AccountAbility.



By combining both materiality perspectives, our corporate sustainability strategy can address our business's impacts, risks, and opportunities while considering broader social and environmental challenges affecting our stakeholders, allowing us to progress towards achieving our goals.

Identifying Materiality



Methodology

Our approach to potential material issues was carried out in four (4) stages to evaluate whether our efforts and those of the relevant public were targeted, informed, and effective in addressing challenges and opportunities.

Benchmarking and sector analysis

The potential material topics were defined by (i) benchmarking six national and international banking peers with recognised sustainability performance and (ii) analysing ESG trends, including ratings and standards relevant to the banking sector, such as the MSCI, SASB, and S&P Robeco SAM Yearbook indexes.



Consulting internal and external stakeholders

The stakeholder groups were chosen based on Banco Montepio's commitment to stakeholder engagement, compatibility with corporate governance and policies, and the international AA1000 Stakeholder Engagement Standard.

- Private Clients
- Employees
- Corporate Clients
- Suppliers
- Social Economy Clients
- Governing Bodies
- Shareholders
- Media / Press

19 topics were identified to assess (1) Banco Montepio's impact on each and (2) the impact of each topic on the business model and sustainability strategy.

1. Diversity, Equality, and Inclusion
2. Climate Action
3. Natural Resources and Ecosystems
4. Sustainable management of operations

5. Cybersecurity and information privacy
6. Corporate governance and ethics
7. Customer experience and satisfaction
8. Transparency in Communication
9. ESG Risk Management in the Bank
10. Financial literacy and inclusion
11. Innovation and digital transition
12. Economic performance
13. Green products and services
14. Job creation and business support
15. Attracting and retaining talent
16. Social commitment
17. Impact Investment and Social Economy
18. Human rights in the value chain
19. Sustainable housing

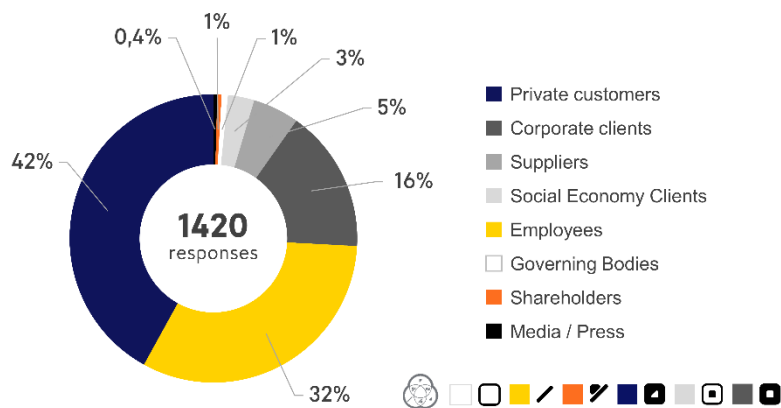
Materiality Assessment Results

Our Account Manager on Montepio24 Internet banking and the Intranet made the questionnaires available. They cover 490,000 private clients, 76,000 companies, and 2,200 social economy institutions.

Contact groups and response rates

Stakeholders	Responses (#)	Total (%)	% response (defined sample)
Private clients	596	42%	45%
Employees	457	32%	16%
Corporate clients	228	16%	21%
Suppliers	74	5%	8.5%
Social Economy Clients	42	3%	23%
Governing Bodies	10	1%	83.3%
Shareholders	7	1%	18.4%
Media/Press	6	0.4%	6%
TOTAL	1 420	100%	

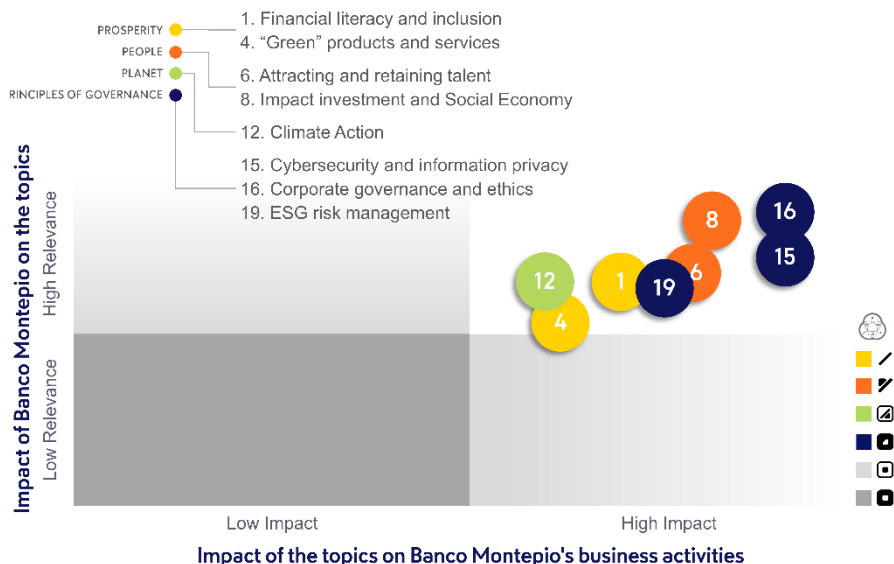
Aggregate participation



Montepio and our stakeholders, involving the dimensions of financial materiality and impact materiality. By integrating these perspectives, we will ensure a holistic understanding of ESG priorities, guiding our strategy and decision-making processes in executing the 2024 sustainability strategy.

Analysing the impacts, risks, and opportunities of the material topics in the following sustainability report will help ensure that our sustainability efforts are targeted, informed, and effective in responding to the challenges and opportunities we face with stakeholders. This will add value to strategic sustainability planning and decision-making procedures while ensuring the future resilience of our institution.

Material Topics



Analysis of material issues

Our double materiality approach identifies and prioritises the most significant environmental, social and governance (ESG) issues impacting Banco

RELEVANCE 2022

Relevant Topics 2022	Operating Principles	Strategic Pillars	SDGs	Delivery 2022
1. Digital and Technological Innovation	To value digital trends, innovative technological solutions and promote a culture of innovation and adaptability, improving the digital experience of relevant stakeholders.		 	Chapter 4, 4.2 Produced Capital
2. Financial Health and Financial Responsibilities Management	To empower employees and customers through financial education, adapted solutions and responsible lending, for sound financial habits and healthy wealth management.	PROSPERITY 	   	Chapter 3 Values we manage Chapter 4 Our Created Value
3. Cybersecurity	To ensure the maintenance of robust systems, regular surveillance, security encryption and training, to protect customer information and financial assets.	PRINCIPLES OF GOVERNMENT 	 	Chapter 4, 4.3 Human Capital Chapter 8 Contacts
4. Environment and Climate Change	Commitment to sustainable investments, green finance, carbon footprint reduction and regulatory compliance.	PLANET 	  	Chapter 3 Commitments Driving us Chapter 4, 4.5 Natural Capital
5. Human rights and Non-discrimination	To promote respect for human rights in all activities and relationships, as well as equity, diversity and inclusion, in line with the corporate social responsibility practices applied.	PEOPLE 	     	Chapters 2, 3, 4 Chapter 5 Social impact

The sustainability master plan considered the five main themes following the 2022 Stakeholder consultation: employees, customers (individuals, companies, and social economy), suppliers, and partners.



MATERIALITY 2023

Material Topics 2023	Commitments	Strategic Pillars	SDGs
1. Financial Literacy and Inclusion	To empower people and entities through accessible financial education, promoting inclusion, financial health and equitable access to our services, for sustainable prosperity.		  
4. "Green" Products and Services	To provide green financial solutions that promote sustainability, minimize environmental impact, and contribute to a greener future.	PROSPERITY 	  
6. Talent Attraction and Retention	To promote a diverse, equitable, and inclusive workplace with development opportunities, competitive benefits, and a culture that supports talent retention.		   
8. Impact Investment and Social Economy	To align financial strategies with social and environmental objectives for the sustainable development of people and communities, valuing the Social and Solidarity Economy.	PEOPLE 	   
12. Climate Action	To promote sustainable finance, carbon footprint reduction, green investments, energy transition and support for climate resilience and adaptation initiatives.		 
15. Cybersecurity and Data Protection	To prioritize cybersecurity and safeguard data privacy, contributing to the trust, security, and integrity of all stakeholders.	PLANET 	  
16. Corporate Governance and Ethics	To promote integrity, good corporate governance and the highest ethical standards to ensure a sustainable corporate model in the long term.		
19. ESG Risk Management	To integrate environmental, social and governance aspects into risk management, paving the way for sustainable growth and corporate resilience.	PRINCIPLES OF GOVERNMENT 	  

2.3. STAKEHOLDER ENGAGEMENT

GRI 2-16, 2-25»26, 2-29, 3-1, 3-3 | WEF "MATERIAL ISSUES IMPACTING STAKEHOLDERS" | SDG 16, 17

Overview of stakeholder groups

We aim to create value in society, the economy, and the environment by recognising the relevance of different stakeholder groups to our activities and continuously developing. Our goal is to:

- Proactively manage different stakeholder groups, including their expectations in management, and mitigate related risks.
- Encourage sharing interests and delivering value, considering their concerns and values in decision-making, and promoting the communities in which Banco Montepio operates.
- Strengthen trust by building solid, long-term relationships.
- Promote recognition of Banco Montepio's performance in corporate social responsibility, chiefly in terms of the professional development of our people and reconciling the different aspects of life - personal, family, and professional.
- Ensure a contribution to our reputation by reinforcing our strategy, brand, and core corporate values.
- In 2022, we engaged with our relevant stakeholders – our employees, particular and corporate clients, social entities, suppliers, and partners – which identified five key areas for Banco Montepio to address in its sustainability strategy:
 1. Digital and technological innovation
 2. Financial health and management of financial responsibility
 3. Cybersecurity
 4. Environment and climate change
 5. Human rights and non-discrimination

Mechanisms for Stakeholder Inclusion

At Banco Montepio, we ensure that our people, clients, and other stakeholders have access to means, channels, or services that allow them to formally communicate any suggestions or possible dissatisfaction, gather opinions, and

gauge expectations. In line with our commitment to stakeholder engagement, we conduct impact assessments and collaborate with different stakeholders to respond effectively to the concerns and needs of the people and communities we serve.

Stakeholder engagement

Relevance	Communication	Media	Stakeholders	Relationship
COLLABORATE Strong influence High interest	DYNAMICS Dynamic two-way sharing	Personalised Governance forums Customer manager Branch network	Governing bodies Employees Shareholders	Greater effort and investment Fewer stakeholders
	ACTIVE Limited two-way sharing	Exclusive questionnaire/s Customer manager Own, remote and face-to-face channels	Clients Suppliers Investors	
CONSULT Strong influence Moderate interest	MODERATE Limited two-way involvement	Questionnaires Surveys Official portals Q&A events and forums	Supervisors Academia Media	Lower effort and investment Larger number of stakeholders
		Email/SMS Podcasts Market research Performance reports	Society in general	
INFORM Low influence Moderate interest	STANDARDISED One-way engagement			

Key means of interaction and feedback

Banco Montepio upholds principles of ethical management, promoting a policy of customer-focused and relevant interest groups, as well as ongoing improvement to ensure the quality of the service provided, a positive impact on the business and stakeholder satisfaction.

Banco Montepio provides means and channels for employees, service



providers, shareholders, and other individuals or entities to report actual or potential irregularities. In addition to what is legally established, we ensure the review and forwarding of communications we receive regarding the provision of services, our commercial offer, or the quality of our customer service.

Any suggestions, complaints, acknowledgements, or compliments can also be made at our branches via the Customer Support line, on the institutional website or by writing to the Transformation and Quality Department - Complaints Management Department. In addition, each person or entity has the right to complain to the supervisory authorities - Banco de Portugal, the Portuguese Securities Market Commission and the Insurance and Pension Funds Supervisory Authority. In situations of consumer litigation, we ensure that clients can resort to alternative means of resolution by publishing the arbitration centres to which they can turn on our website. Banco Montepio is a signatory to the protocol on alternative dispute resolution mechanisms signed with the Portuguese Securities Market Commission (CMVM).

The Transformation and Quality Division - Complaints Management Department handles complaints within the Banco Montepio Group, ensuring adherence to guidelines while monitoring and addressing supervisory entities.

In 2023, 4,844 complaints were registered, an increase of 8.7% on the same period in the previous year.

	2021	2022	2023	Δ 22-23
Total Complaints	5 641	4 457	4 844	8.7%
Through the Bank of Portugal	300	295	409	38.6%
Through the Complaints Book and e-Complaints Book	853	740	1 180	59.5%



The average response time was 10 working days.

In the Complaints Book and the Electronic Complaints Book, the average response time for complaints made to the Bank of Portugal was 12 and nine working days, respectively.

It should be noted that the legal deadline for responding to these complaints is

20 working days if submitted to the Bank of Portugal and 15 working days if submitted in the Complaints Book and Electronic Complaints Book.

Complaints Portal



Banco Montepio was consecutively distinguished as "Brand of the Month" between February and November 2023 and "Recommended Brand of the Year", which recognises the work carried out over 12 successive months, also confirming the good reputation associated with our brand, according to Consumers Trust's annual report. It achieved the best

average Satisfaction Index in its category throughout 2023, standing out for the performance and attention given to clients and for the responsiveness and management of reported situations. The "Recommended Brand 2024" award is the sole responsibility of national consumers, based on their assessment of brands and entities over 2023.

The Complaints Portal is a reputational marketplace tool and a platform for complainants to express their opinions about a particular brand or product, with the right to a response. Complaints are public, and portal users can view the responses and evaluations associated with the brand. This can usually happen at two different stages: before the purchase, to gauge the brand's evaluation and satisfaction, or at a time of dissatisfaction with the brand.



3 VALUES WE MANAGE

3.1. GOVERNANCE MODEL FOR SUSTAINABILITY

GRI 2-9, 2-11, 2-12, 2-17, 3-3 | WEF "GOVERNANCE BODY COMPOSITION" | SDG 16

Our values reflect our dedication to ethical and responsible resource management, fostering resilience and mutual prosperity. We operate cohesively and responsibly under a cross-cutting management model where sustainability fosters the involvement of all our employees.

Governing bodies 2022-2025

Board of Directors



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

Audit Committee

Chairman: Clementina Barroso
 Directors: Cândida Peixoto, Florbela Lima and Maria Lúcia Bica

Specialized Committees

Banco Montepio's specialised committees include non-executive members, most of whom are independent:

Risk Committee

Chairman: Florbela Lima
 Directors: Eugénio Baptista and Maria Lúcia Bica

Assessment, Nominations, Ethics, Sustainability and Governance Committee

Chairman: Cândida Peixoto
 Directors: Clementina Barroso and Eugénio Baptista

Delegated committee under the Audit Committee

According to no. 5 of the Policy on Communication of Irregularities (Whistleblowing) – Policy 21/2022, the Audit Committee has entrusted the analysis and processing of irregularities to the Irregularities Commission (COMIR). This delegation, a clear demonstration of our commitment to transparency, ensures that irregularities received by the Bank are handled with the utmost care and independence, supporting the Audit Committee in its mission.

Irregularities Commission

Chairman: Maria Lúcia Bica (appointed by the Audit Committee)
 Directors: Fernanda Correia (Audit and Inspection Division) and Miguel Oliveira (Compliance Division)

In addition, the Board of Directors delegated day-to-day management powers of Banco Montepio, except for those legally and statutorily reserved for it, to an Executive Committee, appointing the following members:

Executive Committee

Chairman: Pedro Leitão
 Directors: Ângela Barros, Helena Soares de Moura, Isabel Silva, Jorge Almeida Baião and José Carlos Mateus

Executive Committee support commissions

The Executive Committee oversees specific issues for operational commissions chaired by its members, with established composition and operation modes outlined in their respective regulations:

- Credit Commission (CC) and Credit Executive Commission (CEC).
- Asset-Liability Commission (ALCO).
- Non-Performing Assets Monitoring Commission (COMAANP).
- Pension Fund Monitoring Commission (COMAFP).
- Cybersecurity Commission (COMCIBER).
- Business Continuity Committee (CCN).
- Internal Control Commission (COMCI).
- Costs and Investments Commission (COMCINTO).
- Data Commission (COMDATA).
- Impairment Commission (COMIMP).
- Business Commission.
- Resolvability Commission (CRES).
- Sustainability Commission (COMSESG).
- Technology Commission (COMTECH).

Sustainability Commission

The Sustainability Commission (COMSESG) emanates from the Executive Committee. Led by its chairman, COMSESG has deliberative functions, meets quarterly and comprises different functional areas responsible for implementing the sustainability strategy, carrying out its mission and duties while advising the Board of Directors, the Executive Committee and the Evaluation, Nominations, Ethics, Sustainability and Governance Committee about:

- The strategy and planning relating to the performance of Banco Montepio and the Banco Montepio Group entities in Sustainability, Sustainable Finance and ESG, and Corporate Social Responsibility.
- Policies, voluntary codes and the performance of the areas in disseminating sustainability principles in management, organisational culture and day-to-day operations.

Sustainability Office

The Sustainability Office is a first-level body in Banco Montepio's organisational structure that assists the Board of Directors and entities of the Banco Montepio Group with the strategy and implementation of sustainability and ESG, corporate social responsibility, climate change and stakeholder engagement. It verses the corporate sustainability strategy and ensures follow-up on initiatives and commitments with national and international organisations as well as governmental and non-governmental entities.

Chief Sustainability Officer

The Chief Sustainability Officer (CSO) is responsible for integrating sustainability principles into daily operations and identifying ESG (Environmental, Social, and Governance) issues that significantly impact the organisation's financial performance and risk profile. As the corporate point of contact for sustainability matters, the CSO develops and implements strategies to minimise environmental impact, enhance social responsibility, and promote ethical governance. The CSO also works with stakeholders and tracks progress towards sustainability goals to strengthen the company's resilience, create positive social impact, and build long-term value.

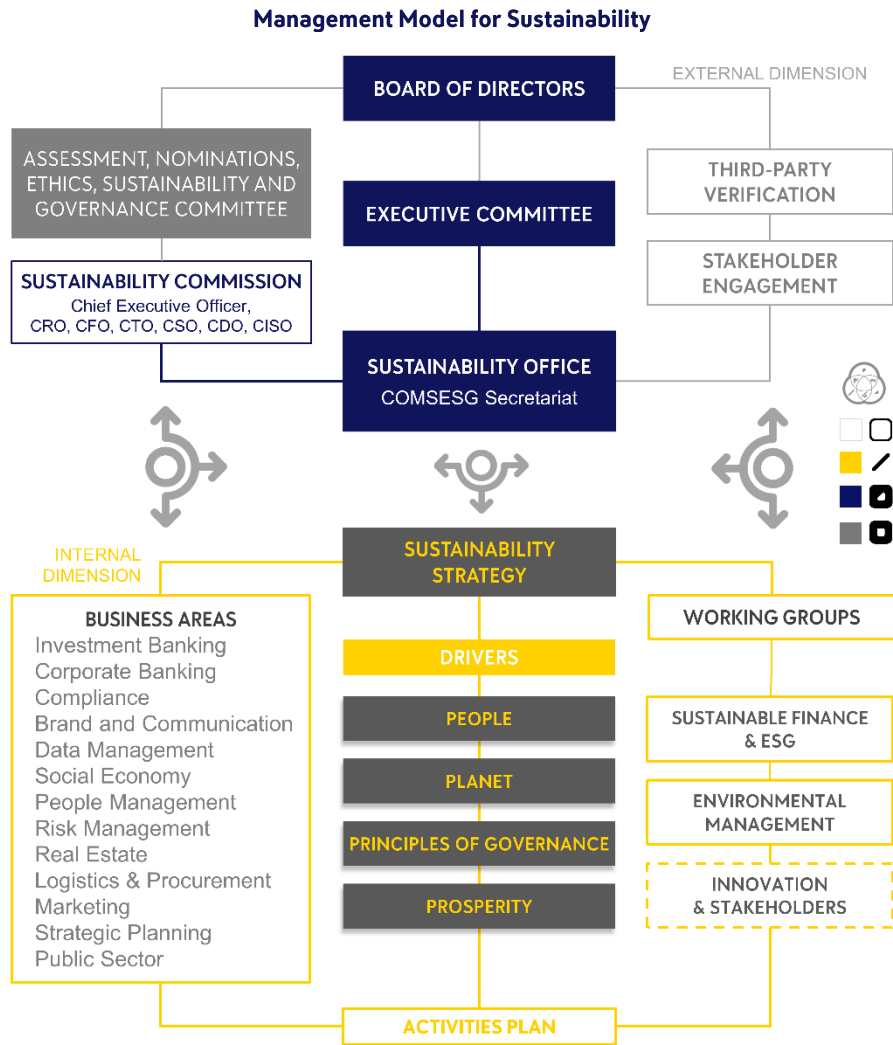
Assessment, Nominations, Ethics, Sustainability and Governance Committee

The Assessment, Nominations, Ethics, Sustainability and Governance Committee (CANESG) comprises three non-executive members, including its Chair. It assists the Board of Directors in matters of selection and assessment of suitability, profile and performance, remuneration and incentives and ethics, sustainability and corporate governance, taking into account the long-term interests of shareholders, investors and other parties relevant to the sustainability of the institution, and the public interest. In 2023, CANESG met with an agenda relating to the topics of the sustainability strategy and the planned COMSESG meetings were ensured.

Internal forums	# Meetings
CANESG	10
COMSESG	4



Sustainability management



The sustainability management model recognises the interconnection between environmental, social, economic and governance factors in current activities, helping to address opportunities and potential risks associated with sustainability and ESG matters, such as regulatory changes, resource scarcity or reputational threats, and is inseparable from efficiency, continuous improvement and resource optimisation. The governance structure for

sustainability matters is led by the Board of Directors, which makes decisions about corporate policies and strategies; the Executive Committee, which implements the strategic plan; and the Assessment, Nominations, Ethics, Sustainability and Governance Committee, which assists the Board of Directors in this agenda.

The Sustainability Office and the Sustainability Commission play crucial roles in managing and implementing the sustainability strategy and activities plan daily, and they are also responsible for evaluating and presenting ESG matters to governing bodies. Two internal working groups ensure the comprehension of key issues for the corporate response to the regulatory and sectoral agenda:

- Sustainable Finance and ESG Working Group (GT FS).** The GT FS is dedicated to aligning our financial operations with environmental, social and governance (ESG) principles under the motto "Do No Significant Harm" (DNSH) of the European Taxonomy Regulation and challenges posed to the financial sector in compliance and proactive adaptation to complex regulatory frameworks, but also in supporting the significant transitions underway in the economy. The FS WG promotes resilience, long-term value creation and risk management, balancing profitability with social and environmental performance indicators.
- Environmental Management Working Group (GT GA).** The GT GA, comprised of specialists from various areas, is an essential executor of initiatives to reduce environmental impacts and carbon footprint by adopting strategies and achievable goals that lead to carbon neutrality by 2045. It promotes innovation and collaboration, internally and externally, contributing to solutions aligned with environmental and climate change commitments.

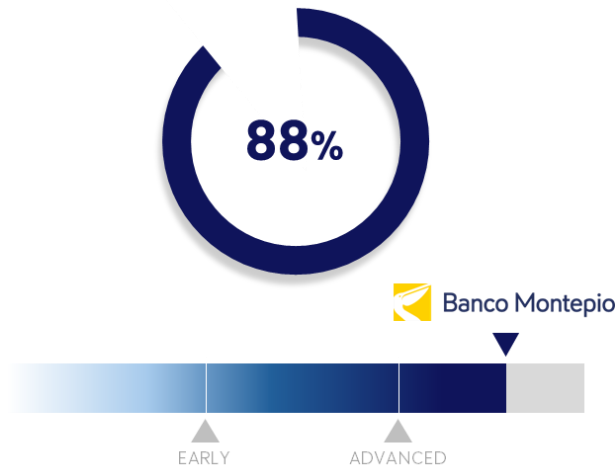
Working Group	Meetings (#)
Sustainable Finance and ESG	3
Environmental Management	1

- Our management model for sustainability, the application of fundamental corporate values in current activities and operations, institutional policies and the public expression of the commitments subscribed to at national and international levels contributed to Banco Montepio's good

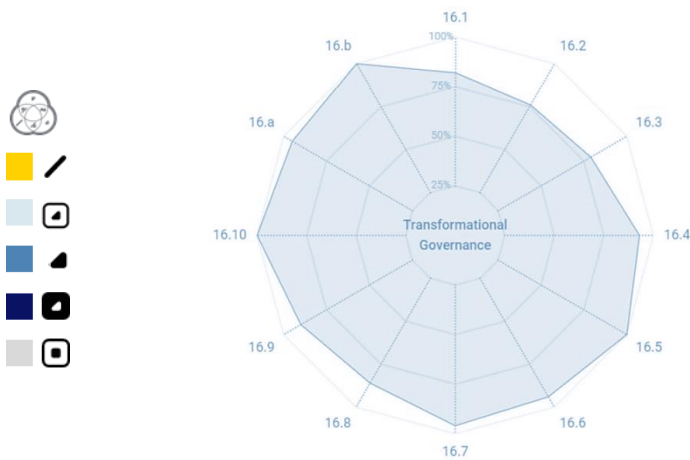
performance in the UN Global Compact's Transformational Governance (TG) Corporate Toolkit with an overall rating of 88%.

Banco Montepio's Path to Transformational Governance

Overall score



Progress on SDG 16 Targets



Banco Montepio fully contributes to eight of the 12 targets associated with the 16th Sustainable Development Goal of the 2030 Agenda, "Peace, justice and strong institutions. The indicators with the lowest scores relate to contexts or

actions that fall outside the scope of our institution's corporate mission, commercial performance, and geographical performance.

3.2. RESPONSIBLE BUSINESS

GRI 2-6, 3-3, 204-1, 413-1, | WEF "ANTI-CORRUPTION" | UNGC "HUMAN RIGHTS, LABOUR" | UNGC FORWARD FASTER 2030 "FINANCE & INVESTMENT" | WEPS 5 | SDG 7, 8, 9, 12

Value chain

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

We acknowledge the impact of our operations across the entire value chain, recognising that our activity affects economic, financial, social, and environmental aspects, and influences financing decisions and interactions with clients. Our Sustainability Report demonstrates our commitment to responsible banking practices and transparency, aiming to enhance our performance by integrating sustainability and ESG factors more deeply into our value chain. Through collaboration with relevant stakeholders, we strive to reduce our environmental footprint, invest in digital and social inclusion, and provide solutions for future prosperity.

Individual clients

We have an unwavering commitment to our individual clients' financial health and to improving their economic well-being through accessible, inclusive financial solutions that promote the social evolution we aspire to for all people and communities. By empowering our clients to achieve their financial goals and secure their future with access to personalised products and services, financial education initiatives, and constant support through various means and channels, both face-to-face and at a distance, we operate under a culture of responsible lending, investment, and sustainable financial practices that benefit clients and the community.

Companies

Micro, small, and medium-sized companies are the backbone of the Portuguese economy, their agility, resilience, and entrepreneurial spirit catalysing economic growth and job creation. As capital managers, we recognise the importance of companies integrating environmental, social, and governance (ESG) principles into their corporate strategies and day-to-day operations. At Banco Montepio, we involve our stakeholders in co-creating

sustainable paths for companies and accelerating collective progress, strengthening our commitment to empowering them to thrive against challenging strategic transitions and rapidly changing businesses alongside their social and environmental responsibilities. Through specialised offers, support services, and literacy initiatives on the sustainable development agenda, we support companies valuing ESG performance as an accelerator of opportunities and a guarantor of a better risk profile.

Between 2020 and 2022, according to the National Statistics Institute (INE), 44.7% of small and medium-sized enterprises (SMEs) carried out innovation activities; 22.6% introduced product innovation (goods or services) and 40.4% introduced process innovation. In the same period, 51.9% of these companies developed innovations with environmental benefits (in the company or the end-user's consumption or use of the goods or services). Of the total environmental benefits obtained, 49.6% were in the company, and 42.0% were in the end user's consumption or use of the goods or services. And 18.2% of the SMEs ensured innovations with significant environmental benefits in facilitating product recycling after use.

This overview of innovative performance and the medium to long-term vision shows the progress of our SMEs in the journey towards climate resilience and adaptation. By driving innovation, promoting social cohesion, safeguarding physical climate scenarios, and investing in skills development, micro, small, and medium-sized companies contribute to the vibrancy and prosperity of the communities they serve. Supporting them on these transformative paths - digital and technological, energy, climate, and social - means aiding in developing the entrepreneurial spirit with which they all began.

Large companies

We aligned with corporate clients who understand the importance of managing their environmental impact, embracing the energy transition, and progressively moving towards carbon neutrality. Therefore, we emphasise:

- **Dst Solar, S.A.** Support for the import of solar panels - Documentary Import Credit (CDI) totalling over €4 million.
- **Cândido José Rodrigues II Renewables, S.A.** Support for the import of solar panels, with CDI totalling €27.1 million.

- **Mountain Water, Comercialização de Água, S.A.** Mountain Water produces “Águas do Caramulo” and the financing made it possible to make the packaging process more efficient, reducing the environmental impact of wasted water. This automation was crucial to the sustainability of the water reserves.
- **Watercare, Tratamento de Águas, Lda.** Purchase of raw materials (tubes and electronic components) for the reverse osmosis and desalination units it builds and is involved in innovative projects for the Algarve to reduce the impact of the drought.

Small and medium companies

The evolution of the European regulatory framework and the increasing challenges of international competitiveness have made it necessary to consider non-financial criteria in business operations and management models. ESG factors, when integrated into corporate performance, help assess risks, build resilience and adaptability, and identify opportunities to attract new business, which are crucial for the long-term success of organisations and their assets. In this changing environment, we are increasing our support and investment in training to help our companies navigate these transformations. Key areas of focus include:

- **VOICE Leadership Initiative.** Banco Montepio has partnered with Nova SBE to create an initiative to support the modernisation and competitiveness of Portuguese SMEs by empowering their decision-makers. This unique training program offers essential tools and routines to help SMEs overcome growth challenges and access to a large, specialised mentoring platform at the national level. The initiative will host 50 SMEs and 50 entities from the Social and Solidarity Economy (SSE), Banco Montepio's clients, to participate in two academic cycles. The purpose is to empower corporate governance, facilitate knowledge sharing between different sectors, and enable businesses to operate under ESG (Environmental, Social, and Governance) principles. By bringing together SMEs and SSE entities, Banco Montepio aims to strengthen the role of the Social Economy, foster the exchange of experiences and challenges, and develop a broader understanding of the social challenges and opportunities within communities.

- **Plataforma PME Sustentável (Sustainable SMEs Platform).** Banco Montepio provides free access to a sustainability and ESG self-assessment platform developed by the Portuguese Association of Business Ethics (APEE) to help SMEs better understand sustainability issues and ESG factors. This platform enables companies to evaluate their performance based on the 10 principles of the UN Global Compact and the 17 Sustainable Development Goals (SDGs), providing a comprehensive understanding of these topics, offering a preliminary rating, and identifying opportunities for improvement.
- “PME Líder” (SME Leader) and “PME Excelência” (SME Excellence).
- In May 2023, the “PME Líder” 2022 status was awarded. This business reputation label created by IAPMEI, a specialised public agency within the Portuguese Ministry for the Economy, distinguishes national SMEs based on the best risk ratings and economic and financial indicators. It is awarded in partnership with Turismo de Portugal, the banking sector and the Mutual Guarantee Societies. The managing bodies of the “PME Líder” Statute also award the “PME Excelência” Statute to a subset of “PME Líder” companies that have stood out for their merit and performance.

Companies with "PME Líder" that are clients of Banco Montepio

2022	2023
359	348

Supply chain

GRI 2-6, 3-3, 204-1 | UNGC "LABOUR, ANTI-CORRUPTION" | WEPS 5 | SDG 5, 8.3, 9, 10, 12

Sustainability is a concept in our day-to-day management, and the supply chain plays an important role in the circular economy ecosystem. Society's involvement is decisive, but companies have a role to play through their ability to influence their stakeholders through sustainability policies, distribution networks, and partnerships.

Therefore, we aim to improve our knowledge of our supply chain's environmental, social and governance practices, and the supplier qualification process has been strengthened with the identification of ESG factors for

implementation in 2024. The purpose of this knowledge and assessment process is to analyse the suitability of the service provider through different levels of due diligence, depending on the classification awarded according to the themes of risk and sustainability assessment:

- Subscription to Banco Montepio's Declaration of Commitment to Sustainability for Suppliers
- Recognition of Banco Montepio's Manual of Good Practices for Suppliers
- Code of Ethics or Conduct of the supplier company, with a guarantee of non-participation in human rights violations
- Information on the company's reputation
- Compliance with ESG factors
- Prevention of money laundering and terrorist financing
- Conflict of Interest and Related Party Transactions
- Certifications or credentials associated with technological resources

In 2023, 74% of the companies in our supply chain were not part of the "brown" industries or sectors of activity ("Climate risk stress test 2022", EBA); 90% were national companies, and we allocated 95% of our costs to local suppliers. This has evolved into a more sustainable supply chain, reducing our ecological footprint and investing in the local and national economies.

Supplier management and selection is an important process, not only because of its internal impacts, which are reflected in and determine efficiency, quality and profitability but also because of suppliers' influence and contribution in the contexts in which they operate.

Compliance and risk management

GRI 2-15, 3-3 | WEF "ANTI-CORRUPTION" | UNGC "ANTI-CORRUPTION" | SDG 16

Anti-corruption

Banco Montepio's internal control system ensures that the execution, decision-making, and control functions are segregated, which helps reduce the risk of corruption or employee bribery. We achieve this by implementing various policies and procedures, including the Code of Conduct, Conflict-of-Interest Management Policy, Whistleblowing Policy, Policy applicable to Unconventional or Non-Transparent Structures and Activities, and other

approaches to the Prevention of Money Laundering and Terrorist Financing.

Under the Code of Conduct, we do not tolerate corruption or any associated acts. Employees must refrain from bribery, influence peddling, or other forms of corruption. This applies to acts involving our employees seeking personal benefits or benefits for the organisation and to acts carried out by clients or counterparties that employees become aware of during financial transactions. These practices are prohibited and to be reported according to Banco Montepio's Whistleblowing Policy.

The commission of corruption offences, embezzlement, influence peddling and other related crimes generate funds that are subsequently introduced into the financial market through operations that constitute the commission of the crime of money laundering. The prevention and repression of corruption is therefore carried out by combating money laundering, and Banco Montepio carries out its commercial activity following policies and applying controls to prevent the use of the Bank for these purposes, following the legislation in force - Law no. 83/2017.

Risk management

The Banco Montepio Group has a risk management system, one of the pillars of the internal control system. This system ensures a correct understanding of the material risks to which the institution is or may be exposed, both internally and externally, to ensure that it remains within the levels previously defined by the management body.

The risk management strategy is established in accordance with the Banco Montepio Group's Risk Appetite Statement, taking into account solvency, liquidity, profitability, asset quality, and other financial and non-financial risks.

The risk management function, carried out by the Risk Division (DRI), leads to the effective application of the risk management system and is one of the three key functions on which the corporate internal control system is based, alongside the compliance and internal audit functions, which together form the core of the three lines of defence model established by the EBA guidelines on best internal governance practices. It acts as the internal control system's second line of defence, ensuring an adequate model to view the institution's overall risk profile, challenging and supporting business lines in implementing

first-line control processes.

The main responsibilities of Banco Montepio's risk management function are highlighted, following the function's internal regulations and organic statutes, bearing in mind the regulatory framework.

The 2023 Annual Report and Accounts and the 2023 Market Discipline Report provide more detailed information on Banco Montepio's risk management.

3.3. SUSTAINABLE FINANCE

Financing and investment instruments

GRI 3-3 | UNGC "ENVIRONMENT" | UNGC FORWARD FASTER 2030 "FINANCE & INVESTMENT" | SDG 7, 8, 9, 11, 12

Banco Montepio implemented initiatives within the scope of its capital market investment activity, corresponding to performance indicators involving different dimensions of investment activity at the level of the various portfolios and instruments under management.

Concerning portfolios made up of bonds, it was possible to integrate ESG indicators into the banking portfolio, and at the end of 2023, 22% of the investments in this portfolio, in instruments other than public debt, were ESG. In terms of the debt instruments trading portfolio, no exception was made to the defined metric, and even so, it was possible to end the year with 14% of investments in ESG bond issues.

Regarding equity instrument portfolios, namely the stock market, the trading portfolio ended in 2023 with 25 per cent of investments in companies with an MSCI ESG Rating of AA or higher. As for investments with a medium and long-term time horizon, work has been carried out to monitor the regulatory framework in force, namely the Taxonomy Regulation, the SFDR - Sustainable Financial Disclosure Regulation and the new Decree-Law 04/2024 establishing the voluntary carbon market and the rules for its operation. Investments in collective investment entities with sustainability objectives in line with Article 9 of the Taxonomy Regulation are also being considered.

In terms of training and capacity building for the Finance and International Division teams, efforts have been made to monitor research from international investment houses and regularly participate in conferences in the sector. Particularly noteworthy was the participation in the "Global Sustainable

Finance Conference" on 11 and 12 December in Paris, where one-to-one meetings were held with representatives of the European Commission and corporate and financial issuers of ESG bonds.

Sustainable investment

Banco Montepio is committed to promoting sustainable investment through sustainability bonds, solutions, and financial instruments that support projects that value environmental and climate challenges and social equity and boost economic growth. These bonds align financial returns with positive environmental and social results.

In 2023, we supported the issue of sustainable bonds, including:

Sustainability-linked Bond Mota-Engil 2023-2027. Bond issue by Mota-Engil, Engenharia e Construção, SA of €10 million, carried out through a private and direct offer, fully subscribed by Banco Montepio (underwritten). The sustainability-linked bonds reflect Mota-Engil's commitment to promoting the improvement of a key performance indicator - the index of non-fatal work accidents with casualties in engineering and construction projects, whose sustainability target should be achieved by reference by 31 December 2025.

With this operation, Mota-Engil intends to tackle the accidents that are most likely to result in fatalities, reinforcing its actions by implementing prevention and awareness-raising measures. The issue, certified as sustainability-linked bonds, is in line with the "Sustainability Linked Bonds Principles" of the International Capital Market Association, according to the Second Party Opinion issued by S&P Global Ratings.

Green Project Bond Blue Future II 2023-2038. Bond issue by Blue Future II - Energias renováveis, Lda, a Cavalum Group company, of €8.2 million, carried out through a private and direct offer, fully subscribed by Banco Montepio (underwritten). This issue financed yet another of Cavalum's renewable energy projects, particularly the investment in the construction and start-up of a wind farm in Porto de Mós (Leiria), with a licensed capacity of 6.0 Megawatts. The issue, certified as a green bond, fulfils the conditions set out in the "Green Bond Principles" published by ICMA, by the Second Party Opinion issued by ISQ, with this project contributing to SDGs 7 and 13.

Sustainability Bonds José de Mello Capital 2023-2028. Bond issue by José de Mello Capital, SA of €4 million, carried out through a private and direct offer, fully subscribed by Banco Montepio (underwritten), which aims to finance the refurbishment of the building on Avenida 24 de Julho, Lisbon, contributing to the enhancement of human capital and environmental aspects associated with climate change mitigation, pollution prevention and control.

The bond issue has been certified as a sustainability bond and complies with the ICMA Sustainability Bond Guidelines. The Second Party Opinion issued by ISQ has considered that this project contributes to SDGs 3, 7, 8, 9, and 12.



In the field of sustainable finance, we highlight:

- **Impact Innovation Fund.** Banco Montepio is the investor and custodian of the Impact Innovation Fund, the first Iberian fund for companies whose social and environmental initiatives can become global benchmarks. Primarily investing in Portugal (>70%) and Spain (up to 30%), the fund will have an endowment of €25 million; the companies in the portfolio undergo a due diligence process in six key areas (financial, intellectual property, commercial, legal, human resources and assets); it integrates ESG factors, specific SDG targets and uses the IRIS+ methodology to measure impact and return on investment; it favours the Energy Efficiency, Blue Economy, Agriculture, Industry and Health and Life Sciences sectors and SDGs 7, 8, 9, 11, 12 and 14.
- Agreement with NOVA SBE School of Business and Economics to assess the feasibility of Sustainable Finance projects presented by master's students, addressing challenges from Banco Montepio.

ESG risk management and mitigation

GRI 3-3 | TCFD "METRICS & TARGETS" | UNGC FORWARD FASTER 2030 "CLIMATE ACTION" | SGD 13, 16

We acknowledge the significance of managing environmental and climate-related risks to uphold the long-term sustainability of our business, investments, and operations. Consequently, we have implemented a comprehensive risk assessment and management framework to evaluate environmental and climate risks within our financing activities.

This framework is further reinforced by our ability to access ESG (Environmental, Social, and Governance) ratings for small and medium-sized enterprises (SMEs), culminating in an accelerated comprehension of the environmental, social, and governance risk typology for a substantial cohort of companies.

Moreover, this framework facilitates biannual reporting on the resultant rating structure while also enabling the disclosure of metrics associated with Pillar III:

1. Potential transition risk associated with climate change:
 - a. Credit quality of exposures by activity and residual maturity (model 1).
 - b. Loans secured by real estate, energy efficiency of properties pledged as collateral, based on estimates (model 2).
 - c. Exposure to the 20 most carbon-intensive companies in the world.
2. Potential physical risk associated with climate change:
 - a. Exposures subject to physical risk - A specific methodology was developed for reporting chronic and acute exposure by cross-referencing sectors and their locations (model 5).
3. Other climate change mitigation measures not covered by Regulation (EU) 2020/852 (template 10).

The risk tolerance level review encompassed a restriction for the seven sectors exhibiting the highest greenhouse gas (GHG) emissions volume. The EBA identified these sectors in the "Climate Risk Stress Test 2022" initiative, and its outcomes formed the basis for the computation of the financed emissions delineated in the subsequent table.

Top 7 - Sectors with the highest GHG emissions (31 DEC 2023)

Sectors (Source: EBA)	NACE Codes	Exp. M€	Exp %
1. Extractive industries	B05-B09	18.5	0.27%
2. Manufacture of coke and refined petroleum products	C19	4.6	0.07%
3. Manufacture of other non-metallic mineral products	C23	125.3	1.82%
4. Electricity, gas, steam and air conditioning supply	D35	94.3	1.37%
5. Water transport	H50	4.8	0.07%
6. Manufacture of chemicals and chemical products	C20	83.5	1.21%
7. Manufacture of primary metals and fabricated metal products, except for machinery and equipment	C24-C25	235.6	3.42%
Total Exposure Top-7		566.7	8.23%
Total exposure with NACE mapping		6 885.8	

The 2023 Risk Appetite Statement also includes a differentiated rating for loans to social sector organisations.

A climate risk scenario methodology was developed, integrating the impact of carbon price increases on the evolution of default probabilities, considering:

- **Development of policies and strategies.** The European regulatory framework, stakeholder expectations, and the responsibility with which we manage our business in the medium and long term determine a robust approach capable of keeping up with the changes in the financial sector.
- The **ESG Risk Management Policy** is part of the Banco Montepio Group's Risk Management Policy and is established per the Banco Montepio Group's Risk Appetite Policy, which establishes the guiding principles and responsibilities inherent in the management and internal governance of ESG risk.
- **Internal structure.** We have implemented an internal ESG risk management structure, operationalising the ESG Risk Management Centre, with employees exclusively dedicated to this area. In addition, a Sustainable Finance Working Group was set up, an integral part of the management model for sustainability.

- **Data & Analytics.** The year 2023 marked significant progress in terms of ESG data. Various SME ESG risk data and the evolution of the internal data capture process to the taxonomy scope were contracted to stabilise a management information centre to support Banco Montepio's activities and operations.
- Access to reliable sources and granular information, both internal and mainly external, represents a challenge in terms of aggregating reliable data associated with the main performance metrics (KPIs) globally defined to assess environmental and social impact and governance, and which underpin our reporting and assessment of progress in meeting sustainability targets, particularly those arising from the response to compliance with the regulatory framework.

Environmental risk - "Climate and Environmental Risks" - is defined in Banco Montepio's Risk Taxonomy and is individually identified and assessed as part of the risk materiality assessment process.

European Taxonomy

As part of the European Commission's Sustainable Finance Action Plan, Regulation (EU) 2020/852 establishes a regime for promoting sustainable investment, with disclosure requirements for financial and non-financial entities. It also provides adequate definitions of economic activities that can be environmentally sustainable.

Information on Taxonomy compliance

Indicator	2023
(i) Proportion of total assets linked to exposure to central governments, central banks and supranational issuers	28%
(ii) Proportion of total assets linked to exposure to undertakings that are not required to publish non-financial information according to Article 19a or 29a of Directive 2013/34/EU	24%
(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%

Green Asset Ratio (GAR)

Euros	2023
Total environmentally sustainable assets (Numerator)	60 664 625€
Total Assets (Denominator)	12 917 154 727€
Green Asset Ratio	0.47%

Note: Values correspond to those presented in the 2023 Market Discipline.

Banco Montepio's Green Asset Ratio (GAR) is 0.47%, based only on turnover and calculated prudently.

The rules for calculating the ratio were laid down in Delegated Regulation 2021/2178, according to which the numerator of the ratio includes, among others, the exposures of companies subject to the Non-Financial Reporting Directive (NFRD), exposures to financial companies and other retail exposures, such as loans secured by residential property and car loans. The rules provide for the exclusion of companies not subject to the NFRD, particularly SMEs.

The rules only allow the inclusion in the numerator of the ratio of exposures that fulfil the technical assessment criteria for one of the six environmental objectives but simultaneously meet the criterion of "not significantly harming" (NPS) the other objectives and comply with the minimum safeguards.

The ratio's denominator includes total assets, excluding sovereign and central bank exposures and the trading portfolio.



When calculating the ratio, it was only possible to include exposures to large companies subject to the Non-Financial Reporting Directive (NFRD), transposed into Decree-Law 89/2017 on 28 July. For alignment purposes, the companies' information was based on their Annual Report and Sustainability Report, both for 2022. We also considered companies that were not subject to the NFRD but belonged to the consolidation perimeter of a company subject to the same regulations and with climate reporting, considering this percentage as an alignment factor.

The GAR ratio is negatively biased by two factors: (i) associated with the construction of the ratio and (ii) due to the unavailability and demand for data. Thus, (i) starting with the biases in the ratio construction, SMEs are not

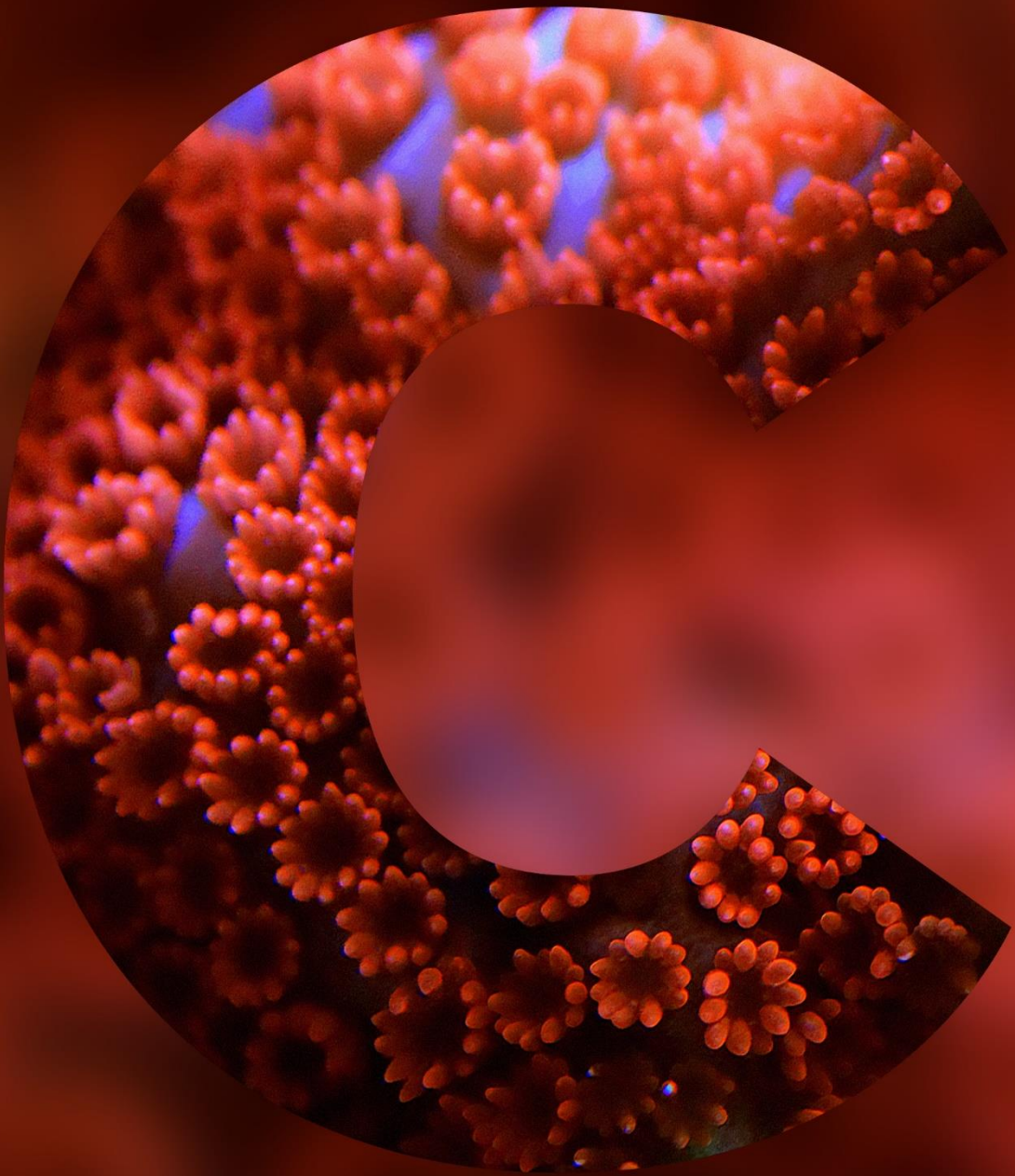
considered since they are the main representative of the Portuguese business fabric. Banco Montepio is penalised as a medium-sized bank compared to its European counterparts, as it tends to have smaller clients. The ratio is also distorted (ii) by the difficulties in obtaining the data since the criteria prescribed by the European Commission are demanding in terms of granularity and obtaining the information that, at this stage, tends to be reported by the companies included in the NFRD directive.

The challenges inherent in obtaining information are more significant for retail exposures, particularly for loans secured by residential property and car loans, where the granularity of the data is more complicated. Ensuring compliance with the non-significant harm criterion for other environmental objectives (NPS) entails obtaining diverse information and conducting climate vulnerability assessments.

Based on these factors, the GAR reported covers clients corresponding to 3.4 per cent of total assets in the denominator. It is binding to exercise caution when interpreting and comparing this indicator concerning peers, as it pertains only to a fraction of Banco Montepio's activities involving environmentally sustainable assets. Consequently, this portrayal may not accurately depict the actual value of the aforementioned assets.

It should also be noted that the GAR is being calculated for the first time based on methodologies developed for this purpose, the results of which depend on the assumptions used. It should also be noted that the routines associated with data extraction are still under construction and have no validation history. In addition, the data limitations underlying the calculation of this indicator are well known. As a result, data extraction and methodologies will have to be revised. In light of these observations, we issue a warning similar to the one issued by the European Central Bank (ECB) when it released the system's first climate indicators in January 2022: this GAR indicator results from work in progress and should, therefore, be read with due caution.

Given the requirements for interpreting the regulations and obtaining data, a prudent estimate was made of not including exposures in the ratio numerator when these raised doubts. The Market Discipline Report of 2023 provides more information on the ratio calculation.



4 **OUR CREATED
VALUE**

4.1. CAPITALS COALITION FRAMEWORK

We are committed to creating solutions that foster growth and resilience, converting our financial resources into values that strengthen our dedication to sustainability and provide a comprehensive view of our corporate impact.

The Capitals Coalition framework, stated as a global benchmark, closely corresponds to the four pillars of the World Economic Forum (WEF) that form the foundation of Banco Montepio's Sustainability Strategy: Planet, People, Principles of Governance, and Prosperity.



The Capitals Coalition emphasises the interconnectedness of the different forms of capital - produced, natural, social and human - in creating sustainable value. Similarly, the WEF pillars provide a comprehensive framework for assessing sustainability regarding environmental stewardship, social equity, ethical and effective governance, and economic prosperity.

Reconciling the Capitals Coalition framework with the WEF pillars contributes to a holistic performance assessment while recognising the interdependence between different forms of capital and creating sustainable value beyond financial indicators. This symbiotic relationship allows us to gauge the scope and impact of our sustainability efforts.

¹ Corporate Income Tax ("IRC") and surcharges as expressed in the Income Statement.
² Taxes considered operating costs, namely stamp duty, property tax ("IMI"), non-recoverable VAT and vehicle taxes.

4.2. PRODUCED CAPITAL

GRI 2-6, 3-3 | SGD 8

As we keep pace with socio-economic developments, we invest in close relationships with relevant stakeholders, accelerating digital transformation as a vehicle for financial inclusion and reinforcing the reach and convenience of services and the associated offer.

Financial performance

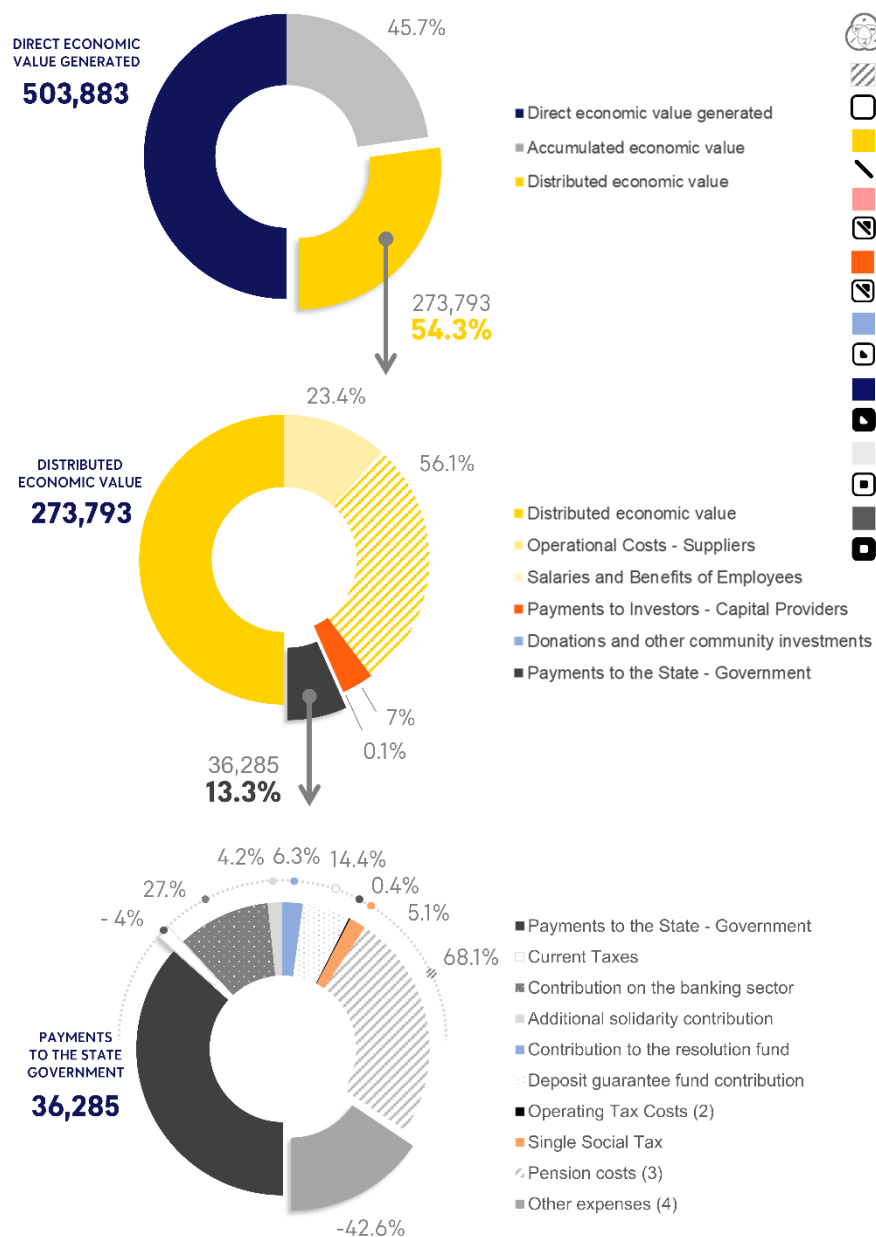
GRI 201-1 | WEF "ECONOMIC CONTRIBUTION, TOTAL TAX PAID" |

The distribution of the economic value generated helps to boost the economy and society, promote more resilient and inclusive organisations and communities, and ensure services for people with specific needs.

	2023
Values in thousands of euros	
Direct economic value generated	503 883
Economic value distributed	273 793
Operating costs - Suppliers	64 154
Employee wages and benefits	153 727
Payments to providers of capital	19 263
Donations and other community investments	364
Payments to government	36 285
Current taxes ¹	-1 465
Contribution to the banking sector	10 135
Additional solidarity contribution	1 539
Contribution to the Resolution Fund	2 291
Contribution to the Single Resolution Fund	5 209
Contribution to the Deposit Guarantee Fund	145
Operating Tax Charges ²	1 849
Single Social Tax	24 710
Pension Costs ³	-15 475
Other Charges ⁴	7 347
Economic value retained	230 090

³ Contributions to pension funds and premiums paid for post-employment benefit insurance policies.
⁴ Contributions to SAMS and others of a similar nature (medical assistance).

Distribution of economic value generated



Net Income

Net income of €144.5 million, excluding the effect of reclassifying the foreign exchange reserve.

- Execution of the Adjustment Plan has achieved profitability and organic capital generation, surpassing the set financial targets.
- Core operating income reached €535.1 million (+43.8%), with growth in net interest income (+62.3%) and fees and commissions (+5.4%).
- Cost-to-income ratio (excluding specific impacts) of 46.2%.

Capital and Liquidity

Total Capital Ratio 18.8% (phasing-in)

- Fully CET1 and Total ratios of 16.0% (+2.8pp) and 18.6% (+2.9pp), respectively, at historical levels, show adequate capitalisation.
- LCR and NSFR ratios amounted to 233.1% and 130.4%, respectively, and a significant reduction in ECB funding, now lower than applications (zero net funding), indicates a strong liquidity position.

Ratings

- Investment grade level by Moody's in Deposits (Baa3) and Covered Bonds (Aaa).
- Senior unsecured debt with successive rating upgrades: since June 2022, by three levels by DBRS, four levels by Moody's and six levels by Fitch (the last of which already in February 2024).
- Successive upward revisions of the ratings recognised achievements.

Activity

Customer deposits: €13,366 million

- Customer deposits grew by 1.9% compared to the end of 2022, while the sector decreased, showing a gain in market share and a strengthening of the liquidity position.
- Gross performing loans of €11,354 million, a slight drop of 0.7%, reflecting the lower demand for credit in the context of high interest rates.
- Individuals account for 72% of deposits and 53% of loans.

Non-Performing Loans

3.2% of gross loans to clients

- Non-performing loans reduced by €251 million (-39.8% compared to 2022) to €380 million, surpassing targets.
- NPL ratio of 3.2% compared to 5.2% at the end of 2022, in line with the sector average.
- Increased coverage of NPLs by total impairment to 73.9% (56.1% in the same period last year).

Real Estate Assets

1.5% of net assets

- Reduction of consolidated real estate on the balance sheet by €134 million (-33.7% compared to the end of 2022) to €263 million, successfully fulfilling the deleveraging plan.
- Total exposure represents 1.5% of net assets (2.1% at the end of 2022) and 18.3% of own funds (29.6% at the end of 2022).

Products and services with ESG impact

GRI 3-3, 304-2, G4-FS7, G4-FS8 | UNGC "ENVIRONMENT" | SGD 3, 7, 8, 9, 11, 12

Banco Montepio is committed to innovating its financial services to meet evolving customer needs. Through investment in technology, we aim to make our services more convenient and accessible for individuals and businesses, regardless of location or access conditions.

- **Financial empowerment.** We help individuals and families achieve their financial goals over generations with savings, investments, financial management, credit financing, payment options, and protection solutions for building prosperity and planning for the future.
- **Business growth.** We understand the importance of supporting our corporate clients and social, economic entities as they thrive. By offering empowerment and expansion solutions, including treasury management and commercial and capital project financing, we help our clients navigate the complex market. Our managers work closely with our clients to develop tailored solutions for their expectations and long-term success.

- **Investment opportunities.** Investment and asset management products and services offer opportunities for investment and returns, along with specialised monitoring to increase asset value.

Products and services with environmental benefits

GRI G4-FS8

Offering products and services with environmental benefits allows our clients to make socially and environmentally responsible choices.

Product/Service	2023	
	Financed amount (€)	Clients covered
Credit Line for Decarbonization and Circular Economy	50 000,00	1
Support Line for the Qualification of Supply - Environmental Sustainability in Tourism	3 342 012.48	6
Renewable Energy Credit	193 058.00	20
Cards made from recycled material	-	394 996

- **Mortgage Loan Energy Certificate A or A+ was Consumer's No. 1 Choice.** Rewarding properties with A and A+ energy certificates with a 1.1% return on the contracted loan amount through a prepaid card.
- **The Credit Line for Decarbonization and Circular Economy** supports industrial and tourism companies investing in projects to improve energy efficiency and transition to a circular economy.
- **The Support Line for the Qualification of Supply - Environmental Sustainability in Tourism** helps small and medium-sized companies in the tourism industry improve their environmental performance, especially in managing water consumption and reducing solid urban waste.
- **Renewable Energy Credit.** Financing for purchasing and installing equipment that uses renewable energies, improving energy efficiency and reducing energy bills.
- **Bank cards made of recycled material.** Our cards are made using recycled plastics, reducing plastic waste and preserving resources. This allows us to provide secure and advanced chip technology while offering a more environmentally responsible banking option.

- **Carbon footprint calculator** tracks carbon emissions from card usage by analysing transaction type, merchant type, and transaction value.
- **Collecting and recycling bank cards.** Banco Montepio is part of the "Merece" movement, a business initiative that recycles cards with electronic components to produce urban furniture using plastic. The aim is to collect and recycle expired or unused bank cards from the branch network, ensuring cardholders' confidential data is deleted. For every kilogram of waste collected, a tree is planted and maintained for five years. In 2023, 447,072 cards were collected, resulting in 2,682 kg of recycled plastic, equivalent to 2,682 trees planted.



Products and services with social benefits

GRI G4-FS7

Banco Montepio, recognised as "Portugal's Social Economy Bank," provides financial resources and services that empower people, organisations, and communities to promote inclusion and diversity.

Individuals

Product / Service	2023	
	Amount financed (€)	Clients covered
Mortgage and Karma+ card	63 627 488	563
Mortgage and Worten card	536 814 955.90	5 316
Housing loans for people with disabilities	20 637 663.18	233
Special Youth account	-	5 227
Debit cards suitable for the visually impaired	-	245 777
Grow Up account	-	4 566



Grow Up one-year savings account, Grow Up three-year savings account and Youth Special savings account.	-	6 984
Savings with Reinforcements	-	4 198
"Piggy Bank" savings	-	9 918
Savings Voucher	-	10
Rounding programme (micro savings)	-	88
Training loans	1 273 879.86	151
Code Academy	536 687.72	95
Healthcare loan	1 124 143.71	129

Financial innovation with social and environmental considerations

- **Mortgage and Karma+ card.** Clients receive 1.5 per cent of the contracted amount (or 1.7 per cent when financing houses with an A or A+ energy certificate) through a Karma+ prepaid card, which is donated to social causes (the campaign ended in 2023).
- **Mortgage and Worten card** financing for a house purchase in which clients receive 1% of the contracted amount in a Worten prepaid card or 1.1% in the case of financing houses with an A or A+ energy certificate.

Solutions for social and financial inclusion

- **Subsidized housing loans for people with disabilities.** People over 18 with a declared disability can benefit from subsidised housing loans.
- **Special Youth account.** Current account for young people up to 30, with different pricing conditions.
- **Debit, credit and prepaid cards** adapted for visually impaired people.

Promoting savings

- **Grow Up account.** Current account for children and young people up to 17, promoting savings.
- **Grow Up one-year savings account, Grow Up three-year savings account and Youth Special savings account.** Term deposits for children and young people from 0 to 30 years.
- **Savings with reinforcements** to build up savings based on scheduled monthly reinforcements.

- **"Piggy Bank" Savings** promotes micro-saving and offers a low minimum deposit and flexible deposit frequency options, ranging from daily to half-yearly or annually.

Supporting education, entrepreneurship and employability

- **Training loans.** Financing to support education or training.
- **Code Academy credit line** specifically supports students and Code Cadets who attend Code Academy boot camps, which provide a social experience through computer language courses.

Promotion of healthcare and well-being

- **Healthcare loan.** Medium and long-term financing for health expenses.

Social economy

Banco Montepio's diverse social investment and impact portfolio highlights its support for Social and Solidarity Economy Entities (SSEE) and entrepreneurs, promoting project quality, facilitating job creation, and creating value for society.

Product / Service	2023	
	Amount finance (€)	Clients covered
ESocial solution	-	295
Acordo account	1 441 250.00	44
Auto Leasing for the Social Sector	16 439 266.69	435
Credit line + Social Impact	19 945 141.39	122
Credit line Social Innovation Fund (SIF)	-	0
Credit line Social Invest	50 000.00	1
Social Sector Financing Line	2 085 00.00	6
Volunteering Insurance	-	312
Support Line for Entrepreneurship and creation of self-employment (LAECPE)	1 994 983.65	93
Montepio Microcredit (own line)	0	0
StartUp - Business Development Support Line 2018	542 000.00	12

Global solutions

- **ESocial Solution.** Since 2010, Banco Montepio has offered products and services for managing social and solidarity economy entities.

- **Acordo Account.** Banco Montepio's exclusive product facilitates and ensures cash flow needs that may arise before state funds are received. Banco Montepio has launched the Conta Acordo campaign, which donates 0.50% of the amount the state pays to the Private Social Solidarity Institutions (PSSI) entitled to it.
- **Auto Leasing for the Social Sector.** This financing modality guarantees the mobility of the SSEE, enabling the acquisition of light passenger or goods vehicles (converted for home support or mobility) with differentiated pricing and insurance conditions.

Investment support

- **Credit line +Social Impact.** Credit line for SSEE and non-profit social organisations that seek to support and promote social inclusion.
- **Credit line Social Innovation Fund (SIF).** Access to bank finance and improved financing conditions for Innovation and Social Entrepreneurship Initiatives (ISEI).
- **Credit line Social Investe.** SSEE often uses a funding mechanism with various organisations - Instituto do Emprego e Formação Profissional (IEFP), Cooperativa António Sérgio para a Economia Social (CASES) and mutual guarantee societies - to invest in strengthening existing or new areas of intervention, modernising management, and improving community services.
- **Social Sector Financing Line.** Financing the cash flow and investment needs of SSEE is affected by the sharp rise in energy and raw material costs and disruptions in supply chains.

Protection and Solidarity

- **Volunteering Insurance.** Organisations using volunteers must cover personal accidents, sickness, and civil liability. Two options are permanent (annual and automatically renewable) and temporary (up to seven days), valid 24/7 in Portugal.

Entrepreneurship support

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

- **Support Line for Entrepreneurship and creation of self-employment (LAECPE).** LAECPE, which is the result of a protocol with the Instituto do Emprego e Formação Profissional, I.P. (IEFP) and four mutual guarantee societies (Norgarante, Garval, Lisgarante and Agrogarante), aims to combat economic and social exclusion and long-term unemployment through two lines of credit for setting up their own small business.
- **Montepio Microcredit** provides financing for small, viable investment projects to individuals or legal entities with the motivation and capacity to develop an economic activity. Available to entrepreneurs, companies, and other legal entities with approved projects.
- **StartUp - Business Development Support Line 2018.** Collaboration protocol with IAPMEI, TP - Turismo de Portugal IP, Sociedade de Investimento SA (SPGM) and the Mutual Guarantee Companies (Agrogarante, Garval, Lisgarante and Norgarante). Aimed at micro-enterprises in the initial phase of their life cycle, with a minimum of 15% equity and who wish to realise credit operations with an associated mutual guarantee.

Economic contributions to stakeholders

GRI 3-3, 201-1, 203-1 | WEF "ECONOMIC CONTRIBUTION"

In 2023, we distributed about 360,000 euros in donations and investments to support organisations aligned with our commitment to creating social value, and were delivered in different contexts, with the following standing out:

- **Donations through participation or contribution to events organised by Social and Solidarity Economy entities,** representing 55% of our donations to events organised by SSEE, including support for the National Congress of Misericórdias 2023 and the Social Innovation Village 2023.
- **Isolated donations** accounted for around 20% of these annual contributions as, for example, additional contributions to the institutions covered by our Christmas campaign "This is not a Christmas campaign".
- **Training and development** accounted for 10% of donations to training events such as women's entrepreneurship or scholarships.

In addition, we supported four Social Solidarity institutions through the “**Cartão +Vida**” (+Life Card) and **Montepio Group's Corporate Volunteering**, bringing

together 71 volunteers for a total of 588 hours in favour of nine communities across the country, as in section 4.4 Social Capital.

Innovation in banking services

We acknowledge the potential of digital innovation to evolve in banking services, enhance social inclusion and reduce environmental impacts. Harnessing technology for digitalisation allows for a comprehensive and impactful approach to innovation, delivering opportunities for:

- **Digital banking services.** Better access to managing financial assets at Banco Montepio and our offer, ensuring cybersecurity mechanisms and support literacy in the fight against fraud, mainly electronically. Mobile banking applications, online banking platforms, and other digital tools make managing finances and contracted responsibilities easier.
- **Sustainable financial solutions.** Our solutions focus on making a positive contribution to environmental sustainability. In this context, we offer green loans, bonds and other financing options that support socially and environmentally responsible projects and initiatives.
- **Digital inclusion initiatives.** We design initiatives for digital inclusion that highlight the importance of financial literacy and inclusion and reduce the social and digital divide while investing in digital training, access to technology, solutions and support for people and communities in need.
- **Greater accessibility.** Digital channels provide our audiences comfortable, inclusive, and convenient access to managing their financial assets and complementary products and services, eliminating physical and geographical barriers. Further, promoting financial participation and economic empowerment and favours customer engagement.
- **Cost efficiency.** Simplifying processes, reducing operating costs and environmental impacts associated with physical infrastructures, as automation and self-service options optimise overheads, resulting in better profitability for shareholders.
- **Improving the customer experience.** Digital innovations make it possible to improve personalised interactions and tailor-made solutions, increasing the overall satisfaction and loyalty of the customer base. Positive customer experiences strengthen trust and lead to better loyalty, interaction and knowledge about two-way needs and opportunities,

contributing to fostered market share and brand value.

- **Innovation and differentiation.** Digital channels enable fast innovation, helping companies stay competitive and meet evolving customer needs. New features like mobile banking apps and online marketplaces attract clients and investors.
- **Data mining and data management.** Data increasingly represents vast, up-to-date information that can be used to understand customer behaviour, market trends, and operational efficiency, informing strategic decisions and resource allocation.
- **Ecosystem expansion.** Digital ecosystems foster collaboration and value co-creation, enabling innovation and unlocking new revenue streams.

Furthermore, embracing digital transformation enhances competitiveness and generates value for shareholders, clients, employees, and partners. It also promotes social inclusion, financial well-being, and an aspiration for prosperity.

Montepio24

Montepio24's service combines Banco Montepio's digital channels, enabling clients to manage their finances remotely. The service is continually expanding its operations and improving the user experience. In 2023, Montepio24 saw a 4.7% increase in active clients compared to the previous year, driven by a 5.0% growth in private clients and a 2.7% increase in the company segment.

Connect24 is a dedicated channel for open banking, allowing clients to authenticate themselves and grant access to banking information and operations when requested by authorised entities. In 2023, there was a 90.4% increase in operations initiated through third-party platforms, such as Third Party Providers (TPP) or other banks, compared to the same period in 2022.

The mobile channel continues to grow as the preferred network for online access, with a 9.2% increase in access and an 18.8% increase in the number of transactions carried.

Technology and innovation

In 2023, our focus was on enhancing the customer experience, expanding our service reach, improving internal efficiency, integrating innovation and quality

processes and implementing best practices in customer experience, data security, and ESG principles. Key initiatives included process automation, advancements in data management, service model adjustments, improved customer journeys, and strengthened cybersecurity. Among the various initiatives, we highlight:

- We launched our new institutional website to provide a better user experience by simplifying navigation, improving design, and using inclusive language for more intuitive navigation.
- We launched new digital journeys, such as mortgage loan simulation and retirement savings plan subscription.
- Evolution of the International Business Management functionalities, allowing clients to apply for foreign loans online and check their status while integrating the company's treasury management into a single site.
- Development of the M.A.R.I.A. voice bot, which continued to increase its ability to interpret contacts and accept operating instructions.
- The M24 app was made available on Huawei's AppGallery, extending the service to clients and making it available to users of Huawei devices without Google services, allowing quick access to accounts via mobile.

We installed the first 50 state-of-the-art ATMs in the Chave24 internal network at the branches and launched a new, more straightforward, intuitive mortgage loan simulation programme. We also developed other initiatives, such as the third extension of the SIBS API Market concerning the revised Payment Services Directive (PSD2) - making the Account Holder Name available, including Card Accounts in the account information service APIs and Card Accounts in the payment initiation service APIs.

In 2023, the use of remote channels increased, and our digital offer improved.

4.3. HUMAN CAPITAL

Our employees are the inspiration behind Banco Montepio's success.

Their dedication empowers clients and shapes our brand culture, upholding our values and preserving trust-based relationships at the core of our business.

Our people, our human capital

GRI 2-7, 2-8, 3-3, 401-1, 405-1 | WEF "ABSOLUTE NUMBER AND RATE OF EMPLOYMENT"

The unshakeable conviction that our people are our greatest asset is central to our approach to cultivating a diverse, inclusive, and "belonging" work environment. We prioritise well-being, personal growth, and a healthy work-life balance. Through training programmes, mentoring initiatives, and opportunities for improvement, we empower our people to reach their full potential while cultivating a culture of excellence and resilience.

Our branch network remains a privileged touchpoint of proximity and personalisation and offers personalised service, whether through walk-ins or appointments, tailored to the needs of each location. We've also maintained a hybrid work schedule to promote flexibility and a better work-life balance.

We concluded the operational adjustment programme with respect for our people within a framework of agreeable terminations and early retirements.

Banco Montepio: our People

Type of contract	2023			Δ 22/23
	TOTAL	Female	Male	
Permanent open-ended (no.)	2 847	1 431	1 416	-6%
Temporary fixed term (no.)	0	0	0	-
Type of job	2 847	1 431	1 416	
Full-time (no.)	2 845	1 429	1 416	-6%
Part-time (no.)	2	2	0	-33%
Type	2 847	1 431	1 416	
Central Services	1 584	802	782	14%
Commercial Services	1 263	629	634	-23%
Region	2 847	1 431	1 416	
North (no.)	915	438	477	-5%
Centre (no.)	305	152	153	-8%
South (no.)	1 545	792	753	-6%
Islands (no.)	82	49	33	-8%
Internships	56	24	32	44%



2023

	TOTAL	Female	Male
New hires (no.)	75	43	32
<30 years	34	16	18
30 to 50 years	38	26	12
>50 years	3	1	2
New hires (no.)	75	43	32
North	8	5	3
Centre	1	1	-
South	64	36	28
Islands	2	1	1
New hiring rate (%)	3%	3%	2%
<30 years	38%	30%	50%
30 to 50 years	2%	3%	1%
>50 years	0%	0%	0%
New hiring rate (%)	3%	3%	2%
North	1%	1%	1%
Centre	0%	1%	0%
South	4%	5%	4%
Islands	2%	2%	3%
Employees leaving (no.)	257	108	149
<30 years	19	12	7
30 to 50 years	87	41	46
>50 years	151	55	96
Employees leaving (no.)	257	108	149
North	58	26	32
Centre	24	5	19
South	166	74	92
Islands	9	3	6
Turnover rate (%)	9%	8%	11%
<30 years	21%	22%	19%
30 to 50 years	5%	5%	6%
>50 years	14%	11%	17%
Turnover rate (%)	9%	8%	11%
North	6%	6%	7%
Centre	8%	3%	12%
South	11%	9%	12%
Islands	11%	6%	18%

Hiring and turnover

Equality and diversity of our people

GRI 405-2 | WEF "DIVERSITY AND INCLUSION, PAY EQUALITY" | UNGC "LABOUR" | UNGC FORWARD FASTER 2030 "GENDER EQUALITY" | WEPS 1, 2, 7 | ODS 5, 8, 10

By valuing a culture of inclusion, we prioritise creating opportunities for all people, ensuring fair representation and equitable treatment at all levels. Through ethical recruitment practices, ongoing training and support networks, we strive to create a working community that also reflects the diverse communities we serve. Our dedication to equality, diversity and inclusion remains unwavering on this path of shared success.

Diversity by professional category, gender and age

	TOTAL	%	Directors and managers	%	Technicians	%	Administrative Staff	%
Age group	2 847		677	24	1 225	43	945	33
< 30 years	90	3	0	0	63	5	27	3
30 to 50 years	1 670	59	313	46	758	62	599	63
> 50 years	1 087	38	364	54	404	33	319	34
Gender	2 847		677	24	1 225	43	945	33
Female	1 431	50	242	36	640	52	549	58
Male	1 416	50	435	64	585	48	396	42

	TOTAL	%	Female	%	Male	%
Gender and age group	2 847		1 431	50	1 416	50
< 30 years	90	3	54	4	36	3
30 to 50 years	1 670	59	866	61	804	57
> 50 years	1 087	38	511	36	576	41

Diversity in governing bodies

	TOTAL	%	Female	%	Male	%
Gender and age group	16	100	8	50	8	50
< 30 years	0	0	0	0	0	0
30 to 50 years	3	19	3	38	0	0
> 50 years	13	81	5	62	8	100



We achieved the National Target for Gender Equality (supposed to be until 2030) of 40% of women in decision-making positions, but we went further and ensured the **first external audit of Banco Montepio's gender equality**.

The research team, with Sara Falcão Casaca and Susana Ramalho Marques from the Higher Institute of Economics and Management (ISEG), had the support of Banco Montepio's task force for an appropriate adjustment of the internal diagnostic instruments. The research was conducted by the external team, guaranteeing an impartial analysis - analysing essential documentation, internal interviews and a diagnostic questionnaire to all Banco Montepio staff, which resulted in 1579 responses in the following dimensions:

- The Bank, its mission, values, and strategy
- Equal access to employment
- Initial and Continuing Training
- Equal Working Conditions
- Parental protection
- Reconciling Work, Family and Personal Life
- Prevention of harassment at work
- Participation, social dialogue and organisational climate

The results indicate that most of our employees recognise the significance of the equality, diversity, and inclusion agenda, especially for women. 71% express "satisfaction" or "high satisfaction" with their commitment to the organisation and its mission.

Inclusion of people with disabilities

We are committed to inclusion, prioritising the full participation of over 60% of people with disabilities, representing 3.1% of our corporate strength.

Mulheres	Homens
2.1%	1.1%

We continue to work on ongoing programmes to attract and integrate people with disabilities or special needs and identify disabilities in the current workforce, promoting information and enhancing the associated benefits.

Pay equity

Adopting policies that guarantee fair pay for equal or equivalent positions regardless of gender or seniority and promoting pay transparency, investment in training programs, and professional and personal development are essential to promoting pay transparency between men and women. Achieving pay equity is a strategic goal we work towards each year, aiming to reduce existing discrepancies and maintain previously achieved levels.

Between 2022 and 2023, the gender pay ratio did not significantly change, keeping the range between 0.93 and 1.01, as our remuneration policy intends to minimise differences and guarantee fair compensation for all our people.

	Professional category	Ratio	
		2022	2023
Average basic salary	Directors and managers	0.98	0.97
	Technicians	0.96	0.96
	Administrative Staff	1.01	1.01
Average Salary	Directors and Managers	0.95	0.95
	Technicians	0.94	0.93
	Administrative Staff	1.01	1.01



WEPs Gender Gap Analysis Tool

The United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative, to which Banco Montepio is a signatory, and United Nations Women have established the Women Empowerment Principles (WEP), an initiative that places particular emphasis on the Fifth (5) Sustainable Development Goal - Gender Equality - and which we also joined in 2022, integrating a community of more than 8,700 companies from 163 countries.

Using the "UN WEPs Gender Gap Analysis Tool", an international support platform for assessing companies' performance in gender equality in the



workplace, market and community, Banco Montepio reached the "Leader" level, increasing its score from 71% to 82%, compared to last year.

This result is significantly higher than the average of 34 per cent recorded in Western Europe and North America, according to the UN Global Compact report "Women's Empowerment and Business 2022 Trends and Opportunities: Progress Amid Pandemic Challenges Across Regions."

European Union Diversity Tool

During the European Union's European Diversity Month, Banco Montepio was honoured with the title of Diversity Champion, having obtained a score of 80.3% in the EU Diversity Self-Assessment Tool. This achievement underscores the bank's steadfast dedication to advancing equality, diversity, and inclusion and upholding fundamental human rights.

Well-being, health and safety practices

GRI 401-2, 401-3, 403-3, 403-5, 403-6 | WEF "HEALTH AND SAFETY" | ODS 3, 8

Ensuring a healthy working environment is one of our main priorities. We believe that the well-being of our people is essential for their development, job satisfaction and the reconciliation of different spheres of life.

A healthy workplace benefits employees promotes productivity and cooperation and contributes to a positive experience for clients and other stakeholders. By prioritising health and well-being, we are building an environmentally sustainable, positive working environment that supports the satisfaction of our teams and our success as a leading institution in Portugal.



Banco Montepio won the "Quality Certification in Corporate Wellbeing" at the Wellbeing Awards 2023, recognising the development of organisational health and wellbeing policies and programmes, benefiting from a digital seal valid for two years. This achievement reflects our commitment to promoting working conditions essential for our people's personal and professional success and a

dynamic, safe and resilient corporate culture.

Well-being initiatives

We celebrated the dedication and hard work of our employees by organising

various activities dedicated to their emotional, social, professional, physical, and financial well-being throughout the year:

- **2nd Edition Open Day.** The second edition brought body and mind relaxation programmes through therapeutic sessions of Ozone Therapy, Decontracting Massage, Reflexology, Recovery Massage, Relaxation Massage, Shiatsu and Osteopathy.
- **3rd Wellness Weekend.** Three days of online and face-to-face activities in Sintra, Porto, São Miguel and the Algarve fulfilled our people's expectations for extended wellness activities.
- **The 5th edition of Wellness Week.** The previous success of this initiative supported the fifth edition in 2023, with 1,237 male and female employees participating in the 39 online and face-to-face activities available. These included team-building activities specially designed for teams in the Commercial Area, encouraging participation and knowledge of wellbeing issues.



- 3rd Eco Social and Mutualism Course - Health and Longevity Seminar
- 5 Ways to Reduce Stress
- Welcoming Newly Admitted People
- Chi Kung
- Growing Together 2023: Customer emotional management, Change management, Time management
- Keeping Balance in the Midst of Chaos
- Meeting M Masterclass
- Impact of individual motivation on occupational health
- Diversity & Inclusion
- Workshop Nutrition throughout the life cycle
- Why You Should Be Comfortable Being Uncomfortable
- Personal and Professional Valuing
- The 6 Behaviours of Great Leadership
- Tech Talent DSI - Time Management and Change Management
- Sensitisation on Basic Life Support, Fire Fighting and Building Evacuation
- Workplace Harassment Seminar

Health & Safety

As part of our Health Promotion activities, we once again provided our staff free access to the seasonal flu vaccine.

In response to social and mental health issues, we maintained the Psychosocial Assistance Programme, with integrated psychological and social monitoring and sessions by a psychologist and social worker, ensuring confidentiality. Four well-being rooms are available in Banco Montepio's central services buildings in Lisbon and Porto for various therapies, such as osteopathy, recovery massages, shiatsu, and a gym.

Banco Montepio also has protocols in place, mostly in partnership with its Social Services, for alternative therapies and gyms, among other things, to guarantee an offer in all geographies.

Training in health and safety at work is essential. That's why we ensure our people know the risks and dangers associated with their workplace, helping reduce the likelihood of avoidable accidents. In 2023 we provided training on:

Benefits

Return-to-work and retention rates after parental leave

	2023	
	Female	Male
Employees eligible for parental leave	100%	100%
Employees who took parental leave	25	22
Employees who returned to work after the end of parental leave	25	22
Employees who returned to work after the end of parental leave and are still employed 12 months after their return	25	21
Return to work rate (%)	100%	100%
Retention rate (%)	100%	95%





About the benefits granted to employees, Banco Montepio provides social and health support that also covers the family, namely:

- Time off work on your birthday
- Health insurance, extended to the family
- Free buses to the Alfragide and Soeiro Pereira Gomes offices
- Canteens (3) with affordable meals
- Menu card
- Additional vacation days for seniority
- Student Worker Study Allowance
- Employee Protocol
- Home use of Microsoft Office
- Protocol with MEO
- Protocol with CP
- Anti-flu vaccine
- Family support allowance for disabled children
- Birth support allowance
- Monthly child allowance up to the age of 6
- Supplementary monthly child allowance up to the age of 6
- School allowance, quarterly - from 1st grade to higher education Year to Higher Education
- Complementary support for school merit, quarterly - from 5th. Year to Higher Education, employees up to level 12
- Annual school supplies allowance - from 5th grade to Higher Education, employees up to level 12 remuneration.
- Housing allowance 10 months, Higher Education - up to level 12
- Dismissal from children's 1st day of school, in the 1st. Year of School
- Health card extended to the "Rede Mut" household (AMMG member)
- "Montepio Saúde" health card for the whole family (if an AMMG member)

Training and development

GRI 2-17, 404-1 | WEF "TRAINING PROVIDED" | UNGC FORWARD FASTER 2030 "GENDER EQUALITY"

| WEPS 4 | ODS 5, 8

The Banco Montepio women's training program is designed to uphold and promote diversity and innovation as integral values within the organisation. The program focuses on enhancing leadership skills and bolstering financial performance while reaffirming confidence and fortifying the brand's reputation, positioning the bank as a vanguard in gender equality.

Through investment in developing women leaders, we aim to cultivate a more inclusive, innovative, and successful organisational culture, thereby setting a noteworthy example for younger generations and stakeholders alike.

Training hours by category and gender

	TOTAL	Female	Male
Training hours per category	171 132	86 286	84 846
Directors and managers	55 047	20 463	34 584
Technicians	34 511	20 851	13 660
Administrative staff and others	81 574	44 971	36 602
Average hours of training per category and gender (h/employee)	60	60	60
Directors and managers	81	85	80
Technicians	28	33	23
Administrative staff and others	86	82	92
Training volume / Type	TOTAL		
<i>e-learning / b-learning</i>	67%		
In-person	33%		
Training actions	TOTAL		
Number of actions	1 436		
Number of participants	3 308		



In 2023, we delivered 171,132 hours of development and training programs with 64,123 attendees. The Regulatory School includes mandatory training courses for certain groups, totalling 51,141 hours. Training in cybersecurity with 5,041 hours, the Business Continuity Plan with 5,366 hours and Operational Risk with 5,416 hours. In addition, courses such as Insurance, MiFID, and Mortgage Credit, among others, continue to be organised.

At the Banking and Business School, we highlight the customised programmes:

- **Montepio Advances Programme - 4th Edition**, aimed exclusively at our people in the branch network. This programme aims to update technical and commercial knowledge in banking, new trends in the sector and training on internal procedures and policies. It covered 120 employees from the various functional groups in the commercial network for 9,197 hours of training.
- The Growing Together Programme is an offer open to our entire corporate community that promotes self-responsibility for development through selection and enrolment by each person according to their needs or interests. It is distributed throughout the year and includes three training areas: Behavioural, Technical and Technological. In 2023, it included 23 courses and 1,346 participants.
- **Sustainability for Technicians - 1st Edition**, a programme that trains participants in the most relevant aspects of sustainability and ESG issues, contributes to a better understanding of these matters, their regulatory framework, and their impact on the organisation. 54 technicians from various areas took part, totalling 213 hours.
- **Montepio Shakers Programme:** This programme, which had two editions, was designed to improve service levels for internal clients. There were 74 participants.

Within the scope of the Leadership School and to strengthen the knowledge and skills of Banco Montepio's leaders, we highlight the "Women in Leadership - Women in Action" training programme:

- **The Leadership Programme for Regional Managers** was explicitly designed for this functional group and aimed to leverage leadership and team management skills and deepen knowledge about sector transformation and emerging trends. It had 40 participants from the commercial areas and was held in partnership with Católica Lisbon Business & Economics.
- **The Transforming for a New Tomorrow programme** aimed at increasing the motivation, commitment, and networking of this group of Directors and strengthening their capacity for leadership, innovation, and adaptation to change for a more robust and confident performance as

team managers. Aimed at second-line directors, it was organised in partnership with ISEG Executive Education.

- **The Programme to Align and Strengthen the IT Leadership Team** is designed for second-line IT staff to work on leadership skills, strengthen each leader's performance, and create a support network within the second-line team. It was designed in peer coaching/shared learning sessions.

In 2023, we trained the Board of Directors on "ESG as a Strategy" and "New Governance Challenges." This six-hour training took place in a 100% face-to-face format, which allowed for discussion, clarification of doubts, sharing of good practices, and analysis of innovative and decisive success stories in the financial sector and other sectors where some of our stakeholders are located.

The transformational context, the greater complexity of the challenges facing organisations, and the change in the banking customer profile have resulted in the need to invest in reskilling and upskilling to respond to the technological and digital restructuring of the sector and the market. Therefore, in 2023, we reinforced internal and external training in Agile work tools and data processing through internal and external training sessions or webinars on specific subjects for a more up-to-date and specialised performance.

Employer branding

The World Economic Forum (WEF) advocates a future of healthy, equitable, resilient and human-centred work that respects fundamental rights in face-to-face, hybrid and virtual work for all people. As part of the multi-stakeholder initiative "The Good Work Alliance", the WEF summarises the need to respond to emerging post-pandemic challenges and opportunities, which revisit concepts and models of work, workforce and workplace, in the matrix "The Good Work Framework". This guiding framework advocates for the following:

- Promoting pay and technological equity
- Providing flexibility and protection
- Ensuring health and well-being
- Promoting diversity, equity and inclusion
- Fostering employability and a culture of learning

At Banco Montepio, we value and consider these benchmarks for an efficient response to the demanding contexts facing society, the economy and companies, and we have implemented employer branding actions that have brought our people closer to each other and the Board of Directors:

- **E-Coffee with the CEO.** Our CEO, Pedro Leitão, holds virtual meetings with six randomly selected employees weekly to discuss ideas, opinions, and suggestions about the bank in an informal setting. From April 2021 to December 2023, 100 sessions took place, with 600 employees participating.



- We celebrated World Children's Day by hosting an **e-chocolate event with the CEO**. This initiative brought together 10 of our children to discuss Banco Montepio, covering topics such as the origins of money, the attributes of a bank, the symbolism behind the pelican, and the significance of the yellow in our logo.



- **“Encontros M” and Masterclasses.** Both initiatives, held in Teams to present the organisation with various topics of interest to employees, saw 15 sessions and around 3,000 participants.



- **The Erasmus Programme** involved two editions, with 46 participants from commercial areas and central services. It's an internal exchange program that allows participants to spend time in another unit of their choice to better understand different teams' impact on the business. The program had a satisfaction level of 90% from "Hosts" and "Visitors," highlighting the relevance of our corporate culture, solidarity, and teamwork.



4.4. SOCIAL CAPITAL

Community engagement and social programs

GRI 3-3, 203-1, 413-1 | ODS 1, 3, 10, 11

The Montepio Group's corporate volunteering includes the voluntary participation of our staff to support the community throughout the year. Our group is recognised as a key player in the social economy, contributing to social sustainability and local development policies in Portugal and the autonomous regions at a global level

9th Edition of the Montepio Group's Volunteer Month

The 9th "Montepio Group Volunteering Month" occurred in May, October and November in the North, Porto, Centre, Lisbon and South. This edition relaunched collective activities, with greater proximity between volunteers and beneficiaries of the communities covered, and which had a positive impact on the following communities:

- Azevedo Community, Porto, with local partner PELE Espaço de Contacto Social e Cultural - environmental and social action.
- Mouraria Community, Lisbon, with local partner Associação Renovar a Mouraria - environmental and social action.
- Póvoa de Varzim community, with local partner MAPADI - Movimento de Apoio de Pais ao Diminuído Intelectual - social action.
- Baixa/Chiado neighbourhood community in Lisbon, with local partner Associação Mais Proximidade - social action.
- Community of Tadam, Braga, with local partner Associação Humanitária Dómus - social action.
- Community of Rio Tinto, Gondomar, with local partner Centro Social do Soutelo - social action.
- Bairro da Bela Flor community, in Lisbon, with local partner ADM Estrela, Lisbon Delegation - environmental and social action.
- Community of Loures, with Loures Town Council - environmental and social action.
- Mira Sintra Community, Sintra, with the Centre for Citizens with Disabilities (CECD) - environmental and social action.

The initiatives involved 71 volunteers who dedicated 568 working hours.

“+Vida” Credit Card

In 2006, Banco Montepio launched the “+Vida” Credit Card to support charitable organisations. Every six months, the bank donates part of its income to the Montepio Foundation, benefitting two social economy organisations.

In 2023, 14,414.86 euros were donated to the Montepio Foundation to support:

- KAIRÓS, for the Incubation of Solidarity Economy Initiatives.
- MAPADI, Support Movement of Parents and Friends for the Intellectually Diminished
- NOMEIODONADA Association.
- C.P.R. - Portuguese Council for Refugees.

Banco Montepio School Excellence Award 2022/2023

The Banco Montepio School Excellence Award is designed to acknowledge and honour the academic accomplishments of young individuals in Portugal. This encompasses students in Primary School (5th to 9th grade), Secondary School (10th to 12th grade), Technical-Vocational Courses (12th grade), and higher education (Technical Courses, Bachelor's Degrees, Master's Degrees, or Integrated Master's Degrees).

After the application phase, the jury convened to appraise and endorse the victors in compliance with the stipulated criteria:

- 5th to 9th grade - final average of 5 points.
- 10th to 12th grades - final average of 19.
- Professional Technical Courses - a final average of 18.
- University courses - a final average of 18 marks.

The jury included:

- Pedro Leitão, Chairman of the Executive Committee.
- Helena Soares de Moura, member of the Executive Committee.
- Fernanda Correia from the Audit and Inspection Department.
- Sandra Brito Pereira from the People Management Department.
- Patrícia Costa, from the People Management Department.

In 2023's edition, between 14 November and 7 December, 92 applications were received, 46 of which were recognised with the following prizes:

- 5th to 9th grade (2nd and 3rd cycle): 500 for Training and Education for the best students each year.
- 10th to 12th grade: Offer of a one-week summer course worth €1,500 in a foreign country.
- Technical-Vocational Courses (12th year): Offer of a two-month summer internship worth €1,050/month.
- University courses: Offer of a six-month professional internship worth 1,050€/month.

Cycle of Education/Year	1 st place	2 nd place
5 ^o	5	-
6 ^o	10	-
7 ^o	6	-
8 ^o	6	-
9 ^o	9	-
10. ^o	1	1
11. ^o	1	1
12. ^o	1	1
Technical-Professional Course	1	-
Higher education	1	2

Social economy

GRI 203-1, G4-FS7 | UNGC FORWARD FASTER 2030 "FINANCE & INVESTMENT" | ODS 8, 17

Entities within the social and solidarity economy (SSEE) strive to maximise their resources while also being committed to reinvesting in the social projects they manage and promote, which are complementary to a focus on profit and profit distribution.

The social economy sector stands out from the rest of the national economy due to the reinvestment of surpluses and the social significance of its interventions, though essential for the economy and society and playing a crucial role in employability, service provision, social goods, and wealth production. Banco Montepio, a leading financial partner, supports SSEE, providing access to a wide range of benefits and advantages in products and services through beneficial commercial relationships and protocols with key organisations such as the Union of Portuguese Misericórdias (UMP), the National Confederation of Private Social Solidarity Institutions (CNIS), the National Federation of Social Solidarity Cooperatives (Fenacerci), and the League of Portuguese Firefighters (LBP), among others.

Public Sector Support

The Public Sector represents a fundamental part of the creation of value in the Portuguese economy and is monitored by the Social Economy and Public Sector Commercial Division (DCESSP), which is experienced and specialised, in particular, in the analysis of credit proposals relating to public tenders, awards and proposals for global involvement that result from the strategy of customer loyalty through everyday products and services.

Support for Entrepreneurship and Social Innovation

We believe in entrepreneurship and social innovation for social progress, providing funding lines for sustainable projects and ensuring the continuity of partnerships for equal opportunities. As partners in Social Entrepreneurship, we actively participate in the development of innovative technology-based solutions:

- **Partnership with <Code Academy>**, a project that provides a social, cultural and educational experience by organising boot camps on computer languages. Banco Montepio offers the Code Academy Credit Line to support students who want to programme their lives by starting boot camps in Lisbon or Porto. Since 2020, we have granted more than 200 loans with a total value of more than **1.4 million euros**, and in 2023, we empowered another edition of skills requalification (reskilling):



Code Academy
**95 Students
funded**



Code Academy
**Financing over
500,000 euros**

Microcredit

Banco Montepio's specialised microcredit team consistently supports new ideas and sustainable businesses in the country, encouraging individuals with an entrepreneurial spirit to establish their businesses throughout 2023:

- **“Linha de Apoio ao Empreendedorismo e à Criação do Próprio Emprego (LAECPE)”** (Credit line to support entrepreneurship and self-employment). Addresses economic and social exclusion and long-term unemployment. It consists of two separate credit lines: MicroInvest and Invest+. MicroInvest is for individuals who have been involuntarily unemployed and registered with job centres for more than nine months, while Invest+ is for young individuals seeking their first job or self-employed individuals earning below the minimum wage. Both offer mutual guarantees, a two-year grace period for capital repayment, and a three-year interest rate subsidy.
- **Microinvest.** Funding of up to €20,000.00 to set up small businesses by entrepreneurs accessing the labour market and promoting employability.
- **Invest+.** Funding for projects between €20,000.00 and €200,000.00 for business creation, employability and regional dynamisation.
- **“Solução E.mpreendedor”** (Entrepreneur Solution). Supporting businesses under two years old with a range of products and services.
- **“Solução E.mpresário”** (Business owner Solution). Financing for companies in the growth phase includes tailor-made and complementary products and services.

Within the scope of Microcredit, our team of specialised managers supported:



37 Projects



**Financing over
500,000 euros**



43 new jobs created

In a global perspective of dynamisation, including our commercial network, the "Linha de Apoio ao Empreendedorismo e à Criação do Próprio Emprego (LAECPE)", comprising Microinvest and Invest+, supported:



96 Projects



**Financing over
2,000,000 euros**



126 new jobs created

Banco Montepio also provides access to 24 protocols, partnerships with national, district, or local entities experienced in social entrepreneurship, and protocolled lines of financing, such as:

Business and commercial associations

- ACB - Associação Comercial de Braga
- ACIS - Associação Empresarial dos concelhos de Vila Franca de Xira e Arruda dos Vinhos
- AEBA - Associação Empresarial do Baixo Ave
- AEFAFE - Associação Empresarial de Fafe, Cabeceiras de Basto e Celorico de Basto
- AEP - Associação Empresarial Penafiel
- AERLIS - Associação Empresarial da Região de Lisboa
- AESintra - Associação Empresarial de Sintra
- NERSANT - Associação Empresarial da Região de Santarém

Entrepreneurship and social development associations

- ACM - Alto Comissariado para as Migrações
- Amadora Inova, da Câmara Municipal da Amadora

- ANJE - Associação Nacional de Jovens Empresários
- B2A - Business Advisors Association
- Beira Serra - Associação de Desenvolvimento
- Centro Empresarial INOVAGAIA, Vila Nova de Gaia
- DNA Cascais
- DOLMEN - Desenvolvimento Local e Regional, CRL, Amarante
- FISOOT - Formação, Integração Social e Oportunidades de Trabalho
- Lions Clube de Coimbra
- Novos Percursos, CRL
- Penha Empreende, da Junta de Freguesia da Penha de França
- Querer Ser - Associação para o Desenvolvimento Social, Gondomar
- RedOeiras+
- Sol do Ave - Associação para o desenvolvimento integrado, Vale do Ave
- Talentus - Associação Nacional de Formadores e Técnicos de Formação

4.5. NATURAL CAPITAL

GRI 3-3, 304-2 | WEF "GREENHOUSE GAS (GHG) EMISSIONS, WATER CONSUMPTION AND WITHDRAWAL IN WATER-STRESSED AREAS" | TCFD "METRICS & TARGETS" | UNGC "ENVIRONMENT" | UNGC FORWARD FASTER 2030 "CLIMATE ACTION" | ODS 7, 11, 12, 13

At Banco Montepio, we recognise the environmental impact of our operations. We address this challenge by integrating environmental considerations into our activities and monitoring indicators such as water and energy consumption, waste generation, and material usage to minimise waste and pollution. Additionally, we donate furniture to support those in need and give it a new lease of life.

Biodiversity conservation efforts

"Merece" Program

The history of the Leiria Pine Forest is closely linked to that of Portugal. In 1279, King Afonso III ordered planting the forest, which was, among other reasons, crucial for the Portuguese Maritime Discoveries, as the pine wood was used for building ships. However, in 2017, the forest was severely affected by fires and still requires reforestation to improve soil fertility, restore biodiversity and

curb the spread of invasive species. 40 volunteers from the Banco Montepio Group helped plant 1,200 pine trees in the Leiria Pine Forest as part of the MERECE Program - Business Movement for Recycling Cards with Electronic Components. With the participation of our clients and branch network, 447,072 cards x that had reached the end of their useful lives or were no longer in use were collected and sent for recycling, producing 2,682 kg of recycled plastic, equivalent to 2,682 trees.

EPIS Volunteer Meeting 2023

Monsanto Forest Park is one of the largest in Europe and is considered Lisbon's 'green lung' and a vital biodiversity ecosystem. Our volunteers took part in the "EPIS Volunteer Meeting 2023," an initiative of the EPIS Association - Entrepreneurs for Social Inclusion, at the Monsanto Forest Park Interpretation Centre to collect garbage and debris, generating around 3,700 kg of waste and contributing to this initiative to clean up a vibrant forest area in the city of Lisbon.

Environmental impact and resource management

GRI 301-1, 302-1, 302-2, 302-3, 302-4, 303-3, 305-1, 305-2, 305-3, 305-4, 305-5, 306-1, 306-2, 306-3

Consumption management

In day-to-day management, we minimise our environmental impact by optimising resource use, reducing waste, promoting sustainable behaviour, adopting innovative technologies, and implementing energy efficiency practices to improve our overall efficiency and contribute to environmental conservation by reducing our carbon footprint.

In 2023, our car fleet once again received ADENE's "A" Move+ efficiency certification, and we ensured that all our staff had defensive driving training. There was a significant 33% reduction in electricity consumption due to removing servers from the Júlio Dinis building (outsourcing of the service), the closing of branches, and measures under the Energy Saving Plan.

We evaluated the effects of material consumption and the resulting waste generation, which is mainly related to the activities within our sector - primarily comprising paper, plastic, toner, and light bulbs. Suppliers gather and transport these materials for proper disposal at the end of their life cycle, and no significant impacts have been observed. Thus, we have reduced our consumption of goods and materials through:

- Distribution of filtered water equipment connected to the public network in all central buildings, eliminating plastic water bottles.
- Exchange of paper cups for cups to all branches, reducing single-use material and replacing it with lower environmental impact solutions.
- Containers for separate waste collection at the branches.

The measures adopted in 2022 as part of the dematerialisation of processes contributed to a residual 4% reduction in paper consumption in 2023 compared to the same period last year, and the figures are expected to stabilise over time.

	2021	2022	2023	Δ 22-23
Total paper consumption (t)	169	118	114	-3%
Electricity consumption (kWh)	9 848 010	9 944 846	6 671 862	-33%
Buildings (kWh)	9 848 010	9 944 846	6 428 091	-35%
Charging electric vehicles outside Banco Montepio's premises (kWh)	-	-	243 771	-
Total fuel consumption (l)	439 607	442 194	469 230	6%
Gasoline - fleet (l)	97 499	115 581	142 460	23%
Diesel - fleet (l)	342 108	326 613	326 770	0,05%
Water consumption (m3)	-	3 289	13 827	>200%
Tap water (m3)	-	3 289	13 650	>200%
Bottled water (m3)	-	-	177	-
Waste (total in t)	141	167	159	-5%
Toners (t)	-	1	1	23%
Paper and cardboard (t)	140	52	48	-7%
Plastic packaging (t)	-	-	7	-
Light bulbs (t)	-	2	-	-
Edible oils and fats (t)	-	2	2	1%
Discarded electrical and electronic equipment (t)	-	58	-	-
Aseptic containers (t)	0,5	0,2	0,3	9%
Other (t)	-	52	100	92%

Water consumption

Our water consumption assessment covers several central buildings - Castilho, Afragide, Júlio Dinis, Les Palaces, and Quinta do Lambert warehouse - and we considered geographical areas under water stress, according to the WRI Aqueduct Water Risk Atlas tool.

Regions	Level of water stress	2023	
		Consumption (megalitres)	Consumption in regions of "High" or "Extremely High" water stress"
Lisboa	Extremely high	6.4	47%
Porto	Medium-High	7.2	0%

Carbon footprint

In 2023, we strengthened our environmental commitment by evaluating our impacts, measuring emissions more effectively, and accounting for a new category of scope 3 emissions, category 13, "Downstream Leased Assets". We also expanded the assets considered in our analysis of financed emissions:

- Category 1: Purchased Goods and Services
- Category 3: Fuel and energy-related activities
- Category 4: Upstream Transportation and Distribution
- Category 5: Waste Generated in Operations
- Category 6: Business Travel
- Category 7: Employee Commuting
- Category 13: Downstream Leased Assets
- Category 15: Investments

	2022		2023		Δ 22-23 %
	t CO2e	%	t CO2e	%	
Scope 1	1 350	0.1	1 222	0.1	-9
Fleet (diesel and gasoline)	1 108	0.1	1155	0.1	4
Fluorinated gas leaks	242	0.0	67	0.0	-72
Scope 2	2 148	0.2	998	0.1	-54
Electricity (consumption)					
<i>Market-based</i>	2148	0.2	998	0.1	-54
<i>Location-based</i>	1362	0.1	574	0.0	-58

	2022		2023		Δ 22-23 %
	t CO2e	%	t CO2e	%	
Scope 3	1 225 513	99.7	1 192 547	99.8	-3
Purchased goods and services	143	0.0	183	0.0	27
Fuel and energy-related activities	866	0.1	628	0.1	-27
Upstream Transportation and Distribution	4	0.0	15	0.0	248
Waste Generated in Operations	2	0.0	2	0.0	-11
Business travel	33	0.0	66	0.0	99
Employee Commuting	4 624	0.4	2 230	0.2	-52
Downstream leased assets	-	-	14 349	1.2	-
Investments	1 219 840	99.3	1 175 074	98.4	-4
TOTAL	1 229 011	100.0	1 194 767	100	-2.8

Compared to 2022, we highlight:

- In **scope 1 emissions** associated with fluorinated gases, the significant variation resulted from a lower purchase of gases in 2023 due to the management, maintenance and outsourcing of equipment.
- The **scope 2 emissions** calculated include electricity for charging the fleet's electric vehicles, obtained from petrol stations outside Banco Montepio's buildings. In addition, the emission factors associated with purchasing market-based electricity were updated and are lower than those recorded in 2022.
- Given the reduction in **scope 1 and 2 emissions** compared to 2022, there was also a reduction in Carbon Intensity (tCO2e/employee). In 2023, 0.8 tCO2e was emitted per Banco Montepio employee, down from 1.2 tCO2e in 2022.
- In **scope 3**, the increase in goods and services is due to the inclusion of new categories, namely emissions associated with producing water bottles and toners purchased.
- The **transport of materials** saw a significant increase (around 248%)

compared to 2022 due to the revision of the calculation methodology, where a better approximation was obtained of the actual distances travelled by suppliers to deliver the different goods purchased.

- In 2022, business travel included plane and train trips, not taxi ones. In 2023, plane emissions doubled, and data on taxi travel became available, explaining the 99% emission increase.
- Commuter journeys saw a significant reduction of 52 per cent compared to 2022. The difference is attributable to the change in methodology, which in 2023 was replaced by the analysis developed as part of the study contracted by the Montepio Group.

Finally, reinforcing our commitment to flexibility and hybrid and remote working models, when applicable, contributes to reducing the associated footprint. According to our survey, our employees typically commute 3.8 days a week, resulting in 2,230 tonnes of CO2e emissions. If everyone were to work in person 100% of the time, the emissions would increase to 2,924 tonnes of CO2e. Continuing the current commute pattern, we could **avoid 694 tonnes of CO2e emissions/year**.

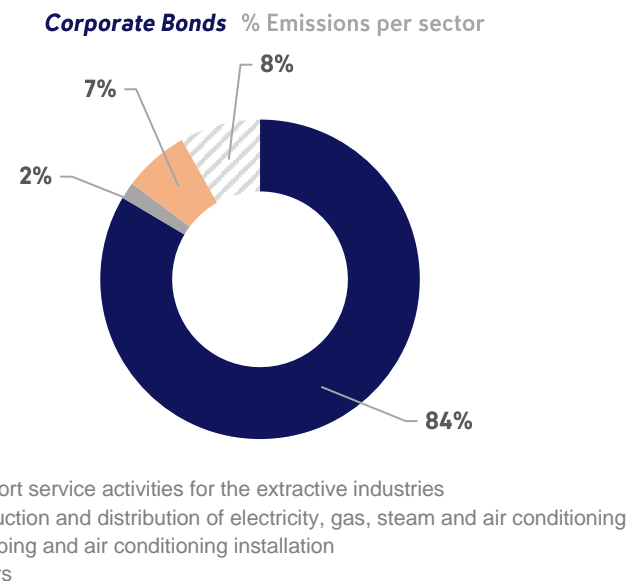
Even with an expanded scope compared to the 2022 financial year, our efforts led to a **2.8% reduction in emissions associated with our activity**, reflecting our commitment to environmental sustainability. We are motivated to further minimise our impact, especially in Scope 3, which accounts for most of Banco Montepio's emissions.

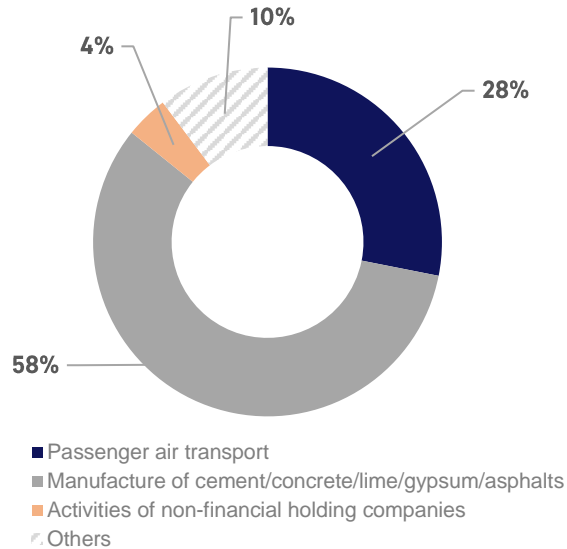
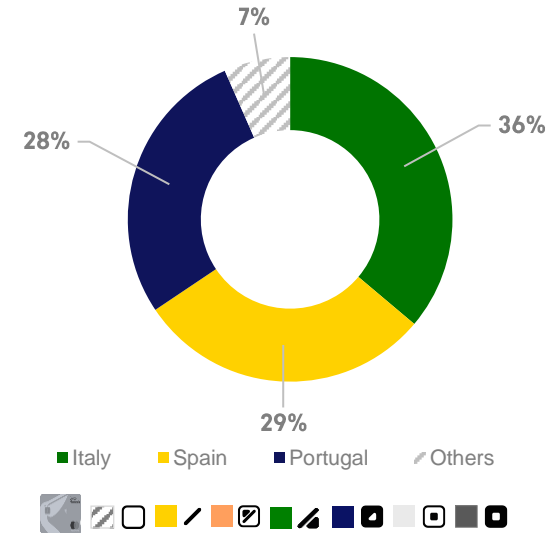
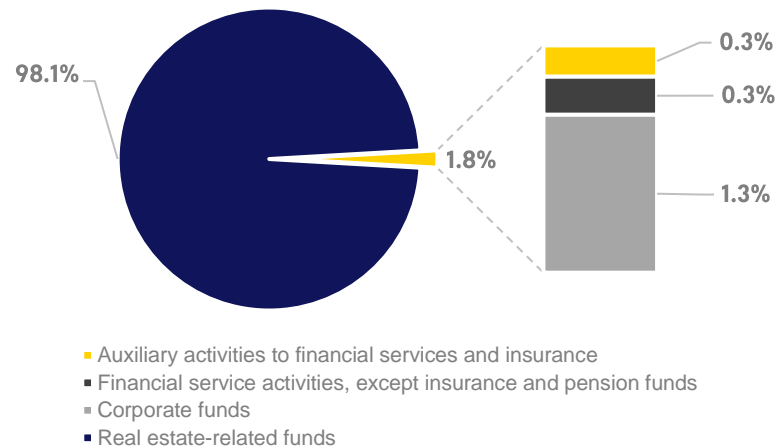
Financed emissions

In Scope 3, we considered Category 15 GHG emissions related to our credit and investment portfolio, following the PCAF guide - The Global GHG Accounting and Reporting Standard. We expanded our asset categories to include Mortgages and Motor Vehicle Loans, totalling five key asset types in our portfolio:

- Listed Equity & Corporate Bonds
- Business Loans & Unlisted Equity
- Mortgages
- Motor vehicle loans
- Sovereign Debt

We evaluated Banco Montepio's top 20 exposures for listed equity and corporate bonds assets. The exposure for business loans and unlisted equity was extended to 2022. Issues of the investment funds were labelled as *unlisted equity* and included in the accounting in this category due to the absence of a specific methodology from PCAF.



Business Loans % Emissions per sector**Sovereign Debt** % Emissions per country**Unlisted Equity** % Emissions per sector

We also extended the scope of the GHG emissions being analysed to some assets in the Business Loans & Unlisted Equity and Listed Equity & Corporate Bonds classes, following the methodology, which suggests the inclusion of scope 3 emissions from counterparties active, in particular, in the energy, transport or construction sectors.

Therefore, Scope 3 issues were considered for companies in these sectors that publicly report these issues, and no estimates were made for companies that do not report this type of issue. Banco Montepio's total exposure to Mortgages, Motor Vehicle Loans, and Sovereign Debt was also considered. The quantification of emissions from these five types of assets corresponds to around 98% of our total carbon footprint.

Calculation of financed emissions

PCAF Type of assets	Type of assets	2022		2023		Δ 22-23 %	Data Quality (Average score)
		GHG emissions (t CO2e)	%	GHG emissions (t CO2e) ⁵	%		
Listed Equity & Corporate Bonds	Listed Equity	0.02	0	0.03	0	50	1.0
	Corporate Bonds	8 186	1	47 394	4	479	1.6
	Total	8 186	1	47 394	4	479	1.6
Business Loans & Unlisted Equity	Business Loans	463 345	38	521 549	44	13	2.7
	Unlisted Equity	43 676	4	18 503	2	-58	4.7
	Total	507 021	42	540 052	46	7	3.9
Sovereign Bonds	Sovereign Bonds	704 633	58	553 232	47	-21	2.0
Mortgages	Mortgages	-	-	33 444	3	-	4.0
Motor vehicle loans	Motor vehicle loans	-	-	953	0	-	5.0
TOTAL		1 219 840		1 175 074		-4	-

Whenever possible, we have used financial and non-financial data reported by our counterparts - as recommended by the PCAF. In cases where our clients do not report Scope 1 and 2 GHG emissions, these have been estimated based on their sector of activity and auxiliary financial indicators.

For Fund exposures, where the underlying assets are real estate or small companies, we estimate using public databases. In the same vein, given the lack of sufficient internal data to measure the emissions associated with each of the exposures for Mortgages and Motor vehicle loan assets, in this first financial year, these categories were calculated based on estimates obtained using public databases.

For mortgages, we estimated emissions based on data from PCAF and average property consumption in Portugal. Due to the small sample size, these figures are only estimates and will need further study for accuracy. Detailed methodology can be found in the Annexes.

In 2023, we assessed the average data quality score used to calculate issues of each asset class reported. This exercise helps us analyse our portfolio's climate exposure and identify sectors with concentrated greenhouse gas emissions, aligning with our goal of reporting emissions across all asset classes. The results will underpin our decarbonisation plan, including communication between Banco Montepio and the companies or funds financed to infer alignment with the Paris Agreement targets.

Environmental management initiatives and sustainable practices

The internal Environmental Management Working Group's responsibilities include managing resources efficiently, reducing consumption, and promoting energy and water efficiency. The action plan involves aligning activities with ISO standards, complying with environmental regulations, setting environmental targets, sustainably managing the supply chain and contributing to the decarbonisation plan. Additionally, the group focuses on investing in energy efficiency, waste reduction, and dematerialisation of communication and processes to improve customer service and reduce paper consumption and printing-related resources:

Initiatives

- Streamlining the dematerialisation of cash operations.
- Extending dematerialisation to new processes and transactions.
- Opening Securities Accounts and Stock Exchange Orders.
- Admission of Members of the Mutual Association and Subscription to Mutual Modalities.

Targets

- Dematerialisation of processes, elimination of printing and paper.
- Improving the customer journey and experience.
- Streamlining procedural processing, improving the service provided and reducing costs and consumption.
- Reduced environmental footprint.

⁵ For all types of assets, Scope 1 and 2 emissions were considered, except for assets related to Sovereign Bonds, where only Scope 1 emissions were considered.

- Improved market trends and customer expectations.
- Positioning the Banco Montepio brand - modernity and innovation.

Results

- Reduction in paper consumption of over 1.6 million sheets of paper and printouts through the dematerialisation of account opening processes, maintenance of client/account data, card applications/changes, account opening and instructions for funds and securities accounts.
- Reduction in the consumption of more than 2.6 million letterheads in 2023, representing a cumulative saving (reduction in consumption) of around 11.4 million letterheads since 2020.
- Reduced consumption of consumables linked to the generation of paper documents (toners, file folders, among others).

Energy efficiency and sustainable investment, which are crucial for the energy transition and carbon reduction in the residential and non-residential buildings sector, are associated with the information contained in energy certificates, particularly in the context of credit processes. These certificates allow the energy quality of properties financed by Banco Montepio to be assessed.



5 SOCIAL IMPACT



SOCIAL IMPACT

Areas of social impact value approach



FINANCING THE SOCIAL ECONOMY



SUPPORTING ACCESS TO PERMANENT OWNED HOUSING



FINANCING PEOPLE'S STRATEGIC PILLAR

270.2 M€

Credit granted to **SOCIAL ECONOMY INSTITUTIONS** with an exclusively social purpose

30%

Loans granted for home ownership **CUSTOMERS UNDER THE AGE OF 35**

4.9 M€

credit granted **PEOPLE'S PILLAR**

+17%
COMPARED TO 2022

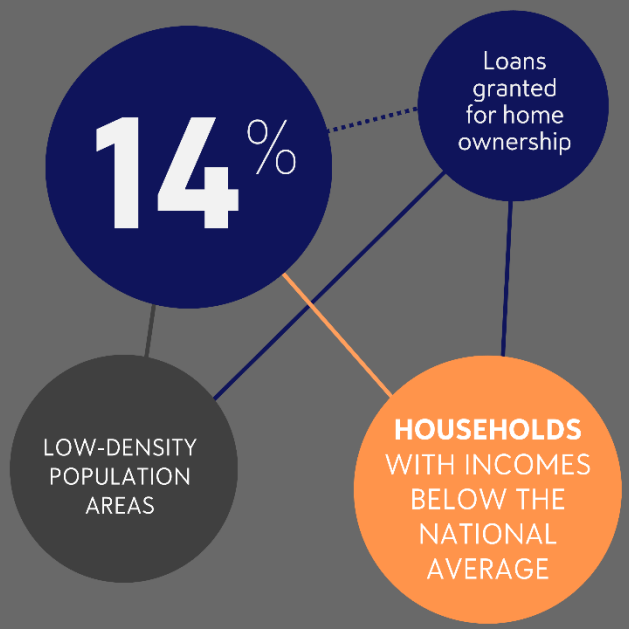
27%

MARKET SHARE
Social and Solidarity Economy
Entities with an exclusively social purpose

1,441,250€

financed to support the treasury management of **44 social and solidarity economy entities**

"ACORDO" ACCOUNT



GRI G4-FS7 | WEF "DIVERSITY AND INCLUSION, PAY EQUALITY, HEALTH AND SAFETY, TRAINING PROVIDED" | UNGC "HUMAN RIGHTS" | UNGC FORWARD FASTER 2030 "FINANCE & INVESTMENT" | WEPS 2 | SDG 1, 3, 10, 11

Promoting active citizenship and social responsibility, particularly in partnership with social and solidarity economy entities in Portugal, is an inherent aspect of our daily commitment. Our solid purpose since 1844 has been to assist those engaged in advancing the collective and overarching aim of fostering social advancement and upholding human dignity.

Measuring our social impact

The role of Banco Montepio

Financial institutions are essential in driving the necessary social change, playing a significant role by channelling funds to socially impactful activities and acting as important accelerators of social change and progress. Our mutualist origins endorse a significant legacy in this area, which we are responsible for maintaining and expanding. Our activity has always sought to positively impact society while ensuring we manage the risks associated with our operations and generate a financial return. In 2023, social impact remained one of Banco Montepio's priorities.




Therefore, in 2023, we reaffirmed our commitment to social impact by investing €1.5 million in the Impact Innovation Fund, the first established Iberian Impact Fund. About 70% of the fund's investments will take place in Portugal, and its portfolio will consist of companies and projects from different sectors with positive social impact objectives and targets associated with the SDGs.

We developed a first approach to measuring our social impact, evaluating and communicating the different means we use transparently, facilitating access to financial resources, and supporting the society surrounding our operations and clients. This approach is consistent with a long-term vision of building a prosperous society, fulfilling a central part of our mission to support people, families, businesses, social economy institutions, and organisations that positively impact society. Thus, we identified three focus areas:

- Financing the Social Economy.
- Supporting access to permanent owned housing.
- Financing the People's strategic pillar.

In line with these areas, the social impact indicators reported were developed as part of our 2021/2023 Sustainability Strategy to support the People's pillar.

Our first assessment of our social impact evaluated the performance of the following indicators:

Social Impact Indicators	
	FINANCING THE SOCIAL ECONOMY
	Credit is granted to social economy institutions with an exclusively social purpose.
	Average rating of social economy clients
	Number of active social economy clients with a social purpose
	SUPPORTING ACCESS TO PERMANENT OWNED HOUSING
	Percentage of loans granted to young borrowers
	Percentage of loans granted to households with incomes below the national average
	FINANCING PEOPLE'S STRATEGIC PILLAR
	Credit granted to the People strategic pillar via:
	<ul style="list-style-type: none"> • Credit lines to support Training • Credit lines to support Healthcare • Credit lines to support Entrepreneurship

Why is it important to measure the social impact?

Implementing and supporting initiatives and projects that aim to achieve a result with a social impact is beneficial for society and the organisations that undertake them. These actions can bring additional and indirect merits, making it relevant to calculate and evaluate the impacts generated, to understand how the supported projects are being managed, whether their implementation is effective and what further improvements may be.

Measurement is also essential for aligning our initiatives with the United

Nations Sustainable Development Goals (SDGs) so that we can quantify our contribution to each one, evaluate and validate each project, and verify its effective impact on people's lives.

We aim to broaden the measurement of our social impact and make it a constant reference in Banco Montepio's reporting, more accurately gauging the social return that comes from our investments so that, in the future, we can more effectively channel the investments we make into the sectors or activities that generate the most significant added value, not only for the users of our services and products but also for society in general.

Methodologies for Measuring Social Impact

Several possible approaches to measuring social impact are based on qualitative or quantitative methodologies, which can be used in parallel to complement each other. Some of the most frequently used models include:

- **Social Return on Investment (SROI):** A model that quantifies the social economic value generated by each unit of value invested. This model can monitor ongoing or potential investments and support decision-making models. As a quantitative methodology, it promotes the transparency of the data used for analysis. The challenge remains in the quality of the information and the subjectivity of the social value generated.
- **Logic Model.** The logical model was developed to map the causes and effects of an outcome. It measures causal impacts and provides a global view of the impact being studied, with a valuable structure for planning activities to achieve the desired results. However, it tends to oversimplify complex processes and not facilitate understanding the mechanisms behind the impacts.
- **Balanced Scorecard.** This strategic impact planning model is based on social impact metrics integrated with traditional financial metrics. The scorecard's development and regular review allow for ongoing improvement of the implemented initiatives and clear communication of the different goals and metrics. Regular investment is required to update it, and due to the high focus on performance indicators, the objectives may be undervalued.
- **Theory of Change.** Like logic models, it allows for prior mapping of the initiatives needed to achieve a final goal by defining long-term objectives.

Its application provides a strategic and objective view of all the steps required to achieve the proposed goals and, consequently, more robust action planning.

These methodologies exemplify the most widely referenced and used solutions for measuring corporate social impact. The choice of methods is inevitably based on the ability to adopt the data collection mechanisms needed to measure impact. Therefore, the lack of or difficulty in accessing quantitative information may justify opting for more qualitative assessments.

Our approach to measuring social impact

As a way of measuring and evaluating social impact, we have adopted a comprehensive methodology for a crosscutting assessment of Banco Montepio's contributions, calculating impacts in the following focus areas:

1. Financing the social economy
2. Supporting access to permanent owned housing
3. Financing the People strategic pillar

The results achieved in these three areas can be analysed under the Theory of Change, allowing the assessment of each impact generated to be framed in a sequence of results towards the intended goal.

We believe that Banco Montepio's social impact will extend far beyond the scope of the figures presented in this exercise.

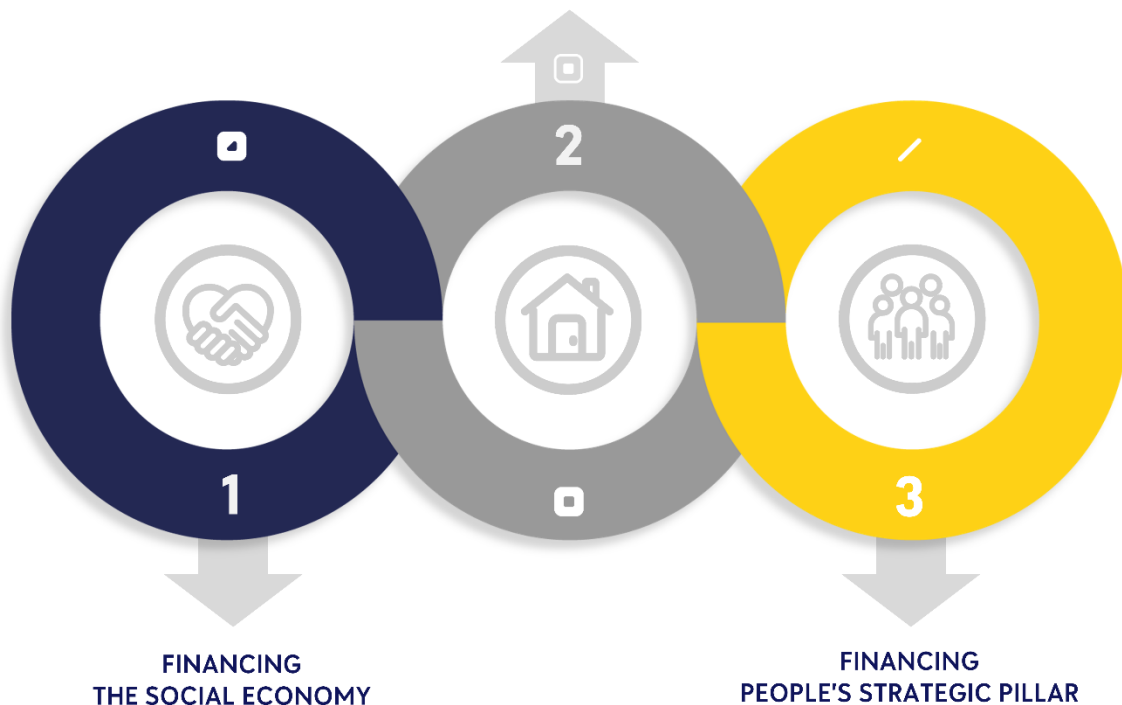
The indicators were carefully selected to serve as the foundation for a methodological approach to provide ongoing support for future iterations. In alignment with the 2030 Agenda, we have meticulously identified five Sustainable Development Goals (SDGs) and their corresponding targets. These goals include SDG 1 (No Poverty), SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 10 (Reduced Inequality), and SDG 11 (Sustainable Cities and Communities).

We aim to contribute to measuring and managing social impact in these areas as part of our commitment to the broader sustainability agenda.

Areas of social impact value approach

SUPPORT ACCESS TO PERMANENT OWNED HOUSING

We seek that our mortgage offer contributes to increasing access to housing for people and families, also supporting the most disadvantaged social classes in the acquisition of their own and permanent homes, contributing to housing and energy inclusion in the country.



We analyse the performance of our Social and Solidarity Economy customers' portfolio with an exclusively social purpose, assessing the materiality of the financing and managing a reduced exposure to higher financial risks, strengthening support for entities in this important sector.

Banking for a better tomorrow, driving social impact today.

We support our customers' access to health, education, and social elevation by providing financial offers to cover health and education expenses. We also offer products and services that contribute to literacy and financial inclusion and combat the digital divide.

We ensure a corporate culture of diversity, equity, and inclusion by investing in the training and well-being of our People, knowing their expectations, and setting goals of appreciation and impact.

Main SDGs impacted



TARGET 1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.



TARGET 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.



TARGET 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.



TARGET 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

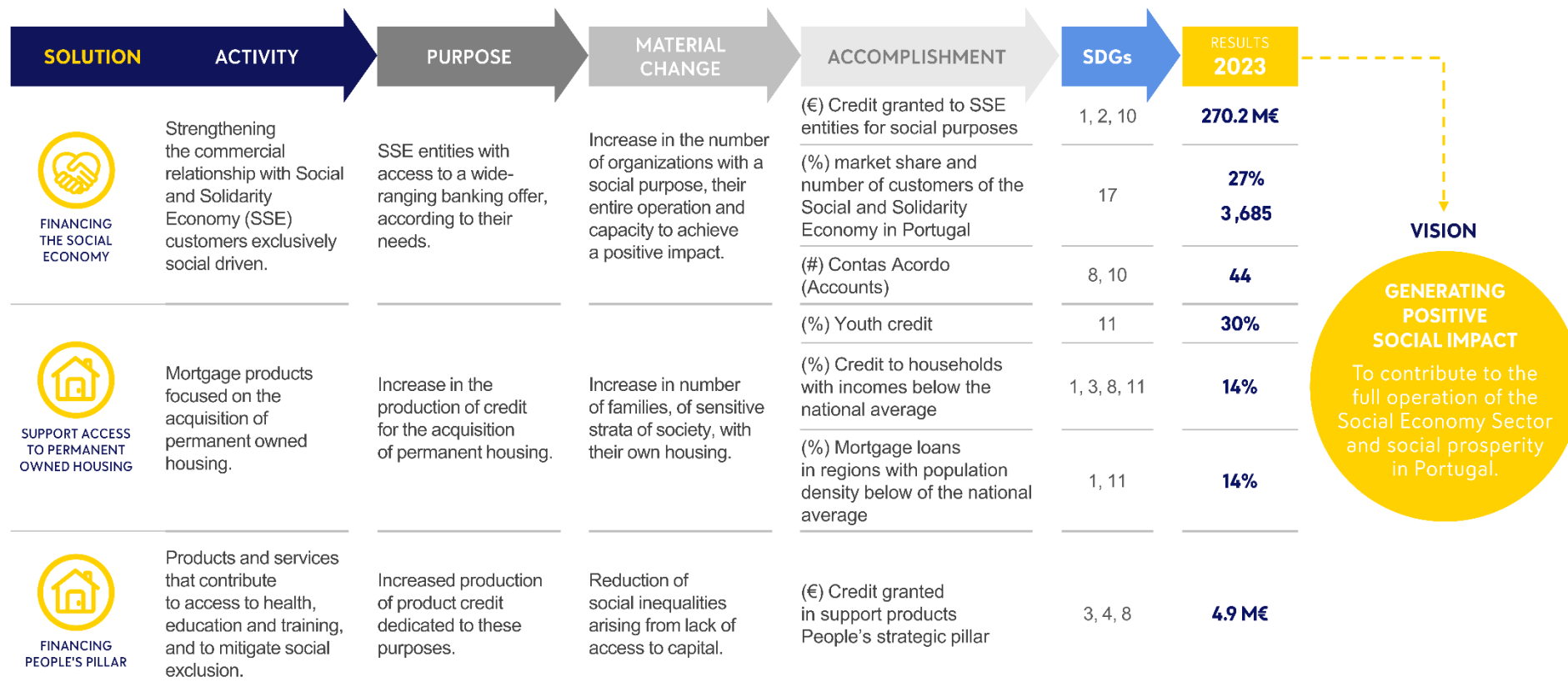


TARGET 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.



TARGET 11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

Methodological framework for measuring Banco Montepio's social impact



Financing the social economy

Banco Montepio is an important partner of these entities in financing the social economy, giving historical continuity to one of its strategic areas of activity.

In 2023, we allocated 270 million euros of credit to financing social economy entities with a social purpose, representing 3,685 clients and 2.3% of the total credit portfolio, an increase of 0.1% compared to 2022.

The strong connection between the social economy sector, Banco Montepio, and our intent to expand our operations in this area means that our institution is the perfect partner for all entities and institutions in the social economy. In addition to their regular activities, these partners aim to create a positive, comprehensive, and measurable impact. The loans granted do not represent

Banco Montepio's total investment in the social economy, as they are focused on Social and Solidarity Economy clients aimed at generating social benefits. The Bank has a 27% penetration rate in this segment compared to the total national universe.

In 2023, the “Acordo” account benefited the management of 44 clients from the Social and Solidarity Economy.

The “Acordo” account is a unique credit line for the social sector that aims to ensure social economy entities' monthly cash flow needs before they receive the state funds they benefit from. This line of credit stands out for its total payment flexibility, the absence of a time limit and a single price list, offering greater security and predictability to these entities.

Supporting access to permanent owned housing

The right to housing enshrined in the Universal Declaration of Human Rights and the Constitution of the Portuguese Republic remains one of the goals that has always motivated Banco Montepio to transform access to homeownership for generations of families and individuals into one of the strategic goals of reconciling our financial offer with a transformative social impact. At a time of challenges that currently characterise the housing sector in Portugal, it is essential that measures, solutions, and decisions can help people access decent housing and, in turn, a quality family life.

At Banco Montepio, we are proud of our contribution, which has helped to write the history of the Portuguese housing stock, financing property construction and homeownership for many generations.

Home loans represent an essential part of our loan portfolio, and the double recognition by “Escolha do Consumidor” and “DECO PROTeste” drives our ambition to continue to be the ideal partner for families and individuals in achieving one of the most critical milestones in their lives: the acquisition of their own permanent home. In this way, we are also committed to supporting the segments of the population that face the greatest difficulties, such as lower-income families and young people.

In 2023, our volume of home loans for young people under 35 was 30%.

Regarding home loans for households with incomes below the national average, Banco Montepio granted 14% of the total permanent home loans in 2023, helping these families to own their homes. Living in suitable conditions is one of the most important aspects of people's lives. Housing is essential for meeting basic needs, providing a place to sleep and rest, security, privacy, and personal space - a place where they can raise a family. Considering Portugal is among the 11 countries in the Organization for Economic Cooperation and Development (OECD)⁶ that recorded a drop in real per capita household income in the 3rd quarter of 2023, with the average adjusted net disposable income per capita household being 24,877 US dollars per year, lower than the

OECD average of 30,490 US dollars per year, access to housing for these families takes on greater importance as it contributes to the realisation of an enshrined right.

We also point out that 14% of credit financed access to housing in areas or municipalities with a population density below the national average, promoting community development and security and regional economic growth, helping to reduce urban overcrowding and ensuring equitable opportunities for residents in underserved regions.

Specific funding for the People strategic pillar

Regarding financing directed at the People's Pillar, Banco Montepio provides access to products that aim to create a direct social impact by supporting the needs of individuals and families. In 2023, we granted 4,940,266 euros of credit with a specific classification to support the People's Pillar, representing an increase of more than 700,000 euros compared to 2022. The growth of 17% compared to the same period contrasts with an approximate 10% drop in personal loans in the country, according to the Bank of Portugal⁷.

In addition, our offer provides access to products and services that help meet specific needs:

- Code Academy. The goal is to train unemployed people in computer language by financing them under advantageous conditions. This will enable them to acquire new knowledge and improve their prospects of re-entering the job market.
- Health Credit. Medium and long-term credit lines to support healthcare expenses.
- Support Line for Entrepreneurship and Self Employment (LAECPE), the result of a collaboration protocol between Banco Montepio, the Institute for Employment and Professional Training, I.P. (IEFP) and four Mutual Guarantee Companies (Norgarante, Garval, Lisgarante and Agrogarante), which aims to combat economic exclusion and long-term unemployment.

⁶ OEDC, Better Life Index, Portugal

⁷ Bank of Portugal, march 2024, in <https://bpstat.bportugal.pt/conteudos/noticias/2115>

Other in-house indicators

Banco Montepio is driven by fundamental values and ethical conduct, which guide us in creating social impact for our people. We are committed to promoting inclusion, human development, and professional training. Our goal is to continue generating a positive impact, fostering an equitable and inclusive community, and increasing the value of the Banco Montepio brand for our stakeholders. We aim to be recognised as the ideal partner for their life journeys, value creation, and future prosperity. Thus, we have identified four key indicators to measure our progress and positive impact.

Gender Equality

In 2023, we reinforced our gender equality targets, with 50% women and 50% men defining our corporate community; the Board of Directors has seven female and five male members, which has become a national benchmark in the make-up of corporate bodies. Together with female representation in 40% of the top decision-making positions, this has enabled us to achieve the 2030 National Target for Gender Equality.



GENDER EQUALITY (% Women)	INCLUSION	HEALTH AND WELL-BEING PROMOTION	EMPOWERMENT AND TRAINING
Board of Directors 57%	88 of our employees are disabled, which accounts for 3.1% of our corporate community.	79% of our people have been trained in health and well-being, contributing to reconciliation amid personal, family and professional life.	60 Hours Average hours of training per employee, emphasising female leadership and dynamic skills.
Executive Committee 50%			
1st line of decision 40%			

Inclusion

We also increased the number of people with disabilities who are part of our corporate community, contributing to the inclusion of people in the job market, regardless of their condition and needs, helping to break down barriers, valuing

diversity, and its contribution to building a fairer and more inclusive society.

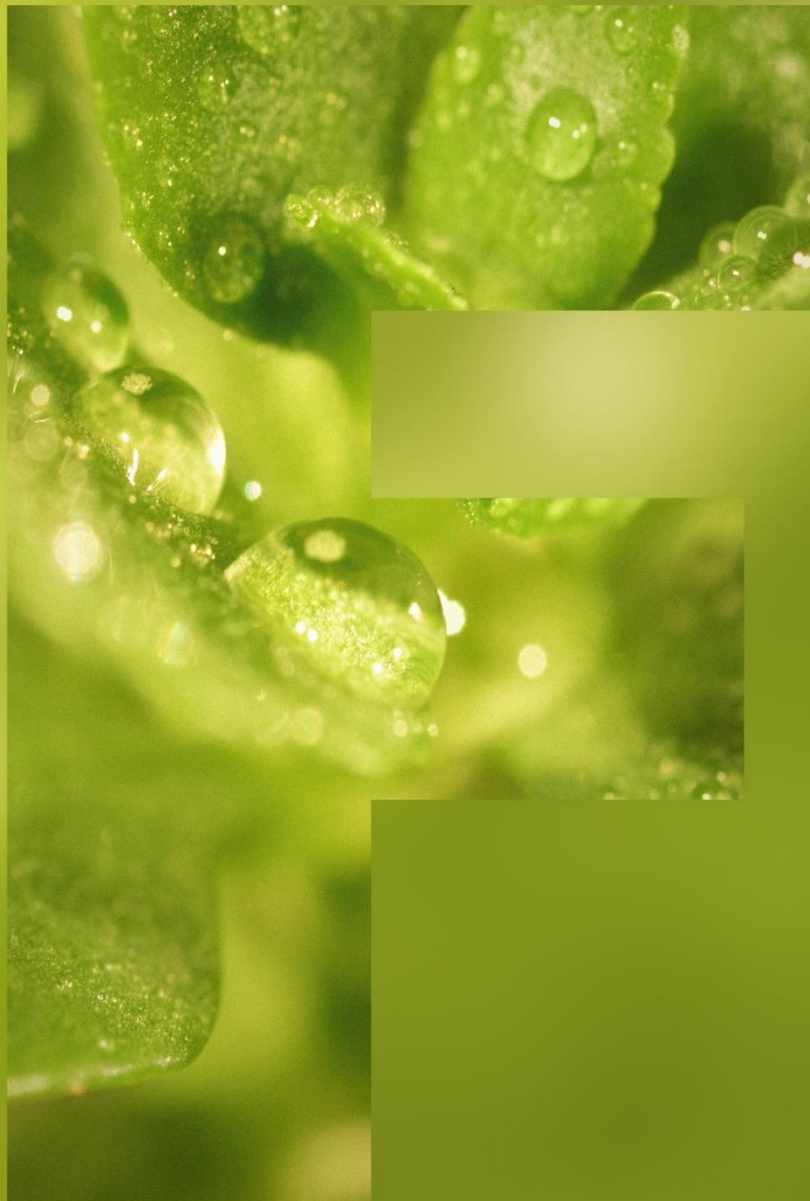
Promoting health and well-being

We reinforced our commitment to the health and well-being of our people by expanding and diversifying our training offer, which covered personal development, professional training, balancing individual, family, and professional life and the importance of taking care of our health and well-being.

The results represent a significant improvement from 13% of male and female employees receiving training on health and well-being in 2022 to 79% of beneficiaries of this training, enabling them to acquire new knowledge for a better physical and mental balance.

Training hours

Along with planning strategic training initiatives, the Banco Montepio Academy has strengthened access to opportunities for individual development and professional growth for our people, which has resulted in an increase in total training time and the average number of training hours per employee, rising to 59.9 hours, compared to an average of 47.8 hours in the same period last year.



6 INVESTING IN THE FUTURE

Continuous improvement and transformation

Embracing continuous improvement is crucial for our sustainability strategy. Regularly reviewing and updating sustainability objectives and initiatives allows us to evolve by acquiring and integrating knowledge, investing in our people, strengthening engagement with stakeholders, collaborating with clients and partners, and ensuring rigorous performance evaluation and communication. We aim to contribute to a positive transformation reflected in our current and future goals and commitments.

Our performance in 2023

Completing the 2021-2023 Sustainability Strategy Activity Plan marks the end of a performance cycle, as evidenced in this report.



Foundations for the Sustainability Strategy 2024-2026

In addition to finalising the sustainability strategy in 2023, we started the design of Banco Montepio's Sustainability Strategy for the three years spanning 2024 to 2026 based on our corporate foundations:

- Sustainable development and ESG management
- Revenue generation and value proposition
- Human development and corporate culture
- Environmental impact management

Reinforcing our ambition to align with international benchmarks, also for the

banking sector, the strategic approach will be developed in line with the benchmarks that have guided us so far, such as the four pillars of the World Economic Forum (WEF), Forward Faster 2030 and the Capitals Coalition's capital framework, adopted for the first time in the 2023 financial year.



2024 Sustainability Master Plan

Our 2024 sustainability master plan, Banking for the Future, outlines the fundamental initiatives, commitments, and contributions related to sustainable development and ESG considerations for implementation.

The initiatives charted in the Master Plan encompass a range of strategic performance indicators categorised into impact areas, including decarbonisation, ESG risk, diversity, equity, inclusion, and sustainable investment, thus aligning with our stakeholders' desires and expectations, as identified during the preceding materiality consultation.

Our 2024 Sustainability Master Plan resulted from close collaboration with the different areas and teams within Banco Montepio and Group Banco Montepio. These teams are tasked with implementing and adhering to the corporate sustainability management model. This collaborative process has been instrumental in defining and articulating our primary objectives.

“BANKING FOR THE FUTURE” SUSTAINABILITY MASTER PLAN 2024

Commitments by strategic pillar	Topics	Subtopics	Alignment with SDGs (United Nations)	Objectives	Performance indicators	2024 Goals
PEOPLE Promoting inclusion, improving the well-being of our people, supporting communities, and ensuring fair financial solutions for our stakeholders.	SOCIAL IMPACT	Community Investment	8.3, 8.8, 10.2, 11.1, 11.7	Measuring social impact	Define methodology for measuring social impact	1st fiscal year published
	INCLUSIVE AND ENTREPRENEURIAL CORPORATE CULTURE	Diversity, Equity and Inclusion	8 (8.5, 8.8), 10 (10.3, 10.4), 12.8	Training of employees in Sustainability and ESG	Sample of employees to be considered (%)	100%
				Application of the Diversity and Inclusion Policy	Action plan to increase the representation of women in middle management (%)	40% by 2030 (National Goal for Gender Equality)
PLANET Reducing environmental impact and footprint through responsible operations and providing banking solutions to support customers' and partners' climate transition.	CLIMATE CHANGE	Decarbonisation	11.6, 12.2, 12.5, 13	Carbon Neutrality Strategy	Decarbonization Plan	Publication
	ENVIRONMENTAL IMPACT	Environmental Management and Efficiency		Environmental management model	% reduction of CO2e emissions in total scope 1 and 2	3%
				ESG assessment of the supply chain	2024 Environmental Management Plan (%)	100%
PRINCIPLES OF GOVERNANCE Acting on privileged ethics, fulfilling commitments, and enhancing communication with stakeholders.	STAKEHOLDERS	Engagement & Commitments	12.6	Performance enhancement	ESG assessment by international rater or similar	ESG score or similar
	COMPLIANCE	ESG Risk & Transparency	8.7, 11.4, 12.6, 13	Integration of ESG criteria: investment and financing	Investment with social and/or environmental impact (€)	750 000€
Transparency and Reporting				Carbon footprint measurement and environmental impact	1st fiscal year published	
PROSPERITY Promoting prosperity through responsible banking practices and offers, empowering customers to thrive, and driving sustainable innovation.	RESPONSIBLE BANKING	Offer with environmental and social impact	8.10, 11.1, 11.3, 11.7, 12.8, 13	Offer for retail clients	Offer with measured social impact	Launch at least one product/service
				Offer for corporate and SMEs clients	Offer to support the energy transition and/or ESG, for companies (SMEs)	Launch at least one product/service
	TRAINING & INNOVATION	Innovation, digitalisation and data management	13	Reducing carbon footprint: channels, means of payment, digital offer.	Offer or initiative to reduce the environmental/carbon footprint	Launch of offer or initiative





7 CONTACTS

Governing Bodies and Board Committees

GRI 2-9, 2-11 | WEF "GOVERNANCE BODY COMPOSITION" | SDG 16

The Administration and Supervisory Board took office on July 25, 2022, with the following current composition:

Board of Directors

Chairman Manuel Ferreira Teixeira

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

COMMITTEES

Audit Committee

Chairwoman Clementina Barroso

Members Cândida Peixoto, Florbela Lima and Maria Lúcia Bica

Risk Committee

Chairwoman Florbela Lima

Members Eugénio Baptista and Maria Lúcia Bica

Assessment, Nominations, Ethics, Sustainability and Governance Committee

Chairwoman Cândida Peixoto

Members Clementina Barroso and Eugénio Baptista

Executive Committee

Also, at the meeting of July 25, 2022, the Board of Directors delegated the day-to-day management of Banco Montepio to the Executive Committee, which has the following current composition:

Chairman Pedro Leitão

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

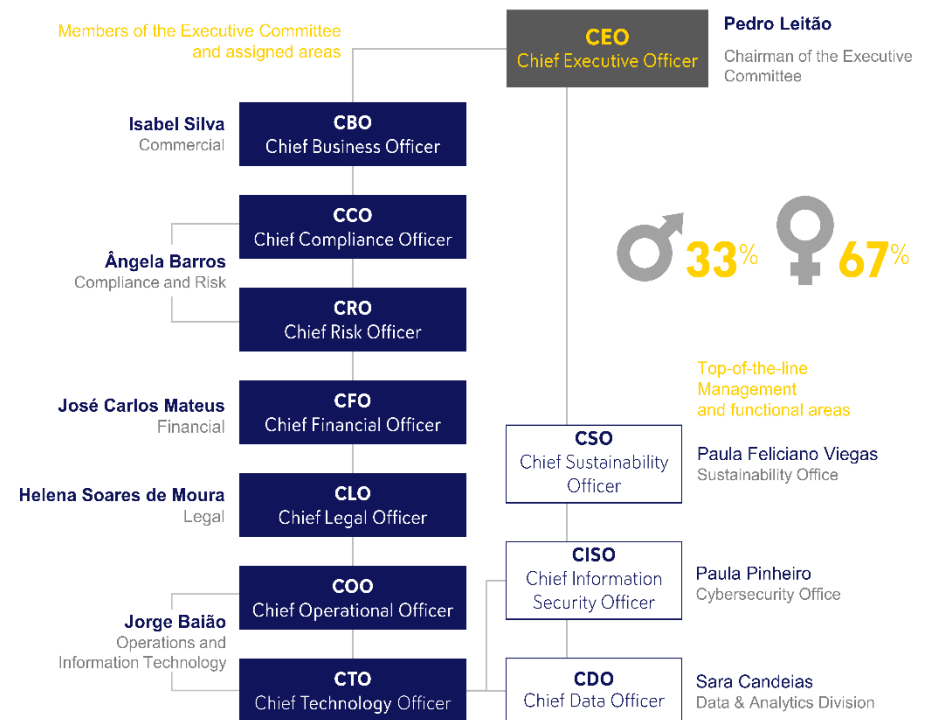
C-level positions

Banco Montepio's leadership team adopts globally recognised executive practices to enhance value creation by identifying strategic factors contributing to the bank and Group Banco Montepio's performance, delineating specific responsibilities and setting the organisation's overall direction.

This approach fortifies Banco Montepio's decision-making within a medium- and long-term perspective, aligning its operations with core corporate values and the significance of sustainability principles and environmental, social, and governance (ESG) considerations.

The C-suite holds the highest position in the bank's hierarchy, encompassing roles below the executive committee.

C-level organisational chart



Editorial policy and references

FRAMEWORKS AND STANDARDS

Disclosure of sustainability and ESG performance

This report adheres to internationally recognised guidelines to ensure transparency and comparability. We follow ISO standards for sustainability reporting, which involve systematic disclosure of environmental, social, and governance (ESG) performance indicators. Additionally, we align with the International Financial Reporting Standards (IFRS) to provide accurate financial data and ESG metrics. We also use the Greenhouse Gas Protocol (GHG) to measure and report our carbon emissions to manage our environmental footprint.

This report also includes information aimed at complying with Decree-Law 89/17 and the European Taxonomy Regulation, verified by a third party and to which Banco Montepio's Annual Report 2023 refers in its Chapter 08, page 115, on "Non-financial" information".

Banco Montepio also reports information following various international benchmarks identified in the Annexes: GRI, WEF, TCFD, WEPs, UNGC, Capitals Coalition, SDGs, and UN Forward Faster 2030.

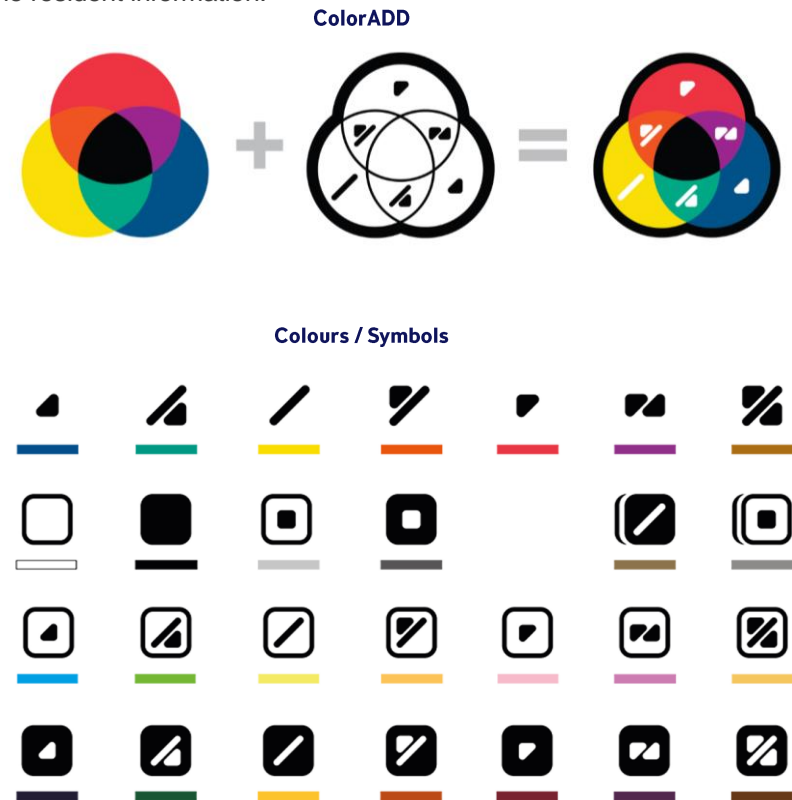
Accessibility and Inclusion

By promoting the accessibility, appreciation, and representativeness of stakeholders and applying criteria for inclusion while editing this report, we reinforce the premises of our Diversity and Inclusion policy and the national and international commitments we have made to convey our performance transparently and responsibly. To this end, we have considered:

- **Neutral and inclusive language.** As in the previous year, we prioritised using neutral and inclusive language, reflecting our commitment to diversity, equity, and inclusion in a culture of respect and recognising the diverse perspectives we value in our Bank and the communities we serve. The wording of this report takes into account the guidelines for neutral and inclusive language contained in the documents " Language Guide for the Promotion of Equality between Women and Men in Public Administration" (by the Commission for Citizenship and Gender Equality),

the "Inclusive Language Manual" (by the Economic and Social Council of Portugal), and the international document supporting the creation of ISO standards "Gender Responsive Standards - Guidance for ISO Technical Committees".

- **ColorADD Code.** This sustainability report uses ColorADD's colour system, symbols, and traditional colours to help people with colour vision impairments fully engage with its content and decode the chromatics in the resident information.



TECHNICAL FILE

Title Relatório de Sustentabilidade 2023

Editor Banco Montepio, Caixa Económica Montepio Geral (CEMG)

Rua Castilho, 5 | 1250-066 LISBOA

Production Banco Montepio Sustainability Office

Consultancy Ernst & Young (EY)

Third-party verification PricewaterhouseCoopers (PwC)

Reporting Boundaries Banco Montepio aggregates the primary data and metrics related to sustainability relevant to the respective financial year and its reporting, monitoring the progress of performance goals and regularly evaluating the scope of disclosures. Unless otherwise indicated, this report summarises significant information as of December 31, 2022, or for the calendar year 2023.

For additional information on this report, please contact Banco Montepio's Sustainability Office at sustainabilityoffice@montepio.pt.

LEGAL NOTICE

This document is the PDF version of the 2023 Sustainability Report on Banco Montepio's commitments and performance regarding sustainability, corporate social responsibility, and ESG. This report includes forward-looking statements, terms, or expressions carefully framed in the context of the circumstances in which they are written and the future trends expected at the time of writing. Although these statements are based on plausible scenarios and available information, they may involve risks or uncertainties arising from factors such as economic changes, regulatory changes, or unforeseen events that could influence actual results and diverge from our projections.

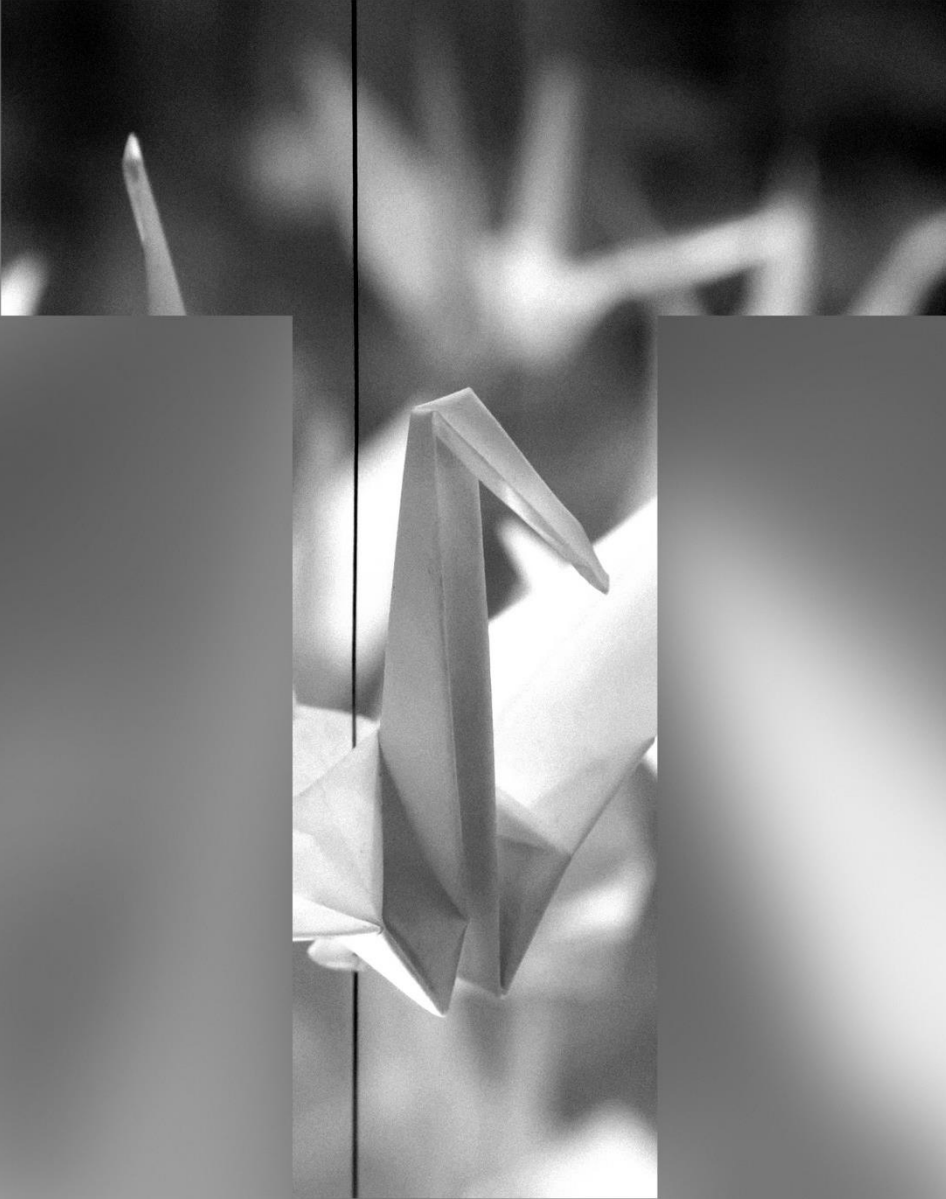
The financial offers referred to in this report do not exclude consulting the corporate website or collecting information through other means and channels to facilitate up-to-date clarification in this area.

Banco Montepio, represented in this exercise by its management, employees, and the multidisciplinary teams involved, has valued transparency, rigour, and integrity. The aim is to contribute to a balanced view of its path and contribution to the sustainable development agenda while recognising the dynamic nature of the environment, society, and the economy.

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**WE WOULD GREATLY
APPRECIATE HEARING
YOUR THOUGHTS ON OUR
SUSTAINABILITY REPORT,
HERE**





8

**THIRD-PARTY
GUARANTEE**

GRI 2-5 | SDG 16

CSO Declaration of Commitment

Banco Montepio's 2023 Sustainability Report demonstrates current legal and regulatory standards, including compliance with Portugal's Decree-Law 89/17 on non-financial information and diversity and the European Taxonomy Regulation.

The Sustainability Office oversees the processes for collecting and evaluating sustainability, corporate social responsibility, and environmental, social, and governance (ESG) data in alignment with Banco Montepio's commitments. It uses the widely recognised Global Reporting Initiative (GRI) methodology and other benchmarks appropriate to the evolving nature of reporting. Additionally, this report considers corporate principles and policies, national and international commitments, and the current Sustainability Strategy, ensuring thorough controls and procedures for collecting and validating ESG data.

PwC Portugal has supported verifying the sustainability information for the 2023 financial year, which is aligned with GRI indicators and based on data provided by Banco Montepio's Sustainability Office, different areas and teams, and the Montepio Group.

We reaffirm our unwavering commitment to transparency and integrity in our reporting. Therefore, to the best of our knowledge and belief, the disclosed information is accurate and complete, with all sources and data duly identified.

This commitment is fundamental to our sustainability practices and reflects our enduring dedication to our organisation and stakeholders.

Paula Feliciano Viegas
 Chief Sustainability Officer
 Sustainability Office

Assurance statements



Independent Limited Assurance Report

(Free translation from the original in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

To the Board of Directors

Introduction

We were engaged by the Board of Directors of Caixa Económica Montepio Geral, Caixa Económica Bancária, S.A. ("Banco Montepio" or "Company") to perform a limited assurance engagement on the indicators identified below in section "Responsibilities of the auditor" that are part of the sustainability information included in the Sustainability Report, for the period ended December 31, 2023, prepared by the Company for the purpose of communicating its annual sustainability performance.

Responsibilities of the Board of Directors

It is the responsibility of the Board of Directors to prepare the indicators identified below in section "Responsibilities of the auditor", included in the Sustainability Report, in accordance with the sustainability reporting guidelines "Global Reporting Initiative" and with the instructions and criteria disclosed in the Sustainability Report, as well as to maintain an appropriate system of internal control that enables the adequate preparation of the mentioned information.

Responsibilities of the auditor

Our responsibility is to issue a limited assurance report, which is professional and independent, based on the procedures performed and specified in the paragraph below. Our work was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants and we have fulfilled other technical standards and recommendations issued by the Institute of Statutory Auditors. These standards require that we plan and perform our work to obtain limited assurance about whether the sustainability indicators identified in the Annex "GRI Table" of the Sustainability Report, are free from material misstatements.

For this purpose the above mentioned work included:

- Inquiries to management and senior officials responsible for areas under analysis, with the purpose of understanding how the information system is structured and their awareness of issues included in the report;
- Identification of the existence of internal management procedures leading to the implementation of economic, environmental and social policies;
- Testing, on a sampling basis, the efficiency of processes and systems in place for collection, consolidation, validation and reporting of the performance information analysed, through calculations and validation of reported data;
- Confirmation that operational units follow the instructions on collection, consolidation, validation and reporting of performance information;

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.
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 Recepção: Palácio Sottomayor, Avenida Fontes Pereira de Melo, nº16, 1050-121 Lisboa, Portugal
 Tel: +351 213 599 000, Fax: +351 213 599 999, www.pwc.pt
 Matriculada na CRC sob o NIPC 506 628 752. Capital Social Euros 314.000
 Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda, pertence à rede de entidades que são membros da PricewaterhouseCoopers International Limited, cada uma das quais é uma entidade legal autónoma e independente.

- e) Execution of substantive procedures, on a sampling basis, in order to collect evidence of the reported information;
- f) Comparison of financial and economic data included in the sustainability information with the data audited by PricewaterhouseCoopers & Associados, SROC, Lda, in the scope of the audit of Company's financial statements for the year ended December 31, 2023; and
- g) Verification that the sustainability information included in the Sustainability Report complies with the requirements of GRI Standards and with the instructions and criteria defined by the Company.

The procedures performed were more limited than those used in an engagement to obtain reasonable assurance and, therefore, less assurance was obtained than in a reasonable assurance engagement.

We believe that the procedures performed provide an acceptable basis for our conclusion.

Quality management and independence

We apply the International Standard on Quality Management 1 (ISQM1), which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and of the ethics code of the Institute of Statutory Auditors.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Indicators identified above in section "Responsibilities of the auditor", included in the Sustainability Report, for the period ended December 31, 2023, were not prepared, in all material respects, in accordance with GRI Standards requirements and with the instructions and criteria disclosed in the Sustainability Report and that Banco Montepio has not applied, in the sustainability information included in the Sustainability Report, the GRI Standards guidelines.

Restriction on use

This report is issued solely for information and use of the Board of Directors of the Company for the purpose of communicating its annual sustainability performance in the Sustainability Report and should not be used for any other purpose. We will not assume any responsibility to third parties other than Banco Montepio by our work and the conclusions expressed in this report, which will be attached to the Company's Sustainability Report.

June 21, 2024

PricewaterhouseCoopers & Associados
 - Sociedade de Revisores Oficiais de Contas, Lda.
 represented by:

Signed on the original

António Joaquim Brochado Correia, ROC no. 1076
 Registered with the Portuguese Securities Market Commission under no. 20160688



ANNEXES



9.1. DETAILED DATA AND METRICS

Methodological notes - Carbon Footprint

GHG EMISSIONS SCOPE 1 (305-1)

Scope 1 emissions include emissions from fuel consumption and fluorinated gas leakage.

For fuel consumption, the following factors were used in the calculations:

CONVERSION FACTORS

Energy product	Unit	Factor	Source
Electricity	GJ/kWh	0.0036	International Energy Agency - Basic Conversions
Diesel	Density (kg/l)	0.84	APA (2023) National Inventory Report 2023 Portugal
	PCI (GJ/t)	42.7	
Gasoline	Densitt (kg/l)	0.75	
	PCI (GJ/t)	43.8	

EMISSION FACTORS

Energy product	Unit	CO ₂	CH ₄	N ₂ O	Source
Diesel	(Kg CO ₂ /GJ)	69.2	0.00001	0.0027	APA (2023) National Inventory Report 2023 Portugal
Gasoline	(Kg CO ₂ /GJ)	71.4	0.0063	0.0004	

The conversion factors used were mapped by IPCC's latest assessment report:

CONVERSION FACTORS

	CO ₂	CH ₄	N ₂ O	Source
Global Warming Potencial	1	29.8	273	AR6 WGI - https://report.ipcc.ch/ar6/wg1/IPCC_AR6_WGI_FullReport.pdf202016%29_1.pdf

The following emission factors were considered for fluorinated gas leaks:

EMISSION FACTORS

Gas	Unit	Factor	Source
R410A	(kg CO ₂ e/kg gas)	2.088	Data from the Portuguese Environment Agency website, available at: https://gfconversor.apambiente.pt/
R407A	(kg CO ₂ e/kg gas)	1.774	

GHG EMISSIONS SCOPE 2 (305-2)

Banco Montepio's electricity supplier is EDP Comercial. The purchase, and use, of electricity falls within Scope 2 of GHG emissions, with the following emission factors applied:

EMISSION FACTORS

Market Based	Unit	Factor	Source
EDP Comercial	(kg CO ₂ e/kWh)	0.155	https://www.edp.pt/origem-energia/

EMISSION FACTORS

Location Based	Unit	Factor	Source
APREN	(kg CO ₂ e/kWh)	0.086	https://www.apren.pt/pt/energias-renovaveis/outros

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: Upstream transportation and distribution
- Category 5: Waste generated in operations
- Category 6: Business travel
- Category 7: Employee commuting
- Category 13: Downstream leased assets
- Category 15: Investments



Category 1: Purchased goods and services (by Banco Montepio)

The following emission factors were considered for purchased goods:

EMISSION FACTORS

Purchased good	Unit	Factor	Source
Paper	(kg CO2e/kg)	0.910	DEFRA 2023. UK Government GHG Conversion Factors for Company Reporting. https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023
Toners	(kg CO2e/kg)	3.102	
Plastic	(kg CO2e/kg)	4.018	

Category 3: Fuel- and energy-related activities

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

EMISSION FACTORS

Fuel/Electricity	Unit	Factor	Source
Diesel fuel	(kg CO2e/l)	0.61	DEFRA 2023. UK Government GHG Conversion Factors for Company Reporting. WTT Fuels https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023
Gasoline	(kg CO2e/l)	0.58	
Electricity – Extraction, production a, and transportation of fuels consumed in the generation of electricity	(kg CO2e/kWh)	0.05	
Electricity – Transmission and Distribution losses	(kg CO2e/kWh)	0.004	

Category 4: Upstream transportation and distribution

The transportation of materials to Banco Montepio's workplaces includes transportation by road vans and boats. Emission factors are as follows:

EMISSION FACTORS

Mode of transport	Unit	CO ₂	CH ₄	N ₂ O	Source
Vans	(kg CO2e/ton.km)	0.566	0.000011	0.004135	DEFRA 2023. UK Government GHG Conversion Factors for Company Reporting. https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023
Boat	(kg CO2e/ton.km)	0.016	0.000006	0.000193	

Conversion factors used for greenhouse gases are the same as those used in scope 1.

Category 5: Waste generated in operations

The final destinations by type of waste reported in GRI 306 were used as baseline for establishing the corresponding emission factors:

EMISSION FACTORS

Waste type	Unit	Factor	Source
Paper	(kg CO2e/t waste)	21.28	DEFRA 2023. UK Government GHG Conversion Factors for Company Reporting. https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023
Plastic	(kg CO2e/t waste)	21.28	
Aseptic containers	(kg CO2e/t waste)	497.045	
Light bulbs	(kg CO2e/t waste)	21.28	
Building materials	(kg CO2e/t waste)	0.98	
Metal	(kg CO2e/t waste)	21.28	
Electrical material	(kg CO2e/t waste)	21.28	



Category 6: Business travel

Travel by plane, train and cab was considered.

Emission factors are as follows:

EMISSION FACTORS

Mode of transport	Unit	CO2	CH4	N2O	Source
Domestic flight	(kg CO2e/p.km)	0.27101	0.00022	0.00134	DEFRA 2023. UK Government GHG Conversion Factors for Company Reporting. https://www.gov.uk/government/publications/green-house-gas-reporting-conversion-factors-2023
Short-haul flight	(kg CO2e/p.km)	0.18499	0.00001	0.00092	
Long haul flight	(kg CO2e/p.km)	0.25998	0.00001	0.00129	
National rail	(kg CO2e/p.km)	0.02580			https://www.cp.pt/StaticFiles/Institucional/2_gestao_sustentavel/1_RelatoriosSustentabilidade/relatorio-de-sustentabilidade-2020.pdf
Taxi	(kg CO2e/p.km)	0.20638	0.000005	0.00167	DEFRA 2023. UK Government GHG Conversion Factors for Company Reporting. https://www.gov.uk/government/publications/green-house-gas-reporting-conversion-factors-2023

Conversion factors used for greenhouse gases are the same as those used in scope 1.

Category 7: Employee commuting

In 2023, we surveyed Banco Montepio employees about their commuting, achieving a 36% response rate, which represents a 5% increase from the

previous year.

The information was obtained from a study commissioned by the Montepio Group to analyse these emissions, enabling Banco Montepio to extract specific data.

EMISSION FACTORS

Mode of transport	Unit	Factor	Source
Rail (CP)	(kg CO2e/km)	0.0258	https://www.cp.pt/StaticFiles/Institucional/2_gestao_sustentavel/1_RelatoriosSustentabilidade/relatorio-de-sustentabilidade-2020.pdf
Rail (Fertagus)	(kg CO2e/p.km)	0.023	https://www.fertagus.pt/Portals/0/RelatorioContas/R%C2%0Fertagus%202019.pdf?ver=2020-06-30-125859-823&timestamp=1602158576315
Rail (other providers)	(kg CO2/km)	0.00446	DEFRA
Metropolitan (Lisbon)	(kg CO2e/p.km)	0.0386	https://www.metrolisboa.pt/institucional/wp-content/uploads/sites/2/2018/03/MetropolitanodeLisboa_RelatoriodeSustentabilidade2016.pdf
Metropolitan (Porto)	(kg CO2e/p.km)	0.04	https://www.metroporto.pt/metroporto/uploads/document/file/486/RS2018.pdf
Boat (Transtejo)	(kg CO2e/p.km)	0.23	https://ttsl.pt/wp-content/uploads/2018/01/rs_2014_min.pdf
Boat (outros)	(kg CO2/km)	0.018738	DEFRA 2022
Bicycle	(kg CO2/km)	-	-
Foot	(kg CO2e/p.km)	-	-



Car (electric vehicle)	(kg CO2e/p.km)	0.0514	DEFRA 2022
Car (plug-in hybrid)	(kg CO2e/p.km)	0.09349	DEFRA 2022
Car (non-plug-in hybrid)	(kg CO2e/km)	0.12004	DEFRA 2022
Car (Gas)	(kg CO2e/km)	0.17517	DEFRA 2022
Car (LPG)	(kg CO2/km)	0.193	APA (2023) <i>National Inventory Report 2023 Portugal</i>
Car (diesel)	(kg CO2/km)	0.211	APA (2023) <i>National Inventory Report 2023 Portugal</i>
Car (gasoline)	(kg CO2e/km)	0.204	APA (2023) <i>National Inventory Report 2023 Portugal</i>
Bus	(kg CO2e/km)	0.097	DEFRA 2022
Motorcycle (<50 cm³)	(kg CO2e/km)	0.074	APA (2023) <i>National Inventory Report 2023 Portugal</i>
Motorcycle (>50 cm³)	(kg CO2e/p.km)	0.130	APA (2023) <i>National Inventory Report 2023 Portugal</i>
Motorcycle elétrico	(kg CO2e/km)	0.025	ADENE

Category 13: Downstream leased assets

In 2023, we included category 13 on Downstream Leased Assets in the calculation of scope 3 emissions for the first time. This category includes properties owned and leased by Banco Montepio, as well as vehicles financed by the Bank through leasing and therefore owned by Banco Montepio.

REAL ESTATE

To calculate the emissions from the properties in which Banco Montepio is the lessor, we took the average consumption data of KWh/m2 per type of property from PCAF's public real estate database for Portugal. This value was then multiplied by the electricity emission factor of the Portuguese electricity system,

based on the Location Based methodology, to arrive at the emissions (tCO2e per square meter) associated with certain types of buildings in Portugal.

EMISSION FACTORS

Type of property	Unit	Factor	Source	Electricity emission factor Location Based (kg CO2e/KWh)	
				↓	Source
Office	Average consumption KWh/m2	122.275	PCAF European building emission factor database https://carbonaccountingfinancials.com/en/financing-towards-net-zero-buildings#european-span-building-emission-factor-span-database	0.086	APREN https://www.apren.pt/pt/en/energias-renovaveis/otros
Hotel	Average consumption KWh/m2	132.075		0.086	
Warehouse	Average consumption KWh/m2	102.783	0.086		
Shopping Centre	Average consumption KWh/m2	130.050		0.086	
Residential Building	Average consumption KWh/m2	59.456		0.086	

MOVABLE ASSETS

For movable assets, we used the specific emission factors for each vehicle, which already exist in the Bank's portfolio information. When these emission factors were not available for some vehicle categories, the following emission factors were used:

EMISSION FACTORS

Type of vehicle	Unit	Factor	Source
Passenger car	(g CO2e/km)	103.1	Agência Europeia do Ambiente https://co2cars.apps.eea.europa.eu/



Heavy goods vehicle	(g CO2e/km)	789.7	International Council on Clean Transportation https://theicct.org/wp-content/uploads/2023/07/hdv-co2-emissions-eu-2020-reporting-2-jul23.pdf
Light goods vehicle	(g CO2e/km)	171.5	Value derived from the analysis of existing emissions in internal databases for vehicles of the same type; used to estimate emissions from vehicles without emissions data.

In addition, an average annual distance of 13,250 kilometers was considered for passenger and light duty vehicles, and 87,333 for heavy duty vehicles ¹.

Category 15: Investments

Banco Montepio's calculation for this category was based on the methodology developed by PCAF, which addresses the calculation of emissions from financial institutions' investment and credit portfolios across five (5) asset classes: listed equity, corporate bonds, business loans, unlisted equity, sovereign debt, mortgages, and motor vehicle loans. Regarding the analysis of Banco Montepio's exposures across different asset classes, it was assumed that all exposures to each counterparty were through products utilizing "unknown" funds, without differentiation of their objectives. Banco Montepio acknowledges that this approach is not yet fully aligned with the reference methodology and commits to enhancing the quality and scope of its data to achieve alignment.

The approaches and assumptions used for each class are summarized below.

LISTED EQUITY

FINANCIAL DATA

The Enterprise Value Including Cash was obtained from Yahoo Finance platform on March 18, 2024.

EMISSIONS

Data for scope 1 and 2 GHG emissions were taken from the 2022 sustainability reports (information available at the time).

$$GHG \text{ emissions, attributable to the Bank, of listed company } X \text{ (tCO}_2\text{e)} = \frac{\text{Outstanding amount (euros)}}{\text{Enterprise Value Including Cash (euros)}} * \text{Scope 1 + 2 emissions of listed company } X \text{ (tCO}_2\text{e)}$$

CORPORATE BONDS

FINANCIAL DATA

Financial data (assets, liabilities, and debt in euros) from each company's most recent Annual Report was prioritized.

EMISSIONS

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

$$GHG \text{ emissions, attributable to the Bank, of listed company } X \text{ (tCO}_2\text{e)} = \frac{\text{Outstanding amount (euros)}}{\text{Total company equity + debt (euros)}} * \text{Scope 1 + 2 emissions of listed company } X \text{ (tCO}_2\text{e)}$$

Where possible, sectors were taken from the European Commission's website, using the NACE/CAE code. When it wasn't possible to find the company's sector, internal information from Banco Montepio on the company's activities was used.

BUSINESS LOANS

FINANCIAL DATA

Financial data (assets, liabilities, and debt in euros) from each company's most recent Annual Report was preferred. In cases where there are no items that consider these three types of financial reporting, companies were excluded from the calculation of emissions. We excluded from the calculation any funds

¹ [European Automobile Manufacturers Association](https://www.euro-ncap.com/)

from which it was impossible to extract individual counterparties, and companies belonging to regional governments not covered by the PCAF methodology.

EMISSIONS

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

$$\begin{aligned} & \text{GHG emissions, attributable to the Bank, of listed company X (tCO2e)} \\ &= \frac{\text{Outstanding amount (euros)}}{\text{Total company equity + debt (euros)}} \\ & * \text{Scope 1 + 2 emissions of company X (tCO2e)} \end{aligned}$$

Whenever possible, the industry classification was taken from the European Commission's website, using the NACE/CAE code. Where the industry of a company could not be determined, internal information from Banco Montepio on the activities carried out by the company was used. In cases where emissions are not reported, they were estimated using proxies based on their industry and using public OECD databases. By matching companies to the industries that most closely resemble their activity, the following formula is used to estimate GHG emissions:

$$\begin{aligned} & \text{Estimated GHG emissions of company X (tCO2e)} \\ &= \frac{\text{Carbon emissions from country and industry of company X (tCO2e)}}{\text{Labour costs of country and industry of company X (euros)}} \\ & * \text{Labour costs of company X (euros)} \end{aligned}$$

UNLISTED EQUITY

FINANCIAL DATA

Preference was given to financial data (assets, liabilities and debt in euros) from each company's most recent Annual Report.

The value considered for investment funds is the Net Asset Value of the fund, taken from the financial documents provided by the asset managers.

EMISSIONS

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

$$\begin{aligned} & \text{GHG emissions, attributable to the Bank, of listed company X (tCO2e)} \\ &= \frac{\text{Outstanding amount (em euros)}}{\text{Total company equity + debt (em euros)}} \\ & * \text{Scope 1 + 2 emissions of company X (tCO2e)} \end{aligned}$$

Whenever possible, industry classification was obtained from the European Commission's website, using the NACE/CAE code. Where the company's sector could not be identified, the Bank's internal information on the activities carried out by the company was used.

The information collected from the investment funds does not contain data on GHG emissions, so the emissions attributable to Banco Montepio were estimated using proxies for the companies or real estate held in each fund, in case individual information on each asset invested in by the fund was available.

We used the PCAF public real estate database for Portugal to estimate emissions for real estate assets within the funds. Using the average consumption of kWh/m² multiplied by the Location Based electricity emission factor we obtained the emissions (tCO2e per square meter) associated with certain types of buildings in Portugal.

To estimate emissions for companies, mostly small businesses, within the investment funds, statistical data from Pordata for 2021 and 2022 was used on: "carbon intensity per million euros of wealth created by sector of activity in Portugal", "wealth created by sector of activity in Portugal" and "number of companies by sector of activity in Portugal". An average of tCO2e emissions was calculated for each sector:

$$\begin{aligned} & \text{Estimated GHG emissions from industry X (tCO2e)} \\ &= \frac{\text{Carbon intensity of sector X (tCO2e / m€ wealth created)}}{\text{Number of companies in sector X}} \\ & * \text{Wealth created by sector X (millions of euros)} \end{aligned}$$

We mapped the percentage of capital of the companies held by each fund whenever the information was available. If the information is not reported by the Fund, we assumed, as a conservative factor, that it holds 100% of the company and, consequently, of its emissions.

In cases where emissions are not reported, they were estimated by using proxies based on their industry. When matching the companies to the industries that most closely resemble their activity, the following formula was used to



estimate the companies' GHG emissions:

$$\begin{aligned} & \text{Estimated GHG emissions from company X (tCO2e)} \\ & = \frac{\text{Carbon emissions production of country and industry of company X (tCO2e)}}{\text{Labour costs of country and industry of company X (euros)}} \\ & * \text{Labour costs of company X (euros)} \end{aligned}$$

SOVEREIGN DEBT

The most recent PCAF methodology was used to calculate emissions associated with sovereign debt bonds:

$$\begin{aligned} & \text{GHG emissions attributed to country X (tCO2e)} \\ & = \frac{\text{Exposure to sovereign bond of Country X (euros)}}{\text{PPP – adjusted GDP of Country X (euros)}} \\ & * \text{Domestic GHG emissions of Country X (tCO2e)} \end{aligned}$$

The data needed to calculate emissions was obtained from public and verified databases. The PPP-adjusted GDP financial data, updated to 2022, was extracted from the World Bank.

The domestic GHG emissions of each country were based on EDGAR, a database managed by the European Commission, within the framework of the United Nations Framework Convention on Climate Change (UNFCCC) and under the methodology of the Intergovernmental Panel on Climate Change (IPCC).

MORTGAGES

FINANCIAL DATA

We used the most recent PCAF methodology to calculate emissions associated with mortgage loans, which identifies the denominator to be used in the calculation of the allocation factor as the *property value at origination*.

To calculate the numerator, PCAF identifies the *outstanding amount*.

EMISSIONS

To calculate the emissions from the properties in the mortgage portfolio, the PCAF database for Portugal was used to determine the average consumption

value of MWh/m2 for the "Residential building" property category. Once this average value had been calculated, it was multiplied by the average CO2e emissions of the Portuguese electricity system using the Location Based methodology.

Finally, to calculate the emissions associated with each property, the value obtained was multiplied by the average consumption of kWh/m2 multiplied by the Location Based emission factor, by the number of square meters of each property. For the properties in the portfolio without a square meter description or information on the energy certificate, the average emissions of the properties in the rest of the loan portfolio were considered.

$$\begin{aligned} & \text{GHG emissions attributed to the Bank from property X (tCO2e)} \\ & = \frac{\text{Outstanding amount}}{\text{Initial financing amount}} \\ & * \text{Emissions associated with property X (t/CO2e)} \end{aligned}$$

MOTOR VEHICLE LOANS

FINANCIAL DATA

We used the latest PCAF methodology to calculate the emissions associated with car loans, which identifies the denominator to be used in the calculation of the allocation factor as the *total value at origination*. To calculate the numerator, PCAF identifies the *outstanding amount*.

EMISSIONS

Given the lack of data on the actual distance travelled by each vehicle, an average annual value of 13,250 km travelled by passenger cars in Portugal was used to calculate the emissions of the vehicles in the car loan portfolio.

Due to the lack of information on the specifications of each vehicle in the portfolio (make, model, CO2/km emissions), an average emission factor for vehicles registered in Portugal of 103. gCO2/km². was considered.

² Agência Europeia do Ambiente



GHG emissions attributed to the Bank from vehicle X (tCO2e)

$$= \frac{\text{Outstanding amount}}{\text{Initial financing amount}}$$

* Emissions associated with vehicle X (t/CO2e)

TIPOLOGIA DE DADOS

Tipo de dados	Dados e âmbito
Financial	Equity+Debt: For unlisted companies, equity, which represents a company's net worth, is calculated by subtracting assets from liabilities, and corresponds to Equity as defined in the PCAF methodology. Debt items were mapped using each company's Annual Report or similar financial document, which includes explanatory notes on what is considered debt.
	Enterprise Value Including Cash: For listed companies this number represents the total value of the company, including market capitalization (number of shares multiplied by the market price of the share), short and long-term debt and cash or cash equivalents on the company's balance sheet.
	Labour Costs: Usually disclosed in companies' financial documents, labour costs represent the monetary value of direct and indirect expenditure on the company's employees.
	Net Asset Value: The Net Asset Value of a fund represents the value of the fund's assets minus the value of its liabilities.
	PPP – adjusted GDP: GDP adjusted to purchasing power parity is a macroeconomic indicator used to calculate funded issues related to sovereign debt securities.
Non-financial	Sector of activity: Represented in this exercise through the CAE, companies' sectors were mapped through their largest area of activity.
	Greenhouse Gas Emissions (GHG) scope 1 and 2: Direct and indirect emissions from the company's activity, reported through a Sustainability Report or non-financial document.

Domestic scope 1 GHG emissions by country: Emissions attributed to the domestic activity of each country, as reported by the "EDGAR" database managed by the European Commission.
Production-related CO2 emissions: Data on carbon emissions emitted and consumed internally by companies. This data comes from the OECD and is used to estimate emissions in cases where companies do not disclose their scope 1 and 2 GHG emissions.
Carbon intensity (Average consumption kWh/m2 x Location Based emission factor): Emission factor in the PCAF database for real estate multiplied by the Location Based emission factor provided by APREN. The PCAF database provides emission factors broken down by country and type of real estate, making it possible to estimate real estate-related emissions in the funds invested in by the Bank.



CORRESPONDENCE WITH DECREE-LAW NO 89/2017

This table summarizes and outlines Banco Montepio's performance in response to Decree-Law 89/2017, of July 28, on the disclosure of non-financial 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 can be found in Banco Montepio's Annual Report 2023.

BUSINESS MODEL

DL 89/2017 – Article 3 (Referred to Article 508º-G, Paragraph 2 of the CSC) - Directive 2014/95/EU - Article 19a (1) (a)

Requirement	Source	Response
Company business model	AR	Grupo Banco Montepio – Group structure
	AR	Business segments
	AR	Activity by segment
	AR	Subsidiaries and Internacional activity

DIVERSITY IN GOVERNING BODIES

DL 89/2017 – Article 4 (Referred to Article 245, Paragraphs 1 r) and 2 of the CVM) - Diretive 2014/95/EU - Art. 20 (1) (g)

Requirement	Source	Response
Diversity policy applied by the company with regards to ots management and supervisory bodies	SR	Values we manage
	AR	Corporate Governance Report

ENVIRONMENTAL ISSUES

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

Requirement	Source	Response
Specific policies related to environmental issues	SR	Commitments driving us
	Website	Declaration of Commitment to the Environment https://www.bancomontepio.pt/content/dam/montepio/pdf/institucional/sustentabilidade/compromissos/environmental-statement.pdf
	Website	Sustainability Policy https://www.bancomontepio.pt/content/dam/montepio/pdf/institucional/pol%C3%ADticas-regulamentos/politica-sustentabilidade.pdf
	SR	GRI Standards
Results of policy implementation	SR	Natural capital
	SR	GRI Standards
Main associated risks and how they are managed	AR	Risk – Risk management
	SR	Responsible business
	SR	Sustainable finance



KPIs	SR	Natural capital
	SR	GRI Standards

SOCIAL AND WORKERS' ISSUES

DL 89/2017 – Article 3, Paragraph 2 (Referred to Article 508º-G, Paragraph 2 of the CSC) - Directive 2014/95/EU - Article 19a (1) (a-e)

Requirement	Source	Response
Specific policies related to social and workers' issues	AR	Grupo Banco Montepio - People
	SR	Commitments driving us
	SR	Human Capital
	Website	Code of conduct: https://www.bancomontepio.pt/content/dam/montepio/pdf/institucional/pol%C3%ADticas-regulamentos/codigo-conduta.pdf
	Website	Policy on the Reporting of Irregularities (Whistleblowing): https://www.bancomontepio.pt/content/dam/montepio/pdf/institucional/pol%C3%ADticas-regulamentos/regulamento-comunicacao-irregularidades.pdf
	Website	Ethical channel: https://bancomontepio-canaldeetica.whispli.com/lp/7adb7ca8-6030-11ed-b8d0-6e7b9fe80a47?locale=pt-pt
	Website	Complaints management: https://www.bancomontepio.pt/en/complaints-management
	Website	Diversity and Inclusion Policy: https://www.bancomontepio.pt/content/dam/montepio/pdf/institucional/pol%C3%ADticas-regulamentos/politica-diversidade-inclusao.pdf
Results of policy implementation	SR	Stakeholder engagement
	SR	Human capital
	SR	GRI Standards
Main associated risks and how they are managed	AR	Risk – Risk management
	SR	Commitments driving us
	SR	Human capital
	Website	Code of conduct: https://www.bancomontepio.pt/content/dam/montepio/pdf/institucional/pol%C3%ADticas-regulamentos/codigo-conduta.pdf
	Website	Policy on the Reporting of Irregularities (Whistleblowing): https://www.bancomontepio.pt/content/dam/montepio/pdf/institucional/pol%C3%ADticas-regulamentos/regulamento-comunicacao-irregularidades.pdf
KPIs	Website	Ethics channel: https://bancomontepio-canaldeetica.whispli.com/lp/7adb7ca8-6030-11ed-b8d0-6e7b9fe80a47?locale=pt-pt
	AR	Grupo Banco Montepio - People - tables of employee evolution
	AR	Grupo Banco Montepio - People - distribution charts of Banco Montepio employees
	AR	Grupo Banco Montepio - People - table of training indicators
	SR	Stakeholder engagement



	SR	Human capital
	SR	GRI Standards

EQUALITY BETWEEN WOMEN AND MEN AND NON-DISCRIMINATION

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

Requirement	Source	Response
Specific policies related to issues of equality between women and men and non-discrimination	SR	Commitments driving us
	SR	Human capital
	SR	Responsible business
	Website	Diversity and Inclusion Policy: https://www.bancomontepio.pt/content/dam/montepio/pdf/institucional/pol%C3%ADticas-regulamentos/politica-diversidade-inclusao.pdf
Results of policy implementation	AR	Corporate Governance Report
	SR	Human capital
Main associated risks and how they are managed	SR	GRI Standards
	AR	Risk – Risk management
	Website	Code of conduct: https://www.bancomontepio.pt/content/dam/montepio/pdf/Institucional/pol%C3%ADticas-regulamentos/codigo-conduta.pdf
	Website	Policy on the Reporting of Irregularities (Whistleblowing): https://www.bancomontepio.pt/content/dam/montepio/pdf/institucional/pol%C3%ADticas-regulamentos/regulamento-comunicacao-irregularidades.pdf
KPIs	Website	Ethical channel: https://bancomontepio-canaldeetica.whispli.com/lp/7adb7ca8-6030-11ed-b8d0-6e7b9fe80a47?locale=pt-pt
	AR	Grupo Banco Montepio - People - distribution charts of Banco Montepio employees
	SR	Human capital
	SR	GRI Standards

RESPECT FOR HUMAN RIGHTS

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

Requirement	Source	Response
Specific policies related to respect for Human Rights	SR	Commitments driving us
	SR	Stakeholder engagement
	SR	Responsible business
	SR	Human capital
	Website	Declaration on Human Rights: https://www.bancomontepio.pt/content/dam/montepio/pdf/institucional/sustentabilidade/compromissos/declaration-on-human-rights.pdf



	Website	Sustainability Policy: https://www.bancomontepio.pt/content/dam/montepio/pdf/institucional/pol%C3%ADticas-regulamentos/politica-sustentabilidade.pdf
	Website	Declaration of Commitment to Sustainability for Suppliers: https://www.bancomontepio.pt/content/dam/montepio/pdf/institucional/sustentabilidade/compromissos/declaration-of-commitment-to-sustainability-suppliers.pdf
Results of policy implementation	SR	Sustainable finance
	SR	Responsible business
Main associated risks and how they are managed	AR	Risk – Risk management
	SR	Commitments driving us
	SR	Sustainable finance
KPIs	SR	GRI Standards

FIGHTING CORRUPTION AND ATTEMPTED BRIBERY

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

Requirement	Source	Response
Specific policies related to fighting corruption and attempted bribery	SR	Commitments driving us
	Website	Policies and Regulations: https://www.bancomontepio.pt/en/institucional/policies-regulations
	Website	Code of conduct: https://www.bancomontepio.pt/content/dam/montepio/pdf/institucional/pol%C3%ADticas-regulamentos/codigo-conduta.pdf
Results of policy implementation	SR	GRI Standards
Main associated risks and how they are managed	AR	Risk – Risk management
	SR	Sustainable finance
	SR	Responsible business
KPIs	SR	GRI Standards

Table legend

AR – Annual Report 2023

SR – Sustainability Report 2023

Website – Banco Montepio’s website: www.bancomontepio.pt



GRI INDICATOR TABLE

Relevant initiatives and disclosures regarding performance and contribution to sustainable development were identified in accordance with the Global Reporting Initiative (GRI) standards for the period from January 1 to December 31, 2023, and the information is also included in Banco Montepio's Annual Report 2023.

GRI 2 – GENERAL DISCLOSURES

THE ORGANISATION AND ITS REPORTING PRACTICES

GRI	Disclosures & Management	Location / Omission	Página
2-1	Organisational details	Caixa Económica Montepio Geral (Banco Montepio) Rua Castilho nº5, 1250-066 Lisboa Annual Report 2023 – “The Banco Montepio Group” p. 24-49	
2-2	Entities included in the organisation’s sustainability report	List of all entities included in the report: Banco Montepio. List of entities included in the financial report and not covered by this Sustainability Report 2023: Montepio Crédito - Instituição Financeira de Crédito, S.A.; Montepio Holding, S.G.P.S., S.A.; Montepio Investimento, S.A.; SSAGINCENTIVE - Sociedade de Serviços Auxiliares e de Gestão de Imóveis, S.A.; Montepio Serviços, A.C.E; HTA - Hotéis, Turismo e Animação dos Açores, S.A.; Montepio Gestão de Activos Imobiliários, A.C.E.; CESource, ACE. As of December 31, 2023, the companies that are fully consolidated in the Banco Montepio Group are as follows: <ul style="list-style-type: none"> • Full consolidation: Montepio Crédito - Instituição Financeira de Crédito, S.A.; Montepio Holding, S.G.P.S., S.A.; Montepio Investimento, S.A.; SSAGINCENTIVE - Sociedade de Serviços Auxiliares e de Gestão de Imóveis, S.A.; Montepio Serviços, A.C.E. • Equity consolidation: HTA - Hotéis, Turismo e Animação dos Açores, S.A.; Montepio Gestão de Activos Imobiliários, A.C.E.; CESource, ACE. Annual Report 2023 - "Part II Accounts, Notes to the Accounts and Opinions: 1 Accounting Policies" p. 144-175	
2-3	Reporting period, frequency and contact point	This Sustainability Report considers Banco Montepio's activity during the year 2023, from January 1st to December 31st, and is published annually. Sustainability Office: Paula Feliciano Viegas, Chief Sustainability Officer (CSO) gabinetesustentabilidade@bancomontepio.pt; sustainability@bancomontepio.pt	
2-4	Restatements of information	The number of members of Banco Montepio's Governing Bodies reported in 2022 only included the Board of Directors, while in 2023 it also included members of the Board of the General Meeting and the Remuneration Committee (information reported in indicator GRI 405-1). As a result, the number of reported members of the Governing Bodies rose from 12 to 16. In addition, in view of the data reported in 2022, the average remuneration of Banco Montepio's employees was revised and updated, except for the highest paid individual (reported in indicator GRI 2-21), and therefore the ratio between the highest paid individual's compensation and the rest of the organization for 2022 was reviewed. The monetary values of fines for cases of non-compliance with laws and regulations that occurred during the reporting period were also reviewed and updated (reported in indicator GRI 2-27).	



2-5	External assurance	8. Third-party guarantee	80-82
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ACTIVITIES AND WORKERS

2-6	Activities, value chain, and other business relationships	<p>1. About us 3.2. Responsible business 4.2. Produced capital Financial sector, CAE and NACE: K-64 Financial services activities, except insurance and pension funds and K-65 Insurance, reinsurance and pension funds, except compulsory social security. Annual Report 2023 - "Part I Management Report: 03 The Banco Montepio Group - Business Segments" p. 40-49 As reflected in the Sustainability Report and Annual Report, there were no significant changes in the sectors in which the bank operates, its value chain, operations, and business relationships.</p>	5-19 33-36 42-48
2-7	Employees	4.3. Human Capital - Our people, our human capital	48-49
2-8	Workers who are not employees	4.3. Human Capital - Our people, our human capital	48-49

GOVERNANCE

2-9	Governance structure and composition	<p>3.1. Governance model for sustainability 7. Contacts Annual Report 2023 - "Part I Management Report: 01 Corporate Governance" p. 8-12, "Part III Corporate Governance Report: B. Governing Bodies and Committees" p. 547-571</p>	30-33 76-79
2-10	Nomination and selection of the highest governance body	Annual Report 2023 - "Part III Corporate Governance Report: B. Governing Bodies and Committees - II. Management and Supervision" p. 548-566	
2-11	Chair of the highest governance body	<p>3.1. Governance model for sustainability 7. Contacts The Chairman is a non-executive director and Chairman of the Board of Directors (BD). The Chief Executive Officer (CEO) is an executive director and Chairman of the Executive Committee (EC).</p>	30-33 76-79
2-12	Role of the highest governance body in overseeing the management of impacts	<p>3.1. Governance model for sustainability Annual Report 2023 - "Part III Corporate Governance Report: B. Governing Bodies and Committees - II. Management and Supervision" p. 548-566 Regulations of the Committee for Corporate Governance, Ethics and Sustainability (CANESG)</p>	30-33
2-13	Delegation of responsibility for managing impacts	The Board of Directors receives information from the CANESG on the issues under the responsibility of this Committee, in terms of ethics, sustainability and corporate governance. There are regular meetings of the various deliberative committees, the agendas of which are made known to the supervisory body.	
2-14	Role of the highest governance body in sustainability reporting	<p>Annual Report 2023 - "Part III Corporate Governance Report: B. Governing Bodies and Committees - 21.5 Evaluation Committee, Appointments, Ethics, Sustainability and Governance" p. 558-560 Regulations of the Committee for Corporate Governance, Ethics and Sustainability (CANESG)</p>	



2-15	Conflicts of interest	<p>2.1. Policies and commitments 3.2 Responsible business - Compliance and risk management</p> <p>Banco Montepio has a <u>Code of Conduct</u>, a (i) <u>Conflict of Interest Policy</u>; (ii) a <u>Policy on the Reporting of Irregularities</u>; and a (iii) <u>Related-Party Transactions Policy</u>, approved by the Board of Directors, which establish principles and measures to identify, mitigate and remedy conflicts of interest.</p> <p>Within the scope of the <u>Conflict of Interest Policy</u> in force, disclosure of conflicts of interest should always be a measure of last resort, to be used only when their prevention or mitigation is not possible in any other way and when the other processing mechanisms are not sufficient to guarantee, with a reasonable degree of certainty, that the risks of clients' interests being harmed will be avoided (cf. point 8.4).</p> <p>Information on related parties is identified in the respective annual report. Annual Report 2023 - "Part III Corporate Governance Report: C. Internal Organization - II. Reporting irregularities" p. 571-572.</p>	21-23 35-36
2-16	Communication of critical concerns	<p>2.3. Stakeholder engagement – Key means of interaction and feedback</p> <p>The EC's portfolio administrators (PA) can share the critical concerns of the areas, namely the Transformation and Quality Division (DTQ), Audit and Inspection Division (DAI) and Compliance Division (DCOMP), at the monthly BD sessions. Half-yearly reports drawn up by the DTQ are submitted to the EC, and an annual report to the Audit Committee (CAUD). The assessment of customer complaints and suggestions and the implementation of systems for measuring perceived quality, namely through customer satisfaction assessment techniques, lead to the implementation of measures for the continuous improvement of business and support processes.</p> <p>Regarding reporting irregularities, Banco Montepio has a channel (Ethical Channel) through which employees, service providers, shareholders and other parties can report any actual or potential irregularity of which they are aware.</p> <p>The irregularities reported are first assessed by the Irregularities Committee (COMIR), which takes the necessary steps to start the investigation and prepares the relevant report to be discussed by the CAUD and subsequently by the Board of Directors. In 2023, six (6) reports were made, three (3) of which were considered within the scope of the Whistleblowing Policy.</p> <p>Annual Report 2023 - "Part I Management Report: 03 Banco Montepio - Channels, Networks and Customer Relations (Complaints Management)" p. 38-39, "Part III Corporate Governance Report: C. Internal Organization - II. Reporting irregularities" p. 571-572.</p>	27-28
2-17	Collective knowledge of the highest governance body	<p>3.1. Governance model for sustainability 4.3. Human Capital – Training and development</p>	30-33 53-55
2-18	Evaluation of the performance of the highest governance body	<p>Annual Report 2023 – Part III Corporate Governance Report: B. Governing Bodies and Committees - 21.5 Evaluation Committee, Appointments, Ethics, Sustainability and Governance" p. 558-560.</p> <p><u>Regulations of the Committee for Corporate Governance, Ethics and Sustainability (CANESG)</u></p> <p>The CANESG is responsible for the selection and assessment of suitability, profile and performance:</p> <ul style="list-style-type: none"> a) Annually preparing, reviewing and submitting to the Board of Directors the policies for selecting and assessing the suitability of MOAFs and Key Function Holders ("KETs") and the respective succession policies (in the case of the succession of KETs following a proposal from the Executive Committee), as well as monitoring their implementation. b) Annually assessing the structure, size, composition and performance of the management and supervisory body and making recommendations to the Board of Directors and the Audit Committee, in accordance with their respective competencies, regarding: <ul style="list-style-type: none"> i. the functional profile of the MOAF, including a description of the responsibilities and duties of each member and the appropriate knowledge, skills, experience, and availability to carry them out. ii. the succession plans (including the simplified assessment of potential successors and ensuring that the MOAF 	



		<p>Succession List is updated every six months) and the MOAF's diversity and non-discrimination plans (including, but not limited to, gender). The reviews are annual and carried out by CANESG.</p>	
2-19	Remuneration policies	<p>2.1. Policies and commitments <u>Remuneration Policy for Members of the Administration and Supervisory Body</u> Considering the rules applicable to credit institutions in this domain, aimed at creating incentives that ensure risk-taking compatible with Banco Montepio's strategy, tolerance and risk culture; sound and prudent management, with the purpose of directing efforts towards the creation of long-term value for shareholders and safeguarding the interests of customers and other stakeholders, the definition of the rules of the Remuneration Policy applicable to the members of the highest governance body complies with the following principles and objectives, among others:</p> <ul style="list-style-type: none"> a) To encourage behaviour and create incentives that guarantee the generation of long-term value, alignment with the objectives of Banco Montepio's business and risk strategy (including risk objectives related to environmental, social and governance factors - ESG), taking into account the nature and corporate structure, corporate culture, fundamental values and risk culture, as well as the sustainability of short, medium and long-term results. b) To reward the level of professional responsibility, ensure internal equity and external competitiveness. c) To foster people's commitment and motivation and to promote excellent performance, distinguishing merit. d) To promote and be consistent with sound and prudent risk management, without encouraging exposure to risks above the level of risk tolerated by Banco Montepio, as established in its Risk Appetite Statement, and considering the institution's material risks. <p>Annual Report 2023 - "Part III Corporate Governance Report: D. Remuneration" p. 577-586.</p>	21-23
2-20	Process to determine remuneration	<p><u>Remuneration Policy for Members of the Administration and Supervisory Body</u> <u>Regulations of the Committee for Corporate Governance, Ethics and Sustainability (CANESG)</u>: In exercising its duties, CANESG observes the interests of Banco Montepio, taking into account the long-term interests of shareholders and investors, and weighing the interests of other relevant parties for the sustainability of the institution, as well as the public interest. Duties of the Remuneration Committee (CdR): In carrying out its duties, the CdR observes the long-term interests of Banco Montepio, considering the long-term interests of shareholders and investors, and weighing up the interests of other parties relevant to the sustainability of the institution, as well as the public interest. (Cf. CdR Regulation) Annual Report 2023 - "Part III Corporate Governance Report: D. Remuneration" p. 577-586.</p>	



2-21	Annual total compensation ratio	CEO remuneration / median employee remuneration	Total annual compensation (euros)		Ratio	
			2022	2023	2022	2023
		Banco Montepio's highest paid individual ³	395 479	492 221		
		Median total annual compensation of all employees ⁴ (excluding the highest paid individual)	32 200	33 436	12.3	14.7
		Increase in CEO remuneration / Increase in median employee remuneration	Percent increase in total annual compensation		Ratio	
	2022	2023	2022	2023		
	Banco Montepio's highest paid individual	9%	24%			
	Median total annual compensation of all employees (excluding the highest paid individual)	7%	4%	1.3	6.4	
2-22	Statement on sustainable development strategy	1.1. Joint message from our Chairman of the Board of Directors and our CEO				6

STRATEGY, POLICIES AND PRACTICES

2-23	Policy commitments	Policy commitments are approved by the Board of Directors and published on the institutional intranet and website for access and consultation by employees and other interested parties. 2.1. Policies and commitments Corporate website: Policies and Regulations and sustainability commitments .	21-23
2-24	Embedding policy commitments	2.1. Policies and commitments	21-23

³ This indicator takes into account the total compensation (fixed and variable) of the highest paid individual on the Executive Board.

⁴ Considers the total remuneration (fixed and variable) of all Banco Montepio employees, including the Executive Committee. This does not include the highest paid member of the Executive Committee and the Board of Directors.



<p>2-25</p>	<p>Processes to remediate negative impacts</p>	<p>2.3. Stakeholder engagement – Key means of interaction and feedback When non-conformities or opportunities for improvement are identified in the analysis of complaints and suggestions received from customers and users, processes are initiated with the relevant areas to assess them and possibly implement subsequent actions. The process of receiving and dealing with customer complaints in a timely manner is the responsibility of the DTQ - Complaints Management Department, which ensures periodic reporting to supervision. All complaints and suggestions made by clients and users are answered. In case of suggestions, the reply includes a mention of possible implementation and the respective timeframe. In addition, complaints management activity reports are submitted to the EC and CAUD every six months and annually, respectively. Annual Report 2023 - "Part I Management Report: 03 Banco Montepio - Channels, Networks and Customer Relations (Complaints Management)" p. 38-39.</p>	<p>27-28</p>																					
<p>2-26</p>	<p>Mechanisms for seeking advice and raising concerns</p>	<p>2.3. Stakeholder engagement – Key means of interaction and feedback Banco Montepio has a channel (Ethical Channel) through which employees, service providers, shareholders and other people can report any actual or potential irregularities of which they are aware. Complaints can also be submitted by filling in the online form available in the Customer Support Area of the institutional website (https://www.bancomontepio.pt/institucional/apoio-cliente) or, alternatively: - By email to gabinetecliente@bancomontepio.pt; - By letter to the Customer and Quality Office, located at Rua Castilho, no 5 - 3.º piso (Sala 12), 1250-066 Lisboa. - Through the Contact Centre (exclusively for customers who subscribe to the Montepio24 Service). - In the Complaints Book, available at all branches. - In the Electronic Complaints Book, available at www.livroreclamacoes.pt</p>	<p>27-28</p>																					
<p>2-27</p>	<p>Compliance with laws and regulations</p>	<table border="1"> <thead> <tr> <th></th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Total number of significant instances of non-compliance with laws and Regulations for which fines were incurred</td> <td>14</td> <td>14</td> </tr> <tr> <td>Total number of significant instances of non-compliance with laws and regulations for which non-monetary sanctions were incurred</td> <td>2</td> <td>0</td> </tr> <tr> <td>Total number of fines for instances of non-compliance with laws and regulations</td> <td>16</td> <td>14</td> </tr> <tr> <td>Monetary value of fines for instances of non-compliance with laws and regulations that occurred in the current reporting period</td> <td>1,072,869.75 €</td> <td>1,614,836.60 €</td> </tr> <tr> <td>Monetary value of fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods</td> <td>1,466,467.57 €</td> <td>2,539,337.32 €</td> </tr> <tr> <td>Monetary value of fines for instances of noncompliance with laws and regulations.</td> <td>2,539,337.32 €</td> <td>4,154,173.92 €</td> </tr> </tbody> </table> <p>Cases of prosecution by the regulator with the application of sanctions were considered.</p>		2022	2023	Total number of significant instances of non-compliance with laws and Regulations for which fines were incurred	14	14	Total number of significant instances of non-compliance with laws and regulations for which non-monetary sanctions were incurred	2	0	Total number of fines for instances of non-compliance with laws and regulations	16	14	Monetary value of fines for instances of non-compliance with laws and regulations that occurred in the current reporting period	1,072,869.75 €	1,614,836.60 €	Monetary value of fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods	1,466,467.57 €	2,539,337.32 €	Monetary value of fines for instances of noncompliance with laws and regulations.	2,539,337.32 €	4,154,173.92 €	
	2022	2023																						
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2-28	Membership associations	2.1. Policies and commitments – External representations	22-23
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STAKEHOLDER ENGAGEMENT

2-29	Approach to stakeholder engagement	2.3. Stakeholder engagement	27-28
2-30	Collective bargaining agreements	Number of employees covered by Collective Bargaining Agreements: 2,847 Percentage of employees compared to total: 100%	

GRI 3 – MATERIAL TOPICS

3-1	Process to determine material topics	2.2. Materiality assessment – Methodology 2.3. Stakeholder engagement	24-25 27-28
3-2	List of material topics	2.2. Materiality Assessment – Analysis of material issues	25-26
3-3	Management of material topics	<p>2.2. Materiality Assessment – Analysis of material issues 2.3. Stakeholder engagement Every material topic is covered in this report in the respective chapters associated with the corresponding Capital, considering the Capital Framework of the "Capitals Coalition" initiative. Detailed information can be found in chapters 2 to 5.</p> <ul style="list-style-type: none"> Financial literacy and inclusion: 4.2. Produced Capital - Innovation in banking services (p. 48); 4.4. Social Capital - Community engagement and social programs (p. 57) Green" products and services: 4.2. Produced Capital - Products and services with ESG impact (p. 44); 3.3. Sustainable finance - Financing and investment instruments (p. 36) Attracting and retaining talent: 4.3. Human Capital (p. 50) Impact investment and the social economy: 3.3. Sustainable finance - Financing and investment instruments (p. 36). 4.2. Produced Capital - Products and services with ESG impact (p. 44); 4.4. Social Capital (p. 57); 5. Social Impact (p. 68); Climate action: 3.3 Sustainable finance (p. 36); 4.5. Natural capital (p. 61) Cybersecurity and information privacy: 4.2. Produced Capital - Innovation in banking services (p. 48) Corporate Governance and Ethics: 2.3. Engagement with stakeholders (p. 27); 3.1. Governance model for sustainability (p. 30); 3.2. Responsible business (p. 33) ESG Risk Management at the Bank: 3.2. Responsible business - Compliance and risk management (p. 35); 3.3. Sustainable finance - ESG risk management and mitigation (p. 38) <p>The policies applicable to each material topic are described in the corresponding chapters.</p>	25-26 27-28



GRI 200 – ECONOMIC DISCLOSURES

GRI 201 – ECONOMIC PERFORMANCE

201-1	Direct economic value generated and distributed	4.2. Produced capital – Financial performance, Economic contribution for stakeholders	42-44 47
201-2	Financial implications and other risks and opportunities due to climate change	9. Annexes - Table of alignment with the TCFD	124
201-3	Defined benefit plan obligations and other retirement plans	<p>Annual Report 2023 - "Part I Management Report: 05 Financial Information - Pension Fund" p. 88-89, "Part II Accounts, Notes to the Accounts and Statements: 1 Accounting Policies - s), Post-employment and long-term benefits" p. 168-169, "Part II Accounts, Notes to the Accounts and Statements: 48 Post-employment and long-term benefits" p. 244-249</p> <p>In terms of post-employment and long-term benefits, Banco Montepio assumed the responsibility of paying a retirement pension and other benefits through a defined benefit fund for eligible employees and directors and, for employees who are not part of this plan, the commitment to make contributions to a defined contribution plan.</p> <p>Banco Montepio's obligations related to the defined benefit plan, which result from the Collective Labor Regulation Instrument (IRCT) applicable to Banco Montepio are covered by a fund set up jointly with a pension fund management company. The obligations associated with the defined benefit and defined contribution pension plans in force are not ultimately covered by Banco Montepio's resources.</p> <p>Considering the applicable legal and regulatory legislation, as well as the usual practice, Banco Montepio ensures adequate levels of coverage of the liabilities associated with the defined benefit plan and compliance with the obligations resulting from the pension plan. In accordance with the accounting policy, described in the Notes attached to the financial statements that are included in Banco Montepio Group's annual report at the end of June and December of each year, an actuarial study is carried out every six months by the management company and certified by an external entity, and Banco Montepio ensures adequate coverage based on the results of the actuarial report, which has been above 100%.</p> <p>The defined benefit pension fund has complied, and has continuously complied, with all applicable legal obligations, particularly those relating to the level of coverage required.</p> <p>Under the defined benefit plan, and in accordance with the applicable IRCT, employees hired in the sector from 01-01-1995 or 01-01-1996, depending on their union affiliation, contribute 5% of their pensionable remuneration. As for the defined contribution plan, the contribution made by Banco Montepio is 1.5% of the eligible employees' remuneration and is identical to the contribution made by the employees.</p> <p>Under the defined benefit plan, and in accordance with the applicable IRCT, Banco Montepio makes the necessary contributions in order to ensure coverage of the liabilities required under the legal and regulatory terms and are therefore not defined as a percentage of the employee's remuneration. In relation to the defined contribution plan, the contribution made by employees corresponds to 1.5% of their remuneration.</p> <p>The defined benefit and defined contribution pension plans in force at Banco Montepio are, in both cases, mandatory and result from the applicable IRCT.</p>	



		2022		2023		
		Total (euros)	Total (euros)	Total (euros)	Total (euros)	
201-4	Financial assistance received from government	Financial assistance				
		Tax relief and tax credits	4 614 311		272 953	
		Subsidies		0		0
		Investment grants, research and development grants, and other relevant types of grant		0		0
		Awards		0		0
		Royalty holidays		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		272 953		

GRI 202 – MARKET PRESENCE

		2023		
		Minimum wage Banco Montepio (euros)	Minimum wage Portugal (euros)	Ratio
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Gender		
		Male	1 150	1.5
		Female	1 150	760

GRI 203 – INDIRECT ECONOMIC IMPACT



203-1	Infrastructure investments and services supported	4.2. Produced capital – Economic contribution for stakeholders 4.4. Social Capital				47 55-58
			Amount invested (€)	Duration of support	Participants	
		Investment in infrastructure and support services that are significant	51 106 946	-		
		Credit granted to social economy entities with a social purpose	50 955 000	Credit granted (2023)		
		Donations	137 916	One-off donations (2023)		
		Banco Montepio Volunteering	14 030	568 hours	71	
		<p>Banco Montepio's financial support to social economy entities with a social purpose has a multifaceted impact on local communities and economies:</p> <ul style="list-style-type: none"> • By strengthening social infrastructure, these donations and financing enable organizations to expand their essential services, such as assistance to disadvantaged families and healthcare, improving the quality of life of those most in need. In addition, this aid contributes to reducing social inequality by providing direct support to marginalized groups, promoting inclusion and social cohesion. • The direct economic benefits are also significant. The additional resources provided by Banco Montepio can result in local job creation and stimulate consumption in the community, generating a virtuous cycle of economic growth. • Financial support for social solidarity initiatives not only reinforces the Bank's brand image, demonstrating a genuine commitment to the well-being of communities, but also inspires volunteering and civic participation among employees and clients, promoting a more active and responsible involvement in the community. <p>In short, Banco Montepio's support for social causes directly benefits those who need it most and strengthens social and economic ties within local communities.</p>				
203-2	Significant indirect economic impacts	<p>1.7. Main achievements and distinctions</p> <p>Banco Montepio granted Santa Casa da Misericórdia de Vila Franca de Xira a €12 million loan, classified as a Social Loan, which will enable the construction of infrastructures as part of the "Health Campus" Project. As part of a wider investment program, the €22 million Health Campus Project aims to upgrade the former Vila Franca de Xira Hospital into a health unit with three facilities: Ambulatory Medical Clinic, Integrated Care Unit and Residential Structure for the Elderly.</p> <p>"The old hospital in Vila Franca de Xira is to undergo a five million construction project. The first phase of rehabilitation work on the buildings of the old Vila Franca de Xira hospital is due to start at the end of this year, in an investment of around 5 million euros, which aims to install an Integrated Long Term Care Unit (UCCI) with capacity for 140 beds."</p> <p>Source: https://www.publico.pt/2020/07/30/local/noticia/antigo-hospital-vila-franca-xira-vai-obras-cinco-milhoes-192646</p>				15-19

GRI 204 – PROCUREMENT PRACTICES



204-1	Proportion of spending on local suppliers	3.2. Responsible business			33-36
			2023		
		Suppliers	373		
		National	335		
		International	38		
		% National suppliers	89,8%		
		Expenditure	euros	%	
		Professional business support services	19 462 941	32%	
		Technology	32 502 991	53%	
		Energy and utilities	681 334	1%	
		Security	2 656 956	4%	
		Vehicles	937 120	2%	
		Legal services	451 890	1%	
		Other (Facilities; Office supplies; Health; Travel; HR)	4 566 181	7%	
		TOTAL (€)	61 259 412	100%	
		Expenditure with suppliers	euros	%	
Spending with international suppliers	3 189 880	5%			
Spending with local suppliers	58 069 533	95%			
TOTAL (€)	61 259 412	100%			

GRI 206 – ANTI-COMPETITIVE BEHAVIOUR

206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	There have been no legal actions regarding anti-competition behaviour and violations of anti-trust and monopoly legislation in which Banco Montepio has been identified as a participant.
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GRI 207 – TAX

207-1	Approach to tax	The Executive Board is the governing body responsible for analysing the tax strategy and the timing of this analysis.
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207-2	Tax governance, control, and risk management	The Executive Committee is the governing body responsible for compliance with the tax strategy. The tax approach is integrated into the organization through the Tax Department, which analyses the operations and services in which Banco Montepio is involved. Tax risks are included in the governance model of the Group's risk management system, which corresponds to a three-line of defence approach.						
207-3	Stakeholder engagement and management of concerns related to tax	The legally required information is reported to the Tax Authorities.						
207-4	Country-by-country reporting	Resident entities included in the financial statements	Primary activities of the organization	Employees (Total)	Profit before tax from domestic activity	Tangible fixed assets (GBM)	Corporate income tax paid on a cash basis	
		Banco Montepio	Banking					
		Montepio Crédito, S.A.	Specialized credits					
		Montepio Investimento, S.A. (BEM)	Banking					
		Montepio Holding, SGPS, S.A.	Equity management					
		SSAGINCENTIVE, S.A.	Real estate management	2 983 thousand euros	182 888 thousand euros	195 400 thousand euros	465 450 thousand euros	
		Montepio Serviços, ACE	Support services					
		MGAI, ACE	Real estate management					
		HTA, S.A.	Accommodation and catering					
		CeSource, ACE	IT resource management					

GRI 300 – ENVIRONMENTAL DISCLOSURES

GRI 301 - MATERIALS

301-1	Materials used by weight or volume	4.5. Natural capital – Environmental impact and resource management	59-63
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GRI 302 - ENERGY

302-1	Energy consumption within the organization	4.5. Natural capital – Environmental impact and resource management	59-63
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302-3	Energy intensity	4.5. Natural capital – Environmental impact and resource management			59-63	
				2022		2023
		Intensity ratio (kWh/employee)		3 283		2 343
		Number of employees		3 029		2 847
		Electricity consumption in buildings (kWh)		9 944 846		6 428 091
		Electricity consumption outside buildings (kWh)		-	243 771	
302-4	Reduction of energy consumption	4.5. Natural capital – Environmental impact and resource management			59-63	

GRI 303 – WATER AND EFFLUENTS

303-3	Water withdrawal	4.5. Natural capital – Environmental impact and resource management			59-63
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GRI 304 – BIODIVERSITY

304-1	Operational sites owned, leased managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	The operational sites owned, leased, or managed by Banco Montepio (i.e. head office, offices or branches) are located in urbanized areas that do not overlap or are close to protected areas or areas of high biodiversity value.			
304-2	Significant impacts of activities, products and services on Biodiversity	The operational sites owned, leased, or managed by Banco Montepio (i.e. head office, offices or branches) are located in urbanized areas that do not overlap or are close to protected areas or areas of high biodiversity value. 4.5. Natural Capital - Biodiversity conservation efforts Within the scope of Banco Montepio's significant impacts on biodiversity, we would highlight the following initiative: Banco Montepio joined MERECE - a corporate recycling movement born out of a partnership with Contisystems - to minimize the environmental impact of activities associated with payment methods. This movement aims to collect as many cards with electronic components that are no longer in use as possible and ensure that they are recycled. In addition, it aims to offset the carbon emissions generated by card production by planting trees for every kg of recycled cards collected. By December 31, 2023, we had collected 447,072 cards for recycling from our customers and our branch network, which represented 2,682 kg of recycled plastic, equal to 2,682 trees planted.			58-59

GRI 305 - EMISSIONS

305-1	Direct (Scope 1) GHG emissions	4.5. Natural capital – Environmental impact and resource management			59-63
305-2	Energy indirect (Scope 2) GHG emissions				
305-3	Other indirect (Scope 3) GHG emissions				



305-4	GHG emissions intensity		2022	2023	
		Scope 1 emissions (t CO2e)	1 350	1 222	
		Scope 2 emissions (t CO2e)	2 148	998	
		Number of employees	3 029	2 847	
		Carbon intensity (tCO2e/employee)	1.2	0.8	
		Gases included	CO2, CH4, N2O	CO2, CH4, N2O	
			2022	2023	
		Scope 3 emissions (t CO2e)	1 225 514	1 192 547	
		Number of employees	3 029	2 847	
		Carbon intensity (tCO2e/employee)	405	419	
Gases included	CO2e	CO2e			
305-5	Reduction of GHG emissions	4.5. Natural capital – Environmental impact and resource management			59-63

GRI 306 – WASTE

306-1	Waste generation and significant waste-related impacts	<p>Banco Montepio assesses the impact of its material consumption and consequent waste creation through quantitative indicators. Specifically, due to the characteristics of our sector of activity, the waste with the greatest impact on the environment and society is related to the consumption and disposal of paper, plastic, toners, and light bulbs. These materials are delivered by our suppliers and then transported for end-of-life treatment. Therefore, the greatest impacts occur upstream, during the manufacture of materials, and due to the use of raw materials, and downstream, with the destination of waste. However, no current significant impacts have been identified or reported due to the waste generated by Banco Montepio.</p> <p>As the waste generated comes from domestic materials consumed, the potential impacts that may occur are limited to waste generated in the value chain, upstream and downstream of Banco Montepio, due to the use of raw materials and the final disposal of waste.</p> <p>4.5. Natural capital – Environmental impact and resource management</p>	59-63
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306-2	Management of significant waste-related impacts	<p>Banco Montepio annually updates targets for reducing paper consumption, the main physical material used in banking. Recycling containers are present in all the institution's buildings to increase the circularity of the material. Filtered water equipment (with connection to the public network) has been distributed to central buildings to eliminate the use of plastic water bottles. Reduced consumption of single-use materials by replacing them with sustainable solutions (by eliminating paper coffee cups and handing out cups in the offices and counters). Acquisition of containers for selective collection at the branches for implementation in 2024. Separation by type of waste (undifferentiated, plastic and paper) is carried out in the Bank's central buildings and is collected and processed by municipal services.</p> <p>Waste (paper) is managed by a third party, whose service is certified in waste collection and treatment. Meetings are held for the Bank to monitor waste management and identify improvements. At the same time, toners and aseptic containers are collected by a third party.</p> <p>Montepio Serviços uses the waste balances of waste management service providers to report quantitative indicators in the Sustainability Report.</p> <p>4.5 Natural Capital - Environmental impact and resource management</p>	59-63
306-3	Waste generated by composition and disposal method	4.5. Natural capital – Environmental impact and resource management	59-63

GRI 400 – SOCIAL DISCLOSURES

GRI 401 - EMPLOYMENT

401-1	New employee hires and employee turnover by age group, gender, and region	4.3. Human Capital - Our people, our human capital	48-49
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>4.3. Human Capital - Our people, our human capital</p> <p>Birthday leave; Health insurance, extended to the household; Free buses available to Alfragide and Soeiro Pereira Gomes; Canteens (3) with meals at more affordable prices; Menu Card; Additional vacation days due to seniority; Student Worker Study Allowance; Employee Protocol (see details elsewhere); Home use of Microsoft Office for up to 5 devices; Protocol with MEO; Protocol with CP; Anti-flu vaccine; Family support allowance (children with disabilities); Birth support allowance; Monthly child allowance (up to 6 years of age); Monthly complementary support for child allowance (up to 6 years of age); Quarterly school allowance (from the 1st year to higher education); School merit quarterly allowance (from the 5th grade to university, for employees up to level 12); Annual school supplies allowance (from 5th grade to university, for employees up to level 12); Social housing allowance, 10 months (university, employees up to level 12); 1st day of children's school leave (1st grade, employees up to level 12). Health card "Rede Mut" extended to the household (if an AMMG member); Health card extended to the "Montepio Saúde" household (if an AMMG member).</p>	48-49
401-3	Return to work and retention rates of employees that took parental leave, by gender.	4.3. Human Capital - Well-being, health and safety practices	51-53



GRI 403 – OCCUPATIONAL HEALTH AND SAFETY

403-1	Occupational health and safety management system	<p>An occupational health and safety management system is in place, in accordance with the applicable legal and technical provisions. The occupational health and safety services' activities are regulated by the Legal Framework for the Promotion of OSH - Law 102/2009 of September 10, and subsequent updates.</p> <p>All Banco Montepio employees are covered by the occupational health and safety system.</p>	
403-2	Hazard identification, risk assessment, and incident investigation	<p>Processes and procedures are in place to identify work-related hazards through IPAR (Hazard Identification and Risk Assessment) audits carried out in all workplaces.</p> <p>Montepio Serviços - ACE's Occupational Health and Safety plans the activities, monitors, and controls the quality of the services provided by SAGIES, a contractor hired to complement the OSH activities under its responsibility.</p> <p>All IPAR Reports are reviewed technically, and corrective measures are identified and proposed in liaison with the internal responsible parties, according to the area of intervention involved.</p> <p>Hazardous situations can be reported: to the OSH email (dlm_sst@montepioservicos.pt), directly to the SAGIES technicians who visit your workplaces or by MAC (computer-assisted maintenance) if applicable.</p> <p>When faced with situations of Serious and Imminent Danger, workers are instructed to stop their work immediately; the confidentiality of workers who report dangerous situations is guaranteed.</p> <p>All approaches in this area are on a case-by-case basis, within the applicable technical requirements.</p>	
403-3	Occupational health services	<p>4.3. Human Capital - Well-being, health and safety practices</p> <p>The occupational health and safety services are regulated by the Legal Framework for the Promotion of OSH - Law 102/2009 of September 10, as amended by Law 3/2014 of January 28.</p> <p>The prevention of occupational risks and the identification and elimination of hazards are guaranteed through IPAR (Hazard Identification and Risk Assessment) audits carried out in all workplaces by SAGIES, a contractor for this purpose. SAGIES carries out its activities under the supervision of MS - ACE's Safety and Occupational Health department, 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 made by users of the services, enabling any adjustments deemed necessary.</p> <p>At Banco Montepio, employee consultation is carried out through the Workers' Representatives for Safety and Health at Work, who are consulted under the terms of the Legal Regime for the Promotion of Safety and Health at Work (law 102/2009 and amendments).</p> <p>There are three to four meetings a year between the RTSST, the Executive Committee and the People Management Division (DGP).</p>	51-53
403-4	Worker participation, consultation, and communication on occupational health and safety	<p>At Banco Montepio, employee consultation is carried out through the Workers' Representatives for Safety and Health at Work, who are consulted under the terms of the Legal Regime for the Promotion of Safety and Health at Work (law 102/2009 and amendments).</p> <p>There are three to four meetings a year between the RTSST, the Executive Committee and the DGP.</p>	
403-5	Worker training on occupational health and safety	4.3. Human Capital - Well-being, health and safety practices	51-53



403-6	Promotion of worker health	<p>4.3. Human Capital - Well-being, health and safety practices</p> <p>Banco Montepio provides medical services and health care related to work, guaranteeing that occupational health medical examinations are carried out. It does not provide "curative medicine" services to non-employees or non-employee workers.</p> <p>In addition, Banco Montepio provides access to a range 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 voluntary health initiatives which employees can attend online or in person. And it establishes links with strategic partners who offer access to health-related protocols and packages.</p> <p>Banco Montepio provides a Psychosocial Support program, with psychology and social assistance services. It carries out various activities in the field of Wellbeing and Health Promotion, such as workshops and various events on healthy eating, physical exercise, emotional wellbeing, screenings, etc. There are four Wellbeing rooms in central service buildings (Lisbon and Oporto) for the practice of various therapies, e.g. osteopathy, recovery massages, shiatsu, etc. and a gym, also providing protocols, mostly in partnership with Social Services for massages, other alternative therapies, gyms, etc. to guarantee the offer in all geographies. Banco Montepio also has a health insurance policy that covers health expenses not covered by health subsystems, which covers all employees on its staff (and not non-employees). The annual flu vaccination campaign covers all staff and some non-staff workers.</p>	51-53								
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>The occupational health and safety services are regulated by the Legal Framework for the Promotion of OSH - Law 102/2009 of September 10, as amended by Law 3/2014 of January 28. The prevention of occupational risks and the identification and elimination of hazards are guaranteed through IPAR (Hazard Identification and Risk Assessment) audits carried out in all workplaces by SAGIES, a contractor for this purpose.</p>									
403-8	Workers covered by an occupational health and safety management system	<p>The occupational health and safety services are regulated by the Legal Framework for the Promotion of OSH - Law 102/2009 of September 10, as amended by Law 3/2014 of January 28. The prevention of occupational risks and the identification and elimination of hazards are guaranteed through IPAR (Hazard Identification and Risk Assessment) audits carried out in all workplaces by SAGIES, a contractor for this purpose.</p> <table border="1" data-bbox="705 949 1892 1300"> <thead> <tr> <th></th> <th style="background-color: #333; color: white; text-align: center;">2023</th> </tr> </thead> <tbody> <tr> <td>i. Employees and non-employees whose work and/or workplace is controlled by the organization and who are covered by a management system.</td> <td style="text-align: right;">100.0%</td> </tr> <tr> <td>ii. Employees and non-employees whose work and/or workplace is controlled by the organization and who are covered by an internally audited management system.</td> <td style="text-align: right;">100.0%</td> </tr> <tr> <td>iii. Employees and non-employees whose work and/or workplace is controlled by the organization, and who are covered by a management system that has been audited or certified by an external entity.</td> <td style="text-align: right;">0.0%</td> </tr> </tbody> </table> <p>No groups are excluded from the indicator. All the applicable legislation is used for this OSH indicator.</p>		2023	i. Employees and non-employees whose work and/or workplace is controlled by the organization and who are covered by a management system.	100.0%	ii. Employees and non-employees whose work and/or workplace is controlled by the organization and who are covered by an internally audited management system.	100.0%	iii. Employees and non-employees whose work and/or workplace is controlled by the organization, and who are covered by a management system that has been audited or certified by an external entity.	0.0%	
	2023										
i. Employees and non-employees whose work and/or workplace is controlled by the organization and who are covered by a management system.	100.0%										
ii. Employees and non-employees whose work and/or workplace is controlled by the organization and who are covered by an internally audited management system.	100.0%										
iii. Employees and non-employees whose work and/or workplace is controlled by the organization, and who are covered by a management system that has been audited or certified by an external entity.	0.0%										



403-9	Work-related injuries		2023
		Absolute values for employees	
		Deaths resulting from accidents at work	0
		Serious accidents at work (excluding deaths)	0
		Reportable accidents at work	30 - "Normal" accidents at work. "Work with special risks" does not exist at Banco Montepio
		Hours worked	4 338 127
		Ratios for employees	
		Deaths resulting from accidents at work	0
		Serious accidents at work (excluding deaths)	0
		Accidents at work subject to mandatory reporting	6.92
		Value of hours worked (basis for calculating the ratios presented)	4 338 127
		Absolute values for staff who are not employees, but whose work / workplace is controlled by the organization	
		Deaths resulting from accidents at work	N/A
		Serious accidents at work (excluding deaths)	N/A
		Reportable accidents at work	N/A
		Hours worked	N/A
		Ratios for staff who are not employees, but whose work / workplace is controlled by by the organization	
		Deaths resulting from accidents at work	N/A
		Serious accidents at work (excluding deaths)	N/A
		Accidents at work subject to mandatory reporting	N/A
		Value of hours worked (basis for calculating the ratios presented)	N/A
		<p>Main types of work accidents identified: accidents en route, sprains, falls and strains. Manual handling of loads, poor posture and falls are identified hazards that present a risk of accidents at work that could have serious consequences. The hazards are identified by (1) emailing the internal OSH area (dlm_sst@montepioservicos.pt), and (2) directly to the SAGIES technicians who visit the workplaces in the IPAR Audits (Hazard Identification and Risk Assessment). No serious accidents at work were recorded. To eliminate hazards, other possible similar occurrences and mitigate the risks of accidents at work, technical assessments are carried out on a case-by-case basis, in accordance with the legal framework in force and always in conjunction with the internal teams responsible/owner of the area under intervention (e.g. MGAI for facilities). Training or information actions on prevention and day-to-day care are posted on the employee intranet. Note: Data was collected in accordance with the technical and specific regulations in force.</p>	



2023

Absolute values for employees

Deaths resulting from occupational diseases	0
Notifiable occupational diseases	1
Hours worked	4 338 127

Ratios for employees

Deaths resulting from occupational diseases	0
Occupational diseases subject to mandatory reporting	0.23
Value of hours worked (basis for calculating the ratios presented)	4 338 127

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

Deaths resulting from occupational diseases	N/A
Notifiable occupational diseases	N/A
Hours worked	N/A

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

Deaths resulting from occupational diseases	N/A
Notifiable occupational diseases	N/A
Hours worked	N/A

403-10 Work-related ill health

The main occupational illnesses are caused or aggravated by repetitive movements or poor posture (altered tendons, joints, nerves and muscles). The use of display screen equipment, with repetitive movements and inappropriate postures, represents a health risk and effectively contributes to registered occupational illnesses. Hazards are identified through the Hazard Identification, Risk Assessment and Control Reports carried out periodically, by examining reports of accidents at work, by reporting situations that workers and managers bring to the attention of the OSH and by the situations reported by occupational physicians in the examinations carried out.

Periodic audits of Banco Montepio's facilities and analysis of the respective Hazard Identification, Risk Assessment and Control Reports, in order to correct any non-conformities, replacing the "dangerous" with the "less dangerous", prioritizing 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 review of workstations; reorganization of work, adapting to technical progress and reviewing processes to eliminate/minimize individual/monotonous work or work that causes negative stress; controlling excessive workloads; providing equipment and support for handling loads; carrying out training (including training and information on OSH issues); coordinating occupational health and safety activities; examining and dealing with reports of accidents at work, with the implementation of corrective measures if applicable; management of a medical or occupational health surveillance program with an extended/differentiated protocol and individualized monitoring of workers identified as being at risk (physical and mental health) with medical and psychosocial support; provision of First Intervention Teams (PPE) and instructions for their use, in the situations identified.



GRI 404 – TRAINING AND EDUCATION

404-1	Average hours of training per year per employee, by gender and employee category	4.3. Human Capital – Training and development	53-55																																																				
404-3	Percentage of total employees by gender and by employee category who received a regular performance and career development review	<table border="1"> <thead> <tr> <th data-bbox="763 347 1509 411">Number of employees subject to performance review and career development</th> <th data-bbox="1509 347 1659 411">2021</th> <th data-bbox="1659 347 1816 411">2022</th> <th data-bbox="1816 347 1966 411">2023</th> </tr> </thead> <tbody> <tr> <td data-bbox="763 411 1509 451">Employees assessed (no)</td> <td data-bbox="1509 411 1659 451">2 767</td> <td data-bbox="1659 411 1816 451">2 661</td> <td data-bbox="1816 411 1966 451">2 603</td> </tr> <tr> <td data-bbox="763 451 1509 491">Female (no)</td> <td data-bbox="1509 451 1659 491">1 309</td> <td data-bbox="1659 451 1816 491">1 287</td> <td data-bbox="1816 451 1966 491">1 264</td> </tr> <tr> <td data-bbox="763 491 1509 531">Male (no)</td> <td data-bbox="1509 491 1659 531">1 458</td> <td data-bbox="1659 491 1816 531">1 374</td> <td data-bbox="1816 491 1966 531">1 339</td> </tr> <tr> <td data-bbox="763 531 1509 571">Directors and managers (no)</td> <td data-bbox="1509 531 1659 571">592</td> <td data-bbox="1659 531 1816 571">549</td> <td data-bbox="1816 531 1966 571">546</td> </tr> <tr> <td data-bbox="763 571 1509 611">Technicians (no)</td> <td data-bbox="1509 571 1659 611">1 253</td> <td data-bbox="1659 571 1816 611">1 217</td> <td data-bbox="1816 571 1966 611">1 193</td> </tr> <tr> <td data-bbox="763 611 1509 651">Administrative staff (no)</td> <td data-bbox="1509 611 1659 651">922</td> <td data-bbox="1659 611 1816 651">895</td> <td data-bbox="1816 611 1966 651">864</td> </tr> <tr> <td data-bbox="763 651 1509 691">Total percentage (%)</td> <td data-bbox="1509 651 1659 691">100%</td> <td data-bbox="1659 651 1816 691">100%</td> <td data-bbox="1816 651 1966 691">100%</td> </tr> <tr> <td data-bbox="763 691 1509 730">Female (%)</td> <td data-bbox="1509 691 1659 730">47.3%</td> <td data-bbox="1659 691 1816 730">48.4%</td> <td data-bbox="1816 691 1966 730">48.6%</td> </tr> <tr> <td data-bbox="763 730 1509 770">Male (%)</td> <td data-bbox="1509 730 1659 770">52.7%</td> <td data-bbox="1659 730 1816 770">51.6%</td> <td data-bbox="1816 730 1966 770">51.4%</td> </tr> <tr> <td data-bbox="763 770 1509 810">Directors and managers (%)</td> <td data-bbox="1509 770 1659 810">21.4%</td> <td data-bbox="1659 770 1816 810">20.6%</td> <td data-bbox="1816 770 1966 810">21.0%</td> </tr> <tr> <td data-bbox="763 810 1509 850">Technicians (%)</td> <td data-bbox="1509 810 1659 850">45.3%</td> <td data-bbox="1659 810 1816 850">45.7%</td> <td data-bbox="1816 810 1966 850">45.8%</td> </tr> <tr> <td data-bbox="763 850 1509 890">Administrative staff (%)</td> <td data-bbox="1509 850 1659 890">33.3%</td> <td data-bbox="1659 850 1816 890">33.6%</td> <td data-bbox="1816 850 1966 890">33.2%</td> </tr> </tbody> </table>	Number of employees subject to performance review and career development	2021	2022	2023	Employees assessed (no)	2 767	2 661	2 603	Female (no)	1 309	1 287	1 264	Male (no)	1 458	1 374	1 339	Directors and managers (no)	592	549	546	Technicians (no)	1 253	1 217	1 193	Administrative staff (no)	922	895	864	Total percentage (%)	100%	100%	100%	Female (%)	47.3%	48.4%	48.6%	Male (%)	52.7%	51.6%	51.4%	Directors and managers (%)	21.4%	20.6%	21.0%	Technicians (%)	45.3%	45.7%	45.8%	Administrative staff (%)	33.3%	33.6%	33.2%	
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Directors and managers (%)	21.4%	20.6%	21.0%																																																				
Technicians (%)	45.3%	45.7%	45.8%																																																				
Administrative staff (%)	33.3%	33.6%	33.2%																																																				

GRI 405 – DIVERSITY AND EQUAL OPPORTUNITY

405-1	Percentage of employees by gender, age group, minority groups or other indicators of diversity	4.3. Human Capital - Our people, our human capital	48-49
405-2	Ratio of basic salary and remuneration of women to men	4.3. Human Capital - Equality and diversity of our people	50-51

GRI 406 – NON-DISCRIMINATION

406-1	Incidents of discrimination and corrective actions taken	<p>During 2023, two (2) incidents of discrimination were reported:</p> <ul style="list-style-type: none"> • One situation reported and investigated, with the conclusion that there was no disciplinary relevance. • One situation reported and investigated, with disciplinary proceedings. 	
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GRI 413 – LOCAL COMMUNITIES

413-1	Operations with local community engagement, impact assessments, and development programs	3.2. Responsible business 4.4. Social Capital - Community engagement and social programs 5. Social impact	33-36 55-57 65-72
413-2	Operations with significant actual and potential negative impacts on local communities	Banco Montepio has not identified operations that have a negative impact on local communities within the scope of its activity.	

GRI 417 – MARKETING AND LABELING

417-1⁵	Requirements for product and service information and labeling	<p>No. of legal acts: 17</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 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 - Decree-Law no 20-B/2023, of 22 March - Decree-Law no 27/2023, of 28 April - Decree-Law no 91/2023, of 11 October. 	
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⁵ Partial report of this indicator.



417-2	Incidents of non-compliance concerning product and service information and labelling	No non-compliances resulting in a fine or penalty were recorded. No non-compliances with voluntary codes were recorded. There were 8 non-conformities that resulted in a warning, namely: CEX_2023_0000025445, CEX_2023_0000032519, CEX_2023_0000043882, CRI_2023_00000051-C, CEX_2023_0000075733, CEX_2023_0000093484, CEX_2023_0000090784, CEX_2023_0000102953.	
417-3	Incidents of non-compliance concerning marketing communications	There were no incidents of non-compliance with regulations and/or voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	

GRI 418 – CUSTOMER PRIVACY

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<table border="1"> <thead> <tr> <th></th> <th data-bbox="1749 528 1839 571">2022</th> <th data-bbox="1845 528 1973 571">2023</th> </tr> </thead> <tbody> <tr> <td data-bbox="757 580 1599 608">Total number of substantiated complaints received regarding privacy violations</td> <td data-bbox="1787 580 1809 608">7</td> <td data-bbox="1906 580 1928 608">3</td> </tr> <tr> <td data-bbox="757 628 1576 655">Complaints received from third parties and substantiated by Banco Montepio</td> <td data-bbox="1787 628 1809 655">7</td> <td data-bbox="1906 628 1928 655">2</td> </tr> <tr> <td data-bbox="757 676 1128 703">Complaints from regulatory bodies</td> <td data-bbox="1787 676 1809 703">0</td> <td data-bbox="1906 676 1928 703">1</td> </tr> <tr> <td data-bbox="757 724 1451 751">Total number of leaks, thefts or identified losses of customer data</td> <td data-bbox="1787 724 1809 751">0</td> <td data-bbox="1906 724 1928 751">0</td> </tr> </tbody> </table>		2022	2023	Total number of substantiated complaints received regarding privacy violations	7	3	Complaints received from third parties and substantiated by Banco Montepio	7	2	Complaints from regulatory bodies	0	1	Total number of leaks, thefts or identified losses of customer data	0	0	
	2022	2023																
Total number of substantiated complaints received regarding privacy violations	7	3																
Complaints received from third parties and substantiated by Banco Montepio	7	2																
Complaints from regulatory bodies	0	1																
Total number of leaks, thefts or identified losses of customer data	0	0																

GRI SECTOR DISCLOSURES FOR FINANCIAL SERVICES

G4-FS7	Monetary value of products and services designed to deliver A specific social benefit for each business line broken down by Purpose	4.2. Produced Capital - Products and services with ESG impact 4.4. Social Capital - Social Economy 5. Social impact	44-47 56-58 65-72
G4-FS8	Monetary value of products and services designed to deliver a Specific environmental benefit for each business line broken down by purpose	4.2 Produced Capital - Products and services with ESG impact	44-47



Despite the closure of branches in recent years, Banco Montepio has a branch network covering all the districts of mainland Portugal and the islands and has five (5) representative offices: Frankfurt, Geneva, Paris, Newark and Toronto. In addition, it also offers private customers, companies and social and solidarity economy entities means and channels for distributing its products and services and for customer relations, namely the Montepio24 service via telephone, internet, sms and app.

G4-FS13

Access points in low-populated or economically disadvantaged Areas by type

	2023
No of branches	237
National	232
Mainland Portugal	217
Autonomous Regions	15
Representative offices	5

	2023	
Number of municipalities with below-average population density in Portugal	196	
Number of municipalities with below-average population density with access points to Banco Montepio (branches and/or ATMs)	65	33%

According to ANACOM data, as of 12/31/2023 all municipalities in Portugal (308) have 5G network stations. This way, Banco Montepio guarantees access to its services in all municipalities nationwide through analogue and digital channels, namely the Montepio Service24 via telephone, web, SMS, app and the dedicated Connect24 channel.

WEF INDICATOR TABLE (World Economic Forum)

This table summarizes and outlines Banco Montepio's performance in line with the "Common Metrics and Consistent Reporting for Sustainable Value Creation", according to the World Economic Forum (WEF), namely with regard to the measurement and disclosure criteria associated with the "Stakeholder Capitalism Metrics". WEF references are also included in headings and sub-headings throughout the chapters and sub-chapters of this report.

PRINCIPLES OF GOVERNANCE

Divulgações e Formas de Gestão	Localização / Omissão	GRI	Pagea												
Stated purpose	1.1. Joint message from our Chairman of the Board of Directors and our CEO	2-22	6												
Governance body composition	3.1. Governance model for sustainability 7. Contacts Annual Report 2023 – "Part I Management Report: 01 Corporate Governance" p. 8-12, "Part III Corporate Governance Report: B. Governing Bodies and Committees" p. 547-571	2-9 to 2-13 405-1 a)	30-33 76-79												
Material issues impacting stakeholders	2.2. Materiality assessment 2.3 Stakeholder engagement	3-2 3-3	23-26 27-28												
Anti-corruption	3.2. Responsible business - Compliance and risk management We are not aware of any cases of corruption involving Banco Montepio. Disclosure of the total percentage of governing body members, employees and business partners who have received training on the institution's anti-corruption policies and procedures, by region (Portugal). <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Members of governance bodies (executive and non-executive Board of Directors)</td> <td>86%</td> <td>44%</td> </tr> <tr> <td>Employees</td> <td>77%</td> <td>11%</td> </tr> <tr> <td>Business partners</td> <td>0%</td> <td>0%</td> </tr> </tbody> </table>		2022	2023	Members of governance bodies (executive and non-executive Board of Directors)	86%	44%	Employees	77%	11%	Business partners	0%	0%		35-36
	2022	2023													
Members of governance bodies (executive and non-executive Board of Directors)	86%	44%													
Employees	77%	11%													
Business partners	0%	0%													



<p>Protected ethics advice and reporting mechanisms</p>	<p>2.1. Policies and commitments 2.3. Stakeholder engagement – Key means of interaction and feedback</p> <p>The EC's portfolio administrators (AP) can share the critical concerns of the areas, namely the Transformation and Quality Division (DTQ), Audit and Inspection Division (DAI) and Compliance Division (DCOMP), at the monthly Board of Directors meetings. Biannual reports drawn up by the DTQ and presented to the EC, and an annual report to the CAUD. The assessment of customer complaints and suggestions and the application of systems for measuring perceived quality, namely through customer satisfaction assessment techniques, lead to the implementation of measures for the continuous improvement of business and support processes.</p> <p>Complaints can be submitted by filling in the online form available in the Customer Support Area of the institutional website (https://www.bancomontepio.pt/institucional/apoio-cliente) or, alternatively:</p> <ul style="list-style-type: none"> - By email to gabinetecliente@bancomontepio.pt - By letter to the Customer and Quality Office, located at Rua Castilho, n.º 5 - 3.º piso (Sala 12), 1250-066 Lisboa <ul style="list-style-type: none"> - Through the Contact Centre (exclusively for customers who subscribe to the Montepio24 Service). - In the Complaints Book, available at all branches. - In the Electronic Complaints Book, available at www.livroreclamacoes.pt. <p>Regarding the reporting of irregularities, Banco Montepio has a channel (Ethics Channel) through which employees, service providers, shareholders and other people can report any actual or potential irregularity of which they are aware. The irregularities reported are first assessed by the Irregularities Committee (COMIR), which takes the necessary steps to start the investigation and prepares the relevant report to be discussed by the Audit Committee (CAUD) and then by the Board of Directors. In 2023, six (6) reports were made, three (3) of which were considered within the scope of the Whistleblowing Policy.</p>	<p>2-16 2-26</p>	<p>21-23 27-28</p>
<p>Integrating risk and opportunity into business processes</p>	<p>Market Discipline Report 2023</p>	<p>201-2</p>	

PLANETA

<p>Greenhouse gas (GHG) emissions</p>	<p>4.5. Natural capital – Environmental impact and resource management</p>	<p>305-1 305-2 305-3</p>	<p>59-63</p>
<p>TCFD implementation</p>	<p>9. Annexes - Table of alignment with the TCFD</p>	<p>201-2</p>	<p>124</p>
<p>Land use and ecological sensitivity</p>	<p>9. Annexes – GRI table (304-1 and 304-2)</p>	<p>304-1 304-2</p>	<p>108</p>
<p>Water consumption and withdrawal in waterstressed areas</p>	<p>4.5. Natural capital – Environmental impact and resource management</p>	<p>303-3</p>	<p>59-63</p>

PESSOAS

<p>Diversity and inclusion</p>	<p>4.3. Human Capital - Equality and diversity of our people 5. Social impact</p>	<p>405-1 b)</p>	<p>50-51 65-72</p>
<p>Pay equality</p>	<p>4.3. Human Capital - Equality and diversity of our people 5. Social impact</p>	<p>405-2</p>	<p>50-51 65-72</p>



Wage level		Gender	Monthly monetary amount (euros)	Ratio	2-21 202-1		
	Starting salary	Female	1 150	1.5			
		Male	1 150	1.5			
	Portuguese minimum wage		760				
	CEO remuneration / median employee remuneration	Total annual compensation (euros)		Ratio			
		2022	2023	2022	2023		
	Banco Montepio's highest paid individual ⁶	395 479	492 221				
	Median total annual compensation of all employees (excluding the highest paid individual)	32 200	33 436	12.3	14.7		
Risk for incidents of child and forced labour	The Good Practices and Quality Handbook for Suppliers, in addition to the supplier qualification process, includes principles of action that are considered important in the contracting of services and subsequent management, with the aim of safeguarding the risk of child, forced or compulsory labour occurring in Banco Montepio's supply chain.						
Health and safety	4.3. Human Capital - Well-being, health and safety practices					403-6 a) 403-9 a) e b) 403-10	51-53 65-72
	5. Social impact						
	Banco Montepio provides medical services and health care related to work, guaranteeing that occupational health medical examinations are carried out. It does not provide "curative medicine" services to non-employees or non-employee workers.						
	In addition, Banco Montepio provides access to a range 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 voluntary health initiatives which employees can attend online or in person. And it establishes links with strategic partners who offer access to health-related protocols and packages.						
	Absolute values for employees		2023				
	Deaths resulting from accidents at work		0				
	Serious accidents at work (excluding deaths)		0				
Reportable accidents at work		30 - "Normal" accidents at work. "Work with special risks" does not exist at Banco Montepio.					
Deaths resulting from occupational diseases		0					
Notifiable occupational diseases		1					

⁶ This indicator takes into account the total compensation (fixed and variable) of the highest paid individual on the Executive Board..



Training provided	4.3. Human Capital – Training and development 5. Social impact	404-1	53-55 65-72
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PROSPERIDADE

Absolute number and rate of employment	4.3. Human Capital - Our people, our human capital	401-1 a) e b)	48-49	
Economic contribution	Values in thousands of euros	2023		
	Direct economic value generated	503 883		
	Economic value distributed	273 793		
	Operational costs - Suppliers	64 154		
	Employee salaries and benefits	153 727		
	Payments to Investors - Capital providers	19 263		
	Donations and other community investments	364		
	Payments to the State - Government	36 285		
	Accumulated economic value	230 090		
	Financial benefits			
			2022 Total (euros)	2023 Total (euros)
	Tax relief and tax credits	4 614 311		272 953
	Subsidies	0	0	
	Investment, research and development grants, and other relevant types of grant	0	0	
	Awards	0	0	
Royalty holidays	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		272 953	
	4.2 Produced capital – Financial performance, Economic contribution for stakeholders	201-1 201-4	42-44 47	



<p>Financial investment contribution</p>	<p>As part of its investment strategy, Banco Montepio implemented a series of initiatives within the scope of its capital market investment activity in 2023, having defined a set of KPIs for this purpose.</p> <p>In terms of portfolios made up of bonds, it was possible to integrate ESG instruments into the banking portfolio, and at the end of 2023, 22% of the investments in this portfolio, in instruments other than public debt, were ESG instruments.</p> <p>In terms of the debt instruments trading portfolio, no exception was made to the defined metric, and even so, we were able to close the year with 14% of investments in ESG bond issues.</p> <p>Regarding equity instrument portfolios, namely the stock market, the trading portfolio closed 2023 with 25% of investments in companies with an MSCI ESG Rating greater than or equal to AA.</p> <p>In terms of investments with a medium- and long-term time horizon, investments in ICOs with sustainability objectives are being considered, although they haven't been implemented yet.</p> <ul style="list-style-type: none"> • Acquisitions of tangible fixed assets in 2023: 12,577 thousand euros. • Acquisitions of intangible fixed assets in progress in 2023: 33,930 thousand euros. <p>With regards to the return of capital to shareholders, the Board of Directors took on the dual objective in 2020 of repositioning Banco Montepio as a benchmark institution in supporting families, companies, and social and solidarity economy entities, through a multidisciplinary approach, while at the same time re-establishing the institution's structural balance.</p> <p>In the same year, a multidimensional, multi-year Adjustment Plan was adopted, focusing on four (4) strategic pillars: (I) Maximizing Banking Product, (II) Digital Transition and Operational Optimization, (III) Capital Preservation, and (IV) Simplification and Governance.</p> <p>The measures included in the Adjustment Plan, which advocated the four pillars mentioned, supported Banco Montepio's performance in line with the Mission Charter approved at the General Shareholders' Meeting, and enhanced Banco Montepio's value, contributing to the sustainability of its shareholders.</p> <p>A breakdown of the strategy and the impacts of implementing the Adjustment Plan can be found in the "Adjustment Plan Balance Sheet" and "Strategy" chapters of the 2023 Annual Report.</p> <p>The Adjustment Plan was successfully concluded in December 2023, in all its pillars, reflecting the commitment and collective effort of the organization over the last four (4) years, which allowed Banco Montepio to recover from a structural imbalance exacerbated by the pandemic crisis, and reach a level of normality.</p> <p>The success achieved in implementing the Adjustment Plan was recognized by the various stakeholders, with Banco Montepio being elected "No. 1 Brand in Consumer Choice" and receiving successive upgrades by the rating agencies, reaching investment grade level in Deposits and Covered Bonds.</p> <p>The Annual General Shareholders' Meeting of April 30, 2024, approved Banco Montepio's proposal for the allocation of profits on an individual basis, with reference to the 2023 financial year, which included the distribution of dividends amounting to 6 million euros.</p>						
<p>Total tax paid</p>	<p>4.2. Produced capital – Financial performance</p> <table border="0"> <tr> <td>thousands €</td> <td style="background-color: #333; color: #fff; text-align: center;">2023</td> </tr> <tr> <td>Payments to the State - Government</td> <td style="text-align: right;">36 285</td> </tr> </table>	thousands €	2023	Payments to the State - Government	36 285	201-1	42-44
thousands €	2023						
Payments to the State - Government	36 285						



TABLE OF ALIGNMENT WITH THE TCFD

The table summarizes and situates Banco Montepio's performance in line with the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD), regardless of whether the "TCFD" references are associated with headings and sub-headings throughout the chapters and sub-chapters of this report.

GOVERNANCE

Disclose the role of the board of the organization in overseeing climate-related issues.	Market Discipline Report
Disclose the role of management in assessing and managing climate-related issues.	Market Discipline Report

STRATEGY

Disclose the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Market Discipline Report
Disclose the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	Market Discipline Report
Disclose the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	Market Discipline Report

RISK MANAGEMENT

Describe the organization's processes for identifying climate-related risks.	Market Discipline Report
Describe the organization's processes for managing climate-related risks.	Market Discipline Report
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Market Discipline Report

METRICS & TARGETS

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	4.5. Natural capital
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	



10 PRINCIPLES UN GLOBAL COMPACT

The table summarizes and identifies Banco Montepio's performance in line with the 10 Principles of the United Nations Global Compact (UNGC), regardless of the "UNGC" references associated with headings and sub-headings throughout the chapters and sub-chapters of this report.

Disclosure and Management	Location / Omission
HUMAN RIGHTS	
1. Businesses should support and respect the protection of internationally proclaimed human rights; and 2. make sure that they are not complicit in human rights abuses.	2.1. Policies and commitments 3.2. Responsible business
LABOUR	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	GRI 2-30 2.1. Policies and commitments
4. the elimination of all forms of forced and compulsory labour;	2.1. Policies and commitments
5. the effective abolition of child labour; and	
6. the elimination of discrimination in respect of employment and occupation.	
ENVIRONMENT	
7. Businesses should support a precautionary approach to environmental challenges;	4.5. Natural capital
8. undertake initiatives to promote greater environmental responsibility; and	4.5. Natural capital
9. encourage the development and diffusion of environmentally friendly technologies.	4.2. Produced capital – Products and services with ESG impact
ANTI-CORRUPTION	
10. Businesses should work against corruption in all its forms, including extortion and bribery.	3.2. Responsible business – Compliance and risk management

UN GLOBAL COMPACT “FORWARD FASTER 2030”

The table summarizes and situates Banco Montepio's performance in line with the targets subscribed under the Forward Faster 2030 initiative of the United Nations Global Compact (UNGC).

Disclosure and Management	Location / Omission
GENDER EQUALITY	
<p>Equal representation, participation and leadership across all levels of management by 2030.</p> <p>Equal pay for work of equal value by 2030.</p>	<p>4.3. Human Capital - Equality and diversity of our people</p>
CLIMATE ACTION	
<p>Contribute to a just transition by taking concrete actions that address social impacts of climate change mitigation and adaptation measures in partnership with actors such as workers, unions, communities, and suppliers.</p>	<p>4.5. Natural capital</p>
LIVING WAGE	
<p>100 per cent of employees across the organization earn a living wage by 2030.</p>	<p>GRI 202-1</p>
FINANCE & INVESTMENT	
<p>Align corporate investment – to the fullest extent possible – with SDG policies and strategies, and set targets, track and report on the amount and proportion of such SDG investments.</p> <p>Establish a corporate financing strategy that is linked to SDG investments and performance, and report on the amount and proportion of such SDG finance.</p>	<p>3.2. Responsible business – Value chain</p> <p>3.3. Sustainable finance - Financing and investment instruments</p> <p>6. Investing in the future</p>

2023

SUSTAINABILITY

R E P O R T



Banco Montepio

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