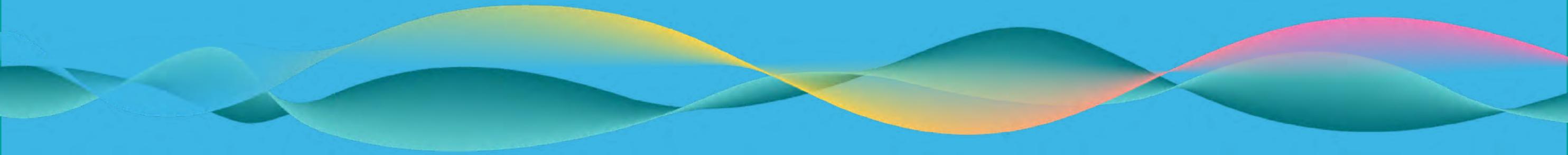


# Sustainability Report

## 2021

A decorative graphic consisting of several overlapping, wavy bands of color. The colors transition from light green on the left, through yellow and orange, to dark green and finally to a hint of pink on the right. The bands are semi-transparent and create a sense of movement and depth.

**novobanco**

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The Sustainability Report is a part of novobanco Annual Report, for this reason this document starts at page 93.

# 1.0 HIGHLIGHTS

1.1 ESG Performance in 2021



**Ricardo Manuel Santos Freire**  
Retail South Department - Customers Assistant

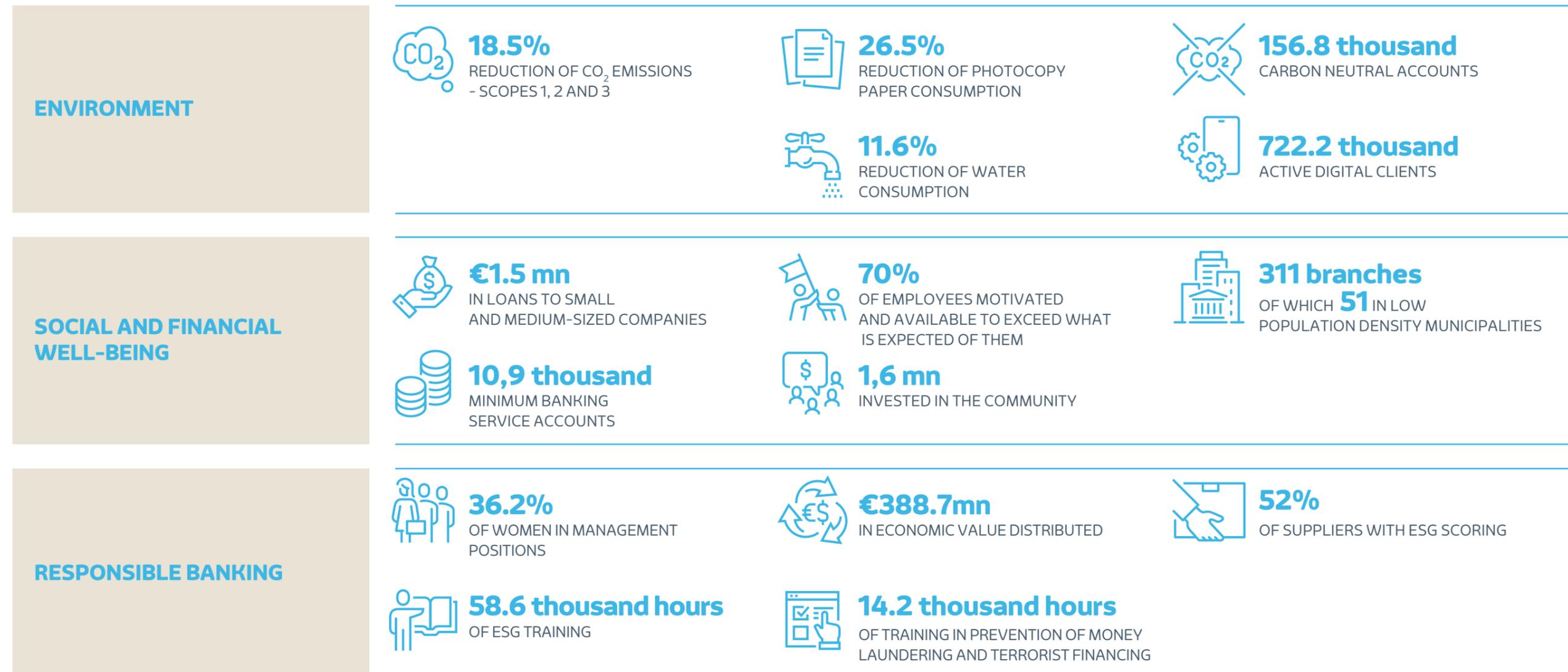
**Maria Inês Ferreira**  
Retail North Department - Senior Customer Assistant

# 1.1 ESG PERFORMANCE IN 2021

2021 was, worldwide and once again, a more challenging year than anticipated. In this context, the group was especially aware and committed to making a positive impact on the communities it serves and to supporting its clients to overcome their challenges and thrive, contributing to lessen the adverse socio-economic impacts of the Covid-19 pandemic that carried over into 2021, and to promote long-term sustainable and just economic and social development.

But 2021 was also the year in which we redesigned our medium and long-term ESG strategy, integrating even more deeply sustainability and environmental, social and governance issues in the way we work and do business, with the ambition of reducing the direct environmental impact of our business and supporting our clients in their sustainability journeys and in the transition to a low-carbon economy.

This report aims to share novobanco Group's vision and agenda regarding the main sustainability challenges in the financial sector.



# 2.0 SUSTAINABILITY STRATEGY

- 2.1 Our material issues
- 2.2 Risks and opportunities arising from climate change
- 2.3 Our ESG strategy
- 2.4 Our commitments
- 2.5 Our partners



We are aware of the important role of the financial sector in the current context where combating climate change is an imperative and sustainability issues dominate the world agenda. This is a defining moment, and one that implies the adoption of a structured, ambitious and effective approach to the environmental and social challenges of the transition to a sustainable and low carbon economy.

Our strategy and approach tackle environmental and social issues not only as risks but also as opportunities that we want to see intrinsically embedded into the business strategy, ensuring the evolution of the governance and risk management model and a culture of transparency in the disclosure of information. We listen to our stakeholders and define our priorities with them.

Shaping the future together.

## 2.1 OUR MATERIAL ISSUES

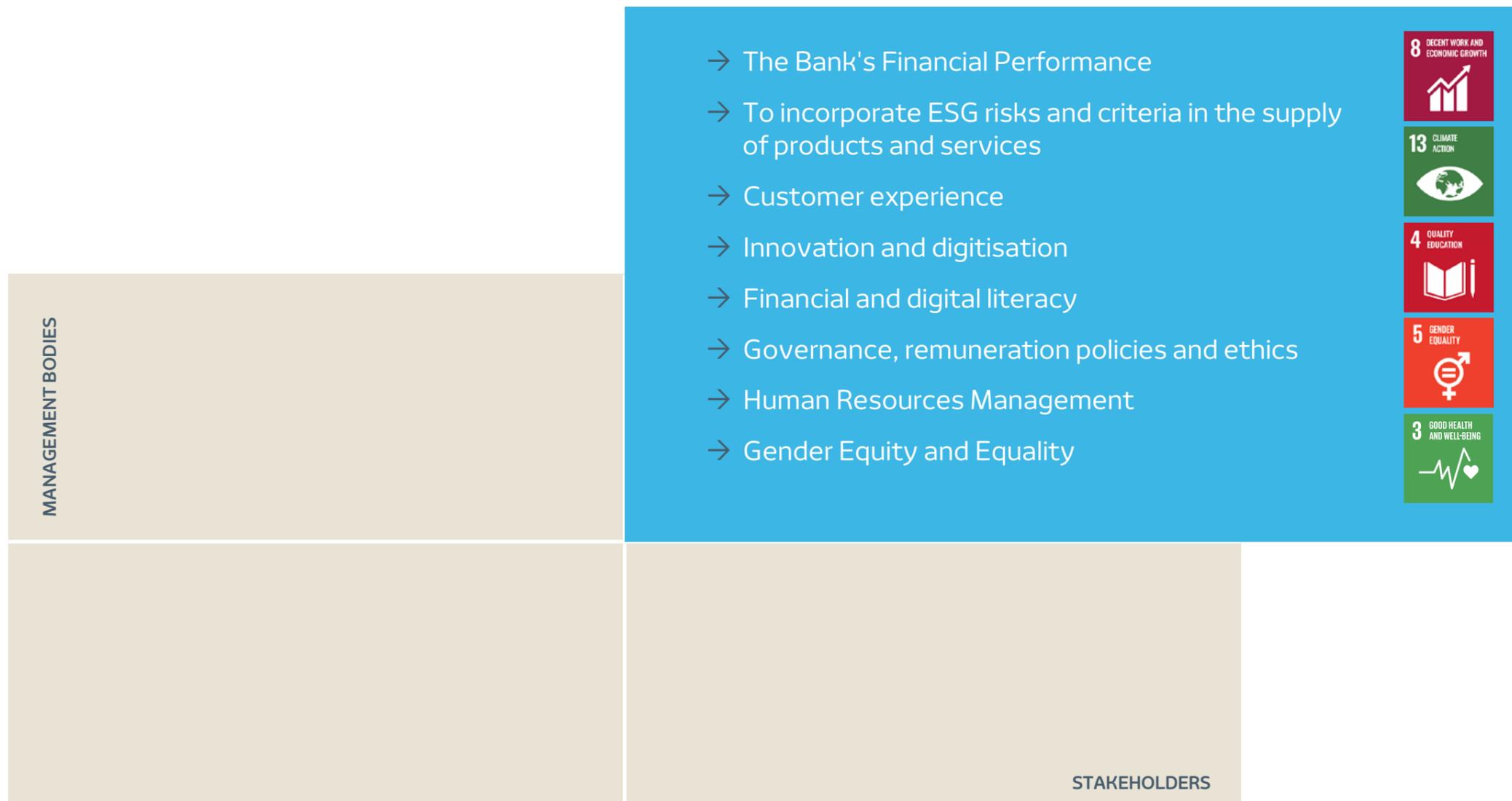
The definition of our business strategy is intrinsically linked to a collaborative and proactive approach to all our stakeholders. To build and nurture a continuous relationship with our stakeholders and integrate their concerns and expectations, novobanco has in place a wide range of communication channels.



In addition to recurring interactions, we also regularly assess the materiality of ESG (environment, social and governance) issues by means of a questionnaire, relying on the strong involvement of our various stakeholders to identify ESG opportunities, risks and challenges in the management of our business. Through this consultation, we sought to analyse the main concerns and define the topics with the greatest potential impact for successful management and consequent creation of value, not only in the short but also in the long term.

The 2021 sustainability materiality assessment was carried out based on a consultation to our stakeholders, with contributions from our clients, employees, investors, suppliers, non-governmental organisations and novobanco Group’s decision-making bodies that allowed us to define the material issues and Sustainable Development Goals (SDGs) for the novobanco Group:

## LISTENING TO OUR STAKEHOLDERS AND IDENTIFYING OUR MATERIAL ISSUES



To define our ESG strategy, commitments and goals, we structured our approach along 3 axes that reflect how we address the material issues and sustainable development goals identified by our stakeholders.

# Our ESG Priorities



## SUSTAINABLE BUSINESS

### Robust Financial Performance

**Generating value** for all our stakeholders

### Sustainable operations

**Minimizing the negative** environmental impact from our operations, promoting innovation and digitization

### Responsible Investment

**Incorporating ESG risks and opportunities** in our business model and commercial offer

## SOCIAL AND FINANCIAL WELL-BEING

### Well-being, Diversity and Inclusion

**Recognizing the value of our people**, promoting their well-being and growth in a diverse and inclusive corporate culture

### Customer Experience

**Serving our customers with convenience**, proximity and transparency, ensuring a fair value exchange

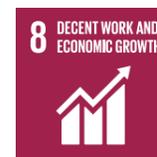
## RESPONSIBLE BANKING

### Role Model for Positive Impact

**Acting transparently and ethically, within a robust governance model.** Promoting equity and gender equality

### Community

**Fostering Portuguese economic growth** and promoting financial and digital inclusion in the communities we serve





## 2.2 RISKS AND OPPORTUNITIES ARISING FROM CLIMATE CHANGE

Concerns about environmental degradation and climate change take a prominent place on the global political agenda and consequently in businesses and the financial sector. The transition to a low carbon economy with strong emphasis on circularity involves risks and opportunities for the banking sector, while giving rise to new ways of doing business:

- Redirecting financial flows towards sustainable investments;
- Shifting the investment in the most polluting sectors by supporting companies' transition efforts;
- Integrating environmental, social and governance risks into the risk analysis;
- Managing under a medium and long-term perspective.

We recognise that assessing, quantifying and managing these risks and opportunities is still a rapidly evolving challenge that will require us to revisit and evolve our options, models and approaches over the coming years. This does not prevent us, however, from taking immediate action, building a robust but flexible and evolving transition strategy, progressively incorporating environmental and climate risks into our business model, adopting measures to combat global warming and reducing and mitigating the negative impact arising from our activity.

To address the opportunities and mitigate the risks arising from climate change, ESG risk management is included in the group's overall sustainability framework and business plan.

In this context, the ongoing developments in the ESG risk management system are crucial, focusing on the disclosure of non-financial information on the sustainability strategy and ESG risk management, the effective alignment with regulatory and supervisory expectations in this matter, and the implementation of ESG risk monitoring routines and assessment practices, involving the integration of specific controls in the business that guide origination.

For more information on ESG Risk Management at the novobanco Group, see chapter 4.3 Risk Management, in the Management Report.

### Main Risks

- Physical risks from climate change that derive from the increasing severity and frequency of extreme weather events.
- Transition risks arising from gradual and long-term changes in the Earth's climate or from regulatory and legislative changes that may directly or indirectly affect companies, forcing them to alter their operations and business model or making their activities unviable.

### Main Opportunities

- Investment and financing needed for the transition to a decarbonised economy and the mitigation of climate change impacts.
- Sale of new products and services, including:
  - Green investment funds
  - Social investment funds
  - Green and/or sustainable financing

## 2.3 OUR ESG STRATEGY

The group has set itself the important goal of becoming a reference ESG entity in Portugal, contributing to the promotion of sustainable investment practices and to accelerating the process of transition to a carbon-neutral economy.

We are therefore developing our sustainability strategy, with special focus and priority given to the integration of climate risk into the business and risk management model, responding not only to the European Union's initiatives under its action plan on sustainable finance and the expectations and recommendations of regulators, supervisors and sector associations, but also taking into account the needs and expectations of our clients and the market.

**CLIMATE CHANGE IS ONE OF OUR MAIN PRIORITIES**

Our approach to address climate and social risks and to promote a positive social and economic impact in the communities we serve is structured around 3 pillars:

### 1. Business strategy Adaptation:

- At internal management level: minimising ESG risks to people and the planet and reinforcing the sustainability principles on the basis of which we interact with our suppliers;
- At banking activity level: supporting, on the one hand, investment and financing of clients in their sustainability journeys and in the orderly and just transition to a low carbon economy and, on the other, providing a response to clients who seek to incorporate responsible investment principles and environmental concerns in their financial assets' management;
- Pursuing an approach based on knowledge-sharing partnerships that maximise the impact of our initiatives, and consistently joining national and international initiatives to promote sustainability.

In this context, we are reviewing and adapting our financing and investment strategy, risk appetite and product and service offering to ensure a gradual alignment of the portfolio to meet COP26 goals, the EU Action Plan and national climate commitments.

### 2. Risk Governance and Management

- Implementing a governance and management model for material ESG issues at all levels of the business to promote a culture and actions that foster the transition to a sustainable socioeconomic development model, leading to responsible growth, job creation, people advancement and respect for the environment;

- Integrating ESG risks into risk management models, developing and adapting assessment, quantification, decision-making and monitoring models that guarantee alignment with the business strategy.

### 3. Disclosure and Reporting

- Committing ourselves to disclosing accurate and transparent activity reports from a sustainability perspective, informing on the group's position to internal and external stakeholders.

## 2.4 OUR COMMITMENTS

Having embraced the important goal of becoming an ESG reference entity in Portugal, integrating sustainability into its business model, the novobanco Group defined a set of commitments and ambitions that embody the ESG issues that are essential for the group and underpin its Sustainability Strategy.

### Carbon Footprint

To reduce the Greenhouse Gas emissions in our own operations (scopes 1 and 2) by 50% by 2030

To increase the weight of low emission vehicles (electric and hybrid) in the group's fleet to 50% by 2024 and 100% by 2030

To consume 100% of electricity from renewable sources by 2024\*\*.

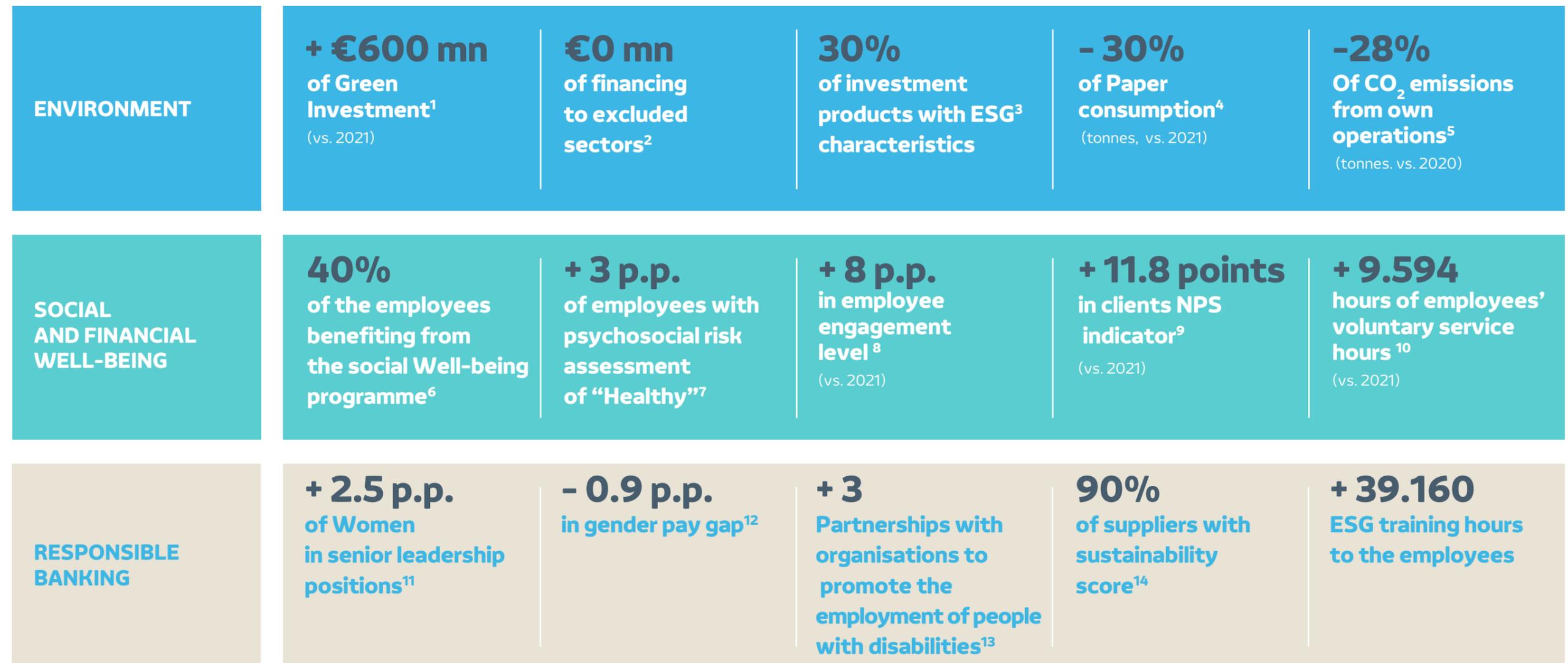
\*\* In all locations where this is possible and the contract is signed by the group

### Gender Equality

To increase the representation of women in senior leadership positions by 4.5 p.p. by 2024

## The commitments of Novo Banco, SA:

The Social Dividend Programme, whose 1st edition ran from 2017 to 2021, has been reformulated and is now running its 2nd edition, focused on the strategic priorities for the 2022 - 2024 triennium and structured into 3 distinct but complementary programmes: #Environment; #Social & Well-being; #Responsible Banking.



1. Origination of financing or own portfolio investments in companies whose main economic activity is eligible to the EU Taxonomy and origination of financing or own portfolio investments where the use of funds by the borrower or the projects are directed to economic activities eligible to the EU Taxonomy or are aimed at investments in energy transition or the transition of the company’s business model towards green activities; 2. Economic sectors not financed by novobanco: Weapons, Prostitution, Pornography, Coal (mining and energy production) and Illegal trade of exotic or endangered species; 3. Investment Funds, Financial Insurance and Structured Products; 4. Reduction of photocopy paper consumption thanks to the implementation of the Phygital programme in the commercial network (started in 2019) and the dematerialisation of processes in the central services; 5. Scope 1 and 2 GHG emissions; 6. Percentage of employees who benefited from at least 2 programme initiatives per year. Programme of initiatives to promote balance between personal and professional life, mental and physical health, healthy living, etc.; 7. Annual psychosocial risk assessment study of novobanco’s employee base; 8. Assessment of the level of employee engagement carried through the Pulse survey (average % of employee engagement); 9. Net Promoter Score calculated for Individual Clients - BASEF; 10. Promotion of volunteering actions in strategic areas of social impact of the bank. Each employee can take 1 day leave per year for volunteer work; 11. First line managers and Executive Board of Directors; 12. “Gender pay gap weighted by the representativeness of each Performance Function” 13. Number of organisations with active partnerships being promoted by the Bank; 14. Recurrent suppliers to novobanco Group with annual turnover above 10 thousand euros.

## 2.5 OUR PARTNERS

The path to sustainability cannot be trodden alone. Therefore, on this journey we have joined a group of relevant partners for the execution of our strategy:

	<b>Signatory</b>	<p>Corporate citizenship initiative which had its origin, back in 2000, in a proposal by the then UN Secretary-General, Kofi Annan. It is based on ten fundamental Principles, in the areas of human rights, labour practices, environmental protection and anti-corruption, and aims to promote businesses' public and voluntary commitment to endorse these principles.</p>		<b>Associate</b>	<p>Main entity representing the Portuguese banking sector, it was created in 1984 to strengthen the financial system and contribute to the development of a more solid banking sector.</p>
	<b>Member</b>	<p>Non-profit association that brings together and represents more than 90 leading companies in Portugal, which are actively committed to the transition to sustainability.</p>		<b>Associate</b>	<p>Portuguese Association of Investment and Pension Funds and Asset Management Firms, which represents the interests of Mutual Funds management, Real Estate Funds management, Pension Funds Management and Asset Management, viewing a more efficient defence of these activities.</p>
	<b>Member</b>	<p>Organisations for Equality Forum, created in 2013, comprises 69 organisations committed to reinforcing and highlighting their organisational culture of social responsibility, incorporating, in their strategies and management models, the principles of equality between women and men at work.</p>		<b>Associate</b>	<p>The Portuguese Quality Association is a non-profit organisation, founded in 1969, that aims to promote and disseminate theoretical and practical knowledge in the field of Quality and Excellence in Portugal.</p>
	<b>Member</b>	<p>Global Compact accelerator programme, which supports companies in setting ambitious targets for women's representation and leadership in senior management.</p>		<b>Associate</b>	<p>National Customer Satisfaction Index is a system for measuring the quality of goods and services available in the national market, through customer satisfaction surveys.</p>
	<b>Member</b>	<p>The Inclusive Community Forum (ICF) is a Nova SBE initiative dedicated to the lives of people with disabilities and aiming to promote a more inclusive community.</p>		<b>Subscriber</b>	<p>Document presented by the United Nations Global Compact, which has as its main objective to achieve the transition to a low carbon economy and to avoid the overheating of the atmosphere.</p>
	<b>Member</b>	<p>Non-profit business association, which work in Social Responsibility and Sustainability. It is part of the European network of CSR Europe, a leader in sustainability and corporate responsibility, supporting several sectors at a global level, in the transformation and search for solutions for sustainable growth.</p>		<b>Subscriber</b>	<p>Letter of Commitment to Sustainable Finance in Portugal, which aims to contribute to the promotion of sustainable investment practices.</p>

# 3.0 SUSTAINABILITY GOVERNANCE

## 3.1 Main ESG Policies



**Maria da Conceição Lopes Xavier**  
Operations Department - Technician Assistant

**Alexandre Fachada**  
Operations Department - Operations Assistant

**To the novobanco Group it is essential to conduct its activity with the firm resolve to make a positive contribution to the entire ecosystem within which it operates. This course of action requires a robust governance model, sustained by policies and principles of ethics and transparency that ensure effective and prudent management.**

**Shaping the future together.**

novobanco recognises that progress in terms of sustainability requires solid governance and an organisational model that guarantees the success of its implementation, ensuring accountability, mobilisation and alignment at all levels of the organisation. Under this premise, and to ensure adequate coordination of this issue, the bank revised its sustainability governance structure, under the following principles:

- To ensure that the Executive Board of Directors (EBD) and remaining management team have ESG expertise, through the implementation of specific training paths adapted to novobanco’s strategic priorities, and also ensure that this knowledge is spread among all employees, for growing sustainability literacy;
- To ensure the creation of a specific forum that leads sustainability discussions and initiatives, supported by a specialised team responsible for coordinating novobanco Group’s ESG approach and by the assignment of specific competences and responsibilities to relevant departments that will ensure the integration of ESG in the various activities of novobanco.

Given the high pace of transformation occurring in all sustainability matters and the stage of maturity of the integration of ESG issues into the institution’s business model, in 2021, the novobanco Group set up a Sustainability Steering Committee, with the participation of members of the EBD and multidisciplinary teams from the bank and subsidiaries, which meets monthly in order to accelerate the implementation of priority ESG initiatives.

This monthly forum allows a structured assessment and approach to sustainability, enabling its implementation across the entire organisation, and adding the environmental, social and governance dimensions to the economic dimension, to ensure:

- The definition of the strategy, positioning and action plans related to sustainability issues and their alignment with the action plans of the group’s different operations and business areas;
- Monitoring the development and implementation of the established action plan and initiatives, and coordinating the teams appointed to support the implementation of the plan;
- Monitoring the impact of initiatives and the performance of the main indicators against the defined ambition;
- Liaising and coordinating with all relevant stakeholders and reporting on performance through the different internal and external communication channels.

## 3.1 MAIN ESG POLICIES

Our commitments are present in our policies and other relevant documents available on our institutional website.

<p><b>EQUALITY AND NON-DISCRIMINATION POLICY</b></p>	<p>Establishes the principles of non-discrimination and promotes equality:                      1st) Prohibition of discriminatory practices on the grounds of gender, race, colour, creed, socio-economic conditions or sexual orientation;                      2nd) Promotion of adequate work conditions for employees with disabilities;                      3rd) Prevention and control of practices which may give rise to discriminatory situations of any type.</p>
<p><b>HUMAN RIGHTS POLICY</b></p>	<p>Advocates respect for human rights and defines procedures to deal with any transgression of these rights. novobanco acts in full compliance with the law.                      It promotes respect for human rights and decent work practices within its sphere of influence, namely among its employees, clients, partners, suppliers and remaining stakeholders.</p>

<p><b>CODE OF CONDUCT</b></p>	<p>The Code of Conduct aims to disseminate the principles that should steer the companies and activities of novobanco Group, promote an ethical conduct, aligned with the group's values, and foster respect for and compliance with all applicable laws and regulations and a transparent system of relations with the outside world.</p>
<p><b>SUPPLIER RELATIONSHIP PRINCIPLES</b></p>	<p>Establishes the minimum requirements, set not only to suppliers but also to the group, with regard to business practices, health and safety at work, ethics and environmental management.</p>
<p><b>REMUNERATION POLICY OF NOVOBANCO EMPLOYEES</b></p>	<p>Remuneration principles and rules for novobanco employees established under the terms of article 115-C of the General Law on Credit Institutions and Financial Companies (<i>Regime Geral das Instituições de Crédito e Sociedades Financeiras</i>).</p>
<p><b>REMUNERATION POLICY FOR THE MANAGEMENT AND SUPERVISORY BODIES</b></p>	<p>Remuneration principles and rules for the members of novobanco's Management and Supervisory Bodies established under the terms of article 115-C of the General Law on Credit Institutions and Financial Companies.</p>
<p><b>RISK APPETITE</b></p>	<p>Establishes, among others, the exclusion from financing and investment of sectors that may negatively impact Sustainable Development, namely: mining sector associated to coal, pornography and prostitution, weapons (except if associated to national defence), and illegal trade of endangered or exotic species.</p>
<p><b>POLICY ON THE PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING</b></p>	<p>Establishes the rules, procedures and key elements for the bank's counterparties and respective transactions that allow the bank to detect and prevent potential money laundering and terrorist financing activities.</p>

<b>POLICY ON CONFLICTS OF INTEREST</b>	Establishes the set of principles to be observed by novobanco and the novobanco Group to identify, prevent, and mitigate conflicts of interest in the development of their activities, and provides the specific procedures to be adopted within novobanco to manage, remedy and log situations of conflict of interest that may arise.
<b>WHISTLEBLOWING POLICY</b>	Regulates the reporting of irregularities by the bank's employees, as well as by service providers or any third parties, and its objectives are to preserve the bank's reputation, effectively protect its assets and those of its clients, and prevent or detect in advance any irregularities that may be committed.
<b>RELATED-PARTY TRANSACTIONS POLICY</b>	Determines the procedures to be adopted to ensure that novobanco has, at all times, a comprehensive and updated list of its related parties, establishes the internal rules and responsibilities relating to the identification of transactions proposed or planned by novobanco that fall into the category of Related-Party Transactions, and establishes the internal procedures and responsibilities for the review and prior approval of Related-Party Transactions.
<b>SUSTAINABILITY POLICY</b>	Defines the sustainability positioning of the novobanco group and identifies its commitments and guiding principles with respect to its material issues at environmental, social and governance (ESG) level.

More information on novobanco group's governance model is provided in chapter 5 CORPORATE GOVERNANCE of the Management Report.



# 4.0 OUR PERFORMANCE

- 4.1 Our clients
- 4.2 Our employees
- 4.3 Our suppliers
- 4.4 The reduction in our direct environmental impact
- 4.5 Community



**Vânia Elias**  
South Retail Department - 360 Senior Client Manager

**Nelson Soças**  
South Retail Department - Branch manager

Based on our Sustainability Policy we have assumed a clear position and defined priorities for action during the next three years, through which we want to develop a sustainable business based on the following goals and guiding principles:

- **Contribute to the transition to a low carbon economy;**
- **Support and promote financial and social well-being;**
- **Continuously strengthen our performance according to the highest standards of ethics, responsibility and transparency.**

Our performance is based on five values that define our positioning:

<b>COLLABORATION</b>	We collaborate with all stakeholders in order to achieve the best results for our clients and for society
<b>DYNAMISM</b>	We embrace continuous transformation and reinvention in order to remain relevant
<b>DIVERSITY</b>	We reflect customer and employee diverse needs onto the solutions and plans we devise and deliver
<b>TRANSPARENCY</b>	we maintain authentic and open exchanges of information among all stakeholders
<b>EMPATHY</b>	we incorporate the voice of clients and society into the way we do business

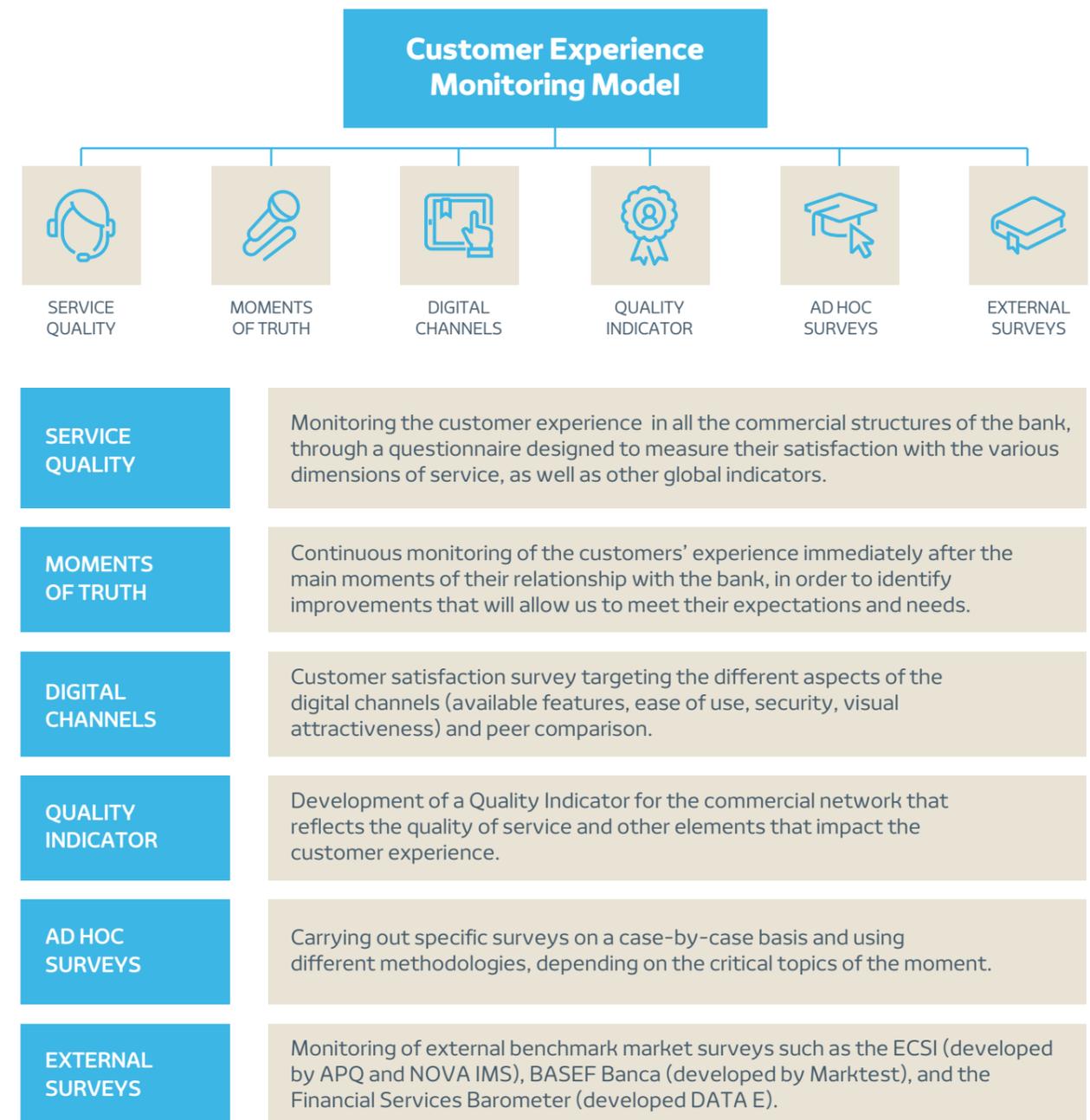
These principles and values guide our actions and the way we:

- **Aspire to continuously respond to the ever-changing expectations and needs of our clients,**
- **Are committed to strengthening the relationship with our employees, promoting and valuing diversity in the bank’s employee base as a strategic lever, and fostering an inclusive culture that allows employees to fully realise their potential;**
- **Incorporate ESG criteria in our supplier selection models;**
- **Give back and generate positive impact through our activity, in the communities we serve.**

Shaping the future together.

## 4.1 OUR CLIENTS

In order to offer the best experience to our clients, the group seeks to gather as much information as possible about what they want, when, where and how. Knowing our clients’ expectations and needs throughout their life cycle allows us to identify opportunities for improvement, using a robust model for monitoring the customer experience based on several action pillars.



The information obtained through this monitoring model is shared with the bank's commercial structures and with the central areas, enabling a set of actions to be taken that aim to improve the customers' experience with the bank in its various dimensions.

In order to correct the reasons for dissatisfaction conveyed by clients through satisfaction surveys, the Restart programme sends a lead to the account manager's workstation, thus allowing the commercial

network to assess the grounds for dissatisfaction and mitigate them whenever possible.

In 2021 we collected approximately 69.9 thousand replies to the satisfaction questionnaires made to our individual and commercial clients.

## Retail Banking

Our purpose is to create a value proposition that enables us to give an adequate response to our clients. To this end we constantly seek to learn about the needs of our clients at every step of their lives, actively listening to what they have to say through the various channels available, so as to keep developing and implementing the product and service offerings that best suit their needs and expectations.

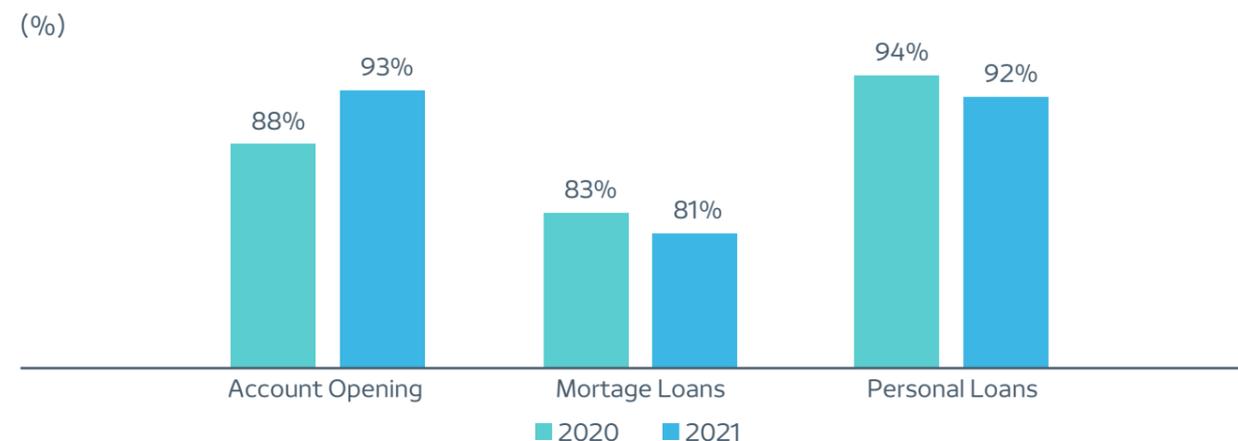
In 2021, we collected approximately 65.2 thousand replies to the satisfaction questionnaires, covering four segments of Retail: Individuals, 360º, Small Businesses and Singular.

87% of novobanco clients and 92.5% of novobanco Açores clients are very satisfied with the quality of the service provided to them.

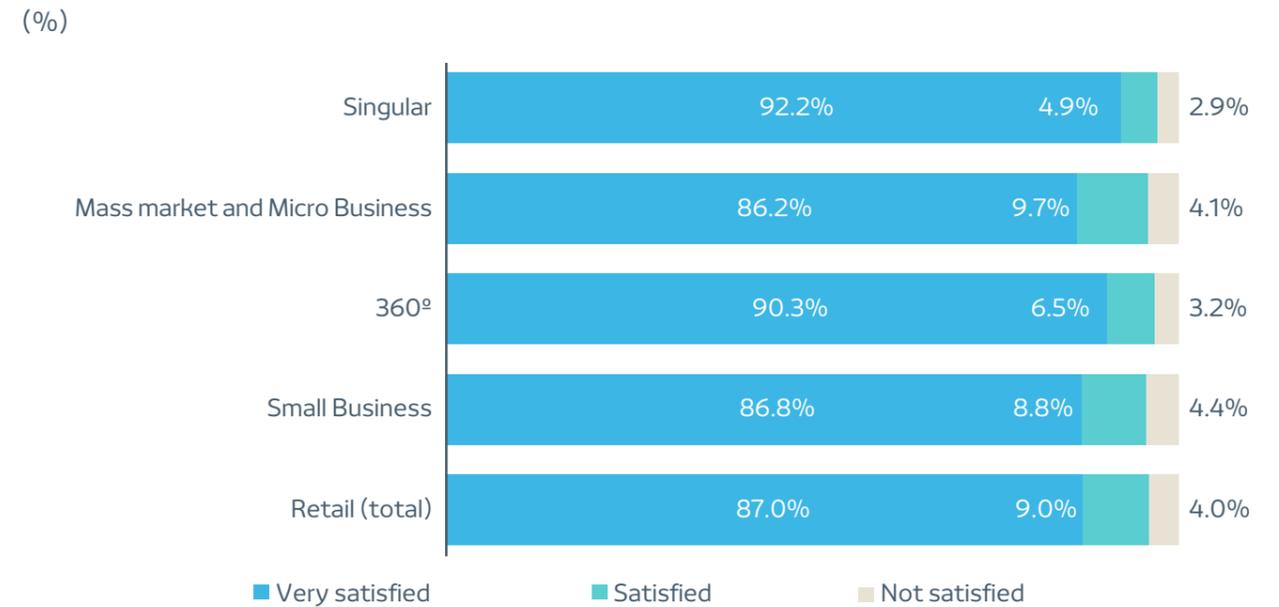
We also collected the opinion of around 17.5 thousand clients about their experience in the key moments of truth in their relationship with the bank, and in particular with regard to the account opening, mortgage loans, and personal loans.

The confidence index [1] of novobanco's clients stood at 77.5% in 2021 vs. 74.7% in 2020. The Net Promoter Score (which calculates the intention to recommend the Bank) was 29 in 2021.

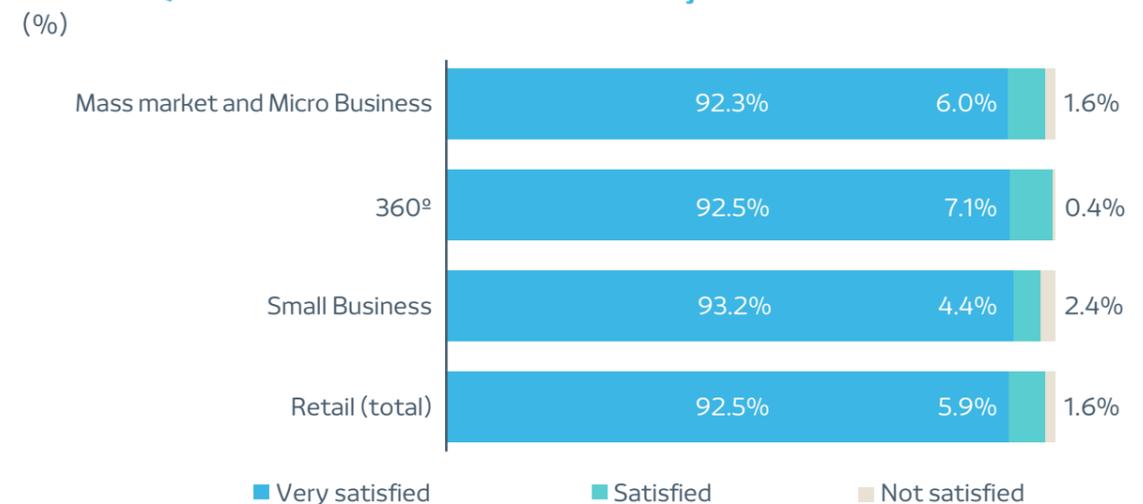
### MOMENTS OF TRUTH VERY SATISFIED CUSTOMERS (%)



### SERVICE QUALITY RETAIL NOVOBANCO (%)



### SERVICE QUALITY RETAIL NOVOBANCO DOS AÇORES (%)



## Commercial Banking

Creating a value proposition for the Commercial segment that is innovative, competitive and profitable, and bolsters novobanco's role as the reference bank for companies in Portugal, remains a key priority, and the customers' voice gives a crucial contribution to attaining this goal.

In 2021, commercial banking collected approximately 2.4 thousand replies to customer service satisfaction surveys. The results show that 89.9% of the SME commercial clients and 84.4% of the Large corporate clients are very satisfied with the bank's service, which demonstrates that the bank's activity matches the needs of its clients.

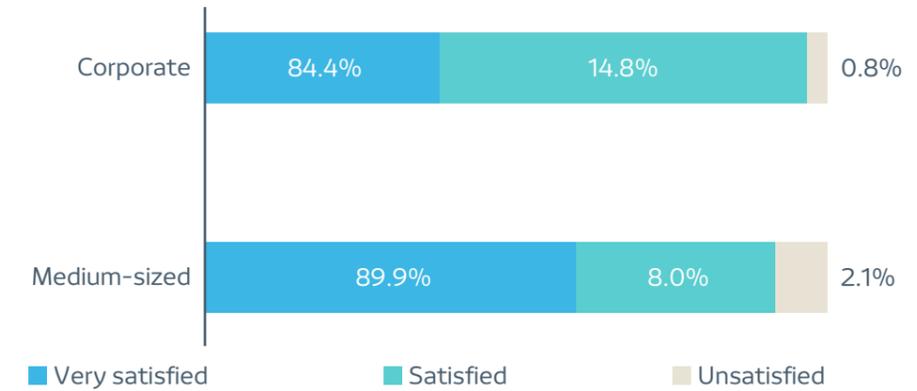
In 2021 the SME clients' confidence index was 77%. The Net Promoter Score stood at 32.2 in 2021, which compares with 24.4 in 2020.

In the Commercial Clients segment, the bank also assessed the experience of 958 clients after taking out a loan, and then shared the results not only with the commercial areas, but also with the marketing areas, which used these data to support the introduction of innovations and the launch of new products and services.

In the Large Corporates segment, the confidence index improved to 76.1% in 2021, from 74.2% in 2020. The Net Promoter Score also increased in 2021, reaching 20.

## SERVICE QUALITY

Commercial Banking (%)



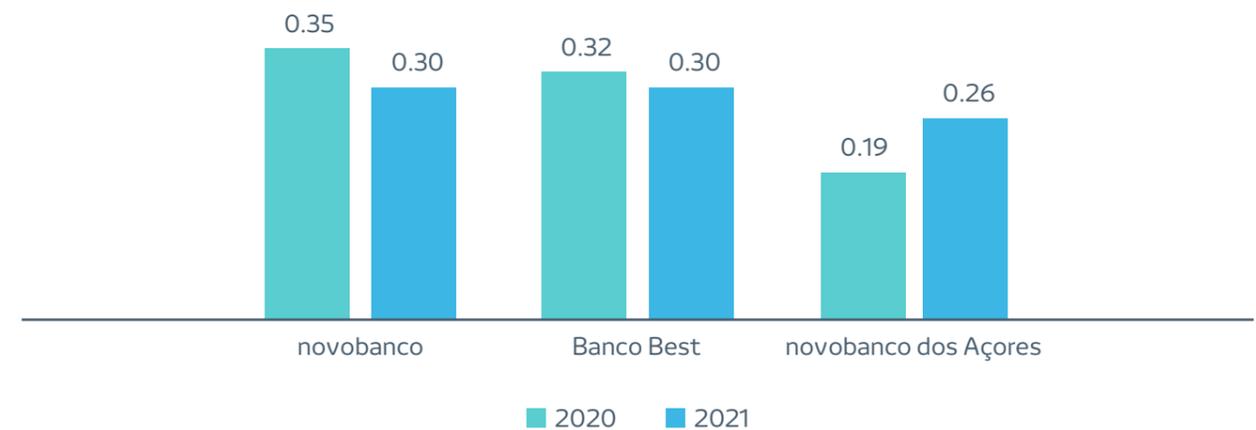
Clients may lodge complaints through several channels, and an effort is made to solve problems at the first contact with the client. The establishment of honest, transparent and continuous contact with the clients requires fast and efficient replies to their comments or complaints, which helps develop a relationship of trust.

At novobanco and Banco Best, the rate of complaints was 0.30 per thousand active clients in 2021, a significant reduction compared to 2020 that reflects the customer satisfaction with the service provided. In recent years clients have shown increasing preference for using the digital channel to submit their complaints, especially at Banco Best where all clients have online access. At novobanco dos Açores this rate was 0.26.

## CANAIS PARA APRESENTAÇÃO DE RECLAMAÇÕES



## COMPLAINTS RATE/ACTIVE CLIENTS



## 4.1.1 Our ESG products



Adjusting products and services to customer needs, new market trends and regulatory requirements has been the basis for the redefinition of novobanco group’s offer, which is increasingly more attuned to environmental, social and ethical concerns.

### Supporting our clients towards a sustainable and carbon-neutral economy

With the firm resolve of contributing to the promotion of sustainable investment practices and accelerating the process of evolving towards a carbon-neutral economy in 2050, in 2021 we made several ESG products available to our clients, assuming an active role in supporting this transition to a low carbon economy.

Specifically in terms of support to companies, during 2021, novobanco positioned itself from the very first moment as a strategic partner, providing financial support to small and medium-sized companies (Capitalizar 2018-COVID-19 Credit Line, and Sectoral Lines of Support to the Economy) through loans and the renewal of loan moratoria.

There was also a strong focus on the digital transformation of processes, investing in remote relationship and signature tools.

As regards the Recovery and Resilience Plan and EU funds, novobanco intends to be a prominent partner of companies, supporting them in the execution of their structural projects, either with complementary financing or with other ancillary banking services, thus responding to this pressing challenge and helping Portuguese companies to benefit from this opportunity.

The bank supports its customers in their journey towards sustainability, financing and supporting investment projects aimed at energy transition, as well as projects with social concerns. The bank also addresses the needs of clients that want financial products with ESG features for their investment portfolio.

New disclosure requirements relating to sustainability have behavioural effects on companies’ business models as well as on their need for banking support and in this context, we aim to consistently incorporate ESG factors into our financial products and services in order to offer and differentiate products tailored to the expectations of our clients and investors.

We have signed up to the "Business Ambition for 1.5°C" initiative, undertaking to set science-based targets to reduce the group's greenhouse gas emissions with a special focus on Scope 3.

We signed the "Letter of Commitment for Sustainable Finance in Portugal", which aims to contribute to the promotion of sustainable investment practices in the country, with the purpose of accelerating the process of transition to a carbon neutral economy by 2050.

Loans			Performance 2021
Individual Clients	<b>ECO residential mortgage loans</b>	With a clear environmental focus, the client can benefit from a bonus on the spread when choosing to acquire a property with energy certification A+, A and B.	€17.18 mn 106 Clients 1.7% of total mortgage loans production in the year
	<b>Efficient Home 2020 Line</b>	These lines provide favourable terms on loans intended to promote the improvement of the environmental performance of private housing buildings.	
	<b>Personal Loan - Hybrid and Electric Vehicles</b>	In October 2021, we introduced in the pricing strategy of the Car Personal Loan (for new and used vehicles) a 1% bonus for Vehicles eligible for green mobility (plug-in, hybrid electric and non-electric hybrids).	€0.236th 9 contracts
Companies	<b>Credit Line for Decarbonisation and Circular Economy</b>	The purpose is to facilitate access to financing for the implementation of sustainable projects. This credit line is available for, among many others, investment in the replacement of existing equipment for more innovative, modern and efficient equipment, investment in renewable energy sources for self-consumption in the production process or in circular strategies for any stage of the product/service life cycle, and for the implementation of monitoring, control and action devices that optimise the conditions of use, energy consumption and raw material consumption.	

## AT BANCO BEST WE RECORDED 48% YOY GROWTH IN THE VOLUME OF FUNDS/ETFS INCORPORATING ESG FACTORS

Investment		Performance 2021
<p><b>ESG and novobanco Structured Products</b></p>	<p>Products whose remuneration is linked to the share performance of companies that stand out for their capacity to lead social and governance change subject to environmental and social criteria. The selection of companies to integrate these products is subject to a rigorous assessment process and criteria, which was further strengthened in 2021 not only in line with the bank's risk policy, but also with industry-sector exclusion criteria (companies producing or selling tobacco, or engaged in coal mining and nuclear energy are not eligible), and criteria governing the exclusion of companies engaging in practices that breach human and labour rights, including child and/or forced labour. When manufacturing, construction, transport, tourism, agriculture and forestry, electricity, gas and oil companies are at stake, the bank undertakes to assess their environmental and social performance, and will not include companies with:</p> <ul style="list-style-type: none"> <li>• Air pollutant activity: &gt; 50% of turnover, or</li> <li>• Reduction in the weight of their air polluting activity in the last 5 years by: &lt; 5%, or</li> <li>• No defined environmental objectives.</li> </ul>	<p><b>novobanco</b> €88.3mn subscribed in 2021</p> <p>Cumulative investment of €457.7mn in ESG/ ECO product subscriptions</p> <p>63.2% weight in the total portfolio of structured products</p> <p><b>novobanco dos Açores</b> €1.3mn subscribed in 2021</p> <p>Cumulative investment of €2.7mn in ESG/ ECO product subscriptions</p> <p>55.3% weight in the total portfolio of structured products</p>
<p><b>ESG Funds</b></p>	<p>Funds that invest in companies committed to the environment and society, and to high standards of governance. The group classifies these funds into two categories:</p> <ul style="list-style-type: none"> <li>• Category I - Article 8 SFRD (Sustainable Finance Disclosure Regulation) - funds that invest in companies that have environmental, social and governance concerns.</li> <li>• Category II - Article 9 - funds that have sustainable investment as their objective.</li> </ul>	<p><b>More than 1,100 ESG funds</b> with investment made by our clients</p> <p><b>novobanco</b> <b>Category I</b> 28 funds with an investment of €162mn 46% weight in the total portfolio of distributed funds</p> <p><b>Category II</b> 3 funds with an investment of €188mn 54% weight in the total portfolio of distributed funds</p> <p><b>Banco Best</b> <b>Category I</b> 1,003 funds with an investment of €244mn 27.3% weight in the total portfolio</p> <p><b>Category II</b> 129 funds with an investment of €26mn 3.0% weight in the total portfolio</p> <p><b>34 ESG ETFs</b> invested by our clients <b>Category I</b> 32 ETFs with an investment of €2mn</p> <p><b>Category II</b> 2 ETFs with an investment of €52mn</p>
<p><b>NB Momentum Sustentável Fund</b></p>	<p>It offers holders access to a diversified portfolio of assets of companies that adopt the best practices in terms of ESG criteria with the purpose of achieving a consistent long-term valuation based on the three pillars of Sustainability. A minimum of 75% of the direct investment component of the Fund is invested in companies with an ESG rating from Eikon above 50 points. The Fund will invest at least 85% of its net asset value in shares and other securities which are convertible into shares or give the right to subscribe shares.</p>	<p><b>Performance 2021</b> <b>€181.32mn</b></p> <p>Weight of 20.2% in national funds under management and 1.8% in total funds under management.</p>

Accounts		Performance 2021
<p><b>18.25 Account</b> <b>26.31 Account</b> <b>18.31 Account</b></p>	<p>Fully carbon-neutral accounts, with a lower environmental impact due to their low carbon footprint, because they are online accounts with a large part of the day-to-day services free of charge when used online, and because the bank neutralises the resulting emissions by supporting sustainable projects. The emissions produced are calculated according to the PAS 2050:2008 methodology, which takes into account the entire life cycle of products and services. To neutralise these emissions novobanco supports Soil &amp; More, a green waste composting project in South Africa that not only reduces carbon emissions but also contributes social and economic benefits for local communities and sustainable development, and also the Kamuthi project to install a solar photovoltaic plant to replace power generation from coal-fired power stations. NB 18.31 Accounts. The NB18.25 and NB26.31 accounts have an estimated carbon impact of around 944g CO<sub>2</sub>eq/year.</p>	<p><b>106 076 18.31 Accounts – €209.8mn</b> <b>39 948 18.25 accounts €52.1mn</b> <b>10 773 26.31 Accounts – €28.6mn</b></p> <p>14% weight in the bank's total service accounts (individuals and small businesses). All accounts have their CO<sub>2</sub> emissions neutralised, corresponding to 1,700 tonnes of CO<sub>2</sub> neutralised, of which 202 tonnes in 2021. These accounts have already permitted to neutralise the equivalent of emissions from 308 single return flights between Lisbon and London.</p>

### Financial well-being / financial health

The adaptation of products to the needs of customers also involves the progressive integration of social concerns. novobanco intends to increasingly adapt its products to the new and diverse realities of its clients. Accordingly, its saving products allow for building up a nest according to each family's budget. In line with this positioning, the Bank offers a package of Micro Saving solutions comprising three products, namely Planned Savings, Micro Savings and the Targeted Savings Smart app.

**WE HAVE NEUTRALISED THE CO<sub>2</sub> EMISSIONS OF THE 18.31, 18.25 AND 26.31 SERVICE ACCOUNTS, EVEN THOSE NOT RESULTING FROM OUR CLIENTS, NAMELY FROM COMPUTER USE, ATM ENQUIRIES AND CARDS, AMONG OTHERS**

Savings		Performance 2021
<b>Planned Savings</b>	Allows clients to build up savings from as low as 10 euros per month through the subscription of a monthly plan in which the clients set the amount and the time of month of deposits, thus adjusting savings to their family budget	<b>€672.36mn in savings</b> <b>122.5 thousand subscriber clients</b>
<b>Micro Saving</b>	This solution allows any client to start saving money by small amounts through the rounding up of debits of day-to-day expenses (such as residential mortgage loan instalments or personal loan repayments, insurance premiums, or direct debits), which are transferred to a savings account.	<b>€8.12mn</b> <b>40.84 thousand subscriber clients</b>
<b>novobanco App_ (Targeted savings)</b>	Exclusive product for Clients who have installed the novobanco App: once the client has defined his/her/their saving objectives (how much and for how long he/she/they want to save) the novobanco app traces the path to reach this objective.	<b>€8.12mn</b> <b>40.84 thousand subscriber clients</b>
These savings products make up a total of €701.7 million and represent 7% of the total in term deposits and savings accounts (excluding savings accounts linked to service accounts).		
<b>Best Bank App (Targeted Saving)</b>	Exclusive product for users of the bank's App, where each client defines one or more objectives, setting a date and an amount and choosing a name and an icon, and the bank calculates a savings plan for short-term goals. The client can stop saving at any time or withdraw part of the amount. The bank sends e-mails with the status of the savings, recommending reinforcements, if necessary, as well as sending incentive messages. For long-term objectives, Banco Best's robot proposes an active management portfolio - an insurance-based investment advisory service that is unique in Portugal and one of the first in Europe. In addition to the initial recommendation each time the client checks his/her objectives the robot validates the performance of the investments and if necessary, recommends changing portfolios, and near the end date it also proposes a gradual reduction of the portfolio risk to avoid market volatility.	<b>220 thousand euros</b> <b>250 clients</b>

Minimum Banking Services		Performance 2021
<b>Minimum Banking Services Account</b>	<p>This account provides a wider coverage of financial services provision and therefore wider social inclusion. It gives clients a current account and a debit card and the possibility to use the account through ATMs in the European Union, direct channels and bank branches. Its annual maintenance fee that cannot exceed the equivalent of 1% of the social support reference rate at any given time.</p> <p>This product is designed for:</p> <ul style="list-style-type: none"> <li>Individuals who hold no other current account in any other institution, or who hold only one current account which is converted into a minimum banking services account.</li> <li>Individuals who hold other current accounts, but wish to open a minimum banking services account where one of the holders is over 65 years old or is dependent on others.</li> </ul>	<b>10.8 thousand Accounts</b>

The service accounts of novobanco and novobanco dos Açores are associated with social responsibility causes (social, cultural and environmental). When opening an account, customers can choose which of the projects supported by Novobanco they wish to support:

Accounts		Performance 2021
<b>100% and 360° Accounts</b>	<p><b>Semear Project (Sow Project)</b> - Social inclusion programme for young people and adults with intellectual and developmental difficulties, organised by BIPP, Associação Inclusão para a Deficiência. The programme provides certified training, and development of skills for employability and professional integration, in the processing and production of components from organic farming. This programme minimises the limitations of these young people and adults by encouraging them to develop their full potential and become autonomous.</p>	Novobanco supports these three projects with a total amount of €270.8 thousand.
	<p><b>Este Espaço Que Habito (This space I Inhabit)</b> - promoted by the Photographic Expression Movement (MEF) in 5 Educational Centres hosting young people in compulsory internment, using photography as a technical and personal expression means to search for and develop one's own identity based on the spaces photographed. The project is developed in partnership with the Ministry of Justice and the Youth Justice Services.</p>	
	<p><b>Recreational Toys Recycling Project</b> - Developed by ZERO WASTE LAB, the project aims to help with the problem of what to make with discarded plastic toys. It promotes the recycling and circulation of plastic and other toy materials for new purposes and raises the awareness of and educates citizens about the problems arising from the increase in waste production.</p>	

Still with regard to financing products, the group, through Banco Best, provides a collaborative financing solution (crowdfunding) that allows individual clients to support micro and small businesses' growth.

Collaborative Financing		Performance 2021
<b>Collaborative Financing – Banco Best / Raize</b>	Crowdfunding is an innovative and revolutionary solution, 100% digital, that brings investors and companies together to grow their businesses through loans.	<b>€0.2mn 133 Accounts</b>

## BEST/RAIZE IN THE FINTECH REPORT PORTUGAL 2021 PROMOTED BY ASSOCIAÇÃO FINTECH PORTUGAL, AS A CASE STUDY OF PARTNERSHIPS BETWEEN FINTECHS AND BANKS

### 4.1.2 Our digital transformation

Digital transformation is one of our strategic pillars. We want to bring innovation, agility and greater efficiency to our processes, to our internal talent and above all to our clients, improving their experience and leveraging on new information systems and data science solutions to better meet their needs and expectations.

#### Shaping the future together.

We are an innovative bank with customer-centric solutions, focusing on convenience and offering a unique personalised and omni-channel banking experience. We aim to accelerate the full digitisation of processes to improve the customer experience and internal efficiency, addressing customer journeys and transforming the operating model, while reducing the ecologic footprint associated with our activity.

## FINANCIAL AGGREGATOR OF NOVOBANCO CORPORATE ONLINE WINS BEST BANKING PROJECT AT THE PORTUGAL DIGITAL AWARDS

The digital offer covers all the different segments of the bank:



Individual Clients	Corporate Clients
<p>The group offers the following solutions:</p> <p><b>novobanco</b></p> <ul style="list-style-type: none"> <li>• The novobanco App (launched at the end of 2020 and since then featuring constant improvements and novelties) has 436.1 thousand active clients, a 11.7% increase compared to 2020.</li> <li>• The novobanco online homebanking service has 278.1 thousand active clients in 2021, a year-on-year reduction of 0.5% that was driven by the migration to mobile and shows the preference of active digital clients for the new app.</li> </ul> <p><b>novobanco dos Açores</b></p> <ul style="list-style-type: none"> <li>• The novobanco dos Açores App has 10.8 thousand active clients, an increase of 19.0% compared to 2020.</li> <li>• The online homebanking service has 278.1 thousand active clients in 2021, a year-on-year reduction of 5.7% that was driven by the migration to mobile, with the app being preferentially used for financial transactions.</li> </ul> <p><b>Banco Best</b></p> <p>All the clients have access to the web and app digital channels, with 75% of active clients having accessed them in the last 3 months of 2021. The number of app accesses increased by 31% compared to 2021.</p>	<p>The group provides:</p> <p><b>novobanco</b></p> <ul style="list-style-type: none"> <li>• novobanco online homebanking service for companies, renewed in 2021, which includes the award-winning Financial Aggregator. This is a digital financial management solution, pioneer in Portugal, that allows an aggregated view of all bank accounts and the initiation of payments and includes features such as a financial calendar, the categorisation of movements, and alerts and notifications, which contribute to improving the operational efficiency of novobanco’s clients as well as to their digital transformation.</li> </ul> <p><b>novobanco dos Açores</b></p> <ul style="list-style-type: none"> <li>• Homebanking service for companies, which in 2021 recorded a 19.2% year-on-year increase in the number of corporate customers with an active service. The clients’ preference for the homebanking for companies was due to the set of solutions and services available to them, as well as the improvements and new functionalities introduced in the service during 2021, which contributed to direct companies towards an environment of greater digitalisation, with benefits in terms of efficiency, management, lower financial costs and negative environmental impacts.</li> </ul>

As part of novobanco’s digital transformation strategy, and with a view to widening the scope of this strategy, improving efficiency, and addressing environmental and social impacts, the following solutions, deriving from the revision of the customer journeys, stand out:

### Journey of the individual client

The novobanco App, with a completely renewed design and customer experience, is adaptable and customisable, inclusive and predictive (based on data science) and offers a wide range of services and solutions, including the aggregation of accounts with other banks. While reducing the ecological footprint of the bank and its clients and increasing internal efficiency, it also contributes to improving digital literacy levels.

In 2021:

- We made new functionalities available: new options to subscribe to investment funds and life insurance, improved online account opening by digital mobile key and video call, management of categories of current account movements from any bank account, new digital portfolio functionalities, among others;
- We improved the customisation model with regard to behavioural aspects in the prediction of the 4 most probable transactions at each moment of the day, and also the user experience and security, the latter through the replacement of SMS validation code by push notifications for the confirmation of transactions;
- We made the Life Insurance simulation and subscription process available in authenticated channels;
- We made it possible to view and change personal data in the digital channels (for individual clients).

### NOVOBANCO APP WINS BEST UX/UI IN FINANCE INITIATIVE IN THE BANKING TECH AWARDS 2021

### Corporate Clients’ Journeys

The novobanco online for companies, now renewed with the Financial Aggregator, where all accounts can be combined in a single solution, makes the financial management of the business easier and more comfortable.

In 2021:

- We revamped online banking for companies to improve the customer experience in using the channel (browsing and searches, help templates, document area);
- We introduced a functionality to securely send documents/files through the digital channel, replacing the need to print paper (example: support documents to Factoring and Confirming operations)
- We introduced a budget management functionality in the financial aggregator (budgeting)
- We extended access to the loans to small businesses digital solution to cover a larger customer base. A totally secure process, with no need to deliver any documentation or go to the branch, with funds made available in less than 48 hours.
- We enabled credit card applications for company representatives through the digital channels.

## Digital channels – website

In 2021:

- We launched the new content platform for the novobanco website (www.novobanco.pt), now in Full SaaS, with personalisation integration via Data Science. Fully integrated with the authenticated channels, it enables a more efficient content management and contributes to digital customer activation and digital sales, thus fostering a paperless culture.
- We launched the Non-Financial Offer (NFO) area on the bank's public website;
- We made available consultation and simulation functionalities for Home Insurance;

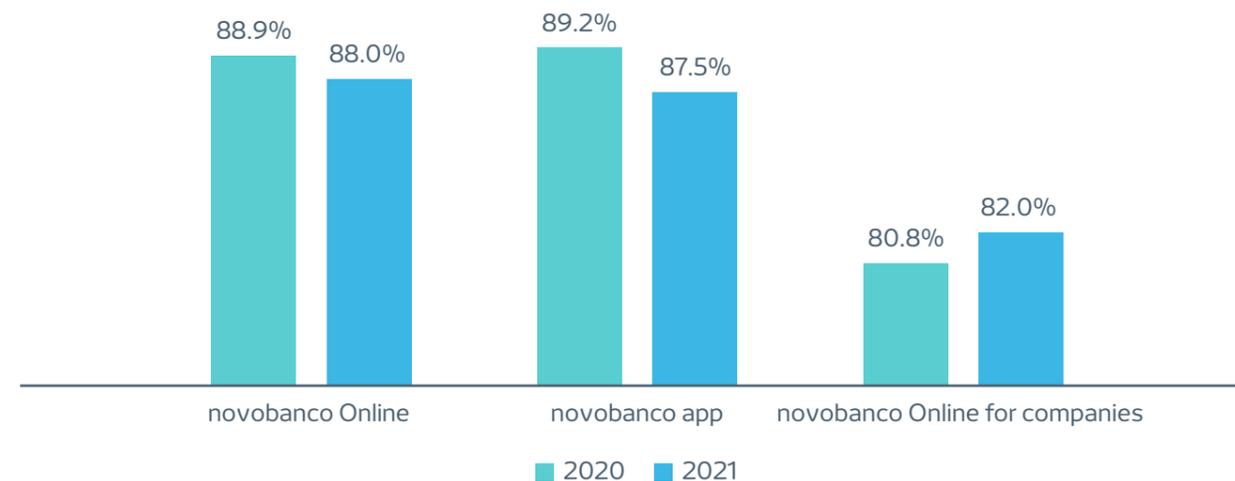
In the adverse scenario created by the consequences of the COVID-19 pandemic, novobanco used digital transformation to support its clients, namely using Artificial Intelligence to predict and model the impacts of COVID-19 on the national economy.

Throughout 2021, the bank continued to promote new data science capabilities:

- We enhanced the customer journeys through the development of customisation and personalisation models and functionalities in the channels;
- We applied Machine Learning models in money laundering prevention methods;
- We provided support to businesses using propensity models, to activate or deactivate clients, or identify best offers;
- We built indicators to identify signs of risk in and support clients with moratoria;
- We developed the capability for timely assessment of the impact of the Covid-19 pandemic on the economy (on families, businesses and activity sectors).

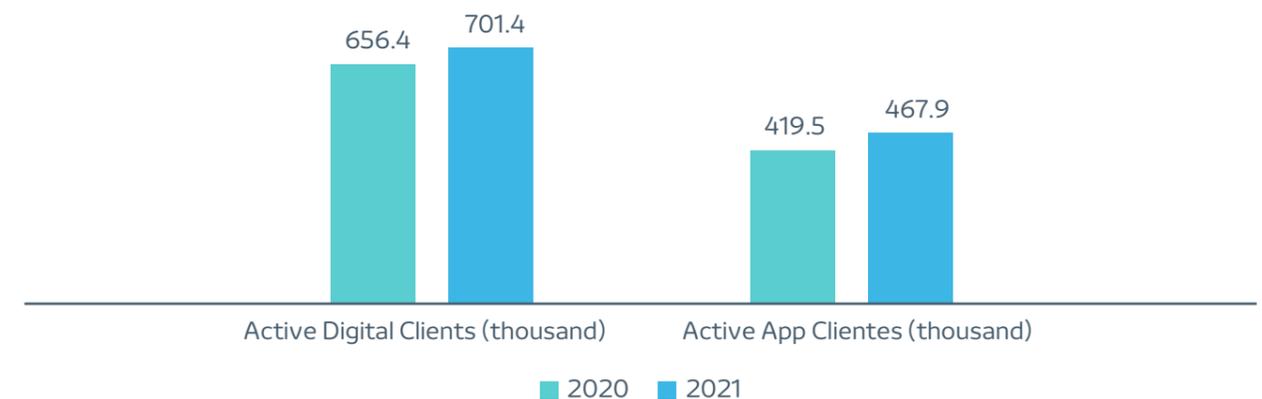
### VERY SATISFIED CLIENTS

Digital Channels (novobanco)



### ACTIVE DIGITAL CLIENTS

(novobanco Group)



In order to measure the impact of technological innovations on the customer experience, around 42,900 surveys were conducted throughout 2021, which permitted to assess the overall satisfaction with the channels (app, novobanco Online and novobanco Online Companies) and the intention to recommend them. In the specific case of the app, an in-depth survey was conducted to assess the experience of using it and to identify opportunities for improvement, to which 880 responses were obtained.

In 2021, we highlight the improvement of 1.2 percentage points in the assessment of novobanco Online Companies, with the percentage of very satisfied clients rising to 82%, leading to an increase of 3.7 points in the NPS.

The app, the preferred customer interaction channel, shows the highest Net Promoter Score, of 54.7.

## Banco Best

Best's public website was revamped with the inclusion of new product comparators and micro-questionnaires on investments.

In account opening, already available by video call and Digital Mobile Key, in 2021 the process was redesigned to improve the experience, and the possibility of opening an account with a foreign passport was introduced (restricted to some European countries).

A further set of improvements was also introduced which included:

### In the app:

- Improvements in the user experience (e.g., introduction of the modular and omnichannel Investor Profile Questionnaire) and introduction of more investment and trading options, both in terms of products and of the information available (e.g., information on Indexes and Corporate Events and wishlist)
- Innovative tools such as the financial dashboard and the intelligent search for products, contents and functionalities.
- Capability to update customer data in real time and interactively.
- Greater personalisation with the possibility of defining appointments and favourites, sharing documents and operations or personalising background colours and photos and changing account names, choosing the name by which you want to be addressed.
- Introduction of a traveller area with geolocation, to subscribe to Travel Insurance.

### On the website:

- Redesign of the transactional website for clients with renovated menus and introduction of icons.
- Improvements in the integrated wealth enquiries, with real price updates, information on capital gains and losses and a sales simulator.

## 4.1.3 Data privacy and security

The protection of customers can only be properly safeguarded if the activity of novobanco Group is adequately protected. Therefore, and in accordance with best market practices and legal and regulatory requirements, the group ensures the confidentiality, integrity and availability of information.

Customer protection is present in all the Bank's activities, including the safety of the client, the security of the transactions carried out, and the protection of the personal data of clients and remaining account holders. To ensure privacy and the correct treatment of personal data, the group has developed a set of procedures and internal rules, as well as a Privacy Policy, and its website provides detailed information on the treatment of personal data.

Our relentless efforts to prevent, detect and react to the new cyber threats arising from digitisation led to increased attention and stronger technical control.

The Bank invests in the strengthening of its software and continuously warns its clients about the latest fraud attempts, issuing security advice for safe Internet browsing and safeguarding the security of transactions and personal data, in the various channels (namely e-mail, direct channels, PC, smartphone and tablet).

With the objective of ensuring global security in cyberspace, novobanco develops regular training and awareness-raising activities on information security for all its employees. These contents are applicable in a professional or personal context, and reinforce the fundamental role that all employees play in the prevention of cyber risks.

The bank maintains the security contents in the digital channels, so that they can be viewed in a very quick and practical way, at any time and from anywhere. This is essential to ensure confidence in the ecosystem in the context of teleworking.

During 2021, the novobanco Group received no complaints originating from the National Data Protection Commission (CNPD).

## 4.2 OUR EMPLOYEES

**Our employees are at the core of our business strategy. We are aware that they are our most valuable asset. That is why developing a robust talent and merit programme is one of our priorities, as a means of retaining and attracting the best and fostering an inclusive culture that allows employees to realise their full potential.**

### Shaping the future together.

The novobanco Group is aware that good results come from an organisational culture that promotes and values diversity as a strategic lever for transformation, innovation and growth, and that encourages an inclusive environment that allows its employees to fully realise their potential. The Human Capital Agenda is therefore one of the fundamental pillars of the bank's strategic plan which, based on solid governance policies and guiding principles, aims to respond to five major challenges:

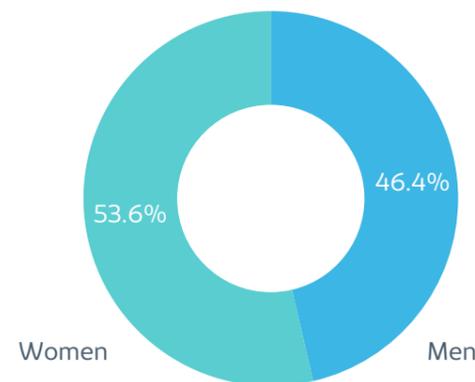
### Attracting and retaining talent

Caring for safety, health and well-being at work

Addressing internal social responsibility needs

Promoting gender equality, equal opportunities and respect for diversity

Promoting the conciliation of professional, personal and family life



To implement our human capital strategy, we seek to follow the best fair-process practices in decision-making, focusing not only on results, but also deploying a fair and reasoned process with strong engagement of the employees, in order to deliver results. We thus endeavour to be aware of the needs and difficulties experienced by employees throughout their life cycle and to meet their expectations, so as to contribute to their full development, and allow them to fully unlock their potential and maintain their motivation.

In a context where remote working assumes a prominent role in the day-to-day life of the organisation, listening to and maintaining regular communication with the employees is essential.

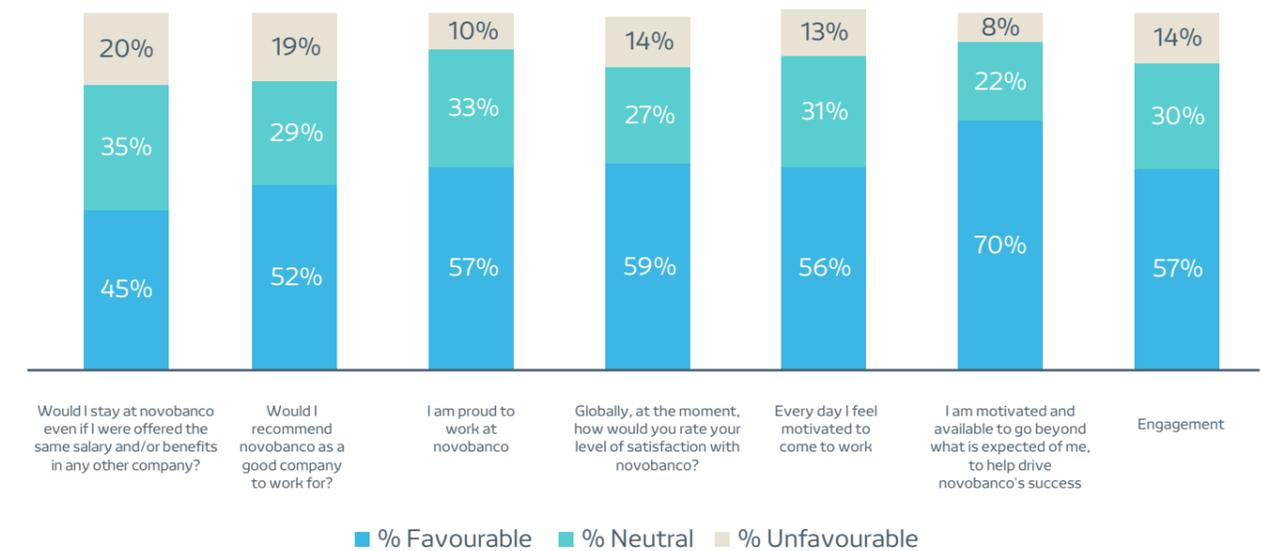
novobanco therefore developed a regular, open, transparent and two-way communication from the beginning and throughout the pandemic period based on internal communication platforms that are agile, modern, efficient and collaborative. In addition to the Somos novobanco intranet, a privileged channel to provide news, documents, forms and links to other internal platforms, we also highlight the Yammer internal social network, which has the role of promoter of a digital community where all employees, regardless of their function or geographical location, share their interests, doubts, projects, achievements, challenges and mutual help.

Throughout 2021, 30 events on strategic topics for the organisation were also organised, with live broadcast. The new distribution model, innovative digital solutions and the bank's medium-term strategy were some of the topics addressed.

These events were well attended and provided an opportunity not only to inform about the activity and strategy of the bank, but also to generate open exchanges of information throughout the organization with Q&A sessions.

In the context of the Covid-19 pandemic, and in order to bring together the teams that were in hybrid working mode, the bank organised a 100% digital meeting in which, for the first time in its history, all employees were called to participate. The meeting brought together more than 3,000 employees and had a very positive assessment, with a satisfaction rate of 84%.

### ENGAGEMENT SURVEY



Every six months we conduct an Engagement Survey, one of the main tools to sound the organisational climate of the bank, - which had a participation rate of around 82% -, as well as an Internal Customer Satisfaction Survey and a Psychosocial Risk Questionnaire.

At novobanco dos Açores, the employee engagement favourability rate stood at 53% in 2021, up by 10 p.p. on the results of the survey conducted in October 2020.

As regards the Net Promoter Score, there was also an improvement of around 8 p.p. in the number of promoters. Notwithstanding the large investment still to be made in this area, the evolution already reflects the results of the various initiatives that have been developed in various dimensions and that have allowed employees to feel novobanco dos Açores as their second home.

At Banco Best, the employee engagement favourability rate was 77%, up by 4 p.p. compared to the results of the survey conducted in February 2021 and by 19 p.p. when compared to the results of the first survey, carried out in 2018. In the Net Promoter Score, the number of promoters is now 20, having increased by 12 since February, which places Banco Best at the level of finetuning. The positive evolution in 2021 was due to a strong involvement with employees, namely through:

- Collection of ideas from all employees;
- Creation of 4 working groups for the translation and implementation of feasible initiatives;
- Improved cooperation between divisions;
- Greater clarity in division communication with the teams (regular meetings instituted);
- Regular meetings of Management with the entire Bank to present results and clarify the strategy, with the possibility of questions being asked.
- Better dissemination of initiatives and measures aimed at the employees on the website (Best ON)

2021 will be marked as a turning point and the year of the rebranding of novobanco, a rebranding process in which the employees actively participated both in its construction and in its internal and external promotion, by playing as actors in brand campaigns.

## WE CREATED OUR BRAND WITH THE VOICE OF OUR EMPLOYEES

The process of creating the novobanco brand was centred on the employees. The new image of the novobanco Group was born from a collaborative process, unheard of worldwide. The creation of the brand's visual identity involved the development of an app in which the employees recorded their voice. The graphic representation of the individual voice waves was put through a mathematical and digital model, resulting in a collective voice wave that represents the voices of those who, on a daily basis, are the most important component of the group's relationship with its clients. The brand was thus born with a purpose of unity and collaboration.



The brand, born from the voice of the employees, was unveiled first-hand at a live event that brought together all the employees for the first time, for which the bank set up the conditions for everyone to watch it as a team. So that employees who were unable to travel to Lisbon could also experience this moment live and as a team, "audiences" were created in 7 branches throughout the country, as well as in the branches abroad.

### 4.2.1 Attracting talent and merit

Attracting and retaining talent continues to be one of our major objectives. To this end we have in place a set of means and initiatives not only to capture new talent but also to retain existing talent from within the personal and professional development of all its employees, which are deployed under a 4-stage model:

## 1 CAPTURE OF TALENT

Responding to the recruitment and rejuvenation needs of the bank's staff while at the same time enabling young students to acquire new skills that will enrich their curriculum and expand their contact network.

- **Talent Attracts Talent Programme** - the third edition of this programme hosted 50 young graduates, who were distributed by 22 departments (front-office and central), in a professional internship model with a duration of 6 and 12 months respectively. At the end of the programme, 13 young people were integrated into the bank's staff.
- **novobanco UP Programme** - a programme for young university students with the duration of one month. In the 2021 edition, between July and September, a total of 92 participants attended this programme, taking the opportunity to have an approach to active life and paid professional experience during the summer.

## 2 INTERNAL MOBILITY

Internal mobility encourages the career development of each employee throughout their professional career. To this end one of the group's instruments is a programme that enhances its human capital and enables its employees to embrace new challenges and opportunities for individual development and progress. In 2020, 113 employees decided to take their professional path in hand, and of these 18 were given the opportunity to change their jobs. This contributed to the development of a more motivating work environment as well as to retain talent.

## 3 PERFORMANCE ASSESSMENT

Assessment covering all the employees is carried out through the Employee Portal (called "My Portal"), which includes a personal development programme where each employee can define their objectives in terms of continuous improvement in the performance of their functions. Performance Assessment, carried out annually, focuses on two aspects:

1. fulfilment of objectives;
2. skills and behaviour observed (general, specific and technical).

It is an important tool in the alignment between the organisational strategy and the performance of each employee/team, supporting a constructive and continuous dialogue between each Employee and his or her line manager.

"My Portal" is also available on the AppRH (human resources App), a new intuitive mobile tool that facilitates and speeds up the access to employees through their smartphone.

## 4 TRAINING

Being attentive to the knowledge and competencies that employees need at any given moment and promoting their continuous development, in order to guarantee the skills that are essential for the achievement of the objectives that the Group has set to reach.

Providing training solutions that enhance the contribution of the employees, continuing to invest consistently in the design and adoption of distinctive and motivating training, enabling the improvement of performances, and the development and evolution of novobanco's employees.

### Training

In order to guarantee adequate training, in 2021 we invested around €754.2 thousand and provided a total of 179.3 thousand hours of training, focusing in particular on five areas of knowledge:



- **Training on the New Distribution Model**

novobanco decided to transform its attention model, not only the visual aspect of its branch spaces, but above all in the new way our employees receive and treat our clients. In 2021, 859 employees from 105 branches received 23,500 hours of on-site training on the new customer service choreography, the new spaces, the new applications and the new equipment adopted.

- **Legally Mandatory Training**

This is the indispensable knowledge that all our professionals, each in their different jobs, must have in order to perform their functions correctly. We provided 136,762 hours of e-learning training, involving 4,100 employees. These training initiatives mainly focused on the Markets and Financial Instruments Directive (MiFID II), the IDD - New Insurance and Reinsurance Distribution Law, the Mortgage Credit Marketing Directive, the Prevention of Money Laundering and Terrorist Financing, the General Data Protection Regulation, and Information Security.

### WE PROVIDED 14 ESG TRAINING HOURS PER EMPLOYEE

- **Training on Sustainability**

In 2021, due to the strategic importance of the topic, it was decided to invest in training on Sustainability in the financial sector, which covered 2.5 thousand employees, who completed a total of 58.6 thousand hours of training.

- **Training provided by the network of 17 School Branches and by the Human Capital Department Team that coordinates the School Branch**

At novobanco, on-the-job training is also provided by the network of 17 school branches distributed throughout the country. Based on the concept of learning by doing, this is a pioneering project in banking in Portugal, which over the course of 16 years has maintained its scope of action, and is today responsible for the initial training of new employees who go into the retail commercial area, for strengthening the skills of current employees, for the development of appropriate skills to sustain

functional mobility and for monitoring current employees returning from prolonged absences; 69 training programmes were carried out, totalling 2 thousand hours of training.

As part of the project to implement novobanco’s New Distribution Model, the School Branch team of the Human Capital Department, which coordinates the network of 17 branches mentioned above, was responsible for training all our professionals who started using the Novobanco Automatic Tellers (VTM) installed in the new branches. One thousand hours of on-site training were provided to 301 employees.

• **Technological Training**

IT and digital contents are increasingly relevant for organisations, requiring continuous skills updating on the use of the organisation’s main IT tools and in the technological solutions adopted by the entire business. In 2021 we provided 2.5 thousand hours of technological training to 114 employees.

In 2021 we provided an average of 42.8 hours of training per employee.

## 4.2.2 Gender equality, equal opportunities and inclusion



Gender equality, equal opportunities and inclusion are all topics that remain on the novobanco Group agenda. We continue to consolidate the bases for long-term sustainability, and therefore measures to promote inclusion and equality remain strategic, with greater attention being paid to decision-making and management positions.

In 2021, the following initiatives stand out:

- **Subscription of the Target Gender Equality programme** – with the aim of strengthening and accelerating our journey towards gender equality in leadership.
- **#Equal Gender Programme** - quarterly monitoring of 3 gender equality indicators with a quarterly report to the bank’s CEO.
- **Internal Report on Gender Equality** - gender-sensitive monitoring of several human capital management processes (admissions, departures, performance assessment, distribution of each functional group, professional training, use of benefits to conciliate personal and professional life, among others).
- **Active participation in the iGen Forum for Gender Equality** – with the objective of promoting gender balance, this is a forum for sharing successful practices that catalyse performance in order to achieve the established goals.
- **Participation in NOVA SBE’s Inclusive Community Forum** - signature of a commitment to Inclusion, addressing the lives of people with disabilities and aiming to promote a more inclusive community.

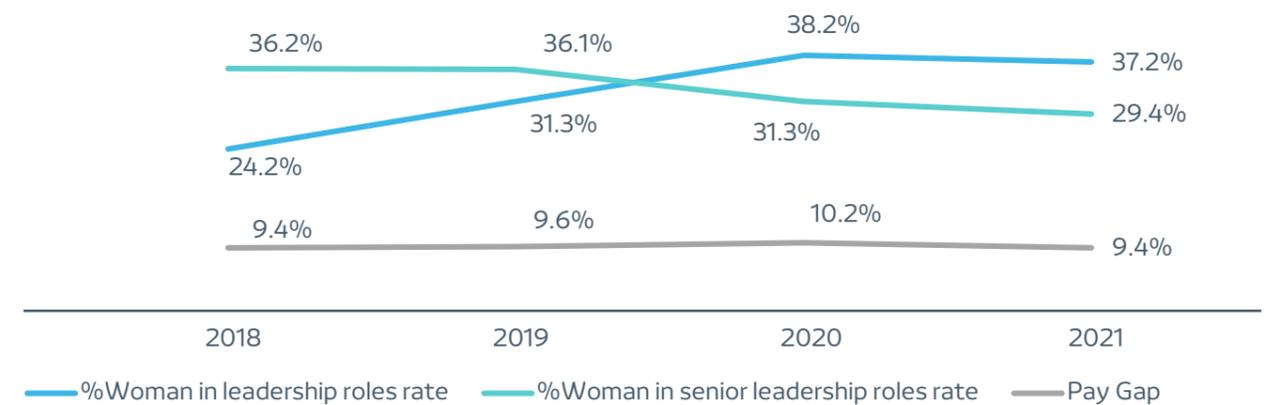
In 2021, the representation of the female gender in the management staff of Novobanco was 37.2%, a slight decrease compared with 2020 that resulted from intra-group reorganisation moves.

novobanco Gender Equality - (under-represented gender %)	2021	2020	21 vs20
First-line management	29.4%	31.3%	-1.9.p.p.
Management staff	37.2%	38.2%	-1.0 p.p.
Pay gap	9.4%	10.2%	-1.3.p.p.

Given the importance of this topic, gender equality is part of the novobanco Social Dividend model, a model of commitment to give back value to the community and the employees. The model comprises four programmes, one of which, # Equal Gender, measures and sets targets for three indicators: percentage of women in first-line positions, percentage of women in management positions and gender pay gap.

Inclusion is one of the basic principles of human resources management at novobanco.

### SOCIAL DIVIDEND - EQUAL GENDER



2.5% of the bank’s staff are people with a certified disability or impairment, which is more than provided for in Law No. 4/2019, which establishes the system of employment quotas for people with disabilities.

To address issues such as equality of gender and opportunities, diversity and respect for freedom of association, as well as to repudiate forced and child labour, discrimination, any form of harassment and, in general, to ensure respect for the employee as a person, the relationship of novobanco Group with all its employees is based on two fundamental policies:

→ Human Rights Policy

→ Equality and Non-discrimination Policy;

Both policies were defined based on:

→ the United Nations Global Compact Principles;

→ the Universal Declaration of Human Rights;

→ The Guidelines of the Organization for Economic Cooperation and Development (OECD) for Multinational Enterprises;

→ European and National Legislation on Gender Equality and Harassment prevention.

### 4.2.3 Work-life balance and Internal Social Responsibility

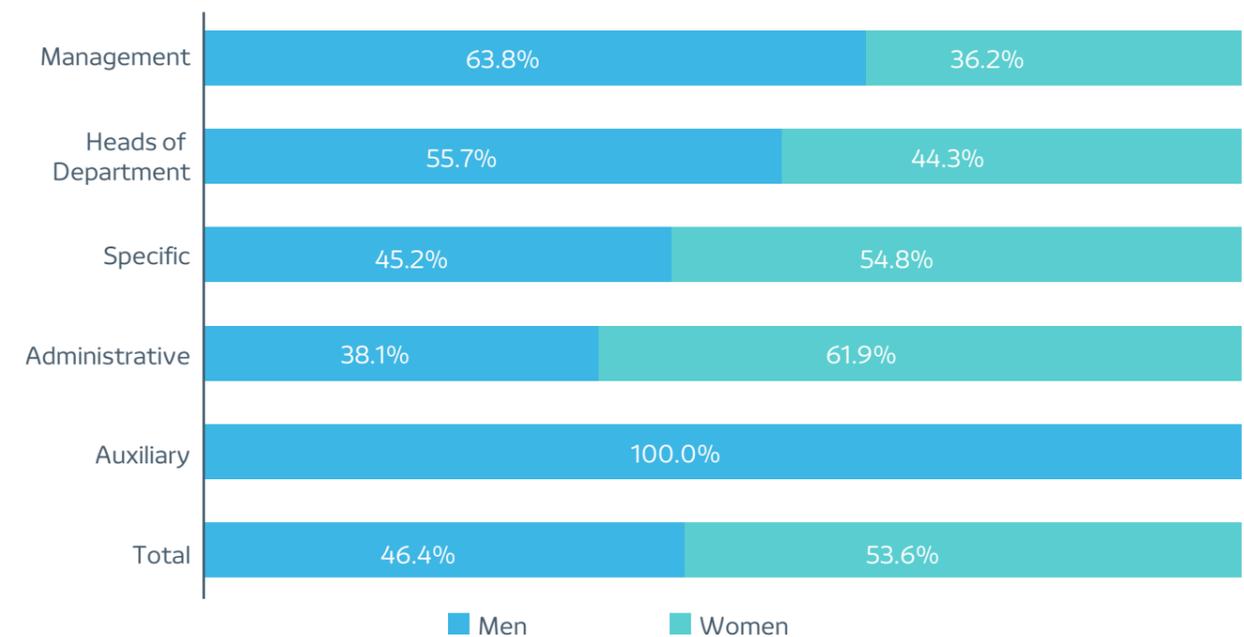
At novobanco we believe that the balance between employees' professional, personal and family life is crucial to foster motivation, productivity, satisfaction, responsibility and a relationship of commitment to the bank. On this basis, the management of our human capital is supported by instruments that aim to enhance the employees' well-being at all levels.

Integrated in the Social Dividend Model, the #Work & Life programme consists of a set of five measures that, by promoting flexibility at work, improve the conciliation of work with the personal and family life of our employees. This programme is also an instrument to attract and retain talent. Although the Social Dividend Model was implemented within novobanco, gradually the measures of the Work&life programme were extended to the companies of the novobanco group.

These measures are the following:

- Leave on special dates (Employee's birthday; children's birthday; 1st day of school of children in compulsory school years).
- Purchase of holidays
- Home Office
- Early Friday or Late Monday
- TakeAway

### PROFESSIONAL CATEGORY BY GENDER (%)



This support aims to strengthen the employees' sense of belonging and pride in the group, their personal satisfaction, as well as enabling savings in their monthly budget. These benefits, attributed within the scope of the internal social responsibility programme, take the form of several initiatives.

Education support for children of active employees

Special conditions on the commercial offer

Christmas presents for employees and their children and dependent stepchildren

Specific pandemic-related support

By the end of 2021 we had allocated 830.7 thousand euros in support to 781 employees.

In 2021, due to the lingering pandemic context, novobanco relaunched the package of special benefits to tackle possible financial needs felt by families, in addition to access to loan moratoria that had already been guaranteed. The bank also rewarded the employees who were on the front line in the response to the pandemic emergency in 2020, granting 2 days of additional leave that they could take during the year.



The employees, both active and retired, also have three canteens at their disposal where they can have lunch and order take-away meals. These canteens serve low-cost nutritionally balanced meals, with 3 to 4 options to choose from each day, each coming with a nutrient information sheet (nutrition traffic light). In addition to providing free lunch, the aim is also to encourage the employees to make responsible choices in terms of healthy eating. Awareness-raising initiatives sometimes also take place in the canteen areas. Despite the significant increase in teleworking, the Bank maintained its canteens and bars in full operation, and increased the take-away component, all in full compliance with the social distancing and hygiene rules imposed under Covid-19. A home delivery service was also made available for employees teleworking who lived close to two of the canteens.

## 4.2.4 Looking after the Safety, Health and Well-being of our employees

The holistic well-being (physical, psychological and social, ...) of its employees is essential for the development and success of the group's activity, which to this end has in place a health and well-being policy based on five lines of action:

- 1 **Communicate and raise awareness:** enhancing continuous and relevant communication about the Bank's path and strategy, as well as providing contents in various formats about health and well-being, encouraging employees to make conscious and healthy choices.
- 2 **Diagnose and prevent:** risk situations in a timely manner, so as to act preventively.
- 3 **Foster and promote:** moments of focus on certain topics to increase employee involvement and accelerate positive results.
- 4 **Offer and provide:** benefits aligned with best practices in healthy habits that contribute positively to the holistic well-being of employees.
- 5 **Reconcile and flexibilise:** practices for a balance between professional, personal and family life.

### We are always attentive

As a result of the pandemic context, we created a new employee support package, with the following benefits:

- Possibility to bring forward the payment of 50% of the Christmas bonus,
- Loans with special conditions to meet the needs for computer equipment and training,
- Family coaching sessions and psychological support (free of charge).

During 2021, an attempt was always made to establish normality despite the pandemic context. The activities that had been suspended were resumed and adjusted to this situation. The employees' General and Family Medicine, Psychology, Psychiatry and Nutrition consultations alternated between face-to-face and remote, according to the evolution of the pandemic and the employees' preference. The same occurred with occupational health consultations. The clinical posts that offer a set of services in privileged conditions to the employees, both preventive and curative, were always in operation. In terms of Occupational Medicine, there was a great additional focus on catching up the regular medical examinations that had been suspended between April and August 2020 on the recommendation of the General Health Directorate (DGS).

The well-being programme called "My B Side" (B for Bem-estar, or Well-being in Portuguese) remained active in virtual format. This programme aims to provide holistic well-being to employees, based on a set of initiatives that we call "well-being experiences", which address 8 dimensions: health, food, physical exercise, emotional management, family and home, Interpersonal Relations, Personal Image, and culture and leisure. A series of workshops, ateliers, conversations with experts, and lectures on these themes were provided in virtual format.



In order to ensure an adequate response to the real needs of the employees, in early 2021 an evaluation of Psychosocial Risks was carried out, which allowed identifying the impact of the pandemic at this level, by comparison with the results obtained in the evaluation carried out in early 2020 (pre-pandemic). There was a concern to align the topics covered in the "My Side B" Programme with that feedback and with the pandemic context experienced, as well as to maintain the dynamics and periodicity of the experiences, bringing the teleworking employees closer to the bank and thus offsetting the decrease in personal interaction.

In the area of occupational safety, and considering the specific context of the pandemic, the group conducted audits of its central buildings, which concentrate most of its employees, the canteens and some branches, in order to check that the procedures and practices put in place in the context of the Covid-19 pandemic were being followed. At the same time, the assessment of risks related to the working condition and the functions performed was continued.

In this context, at the end of 2021, the employees were also consulted about the Health and Safety at Work.

## 4.3 OUR SUPPLIERS

**We select our suppliers with a responsible attitude and based on ESG criteria. The start of the selection process is marked by our full availability to receive all presentations and proposals from the most varied entities that wish to provide services or supply goods.**

### Shaping the future together.

The management of a sustainable business covers the entire value chain of novobanco Group, including its suppliers. As a relevant buyer of products and services in the market, novobanco has set up a supplier relationship model (around €188 million invoiced to novobanco in 2021)<sup>11</sup>, which is based on a commitment to follow good practices and internationally agreed principles. This model, which is based on the recognition of the importance of the economic, environmental and social impacts produced by this group of stakeholders, is based on two main pillars:

1. **Code of conduct**, which determines that the process of supplier evaluation and selection is strict and carried out in accordance with the highest standards of transparency and ethics;
2. The **Supplier Relationship Principles** are aligned with the OECD guidelines for multinational companies and the United Nations Global Compact, setting the minimum requirements, not only for suppliers but also for the Bank, with regard to business practices, health and safety at work, ethics and environmental management. novobanco Group's suppliers are invited to subscribe to these principles, which imply the adoption of consistent conduct, namely with regard to the environment, employment conditions and ethics.

The quality of the information collected through novobanco Group's supplier portal permits to select the best propositions, i.e., those from the suppliers best able to satisfy the needs and requirements associated with the acquisition of goods/services. In 2021 the degree of suppliers' coverage, in terms of billing, that had completed their registration or were in the process of registering (pre-registered) in the Portal was 91%.

For a more rigorous selection of this group of Stakeholders and based on the information provided, novobanco calculates the "sustainability scoring", which takes into account ethical, labour, hygiene and safety at work, and environmental aspects. Around 22% of novobanco's suppliers registered in the Portal have a score of excellent and 84% have a positive score cumulatively, which is better than in 2020. Maintaining a professional relationship with suppliers also implies responsible action, namely guaranteeing and practising payment periods of 30 days, in line with good market practices. This includes giving suppliers access to their current account, free of charge and at all times, simply

<sup>11</sup> Recurrent suppliers to novobanco Group with annual turnover above 10 thousand euros.

### Supplier Relationship Principles

Govern the selection of suppliers with:

- **Fairness** - equal treatment, without privileges or cronyism, and always seeking to avoid conflicts of interest;
- **Transparency and Ethics** - adequate disclosure of information;
- **Quality and Efficiency** - as criteria for selecting the best suppliers.

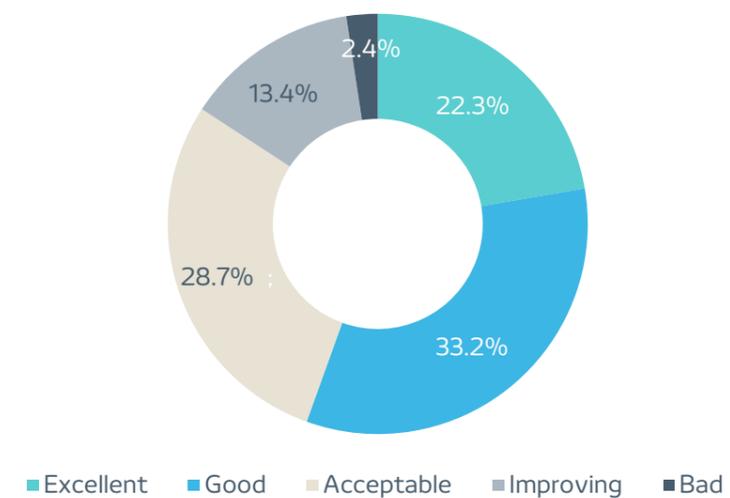
### novobanco Group Supplier Portal

This is our privileged channel for the presentation and logging of current and potential suppliers. In addition to providing the prime sourcing basis for market consultation processes, the database of registered entities allows for an easier and faster detection, assessment and comparison of the suppliers' characteristics, technical skills and commercial propositions.



### SUSTAINABILITY SCORE

(%)



by logging into the supplier’s account on the Supplier Portal. In 2021, given the persistence of the Covid-19 context, the bank reduced its the payment period to suppliers to 20 days, from 22 days in 2020. Focusing on the national economy, the bank maintained its preference, whenever possible, for national and local suppliers, and in 2021, 91% of our purchases were made from Portuguese suppliers

**85% OF THE NEW DISTRIBUTION MODEL SUPPLIERS ARE PORTUGUESE**

## 4.4 THE REDUCTION IN OUR DIRECT ENVIRONMENTAL IMPACT



**We are reducing our environmental impact. The Covid-19 pandemic had a strong impact, with the remote working of our central departments’ employees contributing significantly to this result. But we want to maintain this trajectory, and therefore we are developing new measures that will contribute to keep us on this path.**

### Shaping the future together.

The novobanco Group’s operations directly impact the environment. Therefore, one of the strategic concerns for the group’s management is to find tools that enable the rational and adequate use of the resources necessary for the development of its activity.

We recognise that employees working from home create waste and consume electricity, water and paper that were previously consumed in the offices, and that this helped us to reduce our indirect impact on the environment in 2021. But we are also aware that this situation will change, and despite the fact that many employees of the central departments’ are still working remotely (home office), we are assessing the various scenarios for a normal, or at least partial, return to the group’s central buildings, considering initiatives to prevent negative impacts on the environment, and seeking to maintain or improve our consumption, mainly of electricity and paper.

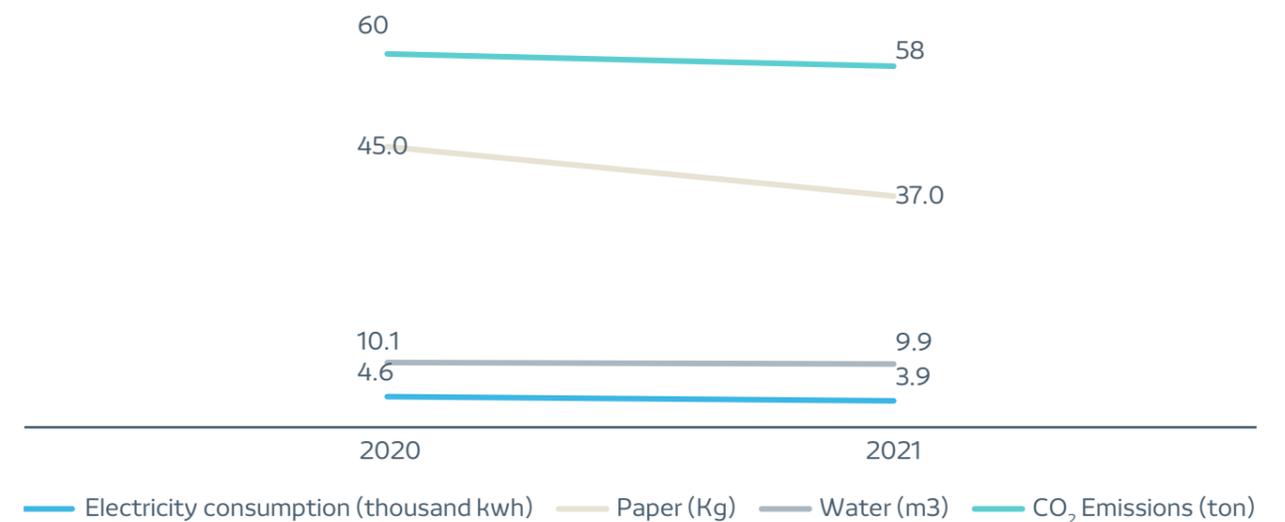
We have redefined our objectives for 2022-2024 and we will develop the necessary initiatives to successfully achieve our goals.

In 2021, the bank started to roll out its New Distribution Model, in which our aim was to change and innovate, offering our current and new customers a totally differentiating and unique experience in the financial sector, and transforming our branch network into spaces where the financial experience is not limited to a simple visit to the bank.

We ended the year with 107 totally revamped branches, in which:

- We clearly promoted national products, and executed this project with national suppliers - 85% of the suppliers were Portuguese companies with 100% national capital;
- We selected suppliers that could attest that they developed their business based on sustainability criteria, proven by environmental certifications, and presenting a sustainability score of around 82%.

### CONSUMPTIONS PER EMPLOYEE





**SCOPE 1 AND 2 EMISSIONS DECREASED**

**18.5%**

**WE EMITTED 2 599 TONNES LESS OF CO<sub>2</sub>**

- Reduced electricity consumption
- Green electricity consumption (free of CO<sub>2</sub> emissions) at novobanco since November 2021
- Fewer emissions from traveling on business trips by plane and company fleet.



**ELECTRICITY CONSUMPTION DECREASED**

**23.1%**

**WE CONSUMED 4.9 TONNES KWH LESS OF ELECTRICITY**

- The equipment and lighting used in the New Distribution Model are energy efficient.
- Use of led lighting in practically all installations



**PHOTOCOPY PAPER CONSUMPTION DECREASED**

**25.5%**

**WE CONSUMED 53 TONNES LESS PHOTOCOPY PAPER**

- We fostered a "paperless" culture by reinforcing dematerialisation processes, namely formalisation with digital signatures (Phygital project), and by reducing printing in the various back-office activities.
- 90% of the obligatory communications to clients are digital. novobanco sends most other banking documents to its clients in digital format (account and credit card statements, deposit certificates, account entry notices, statements of securities and investment funds' portfolio movements and positions, entry notices, integrated billing notices, and sundry notices).



**WATER CONSUMPTION DECREASED**

**11.6%**

**WE CONSUMED 5.4 THOUSAND M<sup>3</sup> LESS WATER**

- Use of timer taps
- Installation of water-flow reduction filters

**WE SENT MORE PAPER AND CARDBOARD FOR RECYCLING**

**9.7%**

- We recycled around 117.4 tonnes of paper and 66.3 tonnes of cardboard
- We sent 5.948 toners for recycling (programme in partnership with Lexmark)

Since November 2021, novobanco is consuming green electricity, from renewable sources, in all its buildings and branches where this option is available (more than 95% of its facilities), and this measure has been certified by its electricity supplier.

This is one of the initiatives under the commitment to reduce scope 2 CO<sub>2</sub>, which proves the bank's real commitment in the transition to a low carbon economy and full alignment with its material SDG - SDG13.

**IN NOVEMBER 2021, NOVOBANCO STARTED CONSUMING GREEN ELECTRICITY, FREE OF CO<sub>2</sub> EMISSIONS**

In 2020, novobanco started its Phygital project, whereby some of the business processes are being dematerialised and formalised through a digital signature, thus contributing to a paperless organisation with a paperless culture. In 2019 and 2020, the pilot years of the project, the bank saved 0.21 tonnes of paper. In 2021, the first year of the phygital rollout, this project allowed the bank to avoid the consumption of 13.5 tonnes of paper and 14 million litres of water otherwise used in its production. It is the Bank's expectation that by 2024 the Phygital project will have avoided a cumulative consumption of around 147.4 tonnes of paper (minus 154.2 million litres of water per year).

## WE AVOIDED THE CONSUMPTION OF 13.5 TONNES OF PAPER WITH THE PHYGITAL PROJECT

## 4.5 COMMUNITY

**Concerns with social, cultural and financial literacy initiatives on behalf of the community have always marked the group's actions.**

**Over the years we have taken an active role in the community, which we want to be help thrive in a sustainable and just way.**

**Shaping the future together.**

novobanco is an active agent in the ecosystem to which it belongs, with a particular focus on "reviving the economy" and supporting the communities it serves.

This support to the business fabric, and in particular to exporting companies, was evident in the promotion of events such as "Portugal Exportador", a meeting for sharing best exporting practices, and also with the "Export and Internationalisation Awards", which aim to recognise the best exporting companies as well as the best internationalisation experiences of Portuguese companies.

Also noteworthy is the "Portugal que Faz" initiative which, in a partnership with Dinheiro Vivo (JN/ DN/ TSF), promoted 8 events throughout the year, in several regions of the country, with the representative associations of each region and/or sector and local entrepreneurs, with the aim of discussing and finding joint answers to the needs, challenges and opportunities of the different regions and of companies and entrepreneurs in the post-pandemic.

Under the slogan "The economy is all of us", the bank once again put its experience and knowledge at the service of the key players and decision-makers of the economic future of the country and shared with its clients and society in general, specialised and technical information, which it considered could support decision-making in the pandemic context and in the preparation for the post-Covid.

## WE ACHIEVED 210 POINTS OUT OF THE 200 POINTS SET AS A TARGET IN 2017

### 4.5.1 Social Dividend

In 2017 the bank designed a new Corporate Social Responsibility (CSR) programme and concept, creating the Social Dividend assessment model, a reciprocity commitment assumed before society and its employees. This model is a reference in the field, comprising four programmes with specific objectives.

#### NB EQUAL GENDER

Aims to ensure a better gender balance, in line with the customer base, the available talent and a global meritocracy principle. Currently, novobanco has already achieved gender parity in the total number of employees.

#### NB WORK & LIFE

Aims to reinforce practices that facilitate conciliation between the demands of professional life and the needs of personal/family life, promoting employees' well-being.

#### NB ENVIRONMENT

Aims to minimise the environmental impacts resulting from its activity.

#### NB SOCIAL RESPONSIBILITY

Aims to support the community through a range of solutions to important issues in the communities it serves.

In the 5 years of monitoring of this model, several initiatives of the 4 programmes were very successful, having exceeded their objectives. Positive highlights include: employee leaves on special days, half-day leave - early Friday/late Monday, takeaway meals in the NB Work&Life programme, the growth of digital communication with the clients, and the reduction of electricity and paper consumption under the NB Environment programme.

## WE GAVE BACK MORE THAN €1.6 MILLION IN DONATIONS TO THE COMMUNITY

In 2021 and taking into account the current context, novobanco's social responsibility programme was developed in 4 pillars. Solidarity actions directly related to health were added, which once again sought to make the best contribution to society in the current adverse pandemic context, and to cooperate through various initiatives, with the highest sense of social responsibility.

### 4.5.2 Social and health patronage

Helping organisations that are active in social support in diverse areas such as fighting poverty, social exclusion and health, among others, is the tagline of the novobanco Solidarity Programme.

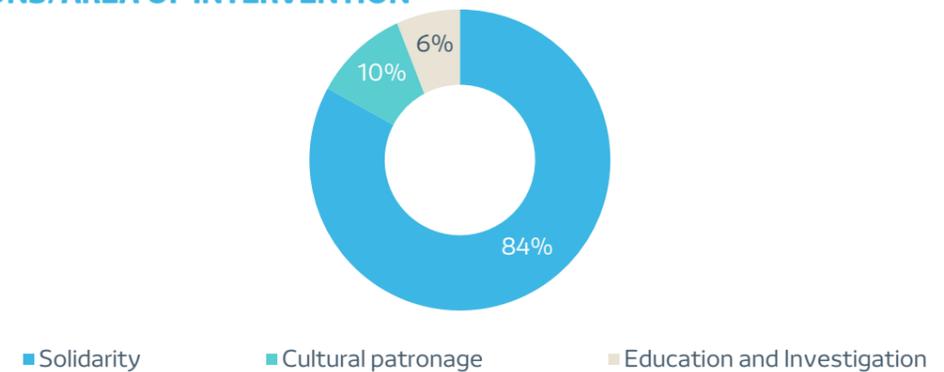
novobanco assumes its responsibility in supporting the most destitute communities, whether the needs are social, emotional or cultural, and regardless of their cause.

The bank works in partnership with social solidarity institutions with the aim of mitigating these inequalities through various initiatives, among which the following stand out:



### DONATIONS/AREA OF INTERVENTION (%)

(%)



### Global Response to Covid-19

novobanco joined the initiative "Global Response to Covid-19", with a donation of 500 thousand euros to accelerate the development, production and equitable access to vaccines, diagnostics and treatments for Covid-19. novobanco directed its donation to the WHO Foundation, an independent global health foundation that collaborates directly with the World Health Organization. The bank's donations went towards the distribution of vaccines in developing countries.

### All Together ("Todos Juntos")

This initiative brought together 10 banks from the Portuguese financial system and more than 30 companies to support families in need. Under the motto #TodosJuntos (All Together), the initiative raised more than 2.5 million euros to provide immediate help to the most vulnerable people and families in the context of the crisis caused by the pandemic. The total amount raised allowed the purchase of basic foodstuffs (milk, cereals, rice, olive oil, beans, pasta, tuna, etc.), with 20% going towards supporting families' medicine needs.

The distribution of goods was carried out by the Food Emergency Network, an initiative launched by ENTRAJUDA, coordinated by the Food Banks and involving around 2,700 institutions and entities throughout the country, ensuring a desirable diversity of beneficiaries and national distribution (mainland and autonomous regions).

### Collection of goods in the auditoriums of novobanco's Masters Branches

For Christmas 2021, novobanco wanted to be closer to the community where it develops its activity. Bringing together the solidarity of employees and clients in a single initiative, novobanco made its Master branches from north to south of the country available to collect food, clothing and toys for 10 local Private Social Solidarity Institutions (IPSS) that are customers of novobanco.

### novobanco employees' Christmas Constellation

The Christmas festivities at novobanco Group start with the usual internal solidarity action. After a selection process open to all employees, the initiative promoted by Make-a-Wish was selected. Under the motto "let's build the biggest Christmas constellation", in six hours the employees donated the

necessary amount to fulfil the wish of a sick child or young person. The wave of internal solidarity, which the Bank joined, made three wishes come true.

### Quality of Life Action

novobanco was once again present in the Quality-of-Life Action of the Associação Salvador, an IPSS that operates in the area of motor disability, which already has 14 editions. In 2021, 43 people with reduced mobility (from a total of 75 applications received) were supported with a total amount of approximately 130 thousand euros, in three categories - home works, training and employment, and adapted sports equipment. novobanco is a patron of Associação Salvador and has been associated with this project since its first edition, which over 14 years has supported more than 500 people with reduced mobility with more than 1.5 million euros.

### Acreditar

Novobanco annually finances one of the 12 rooms of the Acreditar Association's home in Lisbon. The Acreditar Association is an IPSS whose mission is to "treat children and young people with cancer and not only the cancer in children and young people", promoting their quality of life and that of their families. By financing one of the rooms of the Lisbon home, referenced by the hospital Social Service, we annually enable several children who have to leave their area of residence for oncological treatment in Lisbon to live with their family.

## 4.5.3 Cultural Patronage

Even in the context of a pandemic, novobanco pursued its strategy of cultural patronage, namely focusing on its novobanco Cultura programme, under which it lent works from its paintings collection to various Museums. In 2021, the bank lent 16 works, increasing to 93 the number of its works now on permanent exhibition in 36 Museums around the country. The bank also publishes in its platform a road map to various regions and museums in the country, where the works of the novobanco Painting Collection can be visited.

The novobanco Photography Collection with about 1,000 emblematic works from all over the world, by more than 300 artists from 38 nationalities, is one of the most important photography collections in the world and the only corporate collection representing Portugal.

In 2021, the photography collection in partnership with the Faro Museum launched the exhibition catalogue "Território Solar" (Solar Territory) with works from the collection. The Collection is represented at the Nova SBE University campus in Carcavelos with an exhibition of works the artist Vik Muniz, who portrays national personalities of international dimension such as José Saramago, Amália Rodrigues and Cristiano Ronaldo.

In order to innovate and foster engagement with society and proximity with the clients and the local communities all over the country, the bank developed a project in partnership with Valter Vinagre, a renowned Portuguese artist included in the photography collection, to decorate 17 branches of the commercial network with 31 reproductions of his photographic works, thus taking to its branch network another dimension, the art of contemporary photography.

In 2021, as a founding member of the IACCCA International Association of Corporate Collections of Contemporary Art, which brings together curators of more than 50 corporate collections from around the world and represents more than 150,000 works of art, the bank's photography collection joins the project to develop the catalogue "Art in Time of Ecological Disruption". Once again novobanco's photography collection stands out, ranking second in the number of works and texts selected to integrate this catalogue, to be published in 2022.

## 4.5.4 Educational Patronage

With the creation of the Financial Literacy Programme, novobanco assumes its role as an institution that bases its positioning and management on principles of sustainability and corporate citizenship, contributing to train a new generation of consumers of financial services that is increasingly informed and has greater power of analysis and decision. In this context, the bank's financial literacy intervention is based on 4 pillars:



## FINANCIAL LITERACY PROGRAMME

### DIGITAL LITERACY PROGRAMME WITH THE APB (PORTUGUESE BANKING ASSOCIATION)

Digital Financial Education Project of the Portuguese Banking Association (APB) and its members that promotes clarification sessions on the basics of using the banks' digital channels to carry out essential day-to-day operations, aimed at the general public and senior citizens.

### PEDAGOGICAL PROCESS PORTUGUESE MATHEMATICS OLYMPIADS

Pedagogical project that appeals to the quality of students' reasoning, creativity and imagination. One of the competition's objectives is the early detection of scientific vocations and, in particular, for Mathematics.

### COMMERCIAL OFFER

Adaptation of savings products to customers' realities, with emphasis on savings products tailored to each person's unique family budget.

### PERSONAL FINANCE AND FAMILY BUDGET

Application that makes it easy to monitor and manage the monthly budget at the touch of a finger.

# 5.0 PERFORMANCE INDICATORS

5.1 Environment  
5.2 Social  
5.3 Governance



**Rui Duarte**  
South Retail Department - Senior Business Client Manager



# 5.1 ENVIRONMENT

Environmental Indicators - Materials consumed	2021	2020	21 vs 20
White paper			
Internal use (tonnes)	155.2	208.3	-25.5%
Paper for Internal use (Kg/employee)	37.0	45.0	-18.6%
Forms - printing and finishing area (tonnes) <sup>1</sup>	100.1	112.9	12.8%
<b>IT and electronic consumables</b>			
Toner cartridges (units) <sup>2</sup>	25	25	0.0%
Ink cartridges (units) <sup>2</sup>	16	42	-61.9%
Bands (units) <sup>2</sup>	22.0	1 073.0	-97.9%
DVD/CDRom (units) <sup>2</sup>	820	1 630	-49.7%
Batteries	2 144	2 496	-14.1%
<b>Environmental Indicators - Energy</b>			
Electricity consumption (kWh)	16 296 473.1	21 181 218.0	-23.1%
Total electricity consumption (GJ)	58 667.3	76 252.4	-23.1%
Electricity consumption (kWh/employee)	3 886.6	4 622.7	-15.9%
Diesel <sup>3</sup>			
Generator diesel consumption (litres) <sup>4</sup>	504.2	400.0	26.1%
Generator diesel consumption (GJ) <sup>4</sup>	18.2	14.4	26.1%
Vehicles diesel consumption (litres)	1 620 056.6	1 680 495.6	-3.6%
Vehicles diesel consumption (GJ)	58 244.3	60 417.2	-3.6%
Gasoline			
Vehicles gasoline consumption (litres)	840.0	840.0	0.0%
Vehicles gasoline consumption (GJ)	27.5	27.5	0.0%
<b>Total energy consumption (GJ)</b>	<b>116 957.3</b>	<b>136 711.5</b>	<b>-14.4%</b>
<b>Total energy consumption per employee (GJ)</b>	<b>27.9</b>	<b>29.8</b>	<b>-6.5%</b>
<b>Trips</b>			
Number of vehicles	957	987	-3.0%
Number of flights	517	463	11.7%

1) novobanco  
 2) novobanco and novobanco dos Açores  
 3) Diesel consumption is an estimate based on the number of hours generators were operating  
 4) novobanco, Banco Best and GNBGA

Environmental Indicators - Emissions (tCO <sub>2</sub> e)*	2021	2020	21 vs 20
<b>Direct emissions (Scope 1)</b>	<b>4 313.1</b>	<b>4 888.3</b>	<b>-11.6%</b>
Emissions from trips in company cars	4311.8	4 472.6	-3.6%
Emissions from emergency generators	1.3	1.1	18.2%
Emissions from leaks of fluorinated gases **	0	406.6	-
<b>Indirect emissions (Scope 2)***</b>	<b>2 937.5</b>	<b>4 490.3</b>	<b>-34.6%</b>
Emissions from the production of electricity purchased (market-based method)	2 937.5	4 490.3	-43.6%
Emissions from the production of electricity purchased (Location based method)	2 386.5	3 757.9	-36.5%
<b>Total (Scopes 1 and 2)</b>	<b>7 250.6</b>	<b>9 370.5</b>	<b>-22.6%</b>
<b>Indirect emissions (Scope 3)</b>	<b>4 184.2</b>	<b>4 663.2</b>	<b>-10.3%</b>
Emissions from Employees' business trips, including flights	149.4	186.6	-19.9%
Emissions from employees' home/ work daily trips	3 909.8	4 323.1	-9.6%
Emissions from wastewater treatment	33.5	41.2	-18.7%
Emissions over the life cycle of the paper consumed	76.6	96.4	-20.5%
Emissions from the paper recycling process	3.9	3.6	-9.3%
Emissions from water consumption	11.0	12.4	-11.3%
<b>Total (Scopes 1, 2 and 3)</b>	<b>11 434.8</b>	<b>14 033.8</b>	<b>-18.5%</b>

\*See methodological notes in GRI table.

\*\* 2021 value not yet determined

\*\*\*Scope 2 calculation by location-based method since 2018 only. The Total (A1+A2) was calculated using the Market-Based approach.

Environmental Indicators - Water consumption	2021	2020	21 vs 20
Water consumption from public supply network (m <sup>3</sup> )	41 355.1	46 772.6	-11.6%
Water consumption per employee (m <sup>3</sup> /employee)	9.9	10.2	-3.4%

Environmental Indicators - Waste management	2021	2020	21 vs 20
Paper sent for recycling (tonnes)	117.4	106.1	10.7%
Cardboard sent for recycling (tonnes)	66.3	61.3	8.1%
<b>Total Paper and Cardboard</b>	<b>183.7</b>	<b>167.4</b>	<b>9.7%</b>
Toner cartridges sent for recycling (units)	5 944	8 322	-28.6%
Ink cartridges (units)	na	na	-
Bands (units)	na	na	-
DVD/CDRom (units)	na	na	-
Batteries	na	na	-
<b>Total IT and electronic consumables collected (units)</b>	<b>5 944</b>	<b>8 322</b>	<b>-28.6%</b>

## 5.2 SOCIAL

Employees	2021	2020	21 vs 20
<b>Total</b>	<b>4 193</b>	<b>4 582</b>	<b>-8.5%</b>
Men	1 944	2 159	-10.0%
	46.4%	47.1%	-0.7 p.p.
Women	2 249	2 423	-7.2%
	53.6%	52.9%	-0.7 p.p.

Employee distribution by gender and professional category	2021	2020	21 vs 20
<b>Total</b>	<b>4 193</b>	<b>4 582</b>	<b>-8.5%</b>
Men	1 944	2 159	-10.0%
Women	2 249	2 423	-7.2%
<b>Management</b>			
<b>Total</b>	<b>472</b>	<b>472</b>	<b>0.0%</b>
Men	301	299	0.7%
Weight in total male employees	7.2%	6.5%	0.7 p.p.
Women	171	173	-1.2%
Weight in total female employees	4.1%	3.8%	0.3 p.p.
< 30 years old	2	2	0.0%
30 to 50 years old	292	322	-9.3%
> 50 years old	178	148	20.3%
<b>Heads of Department</b>			
<b>Total</b>	<b>461</b>	<b>513</b>	<b>-10.1%</b>
Men	257	291	-11.7%
Peso no total de colaboradores masculinos	6.1%	6.4%	-0.3 p.p.
Women	204	222	-8.1%
Weight in total female employees	4.9%	4.8%	0.1 p.p.
< 30 years old	0	0	-
30 to 50 years old	346	387	-10.6%
> 50 years old	115	126	-8.7%
<b>Specific</b>			
<b>Total</b>	<b>1 973</b>	<b>2 176</b>	<b>90.7%</b>
Men	891	985	-9.5%
Peso no total de colaboradores masculinos	21.2%	21.5%	-0.3 p.p.
Women	1 082	1 191	-9.2%
Weight in total female employees	25.8%	26.0%	-0.2 p.p.
< 30 years old	111	122	-9.0%
30 to 50 years old	1 459	1 658	-12.0%
> 50 years old	403	396	1.8%

Employee distribution by gender and professional category	2021	2020	21 vs 20
<b>Administrative</b>			
<b>Total</b>	<b>1 279</b>	<b>1 413</b>	<b>-9.5%</b>
Men	487	576	-15.5%
Peso no total de colaboradores masculinos	11.6%	12.6%	-1.0 p.p.
Women	792	837	-5.4%
Weight in total female employees	18.9%	18.3%	0.6 p.p.
< 30 years old	61	115	-47.0%
30 to 50 years old	831	865	-3.9%
> 50 years old	387	433	-10.6%
<b>Auxiliary</b>			
<b>Total</b>	<b>8</b>	<b>8</b>	<b>0.0%</b>
Men	8	8	0.0%
Peso no total de colaboradores masculinos	0.2%	0.2%	0.0 p.p.
Women	0	0	-
Weight in total female employees	-	-	-
< 30 years old	0	0	-
30 to 50 years old	4	4	0.0%
> 50 years old	4	4	0.0%

Employment contract	2021	2020	21 vs 20
<b>Total permanent workforce</b>	<b>4 153</b>	<b>4 417</b>	<b>-6.0%</b>
Men	1 929	2 088	-7.6%
Women	2 224	2 329	-4.5%
<b>Total Fixed-term Employees</b>	<b>40</b>	<b>165</b>	<b>-75.8%</b>
Men	15	71	-78.9%
Women	25	94	-73.4%
<b>Total</b>	<b>4 193</b>	<b>4 582</b>	<b>-8.5%</b>
Men	1 944	2 159	-10.0%
Women	2 249	2 423	-7.2%

Staff Turnover (%)	2021	2020	21 vs 20
<b>Total</b>	<b>6.2%</b>	<b>7.3%</b>	<b>-0.9 p.p.</b>
Men	3.5%	4.1%	-0.6 p.p.
Women	2.7%	3.2%	-0.5 p.p.
Age bracket			
< 30 years old	1.1%	1.8%	-0.7 p.p.
30 to 50 years old	2.3%	3.2%	-0.9 p.p.
> 50 years old	2.8%	2.8%	0.0%

Admissions and resignations	2021		2020		20 vs 21	
	Admissions	Departures	Admissions	Departures	Admissions	Departures
<b>Total</b>	<b>66</b>	<b>455</b>	<b>192</b>	<b>479</b>	<b>-65.6%</b>	<b>-5.0%</b>
Gender						
Men	39	254	98	276	-60.2%	-8.0%
Women	27	201	94	203	-71.3%	-1.0%
<b>Age bracket</b>						
< 30 years old	27	68	135	28	-80.0%	142.9%
30 to 50 years old	34	156	53	202	-35.8%	-22.8%
> 50 years old	5	231	4	249	25.0%	-7.2%

Training hours / employee	2021		2020		20 vs 21	
	Total	Average per employee	Total	Average per employee	Total	Average per employee
<b>Total</b>	<b>179 294</b>	<b>42.8</b>	<b>196 958</b>	<b>43.0</b>	<b>-8.6%</b>	<b>-0.2%</b>
Gender						
Men	79 999	41.2	89 359	41.4	-10.5%	-0.6%
Women	99 295	44.2	107 600	44.4	-7.7%	-0.6%
<b>Professional Category</b>						
<b>Management</b>	<b>9 372</b>	<b>19.9</b>	<b>9 297</b>	<b>19.7</b>	<b>0.8%</b>	<b>0.8%</b>
Men	5 838	19.4	5 690	19.0	2.6%	1.9%
Women	3 534	20.7	3 607	20.8	-2.0%	-0.9%
<b>Heads of Department</b>	<b>9 914</b>	<b>21.5</b>	<b>8 217</b>	<b>16.0</b>	<b>20.7%</b>	<b>34.3%</b>
Men	5 436	21.2	4 758	16.4	14.2%	29.4%
Women	4 478	22.0	3 460	15.6	29.4%	40.8%
<b>Specific</b>	<b>94 958</b>	<b>48.1</b>	<b>99 218</b>	<b>45.6</b>	<b>-4.3%</b>	<b>5.6%</b>
Men	43 078	48.3	46 210	46.9	-7%	3.1%
Women	51 880	47.9	53 008	44.5	-2.1%	7.7%
<b>Administrative</b>	<b>65 049</b>	<b>50.9</b>	<b>80 226</b>	<b>56.8</b>	<b>-18.9%</b>	<b>-10.4%</b>
Men	25 647	52.7	32 701	56.8	-21.6%	-7.2%
Women	39 403	49.8	47 525	56.8	-17.1%	-12.4%
<b>Auxiliary</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>

Parental Leave	2021		2020		20 vs 21	
	Men	Women	Men	Women	Men	Women
Employees who took parental leave	39	88	82	130	-52.4%	-32.3%
Employees who returned to work after parental leave ended	39	50	82	85	-52.4%	-41.2%
Employees who returned to work after parental leave ended and remained in service after 12 months.			74	116	-	-
Return to work rate	100.0%	56.8%	100%	65.4%	0.0 p.p.	-8.6 p.p.
Retention rate after 12 months of work			90.2%	89.3%	-	-

Health Services	2021	2020	21 vs 20
<b>Occupational Health - Occupational Medicine</b>			
Medical Exams	3 007	1 508	99.4%
<b>General Practice Consultations</b>	7 597	8 345	-9.0%
Curative Medicine consultations and prescriptions	11 952	9 444	26.6%
<b>Consultations in other medical specialities</b>			
Mental health consultations (psychology and psychiatry)	928	751	23.6%
Nutrition Consultations	383	348	10.1%
<b>Nursing</b>			
Total procedures (treatments, vaccination, medication, ECG)	6 772	5 760	17.6%
<b>Risk Prevention and Control Programmes</b>			
Cardiovascular screening	2 408	1 100	118.9%
Cancer screening	724	354	104.5%
Vision screening	2 674	1 212	120.6%
Executive Check-up (for senior executives)	186	86	116.3%

Health and Safety Indicators	2021	2020	21 vs 20
<b>Work related accidents</b>	<b>27</b>	<b>29</b>	<b>-6.9%</b>
Men	10	11	-9.1%
Women	17	18	-5.6%
<b>Occupational diseases</b>	-	-	-
Men	-	-	-
Women	-	-	-
<b>Deaths</b>	<b>0</b>	<b>0</b>	-
Men	0	0	-
Women	0	0	-
<b>Accident rate</b>	<b>3.8%</b>	<b>2.8%</b>	<b>1.0 p.p.</b>
Men	3.0%	2.8%	0.2 p.p.
Women	4.6%	4.3%	0.3 p.p.
<b>Lost days rate</b>	<b>0.05%</b>	<b>0.05%</b>	<b>0.0 p.p.</b>
Men	0.04%	0.03%	0.01 p.p.
Women	0.04%	0.07%	-0.03 p.p.
<b>Absenteeism rate</b>	<b>3.2%</b>	<b>4.5%</b>	<b>-1.3 p.p.</b>
Men	2.3%	2.7%	-0.4 p.p.
Women	3.9%	6.1%	-2.2 p.p.

Health and Safety Indicators	2021	2020	21 vs 20
<b>Training in occupational health and safety</b>			
No. health training hours	29	50.0	-42.0%
No. safety training hours	520.5	1 292.1	-59.7%
<b>No. of hours of health awareness promotion</b>	<b>2 938.0</b>	<b>1 085.0</b>	<b>170.8%</b>
Number of safety audits to the premises	107	155	-31.0%
Number of ergonomic assessments	2	2	0.0%
No. of expert identifications and risk assessment of activities (IPAR)	150	110	36.4%
No. of thermal environment assessments	1	1	0.0%
No. of indoor air quality assessments	0	1	-100.0%
No. of lighting assessments	0	6	-100.0%
Other (Work Accident Analysis)	6	13	-53.8%

Employee Benefits	2021	2020	21 vs 20
<b>Education support</b>			
Early childhood benefits	398	436	-8.7%
	€454 382.08	€511 639.91	-11.2%
School grants	224	262	-14.5%
	€164 119.40	€192 834.66	-14.9%
Support to children and youths with special needs	91	81	12.3%
	€87 440.00	€79 940.00	9.4%
Christmas present	3 171	2 324	36.4%
	€126 840.00	€120 960.00	4.9%
<b>Support to retired employees</b>	<b>€124 720.00</b>	<b>€108 640.00</b>	<b>14.8%</b>
Expenses with senior residences, day-care centres, home support, medicines and other basic necessities.	68	60	13.3%
<b>Under the ACT (Collective wage agreement)</b>			
Residential mortgage loans	€15 799 862.00	€15 811 993.00	-0.1%
Acquisition of consumer goods	€2 033 351.04	€2 597 801.00	-21.7%
In portfolio:			
Residential mortgage loans	€260 419 116.70	€276 094 383.00	-5.7%
Individual Loans	€11 436 868.20	€13 538 205.00	-15.5%

## 5.3 GOVERNANCE

Gender Equality - (under-represented gender %)	2021	2020	21 vs 20
Board of Directors and 1st line managers (under-represented gender)	25.6%	26.5%	-0.9 p.p.
Management staff	36.2%	36.7%	-0.5 p.p.
Pay gap	10.1%	9.4%	-0.7 p.p.
Ratio of women's total remuneration to men's total remuneration per employee category			
Management	0.88	0.87	1 p.p.
Heads of Department	0.97	0.95	2 p.p.
Specific	0.90	0.89	1 p.p.
Administrative	0.90	0.89	1 p.p.
Auxiliary	0	0	-
<b>Total</b>	<b>0.78</b>	<b>0.76</b>	<b>2 p.p.</b>

Sustainability scoring (%)	2021	2020	21 vs 20
Suppliers that endorsed novobanco Group's relationship principles and have a sustainability scoring (%)	52%	41%	11 p.p.



# 6.0 ABOUT THIS REPORT

6.1 Methodological notes

6.2 GRI Table

6.3 Independent Limited Assurance Report



**Sandra Catarino**  
Risk Department - Area Manager

This report describes the manner in which the novobanco Group approaches sustainability in the management of its activity, in its involvement with employees and clients, in carrying out sustainable business and in ensuring responsible conduct. It also details the Group’s sustainability performance in the last two years.

This report was drawn up in accordance with the Global Reporting Initiative (GRI) model, standard option. The GRI table is available in the Bank’s website, at: NOVO BANCO/Institutional/Sustainability/Sustainability Report. This report, which under the terms of Article 508-G of the Commercial Companies Code constitutes the Non-Financial Statement of the novobanco Group, is also drawn up for compliance with the legal requirements introduced by Decree-Law no. 89/2017, of 28 July.

Ernst & Young, Audit & Associados, SROC, SA has provided independent assurance to this sustainability

performance, considering that the relevant indicators were reported in accordance with the GRI sustainability reporting standards and with Decree-Law no. 89/2017, as can be seen on pages XX and XX.

The 2021 Sustainability Report complements and details the information contained in the 2021 Annual Report, providing evidence that sustainability is an integral part of the Bank’s strategy.

In order to continue to progress and improve its performance, NOVO BANCO takes into account the concerns and suggestions of its stakeholders. To this end, any questions, comments or suggestions may be sent to the following email address:

sustentabilidade@novobanco.

## 6.1 METHODOLOGICAL NOTES

SOCIAL INDICATORS	
<b>Staff Turnover</b>	$((\text{Number of admissions} + \text{departures} / 2) \text{ total employees})^2$
<b>New hires rate</b>	New hires in 2021/total number of employees in 2021
<b>Accident Rate</b>	Number of accidents at work/Hours worked*1000000
<b>Absenteeism Rate</b>	Number of absences (without maternity / paternity leave)/Possible working hours*100
<b>Return to Work Rate</b>	* Employees who returned to work after parental leave ended and remained in service after 12 months, based on the number of returns in 2021
<b>Average training hours per gender</b>	Total number of training hours per gender/Total number of employees in each gender
<b>Average training hours per professional category</b>	Total number of training hours per professional category/Total number of employees in each category
<b>Remuneration ratio</b>	Ratio of average base remuneration and average total remuneration of women to men by employee category - (women remuneration / men remuneration)*100
<b>Social Dividend #NB Equal Gender and #NB Work &amp; Life</b>	Amount reached in December 2021 - baseline value 2016/target set for 2020 - baseline value 2016 The methodology for the Home office, Early Friday/ Late Monday and purchase of holidays initiatives was changed in 20199. In the previous methodology, no account was taken of the employees who used the initiatives, regardless of the year in which the benefit was used. From 2020 and with the new methodology only repetitions within the same year are excluded. This new calculation formula is justified by the extended monitoring period of the indicators.
<b>Branches located in low density areas.</b>	Number of branches located in the 165 low-density municipalities identified by Deliberation 55/2015 of the Interministerial Commission for Coordination, Portugal 2020
<b>Economic value distributed</b>	General and administrative expenses + Staff Costs+ Taxes + donations
ENVIRONMENTAL INDICATORS	
<b>Electricity</b>	Amount calculated directly from EDP records and billing
<b>Generators diesel</b>	Diesel consumption in 2021 is an estimate based on the number of hours generators were operating.
<b>Water</b>	Estimate based on real water consumption in 100% of the central buildings and 48% of the branches.
<b>Social Dividend   NB Environment</b>	Amount reached in December 2021 - baseline value 2016/target set for 2020 - baseline value 2016

<p><b>Energy</b>  <b>PCI diesel (road)</b>  <b>Density of diesel (generators)</b>  <b>PCI Propane gas (LPG) and Natural gas</b>  <b>Electricity</b></p>	<p>The following formula was used to calculate direct energy consumption (fuel consumption) in GJ: Fuel consumption (l) * PCIX * Density X/1000, using the following conversion factors:  42.8 GJ/t (Source: Order No. 17313/2008 (SGCIE))  0.84 (Source: DGEG 2017, data for 21-09-2019)  46.65 GJ/t (Source: APA 2013 - https://apambiente.pt/_zdata/DPAAC/CELE/tabela_PCI_FE_FO_2013.pdf)  conversion:1 kWh = 0.0036 GJ (Source: International Energy Agency and GRI)</p>
<p><b>CO<sub>2</sub> Emissions Scope 1</b></p>	<p>The following formula was used to calculate direct energy consumption (fuel consumption) in GJ: Fuel consumption (l) * PCIX * Density X/1000, using the following conversion factors:</p> <ul style="list-style-type: none"> <li>• PCI diesel (generators) - 43.07 GJ/ (Source: APA - Fuel density values to be used under the EU ETS)</li> <li>• Density of diesel (generators) - 0.837 kg/l Source: APA - Fuel density values to be used under the EU ETS)</li> <li>• It also takes into account the following emission factors and parameters used to calculate Greenhouse Gases (GHG) emissions:</li> <li>• Light vehicle, petrol, engine cubic capacity &lt; 1 400 cm<sup>3</sup> 0.173 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools, 2017)</li> <li>• Light vehicle, petrol, engine cubic capacity 1 400 and &lt; 2000 cm<sup>3</sup> - 0.215 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools, 2017)</li> <li>• Light vehicle, petrol, engine cubic capacity ≥ 2000 cm<sup>3</sup> - 0.299 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools, 2017)</li> <li>• Light vehicle, diesel, engine cubic capacity &lt; 2 000 cm<sup>3</sup> - 0.181 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools, 2017)</li> <li>• Light vehicle, diesel, engine cubic capacity ≥ 2 000 cm<sup>3</sup> - 0.245 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools, 2017)</li> <li>• Hybrid vehicle - 0.144 kg CO<sub>2</sub>e/km (Source: APA - NIR 2020)</li> <li>• Electric vehicle - 0.018 kg kg CO<sub>2</sub>e/km (consumption - 13.3 kW/100 km) (Source: APREN, 2020)</li> </ul>
<p><b>CO<sub>2</sub> Emissions Scope 2</b></p>	<p>The following conversion factor was used to convert indirect electricity consumption to GJ: 1 kWh = 0.0036 GJ  Electricity consumption was calculated using the following formula: Emission = Consumption X * Emission factor (EF)X  It also takes into account the following emission factors and parameters used to calculate GHG emissions:</p> <ul style="list-style-type: none"> <li>• Electricity production mainland - market based method - 0.134 kg CO<sub>2</sub>e/kWh (Source: EDP 2019 Sustainability Report)</li> <li>• Electricity production mainland - location based method - 0.457 kg CO<sub>2</sub>e/kWh (Source: APREN, 2020 energy mix)</li> <li>• Electricity production in Madeira - location and market-based methods - 0.487 kg CO<sub>2</sub>e/kWh (Source: EE Madeira 2019)</li> </ul>
<p><b>CO<sub>2</sub> Emissions Scope 3</b></p>	<p>The calculation includes the emissions resulting from employees' business trips and home/work/home (HWH) trips, using the following formula: Emission = Trip (km) X * EFX  It also takes into account the following emission factors and parameters used to calculate GHG emissions:</p> <ul style="list-style-type: none"> <li>• Diesel vehicle - 0.210 kg CO<sub>2</sub>e/km (Source: APA - NIR 2020)</li> <li>• Petrol vehicle - 0.209 kg CO<sub>2</sub>e/km (Source: APA - NIR 2020)</li> <li>• LPG vehicle - 0.193 kg CO<sub>2</sub>e/km (Source: APA - NIR 2020)</li> <li>• Hybrid vehicle - 0.144 kg CO<sub>2</sub>e/km (Source: APA - NIR 2020)</li> <li>• Electric vehicle - 0.018 kg CO<sub>2</sub>e/km (consumption - 13.3 kW/100 km) (Source: APREN 2020)</li> <li>• Bus - 0.102 kg CO<sub>2</sub>e/km (Source: DEFRA 2020); 1.420 kg CO<sub>2</sub>e/km (Source: STCP 2011) and 0.115 kg CO<sub>2</sub>e/km (Source: Carris 2019)</li> <li>• Subway - 0.0467kg CO<sub>2</sub>e (Source: Metro Lisboa 2016) and km, 0.040 kg CO<sub>2</sub>e/km (Source: Metro do Porto 2018)</li> <li>• Train - 0.0157 kg CO<sub>2</sub>e/km (Source: CP 2019) and 0.021 kg CO<sub>2</sub>e/km (Source: Fertagus 2013/2014)</li> <li>• Ferry - 0.190 CO<sub>2</sub>e/km (Source: Transtejo+Soflusa, 2014)</li> <li>• Motorcycle (petrol) - 0.133 kg CO<sub>2</sub>e/km (Source: APA - NIR 2020)</li> <li>• Motorcycle (electric) - 0.012 kg kg CO<sub>2</sub>e/km (consumption - 9 kW/100 km) (Source: APREN 2020)</li> <li>• Plane emission = Trip (Krm) X * EFX * Takeoff factor * RFI2</li> <li>• It also takes into account the following emission factors and parameters used to calculate GHG emissions:</li> <li>• Plane, Domestic flight FE CO<sub>2</sub> - 0.17147 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools 2017)</li> <li>• Plane, short-distance flight FE CO<sub>2</sub> - 0.09700 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools 2017)</li> <li>• Plane, long-distance flight FE CO<sub>2</sub> - 0.11319 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools 2017)</li> <li>• Plane, domestic flight FE CH<sub>4</sub> - 0.0001 kg CO<sub>2</sub>e/km (Source: DEFRA 2020)</li> <li>• Plane, short-distance flight FE CH<sub>4</sub> - 0.00001 kg CO<sub>2</sub>e/km (Source: DEFRA 2020)</li> <li>• Plane, long-distance flight FE CH<sub>4</sub> - 0.00001 kg CO<sub>2</sub>e/km (Source: DEFRA 2020)</li> <li>• Plane, domestic flight FE N<sub>2</sub>O - 0.00002 kg CO<sub>2</sub>e/km (Source: DEFRA 2020)</li> <li>• Plane, short-distance flight FE N<sub>2</sub>O - 0.00076 kg CO<sub>2</sub>e/km (Source: DEFRA 2020)</li> <li>• Plane, long-distance flight FE N<sub>2</sub>O - 0.00095 kg CO<sub>2</sub>e/km (Source: DEFRA 2020)</li> <li>• Takeoff factor - 109% (Source: DEFRA/IPCC 1999)</li> <li>• RFI - 1.9% (Source: DEFRA/IPCC 1999)</li> <li>• The calculation of GHG emissions from wastewater treatment also takes into account the following emission factors and parameters: 0.0019 kgCH<sub>4</sub>/per day (8-hour working day; employees in-office workdays in 2020), with the following factors: <ul style="list-style-type: none"> <li>• Global Warming Potential (GWP) CO<sub>2</sub> - 1</li> <li>• GWP CH<sub>4</sub> - 28</li> <li>• GWP N<sub>2</sub>O - 265</li> </ul> </li> <li>• The calculation of emissions associated with paper consumption, treatment of paper sent for recycling and water consumption also considers the following emission factors: <ul style="list-style-type: none"> <li>• Paper life cycle - 0.3 t CO<sub>2</sub>e/t paper consumed (Source: CEPI - Key Statistics 2019)</li> <li>• Paper recycling: - 0.0213 kg CO<sub>2</sub>e/ kg of paper sent for recycling (Source: DEFRA 2020)</li> <li>• Water consumption - 0.265 kg CO<sub>2</sub>e/m<sup>3</sup> of water collected (Source: EPAL 2017)</li> </ul> </li> </ul>

CLIENT INDICATORS	
<b>Customer service</b>	The weight of customers very satisfied with the service is measured by the % of responses of 8 to 10 on a scale of 1 to 10
<b>Global satisfaction</b>	The weight of customers very satisfied with the Bank is measured by the % of responses of 8 to 10 on a scale of 1 to 10
<b>Confidence</b>	The confidence index corresponds to the average of responses on a scale of 0 to 10, with the average being converted into an index of 0 to 100
<b>Net Promoter Score</b>	The Net Promoter Score is calculated based on the recommendation intention, as the difference between the % of promoters and the % of detractors The % of promoters corresponds to the % of responses of 9 to 10 on a scale of 0 to 10 The % of detractors corresponds to the % of responses of 0 to 6 on a scale of 0 to 10
<b>Very Satisfied Clients</b>	The weight of very satisfied clients is measured by the % of responses of 8 to 10 on a scale of 1 to 10
<b>Complaint rate per 1000 active clients</b>	Number of existing complaints divided by the number of active clients, with active clients considered as those that used the Bank's service in the last 3 months.

## 6.2 GRI TABLE

GENERAL DISCLOSURES		Page in the Report	SDG	GC Principles	Omissions	Scope
<b>ORGANISATIONAL PROFILE</b>						
<b>102-1</b>	Name of the organisation	AR- page 2				
<b>102-2</b>	Main brands, products, and services	SR – pages 112-118 MR – pages 14-16; 25-29; 43-47. Institutional website, product and corporate				
<b>102-3</b>	Location of headquarters	AR - page 2.				
<b>102-4</b>	Number of countries where the organisation operates, and the names of countries where it has significant Operations and/or that are relevant to the topics covered in the report.	SR – page 94 The 2021 Sustainability Report covers the novobanco Group – novobanco, novobanco dos Açores, Banco Best and GNBGA. MR – pages 43-47. FS – page 167.				
<b>102-5</b>	Ownership and legal form	FS - page 167				
<b>102-6</b>	Markets served: <ul style="list-style-type: none"> <li>geographic locations where products and services are offered;</li> <li>sectors served;</li> <li>types of customers and beneficiaries</li> </ul>	SR – pages 112-118 MR – pages 14-16; 25-29; 43-47. Institutional website, product and company The 2021 Sustainability Report covers the novobanco Group scope (novobanco, novobanco dos Açores, Banco Best and novobanco Gestão de Ativos Group), and the figures for the 2020 Sustainability Report were recalculated based on this scope. The information on employees reported in this report has the same scope as the Annual Report, i.e., it covers permanent employees, fixed-term contracts and employees on loan. The employees with the remaining employment contracts - interns, temporary workers and service providers - totalling 48 in 2021 - represent 0.01% of the group's total workforce.				

GENERAL DISCLOSURES		Page in the Report	SDG	GC Principles	Omissions	Scope
<b>OMRANISATIONAL PROFILE</b>						
102-7	Scale of the oMRanisation: <ul style="list-style-type: none"> <li>total number of employees;</li> <li>total number of operations;</li> <li>net sales;</li> <li>total capitalisation broken down in terms of debt and equity;</li> <li>quantity of products or services provided</li> </ul>	SR – pages 94; 112-118; 119;134. MR – pages - 13 and 22. FS - page 162-163.				
102-8	Total number of employees by employment contract (permanent and temporary), by gender and region	SR – pages 119-122; 134-135. MR – pages 13 and 23.	8	6		
102-9	A description of the oMRanisation’s supply chain, including its main elements as they relate to the oMRanisation’s activities, primary brands, products, and services	SR - page 125. Bank institutional website.				
102-10	Significant changes to the oMRanisation’s size, structure, ownSRhip, or supply chain during reporting period	Increase in the Bank’s share capital to the amount of 6,054,907,314.00 Euros. Increase of the Bank’s share capital to 6,054,907,314.00 euros. Shareholder Structure Nani Holdings S.G.P.S., S.A - 73.83% Fundo de Resolução (Resolution Fund) - 24.61% Directorate General for the Treasury and Finance - 1.56% MR- page 65.				
102-11	Precautionary Principle or approach	SR – pages 100-101. MR – pages 14-16; 25-29; 43-47.				
102-12	A list of externally-developed economic, environmental and social charteSR, principles, or other initiatives to which the oMRanisation subscribes, or which it endoSRes.	SR – pages 103; 128-130. Bank institutional website.				
102-13	A list of the main membeSRhips of industry or other associations, and national or international advocacy oMRanizations	SR - pages 103;128-130. Bank institutional website.				
<b>STRATEGY</b>						
102-14	A statement from the most senior decision-maker of the oMRanisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the oMRanisation and its strategy for addressing sustainability.	AR - pages 5-6.				
102-15	A description of key impacts, risks, and opportunities	SR – pages 100-102. MR – pages 14-16; 25-29; 43-47; 57-63.				
<b>ETHICS AND INTEGRITY</b>						
102-16	Values, principles, standards, and norms of behaviour.	SR – pages 105-107. MR – pages 12; 20-23; 65-79.	16	10		
102-17	A description of internal and external mechanisms for: seeking advice about ethical and lawful behaviour, and oMRanisation integrity; reporting concerns about unethical or unlawful behaviour, and oMRanisation integrity.	SR – pages 96-97; 107-123. MR – pages 12; 20-23; 65-79. Bank institutional website.	16	10		
<b>CORPORATE GOVERNANCE</b>						
102-18	Governance structure of the oMRanization, including committees of the highest governance body. Committees responsible for decision making on economic, environmental, and social topics.	SR – pages 105-107. MR – pages 12; 20-23; 65-79. Bank institutional website.				
102-19	Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.	SR – 105-107.				
102-20	Executive-level responsibility for economic, environmental, and social topics.	Chairman of the Executive Board of Directors SR – pages 105-107. MR- pages 12; 20-23; 65-79. Bank institutional website.				
102-21	Consulting stakeholdeSR on economic, environmental, and social topics	SR – pages 97-101. Bank institutional website.	16			
102-22	Composition of the highest governance body and its committees	SR – pages 105-107. MR- pages 12; 20-23; 65-79. Bank institutional website.	5, 16			
102-23	Whether the chair of the highest governance body is also an executive officer in the oMRanisation. If the chair is also an executive officer, describe his or her function within the oMRanisation’s management and the reasons for this arrangement.	SR – pages 105-107. MR- pages 12; 20-23; 65-79. Bank institutional website.	16			

GENERAL DISCLOSURES		Page in the Report	SDG	GC Principles	Omissions	Scope
102-24	Nomination and selection processes for the highest governance body and its committees and criteria used for nominating and selecting highest governance body members	MR- pages 12; 20-23; 65-79. Institutional website.	5, 16			
102-25	Processes for the highest governance body to ensure conflicts of interest are avoided and managed.	SR – page 107. MR- pages 12; 20-22; 71. Institutional website, Conflicts of Interest Policy.	16			
102-26	Highest governance body's and senior executives' roles in the development, approval, and updating of the oMRanisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.	The Chairman of the Executive Board of Directors and remaining members of the Executive Board of Directors and General and Supervisory Board who are part of the Sustainability Steering Committee, control and approve sustainability management on a monthly basis, based on the objectives defined for 2024. These objectives are monitored through an action plan and the coordination of teams appointed to implement both the E - pillar (ESG pillar) of the bank's strategy, and the Social Dividend model, with objectives defined for 2021, quarterly assessed. The social dividend aims to give back to the bank's employees and the community in general what the bank generates with its activity. These models and respective procedures ensure the alignment of sustainability performance across the Bank's various operations, through coordination of the initiatives with the officers appointed in each operation. SR – pages 105-107. MR- pages 12; 20-23; 65-79. Institutional website, Conflicts of Interest Policy.				
102-27	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.	Sustainability issues are submitted to the Chairman of the Executive Board of Directors and the members of the Executive Board of Directors who are part of the Sustainability Steering Committee on a monthly basis and whenever justified. SR – capítulo 3 Governance da sustentabilidade MR - pages 12; 20-23; 65-79. Institutional website, Conflicts of Interest Policy.	4			
102-28	Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics	The performance assessment processes, with regard to the identification of risks and opportunities in economic, social and environmental issues, are identified and managed by the Executive Board of Directors, Committees, Departments and subsequently submitted to the highest governance body and to the Chairman of the Executive Board of Directors. For more information see SR – pages 105-107. MR - pages 12; 20-23; 65-79. Institutional website.				
102-29	Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes.	SR – pages 105-107. MR – pages 65-79.	16			
102-30	Highest governance body's role in reviewing the effectiveness of the oMRanisation's risk management processes for economic, environmental, and social topics	SR – pages 105-107. MR –pages 58-64; 65-79.				
102-31	Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities	The Chairman of the Executive Board of Directors and the members of the Executive Board of Directors who are part of the Sustainability Steering Committee review the bank's sustainability performance on a monthly basis, including the key risks and opportunities. SR – pages 105-107. MR – pages 65-79.				
102-32	The highest committee or position that formally reviews and approves the oMRanisation's sustainability report and ensures that all material aspects are covered	The AR and the Sustainability Report are approved by the Executive Board of Directors and the General and Supervisory Board.				
102-33	Process for communicating critical concerns to the highest governance body.	SR – pages 105-107. MR – pages 65-79.				
102-34	Total number and nature of critical concerns that were communicated to the highest governance body.	SR – pages 105-107. MR – page 72. Institutional website - supervision committees and Irregularities Reporting policy Institutional website - supervision committees and Whistle-blowing Policy.				

GENERAL DISCLOSURES		Page in the Report	SDG	GC Principles	Omissions	Scope
102-35	a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: - Fixed pay and variable pay, including: • Performance-based pay • Equity-based pay (shares or share options) • Bonus • Deferred or vested shares • Sign-on bonuses or recruitment incentive payments • Termination payments • Clawbacks • Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees. b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.	SR – pages 105-107. MR – pages 74-79. Institutional website, Remuneration Policies.				
102-36	Process for determining remuneration.	SR – pages 105-107. MR – pages 74-79. Institutional website, Remuneration Policies.				
102-37	Stakeholder SR' opinions with regard to remuneration are requested and taken into account, including through voting on remuneration policies and proposals, when applicable.	SR – pages 98-100; 103-105. MR – pages 74-79. Institutional website, Remuneration Policies.				
102-38	Ratio of the annual total compensation for the oMRanisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	Median annual total compensation for all employees (excluding the highest-paid individual); €34 634.5. CEO total annual remuneration: €371 858.0 Change in CEO remuneration: 1.2% Ratio of the CEO total annual compensation to the median annual total compensation for all employees (excluding the highest-paid individual) 10.7%				
102-39	Ratio of the peARcentage increase in annual total compensation for the oMRanization's highest-paid individual in each country of significant operations to the median peARcentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	The wage increase in 2021, as per the Collective wage agreement, was 0.2%. Average remuneration: 3.7%				
<b>STAKEHOLDER INVOLVEMENT</b>						
102-40	List of stakeholder groups	SR – pages 97;103; 108-126; 129-130.				
102-41	PeARcentage of total employees covered by collective baMRaining agreements	SR – pages 97;103; 108-126; 129-130.	8	3		
102-42	Identifying and selecting stakeholdeSR	SR – pages 97;103; 108-126; 129-130.				
102-43	Approach to stakeholder engagement	SR – pages 97;103; 108-126; 129-130.				
102-44	Key topics and concerns that have been raised through stakeholder engagement, including how the oMRanization has responded to those key topics and concerns	SR – pages 97;103; 108-126; 129-130.				
<b>REPORTING PRACTICE</b>						
102-45	Entities included in the consolidated financial statements	FS- pages 168-169.				
102-46	Defining report content and topic boundaries	SR - pages 97-99.				
102-47	List of material topics	SR - pages 97-99.				
102-48	Restatements of information and reasons therefor	The 2021 Sustainability Report details the performance over the last two years for the novobanco Group scope, therefore the data presented in this report for 2020 were recalculated for this scope.				
102-49	Changes in reporting	The 2021 Sustainability Report details the performance over the last two years for the novobanco Group scope, therefore the data presented in this report for 2020 were recalculated for this scope. Increase of the Bank's share capital to 6,054,907,314.00 euros. Shareholder Structure Nani Holdings S.G.P.S., S.A - 73.83% Fundo de Resolução (Resolution Fund) - 24.61% Directorate General for the Treasury and Finance - 1.56% MR- page 66.				

GENERAL DISCLOSURES		Page in the Report	SDG	GC Principles	Omissions	Scope
102-50	Reporting period	1 January to 31 December 2021				
102-51	Date of most recent report	2020				
102-52	Reporting cycle	Annual				
102-53	Contact point for questions regarding the report	sustentabilidade@novobanco.pt				
102-54	Claims of reporting in accordance with the GRI Standards	"Core option"				
102-55	5 GRI content index	SR – pages 143-158.				
102-56	A description of the oMRanisation's policy and current practice with regard to seeking external assurance for the report.	SR – pages 159.	8	3		

**ECONOMIC INDICATOSR**  
**TOPIC: ECONOMIC PERFORMANCE**

103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. This matrix forms the basis of the novobanco Group's sustainability strategy and its overall strategy, alongside the commitments and objectives undertaken.				
103-2	The management approach and its components	The Strategic Plan defined for the 2019-2021 three-year period, on which the management approach has been based, was designed to put in place the necessary conditions for the novobanco Group to transition from a restructuring bank into a growth bank prepared for the future. To this end, the Bank is defining a new distribution model, streamlining its technological and process infrastructure, rejuvenating and enhancing its human capital, and fine-tuning its risk model, electing as cross-cutting priorities optimisation, digitisation and differentiation.				
103-3	Evaluation of the management approach	The novobanco Group has over the years promoted several initiatives with economic impacts. The group's activity has been shaped by and developed in accordance with the objectives established in the Strategic Plan, which resulted in the growth of the recurrent credit portfolio, with a reduction in the cost of risk, in significant improvements in commercial banking income, and in the continuous reduction of operating costs, despite the strong increase in investment. The Bank monitors the indicators defined for this topic on a monthly basis.				
201-1	Direct economic value generated and distributed	Banking Income: €: 855.9. million MR – page 39. Banking Income: €: 855.9 million MR – page 39. General and administrative expenses: €141.1 million MR – page 87. Staff Costs: €233.3 million MR – page 87. Payments to providers of Capital - Shareholders - There was no distribution of dividends. Taxes: €12.7M million MR – page 87. Community Investments: €1.6 million in donations SR – pages 129-130. Economic Value Distributed: €388.7M million Economic Value Retained €467.2M million	2, 5, 8, 9			
201-2	Financial implications and other risks and opportunities due to climate change	With regard to climate change, the novobanco Group offers its clients a number of environmental products, namely the 18.31, NB 18.25 and NB 26.31 accounts, as well as ECO and ESG structured products, ECO mortgage loans and ESG funds. It is also concerned with dematerialising client communications and reducing the direct environmental impact of its activity. The Bank has recently signed commitments concerning the decarbonisation of the economy. SR – pages 100-101; 112-118. AR- pages 59-60.	13			
201-3	Defined benefit plan obligations and other retirement plans	SR – pages 119-124; 136-138.				
201-4	Financial assistance received from governance	FS – pages 165 e 166.				

**TOPIC: MARKET PRESENCE**

103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The novobanco Group has defined its sustainability policy and strategy based on this matrix, the SDGs, the commitments undertaken and the national and international regulatory framework.				
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GENERAL DISCLOSURES		Page in the Report	SDG	GC Principles	Omissions	Scope
103-2	The management approach and its components	The Strategic Plan for the 2019-2021 three-year period, on which the management approach has been based, was designed to put in place the necessary conditions for the novobanco Group to transition from a restructuring bank into a growth bank prepared for the future. This plan has now been restructured under the new title of "Making the Future". Based on 9 pillars/priorities, of which one is the ESG pillar, this plan will steer the group's activity in a competitive market until 2024. To this end, the Group is streamlining its technological infrastructure and processes, rejuvenating and enhancing its human capital and adjusting its risk model, selecting optimisation, digitisation and innovation as cross-cutting priorities.				
103-3	Evaluation of the management approach	The novobanco Group has over the years promoted several initiatives with economic impacts. The group's activity has been steered by the objectives established in the Strategic Plan, translating into the growth of the recurrent credit portfolio, with a reduction in the cost of risk, a significant improvement in commercial banking income, and the continuous reduction of operating costs, despite the strong increase in investment. The group monitors the indicators defined for this topic on a monthly basis.				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	For the professional categories that are representative of its workforce, novobanco pays a minimum salary that is higher than the national minimum wage (the lowest salary paid by novobanco is 1.33 times higher than the national minimum wage).	5, 7, 8	6		
202-2	Proportion of senior management hired from the local community	The group develops most of its activity in Portugal. Local hiring is an integral part of the Bank's hiring practices. Priority is always given to local employees, so as to build a sustained and competent workforce, with possibilities for career advancement, moving on to leadership positions. Consequently, management positions are mostly held by local employees and non-local employees are few. At national level and taking into account senior management - Executive Board of Directors -, employees of Portuguese nationality and women employees represent 33.3% and 16.7% of the workforce.	8	6		
<b>TOPIC: INDIRECT ECONOMIC IMPACTS</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The novobanco Group has defined its sustainability policy and strategy based on this matrix, the SDGs, the commitments undertaken and the national and international regulatory framework.				
103-2	The management approach and its components	The novobanco Group has over the years promoted several initiatives with indirect economic impacts.				
103-3	Evaluation of the management approach	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Annual Report, institutional website and Sustainability Report.				
203-1	Infrastructure investments and services supported	SR - pages 109-118. MR - pages 43-47.	2, 5, 7, 9, 11			
203-2	Significant identified indirect economic impacts of the oMRanisation, including positive and negative impacts	SR - pages 109-118. MR - pages 43-47.	1, 2, 3, 8, 10, 17			
<b>TOPIC: PROCUREMENT PRACTICES</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The novobanco Group has defined its sustainability policy and strategy based on this matrix, the SDGs, the commitments undertaken and the national and international regulatory framework. Purchasing practices are considered material.				
103-2	The management approach and its components	The novobanco Group has over the years promoted several initiatives in this area, having namely implemented a sustainability scoring for the process of registration of suppliers in its Supplier Portal. SR - page 125-126.				
103-3	Evaluation of the management approach	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Annual Report, institutional website and Sustainability Report.				
204-1	PeARcentage of the procurement budget used for significant locations of operation that is spent on supplieSR local to that operation	The novobanco Group acquires its regular consumption products, such as stationery, equipment and specialised services for mainland Portugal and the Islands, from national companies. Around 90.8% of the expenses refer to national suppliers vs 9.2% of international suppliers. SR - page 125-126.	12			
<b>TOPIC: ANTI-CORRUPTION</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The novobanco Group has defined its sustainability policy and strategy based on this matrix, the SDGs, the commitments undertaken and the national and international regulatory framework, and anti-corruption is considered material.				

GENERAL DISCLOSURES		Page in the Report	SDG	GC Principles	Omissions	Scope
103-2	The management approach and its components	The novobanco Group focuses on the prevention, detection, reporting and management of situations involving risks of conduct or irregular conducts, based on principles of integrity, honesty, diligence, competence, transparency and fairness.				
103-3	Evaluation of the management approach	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Annual Report, institutional website and Sustainability Report.				
205-1	Total number and percentage of operations assessed for risks related to corruption	SR – pages 109-118. MR – pages 43-47.	16	10		
205-2	Communication and training about anti-corruption policies and procedures	SR - page 95. MR - page 73.	16	10		
205-3	Confirmed incidents of corruption and actions taken	The novobanco Group was not aware of any cases of corruption in 2021.	16	10		
<b>TOPIC: ANTI-COMPETITIVE BEHAVIOUR</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The novobanco Group has defined its sustainability policy and strategy based on this matrix, the SDGs, the commitments undertaken and the national and international regulatory framework. Unfair competition is considered material.				
103-2	The management approach and its components	novobanco has over the years participated in several initiatives in the area of sustainable financing, in partnership with its peers. In 2019 the Bank signed the "Letter of Commitment for Sustainable Finance in Portugal", which aims to contribute to the promotion of sustainable investment practices in the country, with the purpose of accelerating the process of transition to a carbon neutral economy by 2050, in full partnership with its peers. The Bank also participates in another two working groups on Sustainable Finance, promoted respectively by the Portuguese Association of Banks and the Portuguese Association of Investment and Pension Funds and Asset Management Firms. Within its new strategic plan, one of the priorities is the partnerships pillar, which seeks to find added value and new relevant partners for the development of value proposals in the financial sector. Thus, by finding value in partners the Bank seeks to provide a global ecosystem response to its clients.				
103-3	Evaluation of the management approach	The Bank monitors indicators pertaining to this topic and reports the results in its Annual Report, institutional website and Sustainability Report.				
206-1	Number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which the novobanco Group has been identified as a participant.	There is no record of any legal action regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation involving the Bank in 2021.	16			
<b>ENVIRONMENTAL INDICATORS</b>						
<b>TOPIC: MATERIALS ENEMY</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered as material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The novobanco Group has defined its sustainability policy and strategy based on this matrix, the SDGs, the commitments undertaken and the national and international regulatory framework. The environment and considered a material topic				
103-2	The management approach and its components	novobanco has over the years promoted several initiatives aimed at reducing its direct environmental impact. Some of these measures are included in its NB Environment programme, which is integrated in its Social Dividend model.				
103-3	Evaluation of the management approach	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.				
301-1	Materials used by weight or volume	SR – pages 126-128; 132-133.	8,12	7,8		
<b>TOPIC: ENEMY WATER AND CO<sub>2</sub> EMISSIONS</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered as material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The group is finalising its sustainability policy and consequent sustainability strategy based on this matrix, the SDGs, the commitments, the objectives undertaken and the national and international regulatory framework. Issues such as the eco-efficiency of the Bank's branches, buildings and operations, paper consumption and other consumables, emissions and all items that impact the bank's environmental footprint are considered to be important. Energy consumption is the bank's largest resource consumption, along with paper and consequent CO2 emissions, and as such has been given special attention by the group.				

GENERAL DISCLOSURES		Page in the Report	SDG	GC Principles	Omissions	Scope
103-2	The management approach and its components	The novobanco Group has over the years promoted several initiatives aimed at reducing its direct environmental impact. Some of these measures are included in its NB Environment programme, which is integrated in its Social Dividend model. novobanco has promoted several initiatives that allow for the reduction of energy consumption, and in particular electricity consumption. Every year it compiles a CO2 emissions inventory, which in 2021 covered for the first time the novobanco group. In 2019, within the scope of its commitment to reduce CO2 emissions, the bank signed the 'Business Ambition for 1.5°C' letter, a document recently issued by the United Nations Global Compact. With this signature, the bank assumes its commitment to preserve the planet and contribute to limit the temperature increase to 1.5°C by 2050, and undertakes to submit a scientific project to reduce the CO2 emissions resulting from its activity. Given the scarcity of this resource, the group has over the years promoted several initiatives aimed at reducing its direct environmental in terms of water consumption.				
103-3	Evaluation of the management approach	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.				
302-1	EneMRy consumption within the oMRanisation	SR – pages 126-128; 132-133.	7,8,12,13	7,8		
302-3	EneMRy intensity	SR – pages 126-128; 132-133.	7,8,12,13	8		
302-4	Reduction of eneMRy consumption	SR – pages 126-128; 132-133.	7,8,12,13	8,9		
302-5	Reductions in eneMRy requirements of products and services	SR – pages 114, 126-128; 132-133.	7,8,12,13	8,9		
305-1	Direct (Scope 1) GHG emissions	SR – pages 126-127; 133.	3,12,13,14,15	7,8		
305-2	EneMRy indirect (Scope 2) GHG emissions	SR – pages 126-127; 133.	3,12,13,14,15	7,8		
305-3	EneMRy indirect (Scope 3) GHG emissions	SR – pages 126-127; 133.	3,12,13,14,15	7,8		
305-4	GHG emissions intensity	SR – pages 126-127; 133.	13,14,15	8		
305-5	Reduction of GHG emissions	SR – pages 126-127; 133.	13,14,15	8,9		
305-6	Emissions of ozone-depleting substances (ODS)	There have been no recharges of gases with the potential to destroy the ozone layer since 2015, as these are prohibited under Regulation (EC) No. 1005/2009, on substances that deplete the ozone layer. Moreover, novobanco had been gradually replacing equipment that emit ozone-depleting gases, when such still exist.	3,12	7,8		
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	SOx and NOx emissions linked to the group's activity result from combustion associated with transportation, emergency generators and boilers. However, due to the reduced expression of these activities within the group's typical activity, these emissions are immaterial and therefore are not accounted for.	3,12,14,15	7,8		
<b>TOPIC: ENVIRONMENTAL COMPLIANCE</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The novobanco Group has defined its sustainability policy and strategy based on this matrix, the SDGs, the commitments undertaken and the national and international regulatory framework. Environmental compliance is a material issue.				
103-2	The management approach and its components	The novobanco Group has over the years promoted several initiatives aimed at reducing its environmental impact. Some of these measures are included in its # NB Environment programme, which is integrated in its Social Dividend model.				
103-3	Evaluation of the management approach	The Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report.				
307-1	Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations	In 2021 there were no instances of non-compliance with environmental laws and/or regulations, nor were any fines paid in connection therewith.	16	8		

GENERAL DISCLOSURES		Page in the Report	SDG	GC Principles	Omissions	Scope
<b>TOPIC: SUPPLIERS ENVIRONMENTAL ASSESSMENT</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The group is finalising its sustainability policy and consequent sustainability strategy based on this matrix, the SDGs, the commitments undertaken and the goals established.				
103-2	The management approach and its components	The novobanco Group has over the years promoted several initiatives to ensure a judicious selection of its suppliers, based on the information provided. The group calculates the suppliers' 'sustainability scoring', which takes into account environmental, ethical, labour, hygiene and safety in the workplace aspects of its suppliers.				
103-3	Evaluation of the management approach	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.				
308-1	New supplierSR that were screened using environmental criteria	SR – pages 125-126.		8		
308-2	Negative environmental impacts in the supply chain and actions taken	SR – pages 125-126.		8		
<b>TOPIC: EMPLOYMENT</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The novobanco Group has defined its sustainability policy and strategy based on this matrix, the SDGs, the commitments undertaken and the national and international regulatory framework. Employment is considered a material topic.				
103-2	The management approach and its components	The novobanco Group has over the years promoted several initiatives concerning the development of programmes that ensure human capital management focused on talent acquisition and retention, the rejuvenation of teams and the unlocking of the potential of the more experienced employees, using methodologies and programmes aimed at individual development, a balance between professional and personal life, and the creation of a circle of knowledge and sharing. The information on employees reported in this report has the same scope as the Annual Report, i.e., it covers permanent employees, fixed-term contracts and employees on loan. The employees with the remaining types of employment contracts, totalling 48 in 2021, represent 0.01 of the group's total workforce.				
103-3	Evaluation of the management approach	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.				
401-1	Total number and rate of new employee hires during the reporting period, by age group, gender and region.	SR – pages 135-136.	5, 8	6		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	The novobanco Group does not usually hire part-time employees, or only on an exceptional basis. In this context, benefits are granted under equal circumstances to all the group's employees and subsidies are attributed based on the employee's income. Trainees and temporary workers are not entitled to these benefits and are not covered by the scope of this report. Their representativeness within the group is very small.	8			
401-3	Total number of employees that were entitled to parental leave, by gender and return to work and retention rates of employees that took parental leave, by gender	SR – page 136.	8	6		
<b>TOPIC: LABOUR/MANAGEMENT RELATIONS</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The novobanco Group has defined its sustainability policy and strategy based on this matrix, the SDGs, the commitments undertaken and the national and international regulatory framework. Labour relations are considered a material issue.				
103-2	The management approach and its components	The novobanco Group has over the years promoted several initiatives concerning the development of programmes that ensure human capital management focused on talent acquisition and retention, the rejuvenation of teams and the unlocking of the potential of the more experienced employees, using methodologies and programmes aimed at individual development, a balance between professional and personal life, and the creation of a circle of knowledge and sharing.				
103-3	Evaluation of the management approach	The Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.				
402-1	Minimum notice periods regarding operational changes and whether the notice period and provisions for consultation and negotiation are specified in collective agreements	The novobanco Group informs its employees of any relevant facts pertaining to their career management in accordance with the established notice periods, seeking compliance with clause 27 of the Collective Wage Agreement, which stipulates that workplace transfers are subject to an advance notice of at least 30 days.	5	3		

GENERAL DISCLOSURES		Page in the Report	SDG	GC Principles	Omissions	Scope
<b>TOPIC: OCCUPATIONAL HEALTH AND SAFETY</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The group is finalising its sustainability policy and consequent sustainability strategy based on this matrix, the SDGs, the commitments, the objectives undertaken and the national and international regulatory framework. Occupational health and safety are by the group as a material issue.				
103-2	The management approach and its components	The physical, psychological and social wellbeing of its employees is essential for the group, which to this end has in place a health and wellbeing policy based on five lines of action: 1. Communicate and raise awareness; 2. Diagnose and prevent; 3. Encourage and promote; 4. Offer and provide; 5. Reconcile and flexibilise: practices for a balance between professional, personal and family life.				
103-3	Evaluation of the management approach	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.				
403-1	Percentage of workers whose work, or workplace, is controlled by the organisation, that are represented by formal joint management-worker health and safety committees.	novobanco group has no formal safety committees, however it engages its employees in the definition and implementation of safety practices and the prevention of occupational hazards. The national legislation requires a minimum guarantee of hygiene, health and safety conditions. The group goes beyond the requirements of the law, annually reporting its practices and results in the management of hygiene, health and safety of all its employees.	8			
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by gender	SR – page 137.	8			
403-3	Workers with high incidence or high risk of diseases related to their occupation	The novobanco Group is not aware of a high incidence or high risk of work-related diseases amongst its employees.	8			
403-4	Health and safety topics covered in formal agreements with trade unions	novobanco has entered into Company-level Agreements with all the trade unions represented in the institution, which enshrine the obligations of Occupational Medicine and hygiene and safety in the workplace. In addition to the legally mandatory consultations and exams, the Bank has in place other measures. SR –pages 123-124; 135-138.	8			
<b>TOPIC: TRAINING AND EDUCATION</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the group's dialogue with its stakeholders. The group is finalising its sustainability policy and consequent sustainability strategy based on this matrix, the SDGs, the commitments, the objectives undertaken and the national and international regulatory framework. The group considers the Capture and development of talent as a material topic, and consistently invests in the design and implementation of distinctive and motivating training, enabling the improvement of performances, and the development and evolution of its employees.				
103-2	The management approach and its components	The group has over the years promoted several initiatives and programmes to ensure that human capital management is focused on talent attraction and retention.				
103-3	Evaluation of the management approach	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report.				
404-1	Average hours of training that the organisation's employees have undertaken during the reporting period, by gender and employee category	SR – pages 120-122;136.	4, 5, 8	6		
404-2	Programmes for upgrading employee skills and transition assistance programmes	SR – pages 120-122;136.	8			
404-3	Percentage of employees receiving regular performance and career development reviews	The Performance Management Model, based on the continuous management of employee performance and development, is integrated in the Employee Portal, called "My Portal". The Performance Management Process covers all employees and includes a personal development programme where each employee can define his or her objectives in terms of continuing improvement in the performance of their functions. At the closing date of this report the 2022 performance assessment had not been concluded.	5, 8	6		

GENERAL DISCLOSURES		Page in the Report	SDG	GC Principles	Omissions	Scope
<b>TOPIC: DIVERSITY AND EQUAL OPPORTUNITIES</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the group's dialogue with its stakeholders. The Group is finalising its sustainability policy and consequent sustainability strategy based on this matrix, the SDGs, the commitments, the objectives undertaken and the national and international regulatory framework. The group considers the issue of Diversity and gender equality as important.				
103-2	The management approach and its components	novobanco has over the years promoted several initiatives within its #NB Equal Gender programme, which monitors three indicators and aims to develop a fair and gender-equal model, having for the purpose defined specific objectives for 2021.				
103-3	Evaluation of the management approach	The group monitors indicators pertaining to this topic and annually reports the results in its website and Sustainability Report.				
405-1	Percentage of individuals within the organisation's governance bodies in each of the following diversity categories: Gender, Age group, Other indicators of diversity where relevant (such as minority or vulnerable groups).	MR – pages 20-22.	5, 8	6		
405-2	Ratio of basic salary and remuneration of women to men for each employee category	SR – pages 122, 139. The novobanco Group calculates the ratio based on total rather than base remuneration as the latter is linked to a level defined by the collective labour agreement (ACT).	5, 8, 10	6		
<b>TOPIC: NON-DISCRIMINATION</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The group is finalising its sustainability policy and consequent sustainability strategy based on this matrix, the SDGs, the commitments, the objectives undertaken and the national and international regulatory framework. The group considers the issue Gender Equality and Human Rights as important.				
103-2	The management approach and its components	novobanco has over the years promoted several initiatives aimed at reducing discrimination negative impacts, namely through its #NB Equal Gender programme, integrated in its Social Dividend model.				
103-3	Evaluation of the management approach	novobanco has over the years promoted several initiatives within its #NB Equal Gender programme, which monitors three indicators with the aim of making the bank fairer and more gender-equal, having for the purpose defined specific objectives for 2021.				
406-1	Total number of incidents of discrimination and corrective actions taken	In 2021 no incidents or lawsuits came to the attention of the novobanco Group concerning discrimination on grounds of race, colour, gender, religion, public opinion or social background.	5, 8, 16	6		
<b>TOPIC: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>						
103-1	Explanation of the material topic and its Boundary	At the novobanco Group, the majority of the employees is covered by collective bargaining agreements and perform their activity in accordance with the obligations established therein.				
103-2	The management approach and its components	The group has over the years promoted several initiatives viewing non-discrimination, and in this context often meets with the Workers' Committee and the Trade Unions.				
103-3	Evaluation of the management approach	The Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report.				
407-1	Operations and supply chain in which the right to freedom of association and collective bargaining may be at risk	In 2021, the group was not aware of any instances of non-compliance with laws or regulations for breaches of the right to freedom of association and collective bargaining, or of the payment of fines in connection thereof, within its value chain.		3		
<b>TOPIC: CHILD LABOUR AND FORCED OR COMPULSORY LABOUR</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the group's dialogue with its stakeholders. The group is finalising its sustainability policy and consequent sustainability strategy based on this matrix, the SDGs, the commitments, the objectives undertaken and the national and international regulatory framework. The group considers the issue Gender Equality and Human Rights as important.				

GENERAL DISCLOSURES		Page in the Report	SDG	GC Principles	Omissions	Scope
103-2	The management approach and its components	The novobanco group complies with the legislation, rules and regulations in force and develops its activity in full compliance with its Equality and Non-Discrimination Policy and Human Rights Policy, defined based on: <ul style="list-style-type: none"> <li>the United Nations Global Compact Principles;</li> <li>the Universal Declaration of Human Rights;</li> <li>The Guidelines of the Organization for Economic Cooperation and Development (OECD) for Multinational Enterprises;</li> <li>the Core Conventions of the International Labour Organization (ILO).</li> </ul> novobanco's Human Rights Policy reflects its endorsement of and commitment to the Global Compact Principles. The compliance and audit functions and the mechanisms in place for the anonymous reporting of irregularities minimise the risk of any such occurrences within the Group's operations and in connection to its employees.				
103-3	Evaluation of the management approach	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional.				
408-1 409-1	Operations and supplies at significant risk for incidents of child labour	During 2021 no instances came to the attention of novobanco Group concerning operations and suppliers where the risk of child labour or forced or compulsory labour had been identified.	8, 16	5		
<b>TOPIC: SECURITY PRACTICES</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the group's dialogue with its stakeholders. The group is finalising its sustainability policy and consequent sustainability strategy based on this matrix, the SDGs, the commitments, the objectives undertaken and the national and international regulatory framework. The group considers the issue of Security as important.				
103-2	The management approach and its components	The group has over the years promoted several initiatives in this area for compliance with the legislation in force.				
103-3	Evaluation of the management approach	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report.				
410-1	Security personnel trained in human rights policies or procedures	In 2021 the group did not provide training in human rights to its security personnel.	16	1		
<b>TOPIC: RIGHTS OF INDIGENOUS PEOPLES</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the group's dialogue with its stakeholders. The group is finalising its sustainability policy and consequent sustainability strategy based on this matrix, the SDGs, the commitments, the objectives undertaken and the national and international regulatory framework. The group considers the issue of Human Rights as important.				
103-2	The management approach and its components	The group does not promote initiatives in this regard as its activity is developed in urban or urbanised areas.				
103-3	Evaluation of the management approach	Not applicable				
411-1	Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period and remediation action taken	The group's operations are located in urban or urbanised areas, therefore there are no instances of violation of the rights of indigenous people.	2	1		
<b>TOPIC: HUMAN RIGHTS ASSESSMENT</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the group's dialogue with its stakeholders. The group is finalising its sustainability policy and consequent sustainability strategy based on this matrix, the SDGs, the commitments, the objectives undertaken and the national and international regulatory framework. The group considers the issue of Human Rights as important.				
103-2	The management approach and its components	The Group has over the years promoted several initiatives aimed at reducing negative impacts arising from Human Rights issues, namely through its #NB Equal Gender programme, integrated in its Social Dividend model. The development of a culture of respect for human beings is part of novobanco Group's standards of excellence: respect for employees, respect in the manner we deal with clients, suppliers and other stakeholders, respect in the relationships established with the communities in the locations where the group operates. The group has a Human Rights policy that can be consulted on its institutional website.				
103-3	Evaluation of the management approach	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.				
412-1	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	Not applicable		1		

GENERAL DISCLOSURES		Page in the Report	SDG	GC Principles	Omissions	Scope
412-2	Employee training on human rights policies or procedures	In 2021 novobanco Group did not provide any type of training on this topic.		1		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	All novobanco Group's suppliers are covered by its Principles for Suppliers, which require compliance with Human Rights obligations. These criteria are included in the agreements entered into with all suppliers (100%). The certification of suppliers requires answering mandatory response questions concerning human rights policies and practices. The Bank visits all its material suppliers to check their supply capabilities and their compliance with the requirements of the Principles for Suppliers. In 2021 the group found no instance of non-compliance with these principles by its material Suppliers, namely through its regular visits to their facilities. Should any cases of violation of human rights occur, the group undertakes to investigate them and reserves the right to terminate the agreement with the Supplier in question if it finds evidence of non-compliance with Human Rights obligations.		2		
<b>TOPIC: LOCAL COMMUNITIES</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the group's dialogue with its stakeholders. The group is finalising its sustainability policy and consequent sustainability strategy based on this matrix, the SDGs, the commitments, the objectives undertaken and the national and international regulatory framework. The group considers the issue of investment in the community as important.				
103-2	The management approach and its components	novobanco Group has over the years promoted several initiatives under its Corporate Social Responsibility programme, which aims to help devise solutions for important issues within the community in which the Bank operates. This programme is deployed based on three pillars, namely: culture, financial literacy and solidarity. Some of the initiatives under these pillars are an integral part of the NB Social Responsibility programme, included within novobanco's Social Dividend Model.				
103-3	Evaluation of the management approach	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.				
413-1	Operations with local community engagement, impact assessments, and development programmes	SR – pages 103; 128-130.		1		
413-2	Operations with significant actual and potential negative impacts on local communities	The novobanco Group is not aware of any operations having negative impacts on local communities.	1, 2	1		
<b>TOPIC: SUPPLIERS SOCIAL ASSESSMENT</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The group is finalising its sustainability policy and consequent sustainability strategy based on this matrix, the SDGs, the commitments, the objectives undertaken and the national and international regulatory framework. The issues related to suppliers are considered as material.				
103-2	The management approach and its components	novobanco Group has over the years promoted several initiatives addressing its value chain, namely endorsing the Principles of Relationship with Suppliers, and calculating the "sustainability scoring", which takes into account environmental, ethical, labour, hygiene and safety in the workplace aspects of its suppliers.				
103-3	Evaluation of the management approach	The Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.				
414-1	New supplieSR that were screened using social criteria	SR – pages 125-126.	5, 16	2		
414-2	Negative social impacts in the supply chain and actions taken	In 2021 novobanco was not aware of any negative impacts at this level.	5, 16	2		
<b>TOPIC: PUBLIC POLICY</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The Group is finalising its sustainability policy and consequent sustainability strategy based on this matrix, the SDGs, the commitments, the objectives undertaken and the national and international regulatory framework. The group considers the issues Business Ethics and relations with stakeholders as important.				
103-2	The management approach and its components	The novobanco Group manages its activity in full compliance with the legislation in force.				
103-3	Evaluation of the management approach	Novobanco monitors indicators pertaining to this topic and reports the results in its Sustainability Report.				



GENERAL DISCLOSURES		Page in the Report	SDG	GC Principles	Omissions	Scope
415-1	Political contributions	Political contributions by companies are not permitted under Decree Law No. 19/2003, of 20 June, and novobanco Group complies with these provisions.	16	10		
<b>TOPIC: CUSTOMER HEALTH AND SAFETY</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The group is finalising its sustainability policy and consequent sustainability strategy based on this matrix, the SDGs, the commitments, the objectives undertaken and the national and international regulatory framework. The group considers the topic Security of the financial assets, and physical and digital security of the client as material.				
103-2	The management approach and its components	The group has over the years promoted several initiatives across all client security activities, namely with respect to the clients' safety, the security of transactions, and the safeguard of the personal data of clients and other data subjects.				
103-3	Evaluation of the management approach	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report.				
416-1	Assessment of the health and safety impacts of product and service categories	The group's facilities comply with all existing rules for secure and private customer service. The group conducts its relationship with clients in accordance with the new General Data Protection Regulation, guaranteeing privacy and security in the treatment of customer data. More information may be found in Indicator 418-1.				
416-2	Total number of incidents of non-compliance concerning the health and safety impacts of products and services	In 2021, there were no sanctions and/or fines imposed on novobanco Group in connection to the General Data Protection Regulation (GDPR).	16			
<b>TOPIC: LABELLING OF PRODUCTS AND SERVICES</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The group is finalising its sustainability policy and consequent sustainability strategy based on this matrix, the SDGs, the commitments, the objectives undertaken and the national and international regulatory framework. The group considers customer satisfaction and service quality, and financial products and services as a material topic.				
103-2	The management approach and its components	novobanco Group has over the years promoted several initiatives aimed at providing clear and transparent information about the products and services it provides to its clients. Products disclosure is subject to prior approval by the competent supervision authority.				
103-3	Evaluation of the management approach	The Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.				
417-1	Requirements for product and service information and labelling and percentage of significant product or service categories covered by and assessed for compliance with such procedures.	The group provides clear information about each product or service offered, including about their characteristics and specific conditions. This information and underlying processes are subject to strict internal controls in terms of the Bank's internal audit and quality control, as well as strict external controls, through the supervision conducted by the Bank of Portugal, the CMVM and the external audits to the Bank's processes.	12, 16			
417-2	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling, by type of result	In 2021 no incidents of non-compliance with voluntary procedures and voluntary codes concerning product and service information or labelling of novobanco Group were identified.	16			
417-3	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of result	In 2021 no incidents of non-compliance with voluntary procedures and voluntary codes on marketing communications, including advertising, promotion, and sponsorship by novobanco Group, were identified.				
<b>TOPIC: CUSTOMER PRIVACY</b>						
103-1	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The group is finalising its sustainability policy and consequent sustainability strategy based on this matrix, the SDGs, the commitments, the objectives undertaken and the national and international regulatory framework. The topic of customer privacy is considered material.				
103-2	The management approach and its components	novobanco Group has over the years promoted several initiatives to ensure it performs its activity in accordance with best market practices and the legal and regulatory requirements. The Bank ensures the confidentiality, integrity and availability of the information.				
103-3	Evaluation of the management approach	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report.				

GENERAL DISCLOSURES		Page in the Report	SDG	GC Principles	Omissions	Scope
<b>418-1</b>	Total number of substantiated complaints received concerning breaches of customer privacy	In 2021, there were no sanctions and/or fines imposed on the group in connection to the General Data Protection Regulation (GDPR).	12			
<b>TOPIC: SOCIOECONOMIC COMPLIANCE</b>						
<b>103-1</b>	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The group is finalising its sustainability policy and consequent sustainability strategy based on this matrix, the SDGs, the commitments, the objectives undertaken and the national and international regulatory framework. The topic Business ethics and stakeholder relations is considered as material.				
<b>103-2</b>	The management approach and its components	novobanco Group has over the years promoted several initiatives to ensure it performs its activity in accordance with best market practices and the legal and regulatory requirements.				
<b>103-3</b>	Evaluation of the management approach	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report.				
<b>419-1</b>	Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report.	16			
<b>FINANCIAL SUPPLEMENT INDICATORS</b>						
<b>TOPIC: PORTFOLIO OF PRODUCTS</b>						
<b>103-1</b>	Explanation of the material topic and its Boundary	The novobanco Group's materiality matrix and the SDGs endorsed comprise the sustainability issues considered material in the development of its business, identified as a result of the Group's dialogue with its stakeholders. The group is finalising its sustainability policy and consequent sustainability strategy based on this matrix, the SDGs, the commitments, the objectives undertaken and the national and international regulatory framework. The themes of Customer Satisfaction and Quality of Service, as well as Social and Environmental Products are considered to be material.				
<b>103-2</b>	The management approach and its components	The novobanco Group been enhancing its customer experience monitoring model with a view to offering the best experience to its clients. Knowing the clients' expectations throughout their life cycle permits to identify opportunities for improvement, using a robust model for monitoring the customer experience based on several action pillars. The Bank has also reinforced its offering and services based on environmental criteria.				
<b>103-3</b>	Evaluation of the management approach	The group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.				
<b>Management Approach</b>	Policies with specific environmental and social components applied to business lines.	SR – pages 106-107. MR- pages 59-60.	10			
	Procedures for assessing and screening environmental and social risks in business lines.	SR – pages 99-102. MR- pages 59-60.	10			
	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	The novobanco Group has in place several mechanisms to regulate customer monitoring. In cases which may be considered more sensitive, prevention and monitoring plans are negotiated, and the situations are monitored, resorting, when necessary, to external experts.				
	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	The novobanco Group provides adequate training to its employees on the marketing of products with environmental and social concerns.	10			
	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	SR – pages 109-126;128-130.	10			
<b>FS6</b>	PeARentage of the portfolio for business lines by specific region, size (e.g., micro/SME/ laMRe) and by sector	SR – pages 110-112. MR – pages 25-30; 43-47.	1, 8, 9			
<b>FS7</b>	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	SR – pages 112-118.	1, 8, 9, 10, 11			
<b>FS8</b>	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	SR – pages 112-118.				
<b>TOPIC: AUDIT</b>						
<b>FS9</b>	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	No audits strictly dedicated to the implementation of environmental and social policies are carried out. The group annually assesses the practices implemented and the quantitative data through an external independent verification of its AR and Sustainability Report.	10			

GENERAL DISCLOSURES		Page in the Report	SDG	GC Principles	Omissions	Scope
<b>TOPIC: ACTIVE OWNERSHIP</b>						
<b>FS10</b>	PeARentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	AR- paginas 59-60	10			
<b>FS11</b>	PeARentage of assets subject to positive and negative environmental or social screening	AR- paginas 59-60	10			
<b>FS12</b>	Voting policy(ies) applied to environmental or social issues for shares over which the reporting organisation holds the right to vote shares or advises on voting	novobanco Group's equity holdings in other companies are always aimed at obtaining profitability in the long term. Having said that, the Bank's stance as a shareholder takes into account the relevant principles to ensure consistent ethical, social and environmental management.				
<b>TOPIC: LOCAL COMMUNITIES</b>						
<b>FS13</b>	Access points in low-populated or economically disadvantaged areas by type	SR – page 95. Despite the downsizing carried out, the group still has a large network of branches across the country. The group has been investing in the digitisation of its services, which has permitted greater coverage and easier contact with its clients, wherever they may be.	1, 10			
<b>FS14</b>	Initiatives to improve access to financial services for disadvantaged people	Under its new distribution model, the group has been increasing the number of access ramps and lifting platforms in its branch network. It also provides lowered ATMs with Braille keyboards. his equipment is being installed if and when necessary, as the branch network is refurbished. The aim is to gradually extend these access improvements to all novobanco's branches and services. SR – pages 114-115.	1, 10			
<b>TOPIC: LABELLING OF PRODUCTS AND SERVICES</b>						
<b>FS15</b>	Policies for the fair design and sale of financial products and services	All the financial products and services are designed in compliance with the legal requirements, the regulators' guidelines and the policies of the institution. novobanco Group regularly reports to its regulators proof of its respect for and compliance with politics and rules of conduct, externally and internally. The internal and external audits to the group's procedures verify whether its procedures comply with the requirements issued by the Bank of Portugal and the Portuguese Insurance Institute.	10			
<b>FS16</b>	Initiatives to enhance financial literacy by type of beneficiary	SR – pages 114-115; 130. Bank institutional website.	1, 8, 10			

AR Annual Report  
 MR Management Report  
 SR Sustainability Report  
 FS Financial Statements and Final Notes

- novobanco Group
- novobanco Group (novobanco, novobanco dos Açores, Banco Best and GNBGA)
- novobanco

# 6.3 INDEPENDENT LIMITED ASSURANCE REPORT



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*(Translation from the original document in the Portuguese language. In case of doubt, the Portuguese version prevails)*

## Independent Limited Assurance Report of the Sustainability Report

To the Board of Directors of  
Novo Banco, S.A.

### Introduction

1. We have been engaged by the Board of Directors of Novo Banco, S.A. (the Group) to proceed with the independent review of the "Sustainability Report 2021", hereinafter the "Sustainability Report", included in the "Annual Report 2021" relating to the sustainability performance from 1 January to 31 December 2021.

### Responsibilities

2. The Board of Directors is responsible for preparing the Sustainability Report and to maintain an appropriate internal control system that allows the information presented to be free of material misstatements due to fraud or error.
3. It is our responsibility to issue a limited assurance report, professional and independent, based on the procedures performed and described in the "Scope" section below.

### Scope

4. Our review procedures have been planned and executed in accordance with the International Standard on Assurance Engagements (ISAE 3000, Revised) – "Assurance engagements other than Audits and Reviews of Historical Financial Information", for a limited level of assurance.
5. The procedures performed in a limited assurance engagement vary in timing and nature from, and are less in extent than for, a reasonable assurance engagement. Therefore, the assurance provided by these procedures is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our independent review procedures comprised the following:
  - ▶ Conducting interviews with Management, in order to understand how the information system is structured and assess their level of knowledge of the topics addressed in the report;
  - ▶ Review of the processes, criteria and systems adopted to collect, consolidate, report and validate the data for the year 2021;
  - ▶ Analytical review, on a sample basis, of the data calculated by Management, and verification of quantitative and qualitative information disclosed in the report;
  - ▶ Confirmation on how collection, consolidation, validation and report procedures are being implemented in selected operating units; and
  - ▶ Verification of the conformity of the information included in the Sustainability Report with the results of our work.
6. Regarding sustainability reporting standards of the Global Reporting Initiative – GRI Standards, we performed a review of the self-evaluation made by Management of the adopted option to apply the GRI Standards and conformity with Article 508-G of the Portuguese Companies Act (Código das Sociedades Comerciais) (disclose of non-financial information).

Sociedade Anónima - Capital Social 1.335.000 euros - Inscrição n.º 178 na Ordem dos Revisores Oficiais de Contas - Inscrição N.º 20161480 na Comissão do Mercado de Valores Mobiliários  
Contribuinte N.º 505 988 283 - C. R. Comercial de Lisboa sob o mesmo número  
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Novo Banco, S.A.  
Independent Limited Assurance Report of the Sustainability Report  
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In case of doubt, the Portuguese version prevails)*  
1 of January 2021 to 31 of December 2021

### Quality and independence

7. Our firm applies International Standard on Quality Control 1 (ISQC 1), and consequently maintains a global quality control system which includes documented policies and procedures relating to compliance with ethical requirements, professional standards, and the legal and regulatory provisions applicable and we comply with the independence and ethical requirements of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics and the Code of Ethics of the Order of Chartered Accountants (OROC).

### Conclusion

8. Based on our work and evidence obtained, nothing has come to our attention that causes us to believe that the information disclosed in the Sustainability Report, for the year ended 31 December 2021, is not free from relevant material misstatements. Additionally, nothing has come to our attention that causes us to believe that the Sustainability Report does not include the required data and information for a "In accordance – Core" option as defined by the GRI Standards and by the Article 508-G of the Portuguese Companies Act.

Lisbon, 09 March 2022

Ernst & Young Audit & Associados – SROC, S.A.  
Sociedade de Revisores Oficiais de Contas  
Represented by:

*(signed)*

Manuel Ladeiro de Carvalho Coelho da Mota – ROC n.º 1410  
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