

BCP's CONTRIBUTION TO THE UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

in the context of the 2021 sustainability master plan



Millennium
bcp



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The 17 Sustainable Development Goals (SDGs) represent the largest voluntary global commitment, formalised among 193 countries across five continents, and aim to improve the quality of life of the world's population in all aspects: social, environmental and economic by 2030. Portugal has identified the SDGs 4, 5, 9, 10, 13 and 14 as priorities in the implementation of Agenda 2030 for Sustainable Development.

BCP Group acknowledges the importance of the Sustainable Development Goals (SDGs) of the United Nations. Considering that the pursuit of its 17 goals, and of its 169 targets, implies a joint effort by states, civil society and private entities, particularly companies, the Bank is committed to working actively towards sustainable, socially inclusive and environmentally responsible development in all of the geographies in which it operates.

The justification for the direct involvement of Millennium bcp in the implementation of the SDGs should be sought, first and foremost, in the Bank's head office, particularly in its close relationship with People and its capacity to add social value, but also in the search for innovative and inclusive products and distribution channels and in the spirit of customer service.

Thus, as part of an ongoing process to establish the relationship - and identify common ground - between the Bank's activities, its ethical values and corporate culture, and that advocated by the SDGs, we identified and characterised, in 2019, the Bank's contribution to the achievement of the Goals and the way in which we are tailoring our value proposition in the different operations to the needs and expectations of the interested parties.

As for the underlying rationale, it is possible to perceive, in a holistic and multidisciplinary activity such as that developed by BCP Group (see [BCP Group Sustainability Report 2019](#) and [Millennium bcp Foundation 2019 Annual Report](#)), the existence of elements that can and should be valued in the light of an ethical rationale, with others that translate contextual or economic rationales.

BCP has identified, at this stage, as priorities for the implementation of the 2030 Agenda for Sustainable Development, SDGs 1 (Eradicate Poverty), 4 (Quality Education), 5 (Gender Equality), 7 (Renewable and Accessible Energies) , 8 (Decent Work and Economic Growth), 10 (Reduce Inequalities), 13 (Climate Action), 15 (Protect Earth Life) and 17 (Partnerships for the Implementation of the Goals).

Additionally, in 2017, Bank Millennium in Poland signed the United Nations Declaration of Sustainable Development Goals. This commitment is also reflected in BCP Group's Code of Conduct, which integrates ethical, social and environmental issues.

BCP is also a subscriber to the United Nations "Global Compact Principles". With this adhesion, formalized in 2005 and reaffirmed in 2018, the BCP Group is committed to supporting its 10 Principles that establish a set of values in the scope of Human Rights, Working Conditions, Environmental Protection and Anti-Corruption.

In 2019, in Portugal, the Bank signed the "Letter of Commitment for Sustainable Financing in Portugal", which aims to contribute to the promotion and development of Carbon Neutral financing by 2050 and reflects BCP's determination to pursue policies and practices that respond in a sustainable, innovative and consequent manner to the risks and opportunities resulting from climate change and the transition to a carbon neutral economy.

Also, in 2019, Millennium bcp reviewed its sustainability strategy, reflected in the SMP - 2021 Sustainability Master Plan, a reference framework for the sustainability activity that is also aligned with the most relevant SDGs for the Bank.

Thus, based on our interpretation of the needs and expectations of our Employees, Customers, Shareholders and other Stakeholders, we will pursue a strategy that continues to reflect the interests of People, families, companies and society in general in the value chain, knowing that in this way we will be contributing to sustainable, fair, ethical development and adapted to a changing world.





Sustainable Management

Millennium bcp has recently revised its governance model, with the creation of a Sustainability Commission chaired by the Bank's CEO, and is strengthening its Corporate Policies within the scope of the ESG (Environmental, Social and Governance) axes, principles and guidelines that contribute to brand management, reputation, risk, ethics and conduct, but also to promote innovation, value proposition and improve the quality of service and customer satisfaction.

In order to achieve these goals, and in the context of the 2021 SMP, Millennium bcp has identified the following initiatives to be implemented:

- Review, update and publish the Sustainability, Social, Inclusion and Diversity, Human Rights and Volunteering Policies;
- Integrate sustainability criteria in the evaluation and variable remuneration policies, at the various levels of the organisation;
- Promote training on Sustainability and on the new reality, regulatory and market, resulting from Sustainable Finance practices;
- Commit to the United Nations Principles of Responsible Banking;
- Appreciate the environmental and social risk associated with the Bank's activities, in alignment with developing community regulations;
- Launch of internal challenges to identify opportunities in the area of sustainable finance.

Main initiatives implemented:

- Definition of the Sustainability Governance Model;
- Definition of sustainability requirements for events organised by BCP;
- Promotion of low-value corporate credit projects and actions with social sector entities and local media;
- Stimulation of the Kaizen Programme, with a view to the continuous optimisation and simplification of processes;
- Formalise compliance with social and environmental requirements in the selection and contracting of Suppliers;
- Update the Letter of Principles for Suppliers;
- Subscription of the "Letter of Commitment for Sustainable Financing in Portugal", an initiative promoted by the Ministries of Environment, Economy and Finance.
- Increasing financial resources for the conservation and sustainable use of biodiversity and its ecosystems in order to promote sustainable forest management, including conservation and reforestation;
- Creating financial products aimed at financing and protecting forests, biodiversity and ecosystems - an example of which is the WWF Credit Card in Poland;
- Supporting initiatives and organisations that stand for the protection of forests and biodiversity, such as the "Portugal Chama" campaign to prevent forest fires.

Our goal:

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Mobilize and increase financial resources for the conservation and sustainable use of biodiversity and ecosystems and for the promotion of sustainable forest management, including conservation and reforestation

Our contribution in 2019:

Projects financed in the areas of energy, forestry and agriculture, through the "Casa Eficiente" Program lines, PRODER / PROMAR and IFAP Short Term credit lines, PolGEFF Polish Green Economy Financing Facility, Leasing Eko Energia, MilleSun, among others:

- 764 supported projects
- € 332 million in financing



Sustainable Financing

Millennium bcp intends to strengthen its sustainable financing policies and regulations, guided by the transparency of information provided to customers about products and services, and also to increase a coherent and segmented offer of inclusive and sustainable products.

In order to achieve these goals, Millennium bcp has identified the following initiatives to be implemented:

- Analyse information disclosure requirements related to sustainable investments and sustainability risks, as proposed by regulation COM (2018)354/978576 amending Directive (EU) 2016/2341 and its impact on Millennium bcp activities;
- Integrate social and environmental criteria into the risk assessment process and the credit decision;
- Define sectoral and environmental policies in the risk assessment process and in the credit decision;
- Strengthen partnerships for the supply of products that meet the needs of modernisation of companies in order to mitigate the impact on climate change;
- Promote the issuance of green or social bonds;
- Promote renewable energies through loans to the energy sector;
- Create specific credit lines for increased energy efficiency, sustainable mobility, sustainable construction;
- Lead the granting of credit through the Credit Line for the Decarbonisation and Circular Economy.

Examples of implemented initiatives:

- Subscription of the Business Mobility Pact for the City of Lisbon;
- Adherence to the "Casa Eficiente 2020" Programme promoted by the Portuguese State and co-financed by the European Investment Bank (EIB);
- Support to companies in the agriculture and/or fisheries sector through the PRODER/PROMAR and IFAP Short Term credit lines;
- Support to investment projects for the creation of companies by the unemployed - Through the Microinvest Line and the Invest Line;
- Corporate member of the European Microfinance Network (EMN).

	Our goal:	Our contribution in 2019:
7	Ensuring universal access to modern and affordable energy services	Financing of renewable energy infrastructure and equipment projects
8	Promote financial inclusion products that support productive activities and decent job creation and entrepreneurship	Microcredit offer: - 368 jobs created in 2019 - Commitment: target of growth of 10% of the jobs generated, in 2020
	Protect labor rights and promote safe and protected work environments for all employees	Level of employee satisfaction in Portugal: 78%



Impact on People and Communities

Millennium bcp continues to seek innovative solutions to attract and retain talent, identify new volunteer projects and strengthen partnerships and support with projects developed over the past years.

In order to achieve these goals, Millennium bcp has identified the following initiatives to be implemented:

- Strengthen career development programmes for employees with talent and potential;
- Maintain and update e-Learning training on Stress Management, Healthy Living and Wellness;
- Define and implement teleworking policy;
- Reduction of working time with voluntary decrease of remuneration;
- Structure a volunteering/social support programme for and with the participation of the Employees;
- Include human rights information in annual reporting according to the UNGP - Guiding Principles Reporting Framework;
- Implement social and/or environmental awareness actions (climate change) common to the entire Group;
- Develop commercial campaigns in partnership with NGOs and non-governmental charitable organisations to finance social support causes;
- Define and implement a methodology to measure the impact of the investment on the community.

Examples of initiatives developed:

- Commitment Agreement of the Organisations for Equality Forum;
- Collaboration of the Foundation with the Institute of Molecular Medicine of Lisbon (IMM) in a project with the purpose of investigating the mechanisms responsible for the appearance and development of brain tumours, with special focus on children;
- Support to the b-Learning programme of the National Association of Charitable Institutions (CNIS) offering training on educational practices to teachers of pre-school education;
- Support and encouragement to the regular food collection campaigns of the Portuguese Food Bank;
- Subscriber to the "CEO's Guide to Human Rights", an initiative of the World Business Council for Sustainable Development (WBCSD) and the Business Council for Sustainable Development (BCSD Portugal);
- Support to the implementation of adequate accessibility services for live shows outside Lisbon and Oporto and set up of a network of theatre that have this access;
- Non-Profit Associations Account, a current account with special conditions, such as not requiring a minimum opening amount and exemption from maintenance fees for Non-Profit Associations.



Our goal:

Our contribution in 2019:

1	Promote employment and social innovation by supporting social enterprises	Financing to social enterprises within the scope Millennium FEI Social
	Contribute to improving the quality of life and reducing poverty	1 million euros in donations to the community
4	Develop the personal and professional skills of Employees	<ul style="list-style-type: none"> - 847 thousand hours of training - 400 thousand participants in training actions - Commitment: increase, in 2020, the number of on-the-job training hours by more than 5%
	Promote the population's financial literacy, contributing to a more informed management of personal finances and promoting entrepreneurship	58.7 thousand participants in financial literacy actions
	Contribute to the development of entities in the social economy sector by providing management training	Training for managers of social entities in 2 actions of the GOS Program (Management of Social Organizations, in Lisbon and Oporto) by AESE Business School
5	Strengthen the Bank's position with regard to the promotion of gender equality and non-discrimination	<ul style="list-style-type: none"> - 55% of women in total employees - 24% of women on the Board of Directors - Commitment: increase the number of women on the Board of Directors to 33% in 2021
10	Ensuring equal opportunities at work and reducing inequalities (internally)	55% of the total training hours provided is for women



ENVIRONMENTAL DIMENSION

ENVIRONMENTAL

13 CLIMATE ACTION



Sustainable Operations

In order to contribute to the achievement of the Paris Agreement and improve its environmental performance, Millennium bcp is committed to minimise the environmental impact of both operations.

In order to achieve these goals, Millennium bcp has identified the following initiatives to be implemented:

- Broadening knowledge about the carbon footprint, including scope 3, upstream and downstream of the Group’s activity;
- Redefine emission reduction targets according to Science Based Targets Initiative;
- Assess the capacity to increase the installation of photovoltaic power plants;
- Ensure renewable energy consumption, for example through the Renewable Energy Power Purchase Agreement;
- Purchase of energy-efficient vehicles for the Bank’s Car Fleet, 30% by 2025 and 80% by 2030;
- Implement measures aimed at the reduction, reuse and recycling of waste;
- Fostering individual awareness of environmentally responsible behaviour;
- Scanning - with "zero paper" objective.

Examples of implemented initiatives:

- Environmental awareness on mitigation, adaptation, impact reduction and climate change warning measures;
- Reduce the use of disposable plastics in BCP operations;
- Continuous implementation of energy efficiency measures;
- Subscriber to the Commitment Lisbon European Green Capital 2020", promoted by the Lisbon City Council (CML);
- Subscriber to the Lisbon Mobility Pact", a joint initiative of the Lisbon City Council (CML), the WBCSD and the BCSD Portugal.

	Our goal:	Our contribution in 2019:
13	Contribute to limiting global warming to 2°C	60% electricity consumption in Portugal is from renewable sources
	Increase the percentage of energy from renewable sources in total fuel consumption	- 16% reduction in the Group’s direct CO2 emissions - Commitment: increase the% energy-efficient vehicles for the Bank’s Automobile Fleet in Portugal to 30% by 2025 and 80% by 2030



Working together for a more sustainable world

BCP, aware of the importance of sharing good practices and active participation in the further development of Responsible Business principles, is associated with and part of the corporate bodies of BCSD Portugal - Conselho Empresarial para o Desenvolvimento Sustentável (Business Council for Sustainable Development).

It is also a member of the United Nations Global Compact Network Portugal and, in a spirit of proximity and support to the surrounding communities, of the Oeiras Solidária Programme (POS), and is also a partner of the Portuguese Food Bank and Entrajuda.

It also participates in a selected set of working groups and forums for reflection on Sustainable Finance. As such, it is a member of the Sustainable Finance Working Groups of (i) APB - Associação Portuguesa de Bancos (Portuguese Banking Association) (ii) EBF - European Banking Federation, (iii) BCSD Portugal and (iv) AEM - Associação de Empresas Emitentes de Valores Cotados em Mercado (Association of Listed Securities Issuers).

BCP is also part of (v) the Grupo Técnico de Reflexão para o Financiamento Sustentável em Portugal (Technical Group for Reflection on Sustainable Financing in Portugal) of the Ministry of the Environment, (vi) the Subcomissão Técnica de Finanças Sustentáveis ISO/TC 322 da APEE (Technical Sub-Committee on Sustainable Finance) of APEE - Associação Portuguesa de Ética Empresarial (Portuguese Association for Business Ethics) and ISO - International Organization for Standardization and (vii) the Task Force on Taxonomy ESG of APB.

It is also part of BCSD Portugal Working Groups on (i) Carbon Neutrality, (ii) Sustainable Cities and (iii) Value Chain (Letter of Principles for Suppliers).

Our goal:

Our contribution in 2019:

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Ensuring partnerships aimed at sustainable development, and sharing knowledge, expertise, technology and financial resources

11 partnerships / participations in work groups and social organizations

Encourage community engagement

Collaboration and support to social responsibility activities, in particular through the Fundação BCP



sempremelhor@millenniumbcp.pt

www.millenniumbcp.pt

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