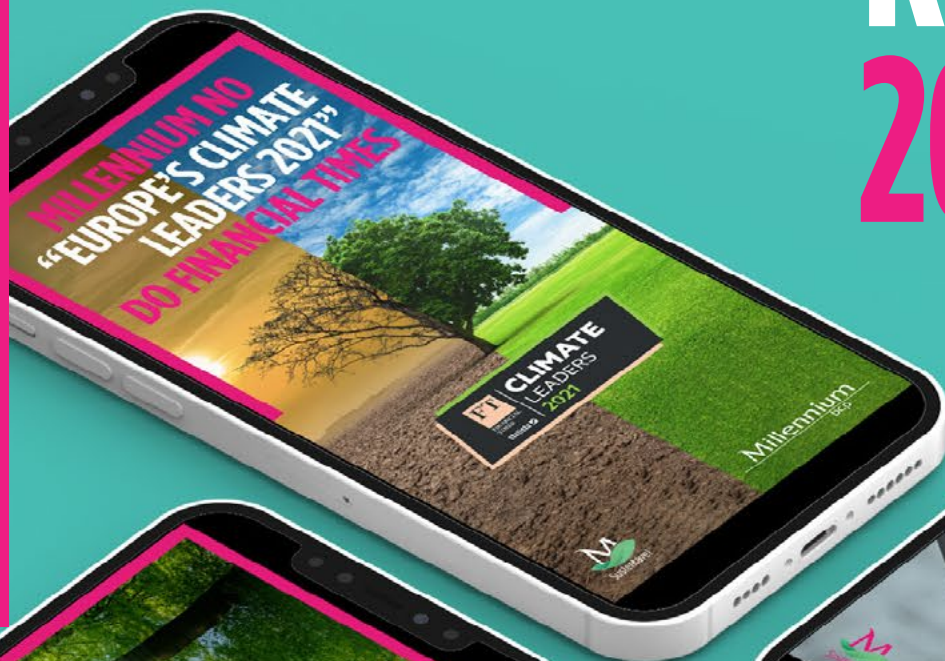


# SUSTAINABILITY REPORT 2021



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**SUSTAINABILITY  
REPORT  
2021**

Millennium  
bcp



Sustainable

# Index

<b>04</b>	<b>JOINT MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHAIRMAN OF THE EXECUTIVE COMMITTEE</b>
<b>09</b>	<b>SUMMARY OF INDICATORS</b>
<b>11</b>	<b>KEY HIGHLIGHTS</b>
<b>13</b>	<b>VALUE CREATION</b>
<b>15</b>	<b>INTRODUCTION</b>
15	SUSTAINABILITY REPORT
16	EVOLUTION NON-FINANCIAL REPORT
17	UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)
18	SUSTAINABILITY POLICY
18	GOVERNANCE MODEL
19	STRATEGIC PLAN 2021/2024
20	EUROPEAN REGULATORY AGENDA
21	COMMITMENTS
23	PRINCIPLES OF RESPONSIBLE BANKING (PRB)
24	SCIENCE BASED TARGETS INITIATIVE (SBTI)
24	PARTNERSHIPS
25	MANAGEMENT OF SOCIAL AND ENVIRONMENTAL RISKS
<b>27</b>	<b>MAIN EVENTS</b>
<b>31</b>	<b>RELATIONSHIP WITH STAKEHOLDERS</b>
31	IDENTIFICATION AND INTEGRATION OF EXPECTATIONS
33	SMP - SUSTAINABILITY MASTER PLAN 2021
<b>37</b>	<b>ECONOMIC RESPONSIBILITY</b>
37	UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)
38	MILLENNIUM NETWORK
41	INFORMATION SECURITY
43	INNOVATION
44	SHAREHOLDERS
45	EMPLOYEES
58	ETHICS AND PROFESSIONAL CONDUCT
66	SERVICE QUALITY
72	TAX POLICY



**77 SOCIAL RESPONSIBILITY**

- 77 UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)
- 79 PARTICIPATE AND SHARING
- 83 FINANCIAL LITERACY
- 86 MILLENNIUM BCP FOUNDATION
- 99 PRODUCTS AND SERVICES
- 108 SUSTAINABLE FINANCE DISCLOSURE REGULATION (SFDR)
- 110 EMPLOYEE BENEFITS
- 116 SUPPLIERS
- 117 HUMAN RIGHTS

**123 ENVIRONMENTAL RESPONSIBILITY**

- 125 UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)
- 127 SUSTAINABLE OPERATIONS
- 129 DE-CARBONISATION
- 132 ENERGY EFFICIENCY
- 141 TAXONOMY EUROPEAN UNION

**143 TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)****149 SUSTAINABILITY INDEXES****151 EXTERNAL AUDITOR'S REPORT****155 METHODOLOGICAL NOTES****158 ANNEXES**

- 159 GRI TABLE - GLOBAL REPORTING INITIATIVE
- 169 SASB TABLE - SUSTAINABILITY ACCOUNTING STANDARDS BOARD
- 173 UNGP TABLE - UN GUIDING PRINCIPLES REPORTING FRAMEWORK
- 176 ALIGNMENT TABLE WITH TCFD
- 177 ALIGNMENT WITH CMVM'S REPORTING MODEL FOR NON-FINANCIAL INFORMATION DISCLOSURE



**Miguel Maya**  
Chief Executive Officer  
Vice-Chairperson of the Board of Directors



**Nuno Amado**  
Chairperson of the Board of Directors

# Joint Message from the Chairman of the Board of Directors and the Chairman of the Executive Committee

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Millennium bcp's performance in 2021 was marked by very intense commercial activity that led to the strengthening of operational trends in the various markets in which the Bank is present, a dynamic that, despite the restrictions still associated with the evolution of the pandemic, costs and mandatory contributions in Portugal, and the charges related to the legal risk of the portfolio denominated in CHF in Poland, allowed a positive consolidated net result of 138.1 million euros to be achieved in 2021.

Millennium bcp's economic and financial strength, reflected in solid efficiency ratios, a capital structure that exceeds regulatory requirements and a comfortable liquidity position, contribute to enhancing the sustainability and resilience of the Bank's business model.

Proximity to our customers, boosted by a consistent path of digital transformation, continues to prove to be decisive for the reinforcement of trust and recognition by Customers, which increased to a total 6.1 million at the group level, with mobile Customers, which grew 20% to 3.5 million, representing 56% of the total Customer base.

We have a strong commitment to sustainability and to ethical, inclusive and responsible business practices. In 2021 Millennium bcp once again stood by people, society and local communities in the continued creation of social value and protection of the environment, climate and biodiversity.

The new Strategic Plan "Excelling 24" chose Sustainability as a fundamental pillar of the Bank's ambition, which we intend to achieve through the continuous strengthening of risk management processes and the offer of products with ESG ( Environmental, Social and Governance ) criteria, in order to provide a holistic and coherent response to the growing requests and needs of Customers, as well as to the expectations of regulators, giving priority to Millennium bcp's positioning in the financing of resilient economic development models that promote a sustainable, fair and inclusive "social contract".

In terms of social support, we maintained a firm commitment to the most needy and unprotected. In 2021, in Portugal, we renewed our longstanding partnership with the Banco Alimentar food bank, promoting and participating with Millennium volunteers in national food collection campaigns, in addition to solidarity initiatives in favor of institutions such as Associação Acreditar and CERCI Oeiras.

Mozambique, with Millennium bim's Social Responsibility program "Mais Moçambique pra Mim", highlights included the delivery of 100 beds to the local authorities to strengthen the operational capacity of the Treatment Center of patients with Covid-19 at Mavalane General Hospital, in addition to strengthening support for displaced populations following attacks in the Cabo Delgado region.

In Poland, Bank Millennium's "Financial ABC" program returned to face-to-face financial literacy sessions at the national level, with new workshops that present, in an innovative and integrated way, the essentials of banking concepts to over 5,000 preschool children and their families.

We also maintained, in Portugal, through the Millennium bcp Foundation and in a context conditioned by the pandemic, support for culture, enabling events aimed at very different audiences, disseminating and recognizing creative merit and contributing to the recovery of historical heritage sites, and museums. Highlights included the reopening of the Archaeological Center of Rua dos Correios, classified as a National Monument since 2015 and which was the object of a profound renovation in order to improve the experience of its visitors, as well as the inauguration of the new Millennium bcp Gallery, in the National Museum of Contemporary Art in Chiado, which was born out of a multi-year partnership agreement with the Museum.

Education, science, research and support for the most vulnerable are areas in which the Millennium bcp Foundation is also present by supporting multidisciplinary initiatives that stand out for their innovation and the value they create for society and the environment.

At the business level, the Bank supported investors, companies and families through the granting of sustainable loans adjusted to their needs and financial capabilities. In terms of accessibility, Millennium bcp continued to provide integrated and innovative electronic banking solutions, in particular mobile banking, for the digital distribution of its services, contributing to the banking inclusion of citizens, with wide recognition of the Group's Customers in the geographies in which we are present.

Microcredit, a financing solution with which we continue to support entrepreneurship and self-employment in Portugal and which, as an instrument to fight unemployment and poverty, has benefited from the connection with entities that work with socially excluded populations, made possible the creation, in 2021, of 161 new jobs, bringing the accumulated value, since 2005, to more than 7,300 jobs generated by projects financed in this manner.

With the objective of maintaining a constant reduction in the Bank's ecological footprint, and thus contributing to the protection of the environment, the preservation of natural resources and biodiversity and the mitigation and adaptation to climate change, we pursue an Environmental policy that promotes a culture of responsible consumption and investment. As a result of this commitment, and despite the fact that the year 2021 continues not to favor comparative analyses, the BCP Group continued to reduce consumption of water (-23% vs. 2020), energy (-12% vs. 2020) and of electricity (-23% vs. 2020), having also reduced greenhouse gas emissions (excluding the credit portfolio and Suppliers) to around 23,000 tons of CO<sub>2</sub>, accentuating a profile that, in 2021, was recognized with the inclusion of Millennium bcp in "Europe's Climate Leaders 2021" by the Financial Times and Bank Millennium in "Climate Leaders Poland 2021" by Forbes.

Millennium bcp is committed to gender equality. The initiatives to support birth and parenthood, balance work and family, professional development and leadership opportunities, which have been implemented within the scope of the Plan for Gender Equality, which we review and publish annually, justify the Bank's presence, for the third consecutive year, in the Bloomberg Gender-Equality Index. In this context, and after adhering to the United Nations Women's Empowerment Principles (WEP) in 2020, Millennium bcp is now part of its Steering Committee promoted by the Portuguese Network of the Global Compact.

Also noteworthy, within a framework of equal opportunities, diversity and inclusion, is the investment made in the professional development of the Bank's Employees, translated into more than 7,600 actions given throughout 2021, which corresponded to around 726,000 hours of training.

The BCP Group remains aligned with the 10 Principles of the United Nations Global Compact - a commitment dating back to 2005 - and has been investing in measures related to human rights, including carrying out a self-assessment exercise in the Group's main geographies, but also in labour practices, environmental protection and anti-corruption.

As a final note, the process of updating the referential and identity framework of the BCP Group's corporate policies that we carried out in 2021, with the review of the "Sustainability", "Environmental", "Human Rights", "Social Impact" and "Diversity and Equal Opportunities" policies, were complemented by the publication of the new "Anti-Corruption and Anti-Bribery" and "Corporate Volunteering" policies.

In a context in which the consequences of the Covid-19 pandemic still persist and which is now marked by uncertainty about the magnitude of the impacts resulting from the invasion of Ukraine, Millennium bcp underlines the purpose of actively contributing to the sustainable, fair and inclusive development of communities, with the ultimate objective of reinforcing, every day, the relationship of trust that we establish with our Customers.



**Miguel Maya**  
Chief Executive Officer  
Vice-Chairperson of the Board of Directors



**Nuno Amado**  
Chairperson of the Board of Directors



# SUMMARY OF INDICATORS

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# Main indicators

## SUMMARY OF NON FINANCIAL INFORMATION

	Unid.	2021	2020	2019	2018	2017	Var. % 21/20
<b>CUSTOMERS</b>							
Total of Customers	Thousands	6 812	6 667	6 617	5 826	5 429	2,2%
Number of Active Customers (1)	Thousands	6 143	5 705	5 598			7,7%
Interest paid on deposits and interbank funding	Million euros	91	188	301	327	343	-51,6%
Claims registered (2)	Number	172 753	172 674	136 562	108 244	76 918	0,0%
Claims resolved	Percentage	93,4%	92,8%	92,2%	99,3%	97,7%	
<b>ACCESSIBILITIES</b>							
Branches	Number	1 288	1 38	1 536	1 101	1 12	-6,7%
Activity in Portugal		434	478	505	546	578	-9,2%
International activity		854	902	1 031	555	542	-5,3%
Branches opened on Saturday		162	167	143	122	118	-3,0%
Branches with access conditions to people with reduced mobility		875	937	875	866	800	-6,6%
Internet	Users number	2 653 754	2 453 555	2 214 885	1 980 905	1 665 987	8,2%
Call Center	Users number	622 735	491 969	431 169	429 982	353 003	26,6%
Mobile banking	Users number	3 700 969	3 214 664	2 601 401	2 106 289	1 520 378	15,1%
ATM	Number	2 959	3 022	2 988	2 952	2 95	-2,1%
<b>EMPLOYEES</b>							
PORTUGAL EMPLOYEES	Number	6 289	7 013	7 204	7 095	7 189	-10,3%
INTERNATIONAL EMPLOYEES	Number	9 731	10 322	11 377	8 972	8 653	-5,7%
TOTAL	Number	16 020	17 335	18 581	16 067	15 842	-7,6%
<b>LABOUR INDICATORS (3)</b>							
Breakdown by professional category	Number						
Executive Committee		28	28	28	28	28	0,0%
Senior Management		165	163	221	178	150	1,2%
Management		1 735	1 874	2 157	1 728	1 642	-7,4%
Commercial		9 048	9 949	10 664	9 446	9 424	-9,1%
Technicians		4 067	4 067	4 388	3 682	3 531	0,0%
Other		973	1 250	1 116	1 027	1 061	-22,2%
Breakdown by age	Number						
<30		2 565	2 841	3 35	2 393	2 235	-9,7%
[30-50[		7 919	9 872	10 648	9 318	9 498	-19,8%
>=50		5 532	4 618	4 583	4 35	4 103	19,8%
Average age	Years	42	41	41	41	41	2,4%
Breakdown by contract type	Number						
Permanent		14 956	15 969	16 84	14 685	14 668	-6,3%
Temporary		1 060	1 362	1 681	1 376	1 168	-22,2%
Trainees		193	275	453	339	208	-29,8%
Employees with working hours reduction	Number	213	230	254	215	187	-7,4%
Disabled employees	Number	201	205	180	163	173	-2,0%
Recruitment rate	Percentage	9,7%	6,4%	12,5%	12,3%	9,7%	---
Internal mobility rate	Percentage	16,3%	20,7%	16,3%	16,6%	18,5%	---
Leaving rate	Percentage	17,5%	13,8%	11,9%	11,0%	10,3%	---
Free association (4)	Percentage						
Employees under Collective Work Agreements		99,6%	99,8%	99,7%	99,7%	99,6%	---
Union Syndicated Employees		75,0%	77,0%	76,9%	78,6%	78,5%	---
<b>Hygiene and safety at work (HSW)</b>							
HSW visits (5)	Number	331	186	184	159	376	78,0%
Injury rate (6)	Index	1,99	2,19	2,42	1,99	2,91	-9,1%
Death victims	Number	0	0	0	0	1	0,0%
Absenteeism rate	Percentage	5,4%	6,3%	4,8%	4,3%	4,2%	---
Lowest company salary and minimum national salary	Ratio	1,2	1,3	1,3	1,3	1,1	-8,4%
<b>ENVIRONMENT</b>							
Greenhouse gas emissions (5)	tCO2eq	38 611	49 307	50 714	50 588	55 683	-21,7%
Electricity consumption (7)	MWh	43 750	59 214	62 527	59 664	63 131	-26,1%
Production of waste	t	1 141	768	617	677	2 33	48,6%
Water consumption (5)	m3	163 747	208 817	276 46	281 666	366 872	-21,6%
<b>SUPPLIERS</b>							
Time of payment and time contractually agreed, in Portugal	Ratio	1	1	1	1	1	0,0%
Purchase from local suppliers	Percentage	92,3%	92,2%	91,4%	92,2%	86,4%	---
<b>DONATIONS</b>							
	Million euros	2,7	2,0	2,1	2,0	1,9	35,0%

(1) Primary holders with at least 1 product with a balance > 50 cents, in absolute value and with card transactions in the last 90 days, or holding financial assets ≥ 100 euros.

(2) It includes a structural change effect in the complaint handling process at Bank Millennium Poland, aiming at improving the Customer experience by optimizing the immediate treatment.

(3) Employees information (and not FTE) for: Portugal, Poland and Mozambique.

(4) The value reflects only operations where the regimes are applicable. Collective work agreement: Portugal and Mozambique. Syndicate: Portugal and Mozambique.

(5) Data does not include Moçambique.

(6) Number of accidents per million hours worked. In 2020 the calculation methodology was changed in accordance with the GRI (Global Reporting Initiative), and the series was retroactively adjusted.

(7) Data include electricity from public grid. Does not include the cogeneration plant in Portugal neither energy consumption in Mozambique.



# KEY HIGHLIGHTS

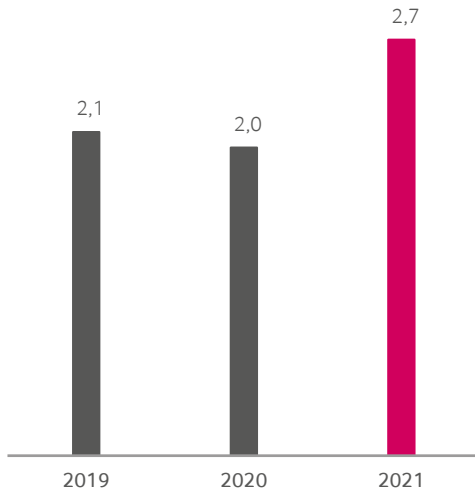


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# Key highlights

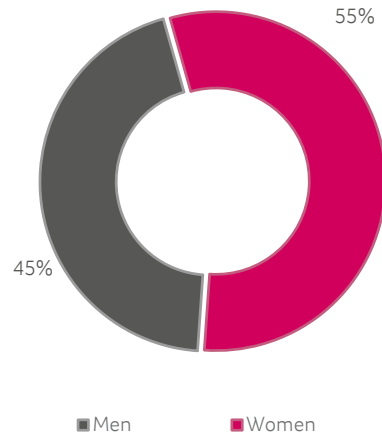
## Donations

(Million euros)



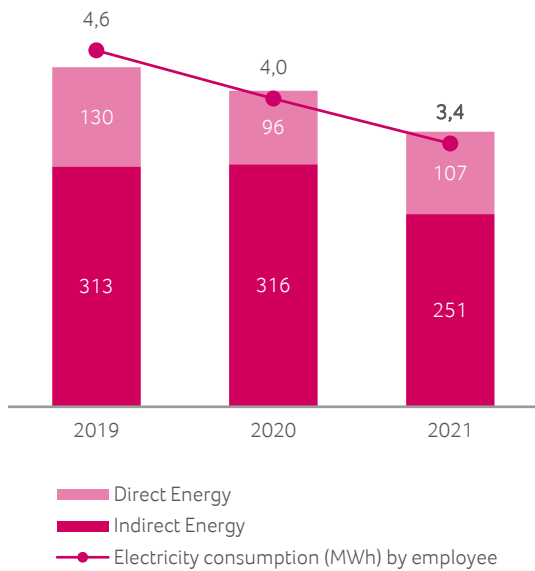
## Breakdown by gender

(Percentage)



## Total energy consumption <sup>(1)</sup> GRI 302 -1

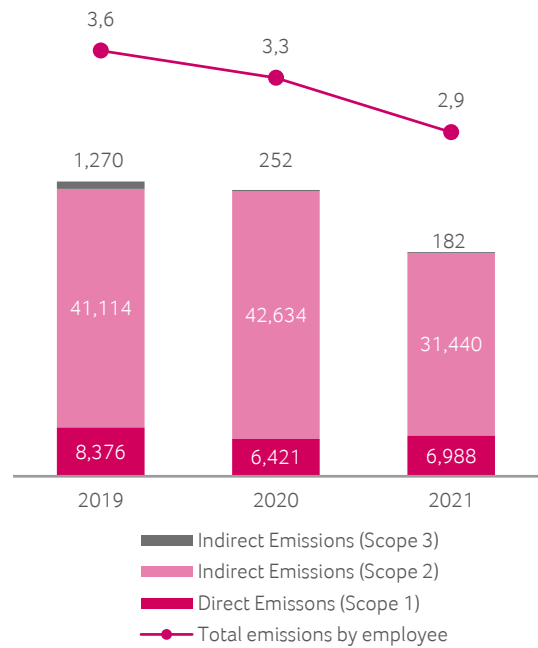
(T) and MWh/employee



<sup>(1)</sup> Data includes the cogeneration plant in Portugal, excludes data center in Portugal and data from Mozambique.

## GHG Emissions <sup>(2)</sup>

(tCO<sub>2</sub>e)



<sup>(2)</sup> Includes EuroBank values from October 2019. Does not include figures from Mozambique.



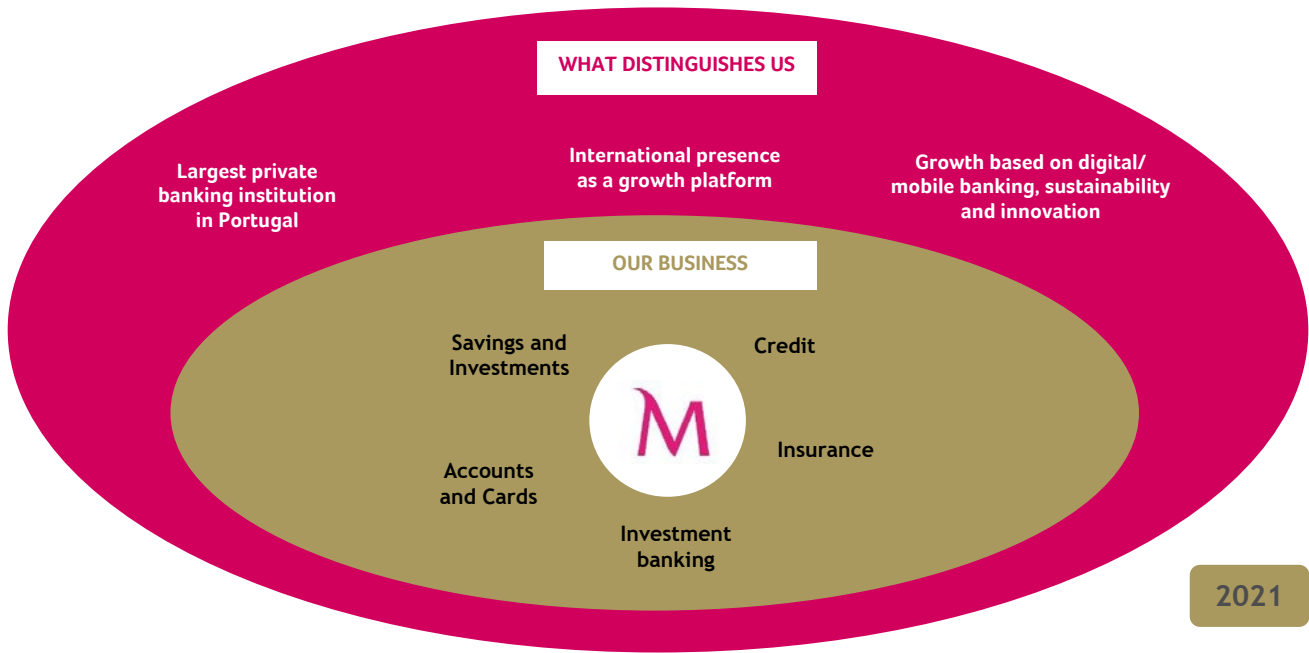
# VALUE CREATION



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## Value creation model



Axes	Inputs	Outputs
<b>Financial</b> BCP works to promote sustainable financial services and to return attractive returns to shareholders and other <i>stakeholders</i> .	Total Customer resources: €90.1 billions Total credit: €58.2 billions Net profit: 138.1 M€	Interest paid on deposits and other resources: 91.3 M€ Taxes paid: 203.6 M€
<b>Manufactured</b> BCP works to offer a quality service to customers, increasingly digital and with greater security.	No. of customers: 6.8 M <i>Mobile Customers: 3.5 M</i>	Complaints resolved < 7 days: 93.4% NPS ( <i>Net Promoter Score</i> ) <sup>(1)</sup> : 72.5% CSI Banca 2021 (Marktest) <sup>(1)</sup> : Millennium bcp is #1 in <i>the ranking</i>
<b>Intellectual</b> BCP works to develop and improve its offer and services, adapting them to the latest trends and customer needs.	Investment in R&D: 32.1 M€ <sup>(2)</sup>	Training hours: 726,400 (56.1% M, 43.9% M) 45 per employee
<b>Human</b> BCP works with and for the people who make up its workforce and who guarantee a quality service on a daily basis.	No. of employees: 16,020 Distribution by gender: 55% M, 45% H Recruitment rate: 9.7%	Employee satisfaction: 76% <sup>(1)(3)</sup> Employees with a permanent contract: 93.4% Employees with collective bargaining agreement: 99.6% <sup>(4)</sup>
<b>Social</b> BCP works to support the surrounding communities, training them and providing them with the means to add social value.	Donations: 2.7 M€ Payment to local suppliers: 92.3% Social Bonds <sup>(1)</sup> : 500 M€	Millennium bcp Foundation supports 102 projects: 60% in Culture, 14% in Knowledge and 26% in Social Solidarity <sup>(1)</sup>
<b>Natural</b> BCP works to minimize negative impacts on the environment and biodiversity, whether in its operations or in supporting its customers.	Electricity consumed: 43,750 MWh In Portugal, 100% from renewable sources	2.89 tCO <sub>2</sub> e/emitted by employee 3.4 MWh /consumed by employee

### United Nations Sustainable Development Goals



(1) Only includes operations in Portugal

(2) Data referring to 2020, since at the date of publication of the report, the value for 2021 had not yet been calculated

(3) 2020 data (in 2021 it was not performed)

(4) Value reflects operations in which this regime is applicable (PT and MZ)



# INTRODUCTION



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# Introduction

Banco Comercial Português publishes every year, since 2004, Sustainability Reports in accordance with the GRI (*Global Reporting Initiative*), now in its Standards version.

Material issue: REPORTING AND COMMUNICATION

## Sustainability Report

The Sustainability Report, already in its 18th edition, enable getting an integrated vision of the performance of Group BCP in the Economic, Social and Environmental Areas but also the detail relating to each one of its operations located in Portugal, Poland and Mozambique

Relating to the formats adopted and after the issue of autonomous Reports from 2004 to 2008, the Bank decided, in 2009, to include in Volume I of the Annual Report a brief chapter on the activities carried out by Millennium in the wake of Sustainability and to publish the full version of the Sustainability Report only in digital format.

In 2010, to translate the alignment of the sustainable development and social responsibility policies with the business strategy of Group BCP, this Report became part of the Annual Report. The document Progresses and Targets was also published, this being a report that describes the development stage of the actions envisaged in the Sustainability Master Plan (PDS) of the year it reports to. This reporting method adopted in 2010 continued to be used in 2011 and 2012.

In 2013, Millennium bcp decided to include a chapter - Responsible Business - on Sustainability in the Bank's Annual Report and it published again - in a separate and independent volume only available in digital format - a document detailing the activities developed during the year by the BCP Group, which it continued to do until 2016.

Within the framework set forth by DL 89/2017 of 28 July, regarding the mandatory annual disclosure of non-financial information and information on diversity by certain large companies; Millennium bcp maintained, from 2017 to 2020, a dual format based on the summary information included in the Annual Report - Non-financial Statements - and on the detailed information included in the Sustainability Report.

Considering the trends and guidelines on the reporting of non-financial information and the new regulatory requirements, the Bank decided to abandon the practice it had been following in recent years of including a chapter on Sustainability in the Annual Report, returning, in the 2021 report, to concentrate all information and non-financial indicators in the Sustainability

Report. This report, with an international scope, intends to continue to respond to the expectations of the Stakeholders of Group BCP, identified through regular materiality analysis and the ongoing feedback received through platforms, channels and available communication flows.

This Document was made in accordance with the principles set forth by the GRI (Global Reporting Initiative), for the option "in accordance core" and respective supplement of the financial sector, the principles of inclusion, materiality and responsiveness of the Standard AA1000APS (2008) and verified by an external entity in compliance with the principles defined by the International Standard on Assurance Engagements 3000.

The scope and methods to estimate the reported indicators and reporting limits are detailed at the end of the report - in the Methodology Note. The supplementary information reported, namely the tables of indicators (i) of GRI, which includes correspondence with the United Nations Global Compact Principles and the guidelines of the Securities Market Commission (CMVM), (ii) the Sustainability Accounting Standards Board (SASB) and (iii) the UN Guiding Principles Framework, are available for consultation at the annexes of the report and on the Bank's website [www.millenniumbcp.pt](http://www.millenniumbcp.pt) at the Sustainability area.

This report, together with the Annual Report of Millennium bcp, the CSR Report of Bank Millennium, (iii) Annual Report of Millennium bim (iv) Annual Report of Foundations Millennium bcp, and (v) of Bank Millennium, discloses relevant information on several aspects of the performance of BCP Group in material issues, duly identified in the materiality matrix available in the chapter Relation with Stakeholders.

Group BCP, subscriber of the Global Compact of the United Nations since 2005, also recognises the significance of Sustainable Development Goals (SDG) and of the 2030 Agenda of the United Nations and, therefore, the most direct contributions of the activity performed by Group BCP to accomplish those objectives are highlighted in this document.

## Evolution of Non-Financial Reporting

The approach to sustainability by Group BCP is based on the most important national and international reporting and performance trends on environmental, social and governance issues.

Thus, and in its Sustainability Master Plan, Millennium bcp contemplates several objectives that respond to the most recent trends in Sustainable Finance and reporting of non-financial information, such as the ongoing subscription to the United Nations Responsible Banking Principles (UNEP FI), compliance with the targets defined within the scope of the United Nations SDGs, adaptation to new European Union (EU) guidelines on non-financial reporting, including the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), alignment with Regulations aimed at the “Establishment of a regime for the promotion of sustainable investment” Regulation EU 2020/852, i.e. Taxonomy) or “on sustainability-related disclosures in the financial services sector” (Regulation EU no- 2019/2088, SFDR in the English acronym) or yet the definition of targets certified by the Science Based Targets initiative (SBTi) and in line with the Paris Agreement.

The Bank considers that it plays a relevant role in the compliance with the European and international commitments, recognising the importance of the involvement and alignment of the financial sector in the transition into a sustainable economic development model. In terms of climate changes, the Bank assumes the commitment established within the scope of the Paris Agreement and the objective of limiting global warming below 1,5° degrees Celsius. In what concerns an ethical and responsible

leadership, we must emphasize the commitment assumed by Group BCP with the principles of Global Compact defined by the United Nations, which comprise 10 Principles within the scope of Human Rights, Working Conditions, Protection of the Environment and Anti-corruption.

In terms of reporting guidelines, the Bank develops its Sustainability Report in line with the GRI Standards, and also publishes the SASB indicators, namely those associated with the financial sector, as well as the recommendations from TCFD and, in Portugal, from CMVM. This report also includes, for the first time, reporting on Human Rights, in accordance with the UN Guiding Principles Framework.

On issues related with Sustainable Finance, the Bank monitors the evolution recorded in terms of regulations for the financial sector (namely the Plan of the European Commission for Sustainable Finance and the guidelines defined by the European Central Bank and by the European Regulatory Authorities) and participates in several domestic and international work groups on this themes.

Furthermore, the Group BCP wishes to ensure an increasingly greater alignment between offer, business procedures and operations of the financial sector with the ESG themes (*Environmental, Social and Governance*), by means of the inclusion of social and environmental issues in the activities performed by the company, from risk governance and management to offer and management of internal activities.

“

*The risk management process has been adapted to in order to reflect the Bank's strategic priority on key ESG themes*



### Sustainable Development Goals (SDG) of the United Nations

The Sustainable Development Goals (SDG) of the United Nations, approved in September 2015, represent the most significant global voluntary commitment - already formalised by 193 countries from the five continents - and thrive at improving the quality of life of the world population - in the social, environmental and economical components - until 2030.

Considering that the accomplishment of its 17 objectives and of its 169 targets imply a joint effort from the States and the civil society and from private entities, namely from companies, the Bank assumes the commitment of actively working towards a sustainable development, featured by social inclusion and responsibility in terms of environment, in all countries where it operates.

The involvement of Millennium bcp in the fulfilment of the SGD can be found, first and foremost, in the matrix of the Bank, especially in its relation of proximity with People and capacity to add social value but also in the search for inclusive and innovative products and distribution channels focused at providing the best service to its customers.

BCP recognises that the SDG represent an unifying and aspirational reference framework that will enable to produce a new “social contract” and enhance changes imposed and required by the current economical, social and environmental situation.

Thus, within the scope of an ongoing process with which we intend to establish the relation - and identify the points of convergence - between the Bank’s activity, its ethical values and corporate culture and the one set forth by the SDG, we have identified and characterized in the 2021 Sustainability Master Plan, the Bank’s contribution for the accomplishment of the objectives and the way Group BCP is matching its value proposal in the different countries to the needs and expectations of the interested parties.

BCP identifies, at this stage, as a priority for the implementation of the 2030 Agenda for Sustainable Development, the SDG 1 (End Poverty), 4 (Quality Education), 5 (Gender Equality), 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), 10 (Reduced Inequalities), 13 (Climate Action), 15 (Protect Life on Earth) and 17 (Partnerships for the implementation of Goals





## Sustainability Policy

The BCP Group pursues dynamic strategies adapted to the new challenges imposed by the several interested parties with which it establishes relations. The main objective of the adopted sustainability policies, which foster a culture of Social Responsibility, has been to positively influence the organization's long-term value proposition, in balance with the well-being of people, the company and the communities in which it operates. and with the preservation of natural resources, the climate and the environment.

Within this context, it is possible to divide the Bank's intervention into three major areas of intervention:

- Environment – implementation of measures that foster a fair and inclusive transition into a zero carbon economic development model, including the incorporation of the environmental component in the Bank's risk models and in the offer of products and services;
- Social – involvement with both the external and the internal communities;
- Corporate Governance - integration of the principles of sustainability in the Bank's decision-making processes.

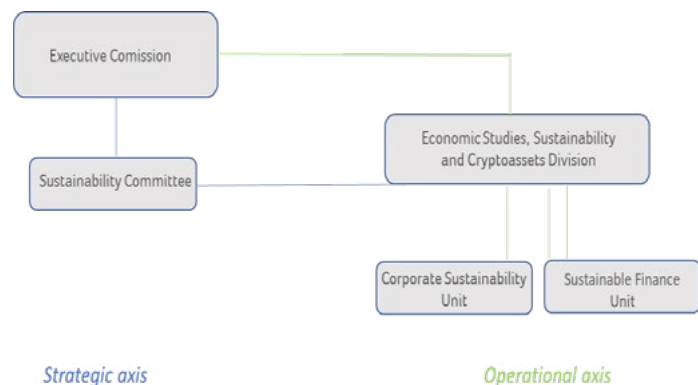
Therefore, as an integral part of its business model, Millennium bcp takes on the commitment to create social value by developing actions to - and with - the various stakeholder groups with the goal of directly and indirectly contribute to the economic and social development of the countries in which it operates.

## Governance Model

Millennium bcp, within the context of the Sustainability Master Plan, revised, in 2020, the Bank's governance model, creating a Sustainability Commission ([Regulations of the Sustainability Commission](#)).

This commission, that emanates from the Executive Committee, being chaired by the CEO, is the body responsible for the appraisal, debate and supervision of the implementation, within a corporate standpoint, of a sustainability strategy - that includes the economical, social, environmental, and climate changes components - of Millennium bcp, having, specifically, the following tasks:

- To assist the EC in integrating the principles of Sustainability (Environmental, Social and Corporate Governance) in the decision and management processes of the Bank.
- To assess and approve the initiatives required to implement the actions defined to materialise the strategic axes of the Sustainability Master Plan in force, as well as other changes or adaptations necessary to meet the defined objectives.
- To follow-up and monitor the progress of approved initiatives, compliance with the respective deadlines and budgets and the evolution of the results achieved, as well as the key performance indicators of the plan's dimensions.



In 2021, Group BCP, reinforcing its governance model, revised and updated a set of corporate principles and policies, namely:

- i. Sustainability Policy;
- ii. Environmental Policy;
- iii. Social Impact Policy;
- iv. Human Rights Policy;
- v. Policy for Diversity and Equal Opportunities;
- vi. Anti-Corruption and Anti-Bribery Policy;
- vii. Principles for a responsible financing: projects under conditions and excluded.  
(view here [Main corporate policies and principles - Millenniumbcp](#))

At the level of the Board of Directors, the follow-up of the Sustainability issues is a responsibility of the Committee for Corporate Governance, Ethics and Professional Conduct.

## Strategic Plan 2021/2024

In the new Cycle of the Strategic Plan, Millennium will continue to try to pursue business opportunities related with sustainability and also manage the physical and transition risks of its portfolio, to assert itself as a reference in the market. Millennium will innovate in its own products with a green and social rating addressed to individuals (for example, increasing investment solutions compliant with ESG criteria) and companies (for example, loans with an interest rate indexed to “E” criteria).

Besides, the bank will try to establish partnership alternatives to enlarge its offer of ESG products, for example, in the financing of improvements in buildings, aimed at improving their energy self-sufficiency and the electric vehicle ecosystem. Millennium bcp will also explore partnerships to provide consultancy and advisory services to companies to support them in their green transition process.

Seeking to become the principal partner for the energy transition, the Bank is committed in increasing the issue of bonds linked with sustainability criteria (SLB) and of ESG bonds so as to become the leading company in Portugal in this domain, boosting the strategic relevance of this type of bonds in the EU’s strategy for Sustainable Finance.

The objectives that Millennium bcp is defining are in line with the desire to affirm itself as a reference in Portugal in this domain during this cycle of the Strategic Plan: average of the ratings of the three main indexes (DJSI, CDP and MSCI) above 80%, having all its premises in Portugal operating with totally renewable energies until the end of 2021 and with the reduction of exposure to sectors with a significant use of coal.



Adapt business models and processes to meet the expectations of Customers and communities in the field of sustainability, benefiting from the opportunities associated with it and meeting regulatory requirements



**Innovate in own products with green and social classification directed to Individuals and Companies** risk appetite and funding structure influenced by the adoption of a green business model.



**Explore partnerships to extend the offer of ESG products** by providing consulting and advice services to companies to support them in their transition process.



Increase the origination of obligations linked to sustainability and issuance of **ESG bonds**.



Establish strong communication with internal stakeholders and external partners, training all employees and **relating incentives with behaviours and outcomes aligned with ESG criteria**.

**>50%**

**Reduced exposure to coal and petroleum products in European operations<sup>1</sup>**

**>50%**

**Green Project Finance**

**#1**

**Origination of green bonds in Portugal**

<sup>1</sup> Excluding funding for the energy transition and short-term exposures for the financing of activities | Non-exhaustive description of measures.

## European Regulatory Agenda

The domestic and international regulatory context regarding Sustainability issues, including matters related with sustainable finances, is nowadays, the result of an accelerated legislative dynamic, more complex, demanding and multidisciplinary. The progressively enlarged set of ESG (*Environmental, Social and Governance*) guidelines and duties with impact on the governance model, value proposal and corporate reporting practices on non-financial information, requires from the organisations a constant ability for adaptation and adjustment to enable them to face the Stakeholders' new requirements and expectations.

In the case of Group BCP, the Sustainability Report responds to the different reporting requests on the sustainability performance and indicators, namely:

- Directive 2014/95 on the disclosure by large companies and groups of non-financial information and information on diversity, published in October 2014, which requires the reporting of non-financial information to a number of organisations, namely information on social and environmental performance, transposed into the Portuguese law through DL no. 89/2017;
- The Paris Agreement, signed in December 2015, is an action plan to limit global warming to well below 2°C compared to pre-industrial levels and below 1.5°C, ratified by all EU countries;
- Action Plan for Sustainable Finance, launched by the European Commission in March 2018, a document that served as basis for directives and regulations which are extremely relevant for the reporting of non-financial information by organisations part of the financial sector;
- Regulation EU 2019/2088 on the disclosure of information related to sustainability in the financial services sector (SFDR), adopted by the European Union in November 2019, whose objective is to make information on financial products and their contribution to sustainability comparable and more easily understood by investors and other users of the information and which became effective in March 2021;
- Taxonomy Regulation (Regulation EU no. 2020/852), adopted in June 2020, published within the scope of the Action Plan for Sustainable Finance, that complements parts of the SFDR and consists of a single classification system for environmentally sustainable activities that aims to enable investors to redirect their investments towards more sustainable companies;

- Final report and a draft of the regulatory technical standards (RTS) launched in February 2021 by ESA (joint committee of the three European supervisory authorities - EBA, EIOPA and ESMA), documents that contain guidelines on the duties deriving from the SFDR;
- Proposal for a Directive on Corporate Sustainability Reporting (CSRD), published in April 2021 by the European Commission that replaces the Directive 2014/94, and which now requires a wider group of companies to start publishing non-financial information on their performance in accordance with the European Sustainability Reporting Standards, which are under development;
- Climate Legal Framework (Law 98/2021), published in December 2021 that, in its article 38, establishes that climate risk should be considered in the corporate governance and incorporated in the company's decision-making processes and that information on identified climate risks must be reported.

## Commitments

In the wake of the subscription in 2005 of the United Nations Global Compact Principles and re-affirmed in 2018, BCP Group commits to support its 10 Principles establishing a set of values in what concerns Human Rights, Labour Conditions, Protection of the Environment and Anti-corruption.

In 2019, within the scope of the “Think tank on sustainable funding in Portugal”, promoted by the Ministries of Environment, Economy and Finances (within the context of the Route to Carbon Neutrality in 2050), which had the participation from the major banks that operate in the market, supervisors and sector associations, two documents were produced: (i) “[Guidelines to accelerate sustainable funding in Portugal](#)”; and (ii) “[Engagement Letter for the Sustainable Funding in Portugal](#)” - subscribed by Millennium bcp -, that seek to evidence the importance of including environmental, social and governance risks in the decision-making processes and in the management of risk in the financial sector.

Within the context of sustainable funding, Millennium bcp was, in 2020, one of the subscribers of the the Declaration “*Aproveitar a crise para lançar um novo paradigma de desenvolvimento sustentável*” promoted by BCSD Portugal, joining a declaration of collective will to, in this turning point and economic recovery imposed by the pandemic situation, contribute for the construction of a development model based on five main pillars: (i) Promotion of growth, (ii) Search for efficiency, (iii) Reinforcement of Resilience, (iv) Corporate Citizenship and (v) Promotion of sustainable and inclusive development.

In 2021, Millennium bcp, part of a group with more than 80 Portuguese companies, signed the Manifesto “Rumo à COP26” from BCSD Portugal (Business Council for Sustainable Development), recognizing the importance of this conference for the global dialogue on the decarbonisation of development models and for the compliance with the Paris Agreement.

Millennium bcp also subscribed the “European Green Capital 2020 Commitment”, promoted by the Municipality of Lisbon in 2020, that joins more than 200 significant entities of the city, companies, schools and institutions, in a commitment towards more climate actions and targeted at sustainability, able of fostering a collective dynamics to comply with the targets defined by the Paris Agreement and accelerate the achievement of carbon neutrality

Within this framework, Millennium bcp proposes to achieve, until 2030, the following initiatives:

- #1 Energy – install LED lighting in all buildings;
- #2 Energy – Install (more) equipment for the production of photovoltaic solar energy in the buildings more exposed to the sun and with a sufficient area for that purpose;
- #3 Water - Implement solutions enabling re-use water;
- #4 Circular Economy – eliminate the use of plastics used only once;
- #5Citizenship and Participation – Disclose materials from the Green Capital to the employees and/or Customers.



*In 2021, Millennium bcp signs the Manifesto “Rumo à COP26” (Towards COP26) from BCSD Portugal, recognizing the importance of decarbonising development models and complying with the Paris Agreement*

In 2019, the Bank also joined the “Business Mobility Pact for the City of Lisbon”, a joint initiative from the Municipality of Lisbon (CML) and, WBCSD – World Business Council for Sustainable Development and from BCSD Portugal, that aggregates in a public voluntary agreement, companies that operate in Lisbon and have as a common goal to improve and transform mobility in the city, making it more sustainable.

Hence, Millennium bcp is decided to, (i) increase the proportion of electric and hybrid plug-in vehicles in its operational fleet and in those for private use and (ii) keep, for the Employees use, a pool of cars able of being reserved and used as necessary for service travels.

Millennium bcp also subscribed in 2019 the “CEO Guide to Human Rights” an initiative from the World Business Council for Sustainable Development (WBCSD) and from the Business Council for Sustainable Development (BCSD, Portugal). This Guide includes the policies and practices of reference and intends to contribute for the implementation and promotion of the human rights in the organization and in their value chains.

To further enhance its commitment with human rights and an ethical and inclusive management, in 2020, BCP signed the “Statement from Business Leaders for Renewed Global Cooperation”, from Global Compact of the United Nations, an international statement focused on showing the commitment with an ethical leadership, based on good governance practices, materialised through values, strategy, policies, operations and proximity relations and involvement with all stakeholders. This commitment also aims at establishing a partnership with the United Nations, Governments and civil society to contribute for the straightening of justice and transparency, promoting equality and respect for human rights.

Also in 2020, Millennium bcp joined the “Women’s Empowerment Principles” (WEP) from *Global Compact* of the United Nations, an important international platform for the promotion of gender equality that translates our long-term view and the will to be part of - and encourage - a collective dynamics based on cooperation and trust.

Within the scope of the Commitment with Diversity and Equality of Gender - already translated in the corporate policy “[Diversity and Equal Opportunities](#)” -, the Executive Committee approved an action plan for gender equality, already updated for 2022 - [Plan for Gender Equality](#) -, involving the regular follow-up of its execution by the Human Resources Commission. The initiatives proposed are aggregated in six major pillars, namely:

- Gender Equality Measures;
- Management indicators regularly monitored;
- Strict application of the remunerations and promotions policy;
- Increased participation of the gender less represented in the programs for the development of Leadership competences;
- Recruitment of new employees using gender diversity and wage equality criteria; and
- Work-Life balance support.

Millennium bcp is a subscriber of the Charter of Principles from BCSD Portugal – Council for Sustainable Development. This document establishes the principles that are the guidelines for good corporate management, enabling the subscribing companies to be recognized by their customers, suppliers and by the society in general for the adoption of solid sustainability commitments.

Bank Millennium is, since 2018, a subscriber of the Letter for Diversity in Poland, a commitment that reaffirms its determination in respecting and promoting diversity amongst customers and employees.

The Bank was included in the “European Diversity Leaders 2022” ranking. In the latest Financial Times list, 850 employers were selected from among 15,000 European companies as supporters and promoters of diversity in their organizations.



*The social responsibility of the companies is based on the adoption of clear commitments with the communities in which they operate; the protection of the environment, of social well-being and the quality of governance of institutions are essential components of these commitments*



## COMMITMENTS ASSUMED

LISBON EUROPEAN GREEN CAPITAL	OBJECTIVE	DEGREE OF ACHIEVEMENT
LED lighting - Installation of LED lighting in all buildings (indoor and outdoor, if applicable)	Dec 2025	80% (1)
Solar Photovoltaic - Installation of photovoltaic solar energy production equipment in buildings with an adequate sun exposure and availability	Dec 2030	50% (2)
Water re-use - Implementation of solutions for water re-use	Dec 2021	100%
Single-use plastics Eliminate the use of single-use plastics	Dec 2021	100%
Awareness - Disclosure to the employees and/or associates of the Lisbon's objectives concerning environment and climate action	Dec 2020	100%
Electric vehicles - Increase the promotion of electric vehicles in private vehicles and in operational fleets.	2025: 30% 2030: 80%	4,3% (electric and hybrid)
Car Pool - Have at the employees' disposal a pool of cars that can be reserved and used as needed for business trips.	Have a car pool to be used by employees	22% of the current fleet
Business Mobility Pact for the City of Lisbon (PMEL) (3)	OBJECTIVE	DEGREE OF ACHIEVEMENT
Electric vehicles - Increase the promotion of electric vehicles in private vehicles and in operational fleets.	2025: 30% 2030: 80%	4,3% (electric and hybrid)
Car Pool - Have at the employees' disposal a pool of cars that can be reserved and used as needed for business trips.	Have a car pool to be used by employees	22% of the current fleet
Engagement Letter for the Sustainable Funding	OBJECTIVE	DEGREE OF ACHIEVEMENT
Promote the debate on Sustainability and on the environmental, social and governance risks and opportunities at the level of the BoDs, so that these risks and opportunities are considered in the definition of the respective strategies	2030	Reinforcement of the Commitment with Sustainability defined in the 2024 Strategic Plan
Promote training in Sustainable Financing addressed to employees in different levels of the organization, with a focus on the area of credit risk analysis, financial products, commercial and/or production.	2030	In 2021 we carried out a universal training on Sustainability (completed by 5.815 employees)
Follow-up the review of the criteria of SME Leader SME Excellence, to gradually incorporate sustainability issues into these criteria and accept the possibility of creating a Green SME or a Sustainable SME category	2030	Ongoing
Promote a gradual integration of environmental, social and governance criteria in investment assessments.	2030	Ongoing
Follow-up and participate in future works related with the Think tank on Sustainable Funding	2030	Ongoing

(1) Inside the Branches, the lamps are replaced by LED whenever respective maintenance is necessary.

(2) Millennium bcp has in Taguspark a Photovoltaic Solar Energy Plant with 1 MW capacity and will install another one in 2022 with the same capacity.

(3) Common goals with Lisbon European Green Capital

## Commitment with the Responsible Banking Principles

Within the context of the Sustainability Master Plan 2021, Millennium bcp decided to join the United Nations Environment Programme - Finance Initiative (UNEP-FI) and subscribe its Responsible Banking Principles (RBP), this way stressing its commitment to responsible investment policies and awareness of the impacts of its activity on society and on the planet. Developed by the UNEP-FI in cooperation with 30 founding banks, the RBP consider six Responsible Banking Principles, namely:

- I. Alignment;
- II. Impact and Definition of Targets;
- III. Consumers and Customers;
- IV. Interested Parties;
- V. Governance and Culture;
- VI. Transparency and Responsibility.

By joining the UNEP-FI and the subscription to the RBP, which are today followed by more than 130 Banks worldwide, Millennium bcp is committed to being part of an ongoing transforming dynamic in the financial sector that places Sustainability at the centre of its strategy, integrating these Principles into its value proposition, processes and operations in different countries and business areas.

## Diagnosis and next steps

In order to understand the level of alignment with the RBP, the Bank carried out in 2021, an initial exercise to assess the positioning of Millennium bcp, of Bank Millennium and of Millennium bim in relation to these Principles. Without prejudice to the deepening of this diagnosis, it was already possible to identify a number of actions to be considered, such as the analysis of the impact of the activity developed by the Bank on people and on the environment using the Portfolio Impact Tool, recommended by UNEP-FI.

The 2021 Sustainability Master Plan also comprised a set actions relevant for the alignment with the Principles, of which the following are worth mentioning: (i) training programs in sustainability with the purpose of fostering a culture of sustainable financing in all levels of the organisation; (ii) sustainability guidelines addressed to suppliers and assessment of the compliance with the proposed social/environmental requirements; (iii) reinforcement of the offer of sustainable products and services.

Millennium bcp will report, under the agreed terms, the progress of its alignment with the SBP 18 months, after the completion of the process for the formalisation of the subscription to this commitment, expected to take place in 2022.

## Commitment with Science Based Targets

Assuming its role, as an organization and funding entity, in facilitating the global transition to a low carbon economy, Millennium bcp recognises the need to reduce its own greenhouse gas emissions in its operations and also of those deriving from its credit/investment portfolio. Thus, the Bank is, within the context of its Sustainability Master Plan, working towards setting science-based emission reduction targets in line with the criteria set forth by the Science Based Targets initiative (SBTi).

The SBTi is a global initiative that enables companies to establish ambitious goals for the reduction of emissions, aligned with science and the level of decarbonization necessary to meet the targets of the Paris Agreement.

In 2021, the Bank also carried out an analysis of the carbon footprint generated by its credit portfolio and supply chain, information that will support the definition of Scope 3 emission targets.

## Partnerships

BCP, aware of the importance of sharing good practices and of an active participation in the pursue of Responsible Business Principles, is an associate and a member of the corporate bodies of BCSD Portugal – Conselho Empresarial para o Desenvolvimento Sustentável.

It is also a member of the Global Compact Network Portugal from the United Nations (GCNP) and, within a logic of proximity and support to the surrounding communities, of the Program Oeiras Solidária (POS).

It also participates in a selected number of work groups and discussion forums on Sustainability and Sustainable Finance, a presence that should be understood within the scope of the Action Plan from the European Union, the ongoing alterations in the ruling and regulatory framework and evolution of the risk and business management practices applicable to ESG issues, in what also represents an opportunity to re-assess impacts, anticipate trends and project future transformations.

This way, BCP is part of the Work Groups on Sustainable Finance from (i) APB - Associação Portuguesa de Bancos, (ii) EBF - European Banking Federation, (iii) BCSD Portugal, where he is one of the promoters of the website [www.sustainablefinance.pt](http://www.sustainablefinance.pt), and (iv) AEM - Associação de Empresas Emitentes de Valores Cotados em Mercado.

It also a member of: (v) the Technical Debate Group for Sustainable Financing in Portugal from the Ministry of Environment; (vi) the Technical Sub-Commission on Sustainable Finance ISO/TC 322 from APEE - Associação Portuguesa de Ética Empresarial and from ISO - International Organization for Standardization and (vii) the Task Force on ESG Taxonomy from APB and (viii) the International Chamber of Commerce (ICC) Working Group on Sustainable Finance.

After joining the Women's Empowerment Principles (WEP), formalised in 2020, Millennium bcp is also a member of the Steering Committee WEP Portugal, promoted by GCNP.

## Management of environmental and social risks

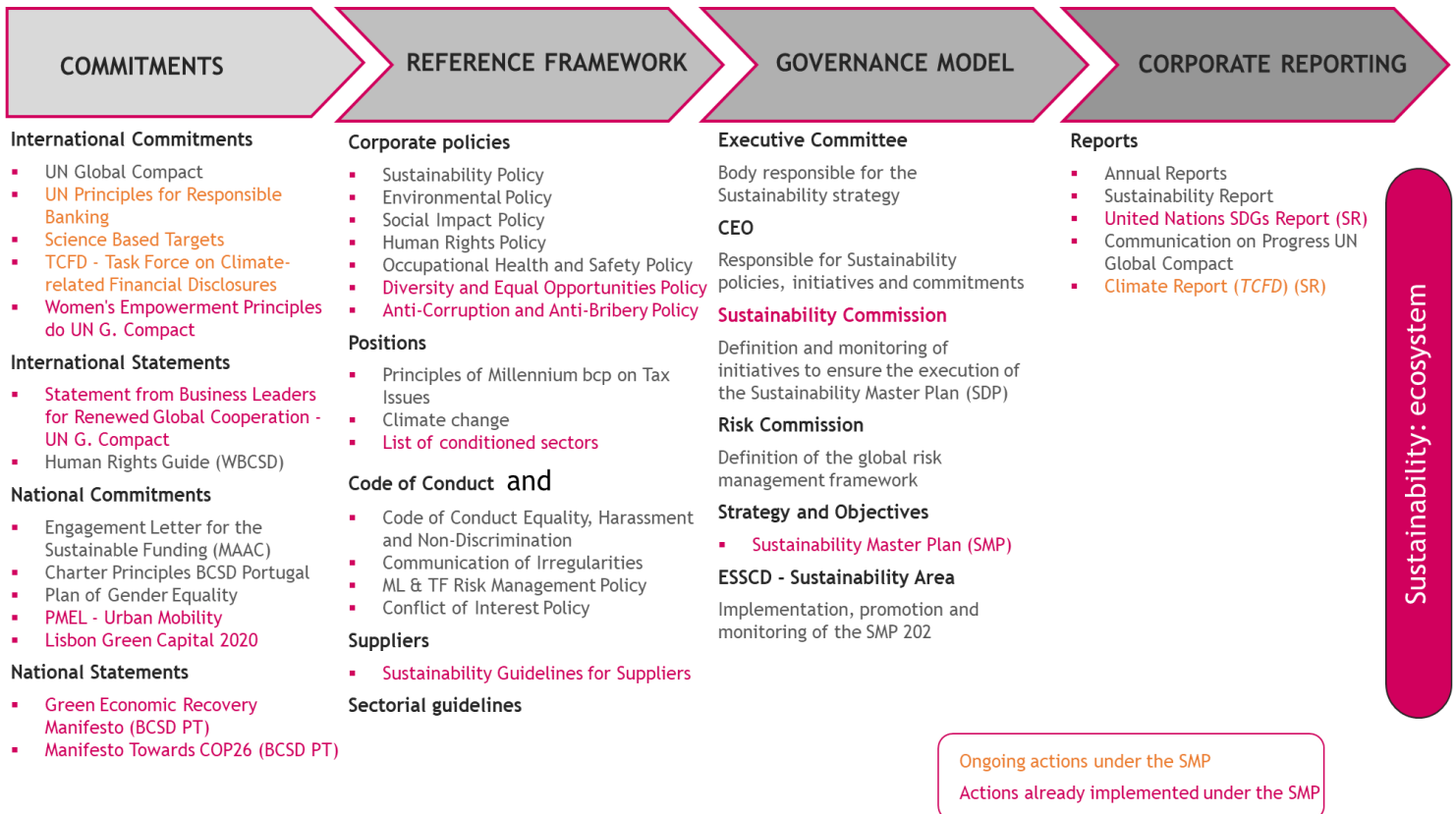
BCP has an annual process to identify, assess and manage more than 60 types of risks, a process that includes ESG risks, which have gained increasing relevance within the scope of the Bank's activity, either by densifying the legal and regulatory framework or by for the deepening of good practices in terms of risk management. The risk management process has been adapted to reflect the strategic priority given by the Bank to ESG issues.

In order to address this trend, Millennium bcp's PDS considers two dimensions with lines of action and actions related to the approach to ESG risks and their integration into the business, namely:

Dimension	line of action	Actions
Risk management, ethics and conduct	Ensure integration of environmental and social risks in the risk analysis process	Valuing the environmental and social risk associated with the bank's activities, in line with developing community regulations
Risk management	Integrate ESG risks into risk management procedures	Integrate social and environmental criteria in the risk assessment process and in the decision to grant credit
		Define sectoral financing and investment policies for industries with high exposure to environmental risks ( <i>positive and negative screening</i> )
	Sensitize Company Customers, from sectors of activity with greater exposure to risks and environmental regulations, to the issue of climate change	Identify opportunities for joint collaboration within the scope of the theme - climate change
		Strengthen partnerships for the offer of products that respond to the modernization needs of companies, in order to mitigate the impact on climate change
Identify and classify Corporate Customers with greater social and environmental risks	ESG risk <i>scoring</i> collection processes for Large Customers corporate	

As can be seen in the table above, several actions were implemented, among which, in a broad view of the Bank's activity, the following stand out: preparation of the integration of social and environmental criteria in the risk assessment process and in the concession decision credit; definition of sectoral financing and investment policies for sectors/projects with high exposure to environmental risks; and implementation of ESG risk scoring processes for Large Corporate clients (further information on climate risk management is available in the TCFD chapter).

## ESG ecosystem





# MAIN EVENTS



Sustentável



## Main events 2021

Every year, Banco Comercial Português carries out various social and environmental actions and initiatives, as part of its sustainability strategy and social responsibility policy.

### JANUARY

- Millennium bcp announces that in 2021 all the energy consumed by the Bank in Portugal will be 100% “green”, in a *mix* of energy produced by the TagusPark photovoltaic plant and energy to be acquired with a certificate of renewable origin;
- Inclusion, for the second consecutive time, in the *Bloomberg Gender-Equality Index*, joining the group of companies that, worldwide, stand out in the implementation of practices and policies of gender equality, diversity and inclusion;
- Bank Millennium was the bank with the best performance in the “Climate Leaders Poland 2021” *ranking* by Forbes magazine, reaching second place among Polish companies in the list for reducing greenhouse gas emissions;
- Bank Millennium, in Poland, is part of the WIG-ESG index of the Warsaw Stock Exchange, in recognition of the work carried out in the environmental, social, economic and corporate governance dimensions;
- Award of the Rui Osório de Castro / Millennium bcp Award by the Millennium bcp Foundation (5th edition), distinguishing the development of innovative projects and initiatives in the area of childhood cancer.

### FEBRUARY

- In 2021, BCP maintained its “The Sustainability Yearbook”, a reference publication in the area of Sustainability, now edited by the S&P analyst based on information collected in the responses of companies to the “Dow Jones Sustainability Indices”.

### MARCH

- Fundação Millennium bcp supports the 14th edition of the StartUp Program of *Junior Achievement Portugal* (JAP), encouraging the entrepreneurial spirit among university students;
- Fundação Millennium bcp supports the 6th edition of *Carpe Diem Arte e Pesquisa*, namely the contest “Prémio Arte Jovem Fundação Millennium bcp” for visual arts students;
- Millennium bim, within the scope of the Social Responsibility program “Mais Moçambique Pra Mim”, delivers 100 beds to local authorities to reinforce the operational capacity of the Hospital General de Mavalane's Hospitalization and Treatment Center.

### APRIL

- Bank Millennium, in Poland, recognized as “Best Employer 2021”, ranking second in the ranking of the best employers in the financial sector.

“

*During 2021, Millennium bcp stood, as always, alongside local communities in protecting the environment, climate and biodiversity*

## MAY

- #Todos Juntos: Millennium bcp and nine other banks in the Portuguese financial system joined together, within the framework of the Food Emergency Network promoted by ENTRAJUDA, in a solidarity initiative focused on food support to the most unprotected and vulnerable families in the context of the pandemic crisis caused by Covid-19 and which brought together a total value of 2.043 million euros;
- Bank Millennium, in Poland, one of the leading companies in the management of Corporate Social Responsibility policies and practices, will once again be included in the Top 10 of the Responsible Business Forum's ranking of Socially Responsible Companies in 2021;
- Millennium bcp in the "Europe's Climate Leaders 2021" *ranking* by the Financial Times and Statista, being part of the group of European companies that have made the most progress in reducing GHG emissions (greenhouse gases);
- Millennium bim, in Mozambique, promotes the 3rd edition of the conference "The Women of this Millennium", a space for reflection on the importance of female leadership and its impact on economic and social development models.

## JUNE

- Millennium bcp Foundation opens the new Millennium bcp Gallery located at the National Museum of Contemporary Art, in Chiado. This new space, which results from a cooperation protocol between the Bank and the Museum, will allow for an exhibition complementarity between the Millennium bcp painting collection and the MNAC collection;
- Millennium bcp is once again associated with the "Portugal Chama" campaign, an initiative of the Portuguese State that aims to contribute to the prevention of forest fires and raise public awareness of risky behavior;
- Millennium bcp Foundation continues to support the GOS - Management of Social Organizations program, developed by AESE Business School in partnership with ENTRAJUDA (Lisbon and Porto);

- Fundação Millennium bcp supports Pedipedia, an online pediatric medical-surgical encyclopedia with free access, which already has around 900 articles and films prepared by more than 350 pediatric health specialists;
- Bank Millennium, in Poland, awarded for the sixth time with the "POLITYKA CSR Gold Leaf 2021", an award given to companies that implement Corporate Social Responsibility policies and practices in their daily activities;

## JULY

- New edition of the Millennium Festival ao Largo, an annual initiative with free access that presents on stage, again in Largo de S. Carlos, in Lisbon, a variety of shows of symphonic music, opera and ballet;
- Millennium bcp, integrating a group of more than 80 Portuguese companies, signed the Manifesto "Towards COP26" of BCSD Portugal, recognizing the importance of this conference for the global dialogue on the decarbonization of development models and for the fulfillment of the Paris Agreement about the weather;
- Millennium bcp contracts with the telecommunications operator NOS a Commercial Paper Program in the amount of 90 million euros and a term of 5 years, with financial conditions that weight the ESG rating, attributed by the Carbon Disclosure Project (CDP) to NOS.

## AUGUST

- Millennium bcp integrates the WEP Steering Committee (Women's Empowerment Principles) of the Portuguese Network of the United Nations Global Compact, integrating the national effort to promote gender equality and opportunities;
- Millennium bcp Foundation supports the 13th edition of the ALL Festival – Caminhada de Culturas 2020, an initiative of the Lisbon City Council that promotes an intercultural city through contemporary performing arts.

## SEPTEMBER

- Millennium bim, in Mozambique, continues to support the “Girls Clubs” program of the Business Club of Gorongosa, an initiative that aims to combat the high rate of early marriages and school dropouts, through the promotion of activities aimed at the education and empowerment of girls.

## OCTOBER

- Millennium bcp debuts as an issuer in the ESG segment of the capital market, through its first issuance of ESG Bonds supported in the Social area in the amount of 500 million euros, the first of its kind, carried out by a Portuguese issuer;
- Millennium bcp integrates the digital literacy program of the Portuguese Banking Association (APB) – “Everything you need to know about online banking” – aimed at the senior population who are not yet familiar with the use of digital banking;
- Millennium bcp promotes a universal course for all Bank Employees on Sustainability and its impact on financial activity;
- Millennium bim, in Mozambique, once again rewards, in the new edition of the contest “Great Women, Great Solutions”, female creativity, recognizing business projects developed by women who stand out for their innovation and ability to create solutions for everyday challenges. day.

## NOVEMBER

- Millennium bcp Foundation reopens the Rua dos Correiros Archaeological Center (NARC). This space, classified as a National Monument since 2015, has undergone a profound renovation in order to improve the museum experience of its

visitors, exploring the archaeological remains of the last 25 centuries of Lisbon's history;

- Millennium bcp participates, within the scope of the Oeiras Solidária Program, in the rehabilitation of the Parish Community Center of N<sup>a</sup> S<sup>a</sup> das Dores, in Caxias, returning, after the interruption imposed by the Covid-19 pandemic, to face-to-face Volunteering actions.

## DECEMBER

- Millennium bcp and Fundação Millennium bcp launch the “Millennium Solidarity - Christmas 2021” action, which allowed the collection of more than 1,500 selected articles in favor of children supported by the ACREDITAR Association and a donation of 20,000 euros to the Burns Unit of Hospital D. Estefânia;
- Millennium bcp and BA Glass contracted a Commercial Paper Program worth 80 million euros and a term of 5 years, with conditions that include a component linked to compliance with sustainability indicators related to water consumption and the issuance of CO<sub>2</sub>;
- Bank Millennium, in Poland, was one of the 850 companies chosen for the Financial Times “European Diversity Leaders 2022” ranking, which support and promote diversity in their organizations;
- Millennium bim, within the scope of the “Mais Moçambique Pra Mim” program, supports the creation of school facilities in the province of Cabo Delgado and promotes the education of 800 displaced children;
- Millennium bcp participates, once again with the presence of more than 80 Volunteers and at national level, in the six-monthly food collection campaign promoted by Banco Alimentar.



*Through the Millennium bcp Foundation, even in a context still very conditioned by the pandemic caused by Covid-19, we maintained the support to culture, education and science*



# RELATIONSHIP WITH STAKEHOLDERS



## Relationship with stakeholders

The BCP Group defines strategies and pursues policies adjusted to the renewed challenges imposed by the stakeholders with which it relates, materializing a business model based on a continuous and transparent dialogue that allows interpreting, understanding and integrating the expectations of its *Stakeholders*.

Material theme:

STAKEHOLDERS MANAGEMENT

### Identification and integration of expectations

The most recent consultation of Stakeholders was carried out in the 2nd half of 2019. This process, which involved, through a representative sample, the main stakeholders, namely: (i) Qualified Shareholders; (ii) Customers from all segments of the Bank; (iii) Employees; (iv) Community; (v) Suppliers and (vi) Press, allowing the identification of topics with greater relevance and impact on the Bank's activity to be updated, reflected in the new Materiality Matrix and the Sustainability Master Plan.

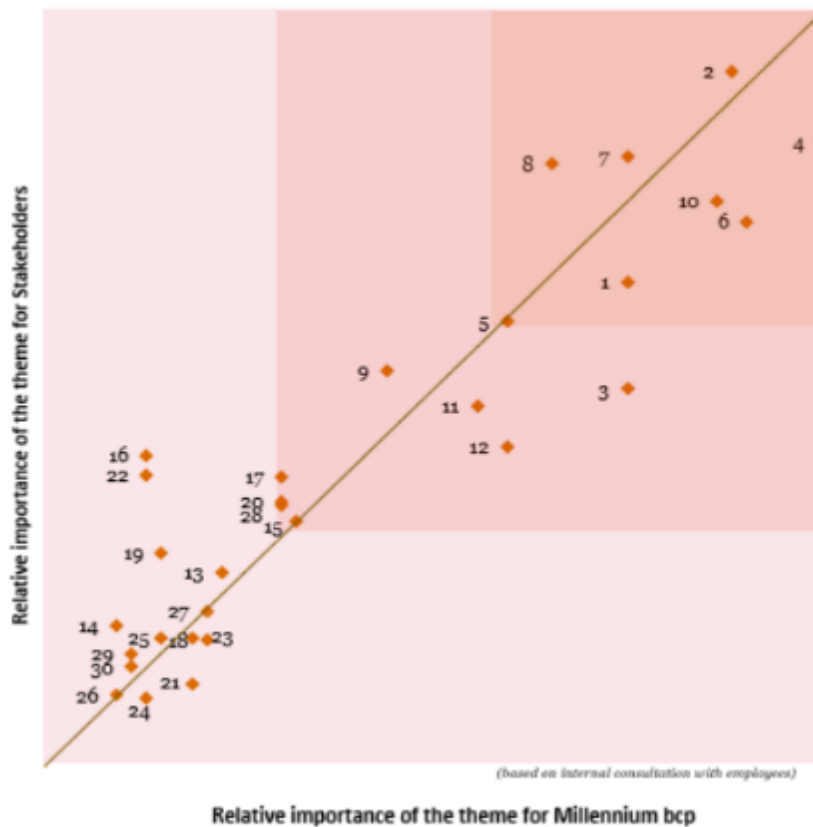
Millennium bcp's sustainability strategy is reflected in the Sustainability Master Plan (PDS), a commitment plan that constitutes the reference framework for the actions to be carried out by the Bank. The guidelines and the definition of the initiatives that make up the PDS result from the balance and juxtaposition of relevant material themes, available resources and the regulatory, economic and market framework.

After having defined, in 2009, for the 2010 - 2012 triennium (later extended to 2013), the Bank's first PDS in Portugal, in 2013, the new PDS for the 2014 - 2015 biennium was prepared and approved, that, however, it was considered opportune to extend until 2018. In 2019, the new PDS 2019/2021 was developed and approved, whose process of identification of material themes included: consultation of Stakeholders; consultation and analysis of studies - trends in the financial sector; most relevant and frequently asked questions - Analysts; previous PDS inheritance; and consultation of the organic units with direct intervention in the topics included in the scope of the Sustainability policies. Meanwhile, the PDS that will guide us in 2022 has already been defined and approved.

“

*The Sustainability Master Plan (SMP) reflects  
Millennium bcp's sustainability strategy  
and axes of action*

## Materiality Matrix



- |   |  |
|---|--|
| 1 – Sustainability Governance Model   | 18 – Corporate volunteering  |
| 2 – Economic performance, business and sustainability strategy                              | 19 – Financial Literacy  |
| 3 – Management of the brand and reputation  | 20 – Climate changes, energy efficiency and alternative energy sources   |
| 4 – Ethics and Conduct  | 21 – Eco-efficiency  |
| 5 – Fight against corruption and money laundering   | 22 – Environmental awareness and education (employees, clients and community in general)                       |
| 6 – Risk Management   | 23 – Products/services with social benefits and providing support to companies                                 |
| 7 – Quality of service, customer satisfaction, and easy submission of claims and complaints | 24 – Products/services with environmental benefits   |
| 8 – Safety in information and data protection   | 25 – Financial inclusion   |
| 9 – Transparency in the information provided to customers on products and services          | 26 – Accessibility to individuals with a reduced mobility  |
| 10 – Innovation   | 27 – Integration of environmental and social criteria in the analysis of credit risk and investment management |
| 11 – Development and training of human resources  | 28 – Preventing over-indebtedness  |
| 12 – Capture and retention of talent  | 29 – Responsible management of suppliers   |
| 13 – Diversity and equal opportunities  | 30 – Digital transformation in banking and its impact on sustainability  |
| 14 – Occupational health and safety   |  |
| 15 – Conciliation between professional and personal life                                    |  |
| 16 – Respect for Human Rights   |  |
| 17 – Investment in the community  |  |

Note: the internal consultation of Millennium bcp Employees carried out in 2019 did not include members of the Board of Directors.

It is in this context that the identification and continued monitoring of topics considered material by Millennium bcp's *Stakeholders* - such as the one carried out in 2019 and with renewal scheduled for 2022 - has allowed us to know the areas of activity that present the best performance in terms of Sustainability, but have It also enabled the rapid detection and characterization of opportunities for improvement, being a strong contribution to the adaptation of the Sustainability strategy assumed by the Bank to new realities, challenges and impositions.

The SMP, an integrating instrument that, through a transparent, close and consequent relationship, aims to respond to the expectations identified in the regular consultation of the Bank's main Stakeholders, foresees, in its different valences, dimensions and lines of action that are presented below.

Material theme: STRATEGY AND RESULTSC

## SUSTAINABILITY MASTER PLAN (SMP) 2021

Dimension	Line of action
<b>Government Model Sustainability and Corporate Policies</b>	<ul style="list-style-type: none"> <li>- Implement a governance model for the Sustainability Area that allows for multidisciplinary action across the organization, including, whenever justified, international operations;</li> <li>- Review and update the Group's corporate policies;</li> <li>- Review evaluation and compensation policies.</li> </ul>
<b>Training on Sustainability</b>	<i>e-Learning Course on Sustainability (and Sustainable Finance).</i>
<b>Brand and reputation management</b>	<ul style="list-style-type: none"> <li>- Reinforce the positioning of Millennium bcp in the sustainability indexes;</li> <li>- Adhere to sustainability principles and commitments;</li> <li>- Define BCP's positioning in relation to the SDGs;</li> <li>- Integrate sustainability into corporate events;</li> <li>- Reinforce the communication and dissemination of Microcredit;</li> <li>- Improve reporting and communication on sustainability.</li> </ul>
<b>Risk management, ethics and conduct</b>	<ul style="list-style-type: none"> <li>- Foster a culture of <i>compliance</i> and rigorous risk management;</li> <li>- Ensure the integration of environmental and social risks in the risk analysis process.</li> </ul>
<b>information security and data protection</b>	<ul style="list-style-type: none"> <li>- Ensure management and information of Employees.</li> </ul>
<b>Service quality and customer satisfaction</b>	<ul style="list-style-type: none"> <li>- Optimize satisfaction levels;</li> <li>- Foster a culture of continuous improvement;</li> <li>- Creation of a <i>Customer Charter</i>.</li> </ul>
<b>Responsible supplier management</b>	<ul style="list-style-type: none"> <li>- Formalize compliance with social and environmental requirements in the relationship with Suppliers.</li> </ul>
<b>Innovation</b>	<ul style="list-style-type: none"> <li>- Foster a culture of innovation.</li> </ul>
<b>Sustainable financing policies and regulation</b>	<ul style="list-style-type: none"> <li>- Monitor the development of the European Commission's Action Plan for sustainable finance.</li> </ul>
<b>Transparency of information provided to customers about products and services</b>	<ul style="list-style-type: none"> <li>- Integrate sustainability aspects of proposed investments into communication with clients.</li> </ul>
<b>Risk management</b>	<ul style="list-style-type: none"> <li>- Integrate ESG risks into risk management procedures;</li> <li>- Sensitize Company Customers, from sectors of activity with greater exposure to risks and environmental regulations, to the issue of climate change;</li> <li>- Identify and classify <i>Corporate Customers</i> with greater social and environmental risks.</li> </ul>
<b>Offering inclusive and sustainable products</b>	<ul style="list-style-type: none"> <li>- Promote and launch products and services that respect social responsibility principles and respond to new environmental challenges;</li> <li>- Develop an offer of ESG products that promote the transition of the economy to a sustainable model.</li> </ul>
<b>Accessibilities</b>	<ul style="list-style-type: none"> <li>- Improve the implementation of differentiated hours for customer service;</li> <li>- Improve digital accessibility for customers.</li> </ul>

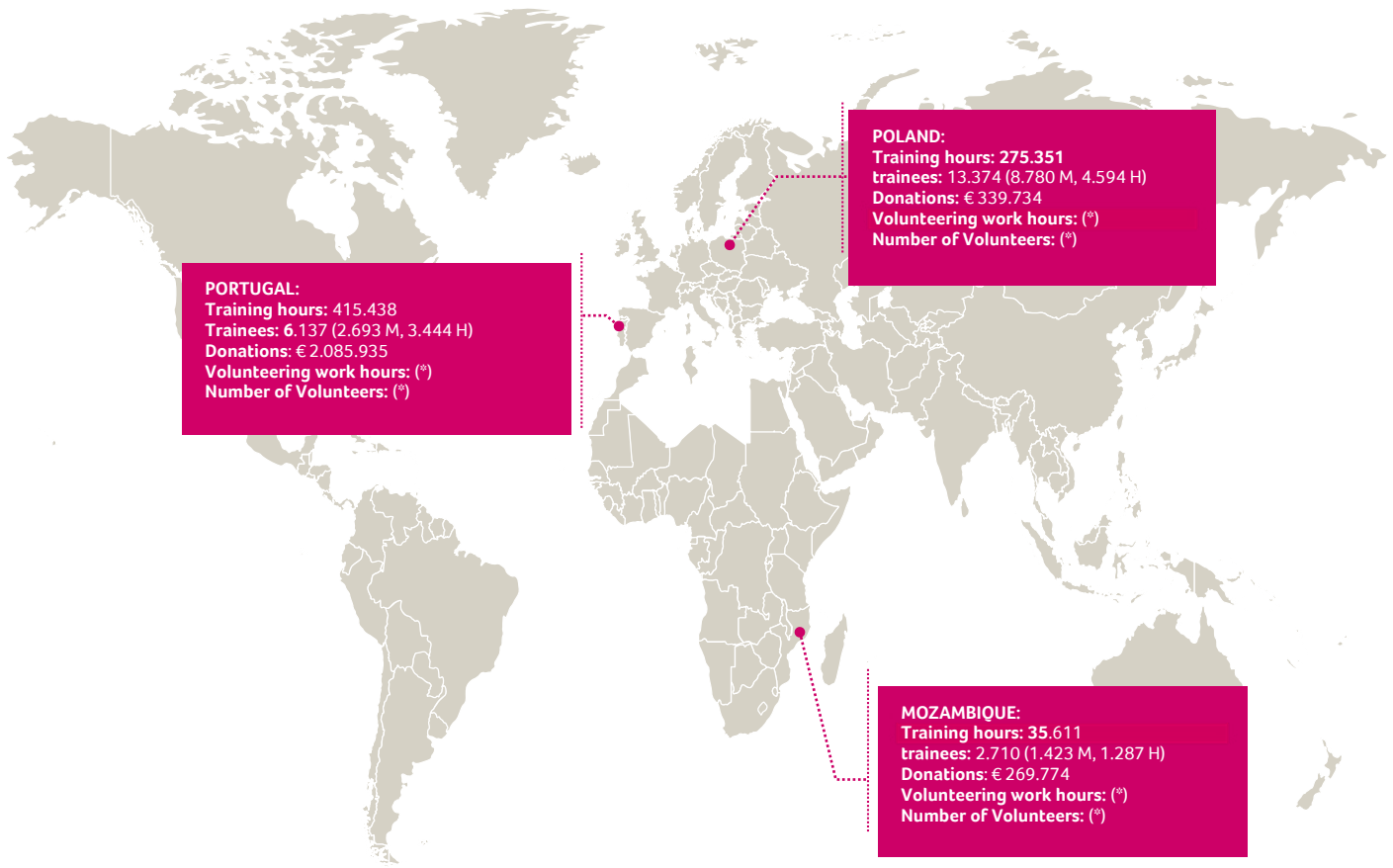
<b>Talent attraction and retention</b>	<ul style="list-style-type: none"> <li>- Support the adoption of healthy lifestyles;</li> <li>- Reinforce the mechanisms of proximity between Employees and top management;</li> <li>- Promote work-family balance.</li> </ul>
<b>Volunteering</b>	<ul style="list-style-type: none"> <li>- Develop and approve a Volunteering Policy;</li> <li>- Volunteer program.</li> </ul>
<b>Conscious Business Project</b>	<ul style="list-style-type: none"> <li>- Conscious organization.</li> </ul>
<b>Human rights</b>	<ul style="list-style-type: none"> <li>- Analyze and communicate position on human rights risk management.</li> </ul>
<b>Financial literacy</b>	<ul style="list-style-type: none"> <li>- Financial literacy program;</li> <li>- Implement social and/or environmental awareness-raising actions across the Group.</li> </ul>
<b>Community investment</b>	<ul style="list-style-type: none"> <li>- Develop campaigns in partnership with NGOs / IPSSs within the scope of sustainable development;</li> <li>- Strengthen association with the Millennium bcp Foundation ;</li> <li>- Reinforce and systematize partnerships with entities that encourage and develop Entrepreneurship among local communities;</li> <li>- Develop social responsibility actions;</li> <li>- Measure the impact on the community.</li> </ul>
<b>Climate change, energy efficiency and alternative energies</b>	<ul style="list-style-type: none"> <li>- Contribute to limiting global warming to 2 °C (Paris Agreement).</li> </ul>
<b>Environmental performance</b>	<ul style="list-style-type: none"> <li>- Minimize the environmental impact of operations.</li> </ul>

In the following chapters, the most relevant initiatives implemented during 2020 will be presented, as well as the results obtained and the performance achieved by the Bank in the various themes identified in the materiality matrix. The Annual Report 2020, on the other hand, presents information on the topics of Governance Model, Risk Management and Shareholder Structure in the respective sections - *Governance* (and Corporate Governance Report), Risk Management and BCP Action.

The Sustainability Report, together with the Annual Report and Accounts, thus ensures the disclosure of the most relevant information on the performance of the BCP Group in the material issues identified by its main *Stakeholders*.



**MAP WITH EVOLUTION OF SOCIAL PERFORMANCE BY LOCATION**



(Not applicable) It was not possible to carry out volunteer actions due to the Covid-19 pandemic

# ECONOMIC RESPONSIBILITY



Sustentável

## Economic Responsibility

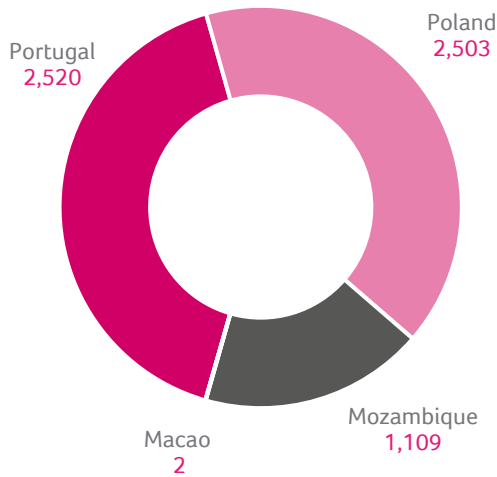
The BCP Group has been developing its activity in a responsible manner towards Employees, Customers, Shareholders, Suppliers and remaining Stakeholders, always guiding its performance by the compliance with internal principles of rigour, the applicable legislation and the regulations issued by the supervision and regulatory authorities:

SDGs	Our goals	Our contribution in 2021
	Develop the personal and professional skills of employees	<p><b>Stimulate training actions and skills development</b></p> <p>Initiatives:</p> <ul style="list-style-type: none"> <li>• Millennium Banking Academy - development and training programmes with the aim of supporting the Bank in its mission and in the development of the defined strategic plan.</li> <li>• M Power Programme - developing and preparing leadership for the demands that the pandemic context and the adoption of the hybrid working model have brought in monitoring, proximity and motivating teams.</li> </ul> <p>Results:</p> <ul style="list-style-type: none"> <li>• 7,647 training sessions</li> <li>• 726 thousand training hours</li> <li>• 45 training hours per employee</li> </ul>
	Reinforce the Bank's positioning with regard to promoting gender equality and non-discrimination	<p><b>Promotion of gender equality</b></p> <p>Initiatives:</p> <ul style="list-style-type: none"> <li>• Review of the Plan for Gender Equality</li> <li>• Millennium bcp's adhesion to WEP's (Women's Empowerment Principles) of the United Nations Global Compact</li> </ul> <p>Results:</p> <ul style="list-style-type: none"> <li>• 55% of women employees</li> <li>• 23.5% of women on the Board of Directors</li> <li>• 44% of women in Management positions(Executive Committee/Top Management and Management): <ul style="list-style-type: none"> <li>○ 22% in Portugal</li> <li>○ 58% in Poland</li> <li>○ 31% in Mozambique</li> </ul> </li> </ul>
	<p>Promote financial inclusion products that support productive activities and the creation of decent jobs and entrepreneurship</p> <p>Protecting labour rights and promoting safe and secure work environments for all employees</p>	<p><b>161 jobs generated in Portugal in 2021 by offering microcredit</b></p> <p>Initiatives:</p> <ul style="list-style-type: none"> <li>• Skill-building and training sessions in the field of microcredit for young people in training, unemployed or final-year students of professional courses and potential entrepreneurs.</li> <li>• "Banking without Barriers" programme - through the use of innovative technological solutions, eliminate infrastructural, digital and physical barriers in access to financial and non-financial services.</li> </ul> <p>Results:</p> <ul style="list-style-type: none"> <li>• 21 skill-building and training sessions that reached a total of 654 people in the scope of microcredit</li> </ul> <p><b>Promoting employee satisfaction</b></p> <p>Results:</p> <ul style="list-style-type: none"> <li>• Portugal- 79%</li> <li>• Poland - 88%</li> <li>• Mozambique - 80%</li> </ul>

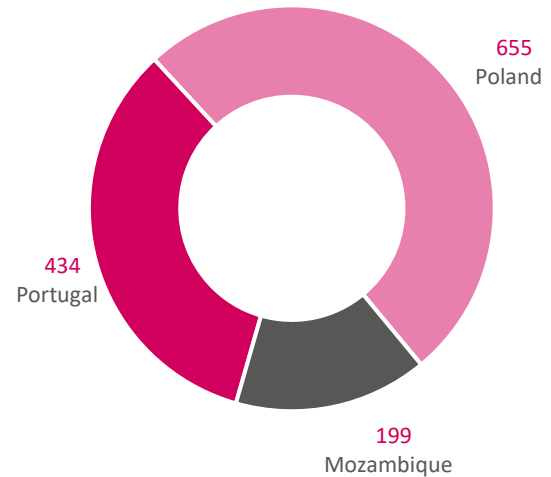
## Millennium Network

Millennium bcp is a bank with its decision-making centre in Portugal; it is the largest Portuguese private bank, ASSETS serving, in 2021, approximately 6.1 million Customers with a network of 1,288 branches. The international activity of Group Millennium is carried out by banking operations headquartered in affinity markets and in countries with a recognized growth potential – Poland and Mozambique –, where it operates, under the Millennium brand, with 854 branches.

**Active Customers**  
(Thousands)



**Branches breakdown**  
(Number of branches)



Active Customers: First holders with at least 1 product with m balance > 50 cents, in absolute value and with card transactions in the last 90 days, or with financial sum ≥ 100 euros.

Moreover, the BCP Group also ensures a presence in the five continents by means of representation offices, branches, business protocols and business promoters.

“

*In 2021, Millennium bcp registered 6.1 million active customers, of which 2.5 million in Portugal*



## Accessibilities

Material theme:

ACCESSIBILITIES

The BCP Group seeks to be close to its Customers, providing diversified distribution channels – Branches, Internet, Call Centre, Mobile Banking, ATM ( *Automated Teller Machines* ) and POS ( *Point of Sales* ) – in order to respond effectively to the contact needs between the Customer and the Bank.

### MILLENNIUM NETWORK



## REMOTE CHANNELS AND SELF-BANKING

	Internet	Call center	Mobile Banking	ATM (*)	POS (**)
Portugal	625,664	326,778	1,046,749	1,964	82,411
Poland	2,016,812	222,549	1,966,582	480	1,386
Mozambique	11,278	73,408	687,638	515	8,187
TOTAL INTERNATIONAL	2,028,090	295,957	2,654,220	995	9,573
GROUP TOTAL	2,653,754	622,735	3,700,969	2,959	91,984

Note: Active Users are those who use the internet, call center or mobile banking at least once in the last 90 days. Does not include AtivoBank Customers.

(\*) Automated Teller Machines

(\*\*) Point of Sales (SIBS information)

As part of its social commitment, it promotes accessibility for people with special needs to the Bank's various contact channels: i) branches with access for people with reduced mobility; in Portugal, as well as in the Group's other operations, there is a policy of priority service in the entire branch network; ii) Internet with features that respect the recommendations issued by the Web Accessibility Initiative (WAI); in Poland, Bank Millennium was the first Bank to receive the certificate "Internet site without barriers" and iii) ATM, through the placement of equipment with facilities available for the blind, such as headphone connections and keys with programming for issuing vocal instructions. The Call Centre, available 24 hours per day in several languages and Mobile Banking, for the rapid and easy access that they represent, are also privileged access channels for disabled or blind persons.

In Poland, the programme "Banking without Barriers" continues to be one of the main social programmes carried out by Bank Millennium. The idea of a bank without barriers, with products and services accessible to all, without exception, is not only a Corporate Social Responsibility programme, but also a philosophy of the organisation and an important component of the Bank's business strategy. It is with this reference framework and the use of innovative technological solutions that Bank Millennium has tried to eliminate infrastructural, digital and physical barriers in access to financial and non-financial services..



Bank Millennium is one of the winners of the "Wrocław without barriers", in the category of Corporate Social Responsibility. This Certificate was awarded to Bank Millennium for solutions that enable the use of digital banking, for the implementation of adaptations aimed at people with disabilities and for conducting training actions on serving people with special needs. The organisers also appreciated the Bank's efforts to build a socially responsible brand.

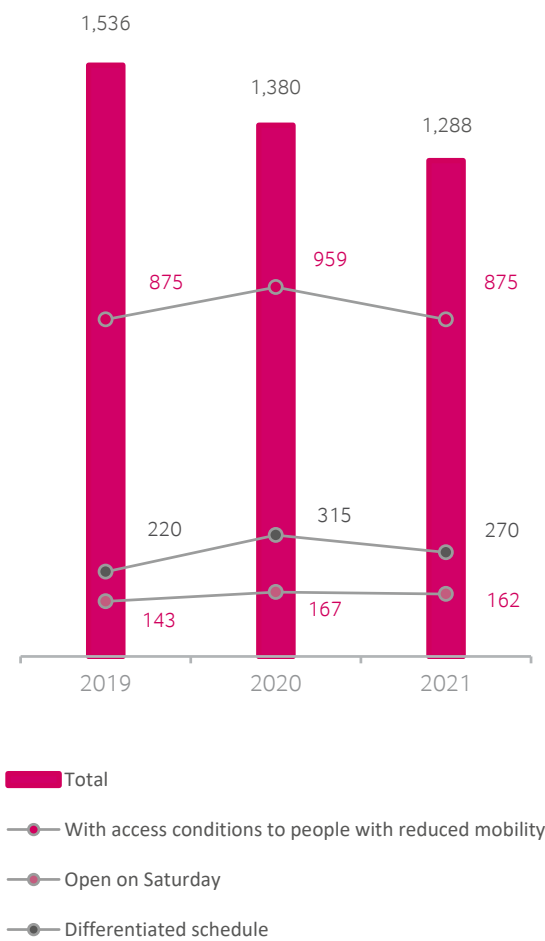
Mobile banking solutions, which in the whole BCP Group already have more than 3.7 million users, were in 2021, in all geographies, in the context of the pandemic situation caused by Covid-19, an important channel of access to products, services and financial transactions.

The Branches continue to represent a relevant contact channel for many customers. Thus, in order to meet the several accessibility needs of its Customers, the Bank is diversifying the hours when it is open to the public in the several countries where it operates. Within this scope, one must highlight the Branches that give access to individuals with a reduced mobility, which correspond to 88% of the total network in Portugal and to 58%, in the remaining countries, which is an improvement comparing to 2020. In Portugal, 158 branches have differentiated office hours going from 8.30 a.m. to 7.00 p.m.. In Poland, the number is 83 branches and in Mozambique 29. One must also mention the opening of Branches on Saturday, extended working hours that, abroad, can be found at a total of 162 branches (5 less than in 2020) representing in the case of Mozambique, more than 1/3 of the branches.

In Portugal, Millennium bcp continues to revolutionize its branch network. The Customer Branch Experience 2.0 of Millennium bcp is an innovative approach focused on the client, made through a cultural change, the re-design of products and processes and the integration of digital channels.

In the new generation of Branches, paper continues to no longer be used and the formalization of agreements is replaced by digital signatures through tablets; the treasury activity will be available 24 hours a day with the new smart transaction machines, the first to allow the automatic payment of cheques at any time, as well as withdrawals and deposits of coins. These equipments can also be used without any ATM card, just by using the multichannel code provided by the Bank.

Branches accessibilities  
(Number of branches)



Apart from the technological innovation, the Branches also offer spaces especially devoted to Customers, with lounge areas, free wi-fi, wireless chargers and areas providing digital experiences with access to the Bank's apps. The communication with the client is also innovative, with a digital price list and electronic advertising panels.

Within this context, the Bank already inaugurated 44 branches with this new layout in the entire country, a process that within the context of the global renewal and modernization of the Branch Network, will be pursued during the next few years.

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## Information security

Material theme: ELETRONIC SECURITY

The information security programme implemented at the Bank is oriented towards the protection of information, taking into account confidentiality, integrity and its availability in accordance with legal and regulatory requirements.

The protection of information is made in a manner that is consistent with its importance, value and sensitivity so as to increase the Group's resilience, ensure the protection of stakeholders, reputation and the activities for the creation of value.

The information security policy establishes the guidelines for the implementation and maintenance of the information security programme of Millennium bcp. It is based on a structured set of policies, rules of procedures and standards, aligned with international good practices, namely the regulation ISO/IEC 27001 - Information security management systems - Requirements and with the guidelines EBA/GL/2017/05 - Guidelines on ICT Risk Assessment.

This information security programme is directed towards information security risk management and is supported by a set of general fundamental principles aimed at information protection, namely information security governance, human resources security, information security awareness, classification, protection and handling of information, systems and communication security, information system access control, information security incident monitoring and response, information security risk assessment and recovery capability.

To prevent, detect and mitigate intrusion attempts, illegal acts and new threats, the Bank has invested heavily in 24x7x365 security monitoring with the implementation of a Security Operations Centre (SOC) and a Threat Intelligence service, in the information security incident response process and in continuous and regular risk assessment processes of the information systems that support the business. Despite the high number of security events that are detected daily, no serious security incident was recorded, nor were there any signs of information systems being compromised during 2021.



Considering that Information Security is everyone's responsibility, Millennium bcp promotes a periodic Information Security awareness process directed at all the Bank's Employees and Customers, covering a number of relevant issues, namely the main information security policies and the risks and threats to which we are subject on a daily basis in an approach supported by practical examples of email, Internet and phishing. Additionally, during 2021 a platform for conducting simulated phishing and social engineering attacks directed at employees was implemented to assess and reinforce the level of maturity in information security. In 2021, more than 6,000 employees were targeted by the Information Security awareness programme. Also as a result of the macro-initiatives of the cyber-security strategic plan, in 2021 projects were launched for the acquisition of Privileged Access Management (PAM), Vulnerability Management and Security Information Event Management (SIEM) & Security Orchestration, Automation and Response (SOAR) solutions, seeking to renew and strengthen existing solutions.

Also during 2021, Millennium bcp continued the implementation of the strategic cyber-security plan, approved by the Executive Committee for the three-year period 2019-2021, with the goal of implementing the new security solutions that were identified and strengthening the current ones, to mitigate the existing risks, consisting of the following macro-initiatives - Cyber Risk, Strategy & Assets, Organization & People, Governance & Cybersecurity by Design, Cloud & Infrastructure, Application Security, Digital Identity, Data Privacy & Protection, Cyber Defence and, in this context, implemented the Integrated Cyber Defence Platform (ICDP) project which added a wide range of features that contributed to increasing the resilience of information security in the fields of information protection, protection against threats and information security management.

To reinforce the existing monitoring mechanisms, Millennium bcp joined the BitSight platform. This platform continuously collects and analyses data on the security behaviours and implementation of security policies of associated companies, identifying indicators of compromise (for example, infected machines, inadequate configurations, incorrect user behaviour) to determine the BitSight security rating.

Companies are rated on a scale of 250 to 900, the ratings are updated daily and are available on the BitSight platform. The higher the rating, the more effective the company is in implementing good cyber-security practices. The BitSight security rating provides an indication of the Bank's overall cyber-security performance, as well as a comparison with the Portuguese banking sector. During 2021, Millennium bcp consistently maintained one of the best cyber-security ratings of the Portuguese banking sector.

The evolution of Millennium bcp's BitSight security rating over 2021 was as follows:



Additional reference must be made to the business continuity management system implemented at the Bank, through which it ensures the availability of the processes and systems supporting more critical business.

## Innovation

The relationship between Customers and their Bank, and with Banking in general, has been changing significantly. This change has various origins and explanations, including technology and the emergence of new players that open up new possibilities for banking customers.

The opportunity cost of not being part of this evolutionary movement, serving customers in different segments with different needs, is still perceived as too high to be ignored by banks.

At Millennium bcp, the mobilisation of talent and the Bank's digital transformation, fundamental pillars of the strategic plan defined for 2018-2021, have made it possible to empower the Bank with tools, knowledge and new working methods that, combined, contribute to our ability to act and respond quickly and effectively to the challenges we face on a daily basis. 2021 was a year still conditioned by the challenges imposed by the pandemic, but in which we focused on continuing the strategy of accelerating and consolidating the digital business. A commitment sustained on the reinforcement of convenience features and Customer needs, on servicing and on an ambitious digital activation plan, with particular focus on the App.

This vision of the Bank's digital transformation includes different priorities, worthy of note:

- The transformation of the customer experience in the relationship and use of services and products that we make available in digital channels. This includes a new type of customer participation in product design, both through customer research and recurrent customer testing;
- The use of a new approach for the creation of services and products, adopting agile as the operating principle of the teams, which requires multi-disciplinarity, new skills and, above all, a time to market more suited to the times we live in, launching pilots and testing solutions, creating value recurrently and using best-in-class design capabilities;
- The redesign of the main end-to-end customer journeys, in particular those dealing with priority businesses (e.g. consumer loans, investments, etc.);
- StayON: a new area that centralises all communication between the Customer and the Bank and gathers in a simple and accessible way the notifications received, the documentation of accounts and products and pending operations. This area also offers a secure communication channel between the Customer and the Bank through Banco Mail and also has, for Customers in the Prestige Direct segment, direct and dedicated means of communication with the Manager by voice, video call or chat;
- Investing in insurance servicing with the consultation of the insurance portfolio through the Millennium App, where the Customer can view the details of each policy, such as: the number of the policy, the start date, the payment frequency, the payment history and the main documents of each insurance policy;
- Availability of the personal credit restructuring journey in the APP, ensuring that all Customers identified by the Bank as being at risk of default are provided with restructuring proposals tailored to the reality of each Customer and each loan. With automatic and immediate credit risk decision, Customers can restructure their loans 100% digitally through their APP or, if any of the borrowers do not have access to digital channels, they can then sign the contract amendment at the branch;
- As regards Investments, we emphasise i) Renewal of the Investment Funds sustainability module in the APP, adding new Morningstar metrics that allow comparison between products; ii) Availability in the App of the possibility of buying and selling a selection of ESG ETFs, promoting sustainable investment and highlighting this topic;
- Reengineering of processes with new workflow solutions that allowed most of the requests addressed to the Millennium Operations Centre to be made via workflow of the service catalogue, as opposed to using email and telephone, saving resources and reworking, promoting significant improvements in Customer Service levels;

- Use of Robotic Process Automation (RPA) technologies for the main credit operations;
- Improvement of business support to all Commercial Networks, through a more a contact management model via chat - chatbot MAX -, more comprehensive, for more effective responses in a 1st contact. MAX was a pioneer in the Bank as it was the 1<sup>st</sup> chatbot to use artificial intelligence, allowing the recognition of human conversation and providing an appropriate response to the users' questions;
- New analytics solutions, using models with machine learning, which are allowing the Bank to leverage significantly in areas where we seek to meet the needs of our Customers;
- A new approach to the distribution model, focusing on convenience and the migration of transactions to digital channels, allowing the physical network to focus on the relationship with customers and on meeting their most complex needs;
- A strategic plan to redefine the IT function, adopting new approaches and technologies better tailored to current needs, of which we can highlight the use of the cloud, the design of APIs for external and internal consumption, an architecture based on the use of micro-services, and a reinforced investment in cyber-security as fundamental pillars.

As such, and as examples of the developments already made under the strategy described, we highlight: (i) the new home loan calculator called "Quanto Posso Pedir" (How much can I ask for), available in the APP and on the website, which allows Customers and non-Customers of the Bank to determine the amount of credit they can request, based on a pre-screening of their risk profile; (ii) the new journey of investment fund subscription in the APP, which allows a comparison of profitability and sustainability ratings between various products, application of various filters, providing all the necessary information for investment and (iii) still in the investment solutions, a new investment support service was also launched for Prestige Customers, provided in the Branches by a certified investment consultancy manager, which culminates with a recommendation based on the Customer's goals and their investor profile.

In Poland, Bank Millennium analyses market trends in innovation. Every year Bank Millennium experts prepare the report "Millennium Index - Regions' Innovation Potential", which presents and describes innovation disparities in different Polish regions.

This report is prepared by Bank Millennium experts and is a contribution to public debate on the factors that promote and inhibit the development of different regions in Poland, but also to the reduction of existing inequalities between them. In 2020, in the fifth edition of the report, the content continues to be enriched by the inclusion of comments from a wide range of business and academic experts.

## Shareholders

Millennium bcp created a service for its shareholders, the Millennium bcp's Shareholders Club, through which it intends to be closer to its shareholders. Through the Millennium bcp's Shareholders Club, the shareholders may establish a closer communication with the Bank where they invested. Apart from being able to subscribe available products and services at preferred conditions, they also gain access to benefits and discounts with the Bank's partners.

In 2021, 403 discount vouchers were issued under the scope of the 190 offers/partnerships established, where 4 new partnerships are included.

The access to the "Millennium bcp Shareholder" area is free of charge and hosted in a specific area of the millenniumbcp.pt site, allowing the access to relevant information regarding events and activities of the BCP Group, as well as information directed to investors and a newsletter especially created for the Shareholders.



## Employees



Alignment with United Nations Sustainable Development Goals

Material theme: LABOR CONDITIONS AND HUMAN RIGHTS

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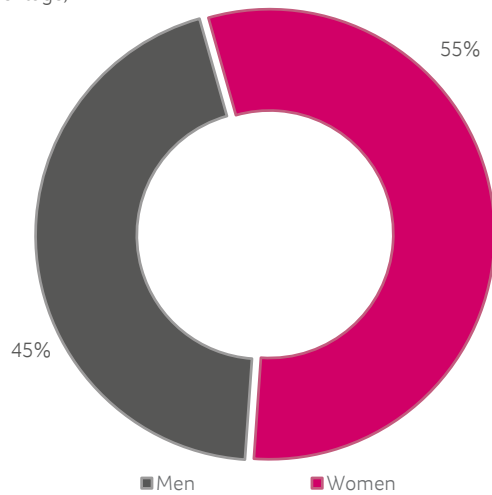
Group BCP gives to all its employees a fair and equal treatment, with equal opportunities, promoting meritocracy in all stages of their professional careers, defining the remuneration of the employees in accordance with his/her category and degree of compliance with the established goals and the salary ratio of 1:1 between men and women with comparable functions, levels of responsibility and professional paths.

The general principles ruling the BCP Group contain values and performance guidelines applicable to all employees resulting in an express orientation so that, regardless of their hierarchical level or responsibilities, all Employees act in a fair manner refusing any discrimination but also in the reaffirmation of the alignment with the ten Global Compact Principles, according to which the Group recognises and supports the freedom of association and the right to the collective negotiation of work contracts and rejects the existence of any form of forced and mandatory work and of child labour.

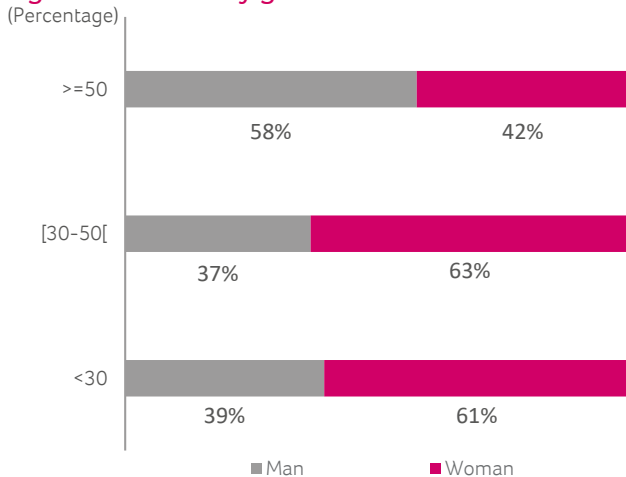
In the context of Human Rights, the BCP Group prevents the risk of violation of these rights, among other mechanisms, through the mandatory compliance of its employees and partners with the Code of Conduct, in which this issue is regulated, also allowing the anonymous communication of violations in this regard. On the other hand, the relevance of this issue for the Group justifies its inclusion in the Organisation's Risk Management, namely in Operational Risk, in the categories of Employee Relations (R3), Breach of Health and Safety Regulations (R4) and Employee Discrimination (R5). In 2020, and as in previous years, the results of the Operational Risk Self-Assessment show the low level of exposure to these risks (level 2 on a scale of 1 to 5), in its main geographies.

The commitments undertaken by the BCP Group within the scope of rights rights, labour conditions and equal opportunities are also enshrined in the corporate policies, such as (i) Human Rights, (ii) Diversity and Equal Opportunities and (iii) Occupational Health and Safety, documents that are available for consultation on the Bank's website, in the Sustainability area: [https://ind.millenniumbcp.pt/pt/Institucional/Sustentabilidade/Pages/cod\\_internos.aspx](https://ind.millenniumbcp.pt/pt/Institucional/Sustentabilidade/Pages/cod_internos.aspx)

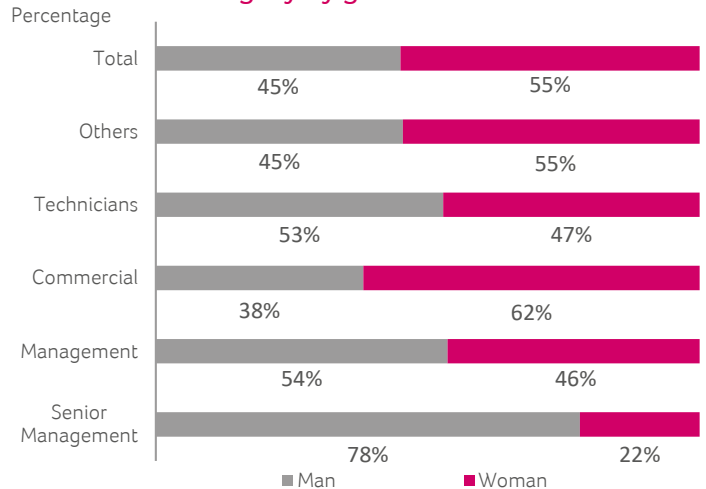
Breakdown by gender (Percentage)



### Age breakdown by gender



### Professional category by gender



Within the scope of gender diversity in the Board of Directors, in 2021 globally, in BCP 23.5% of these functions were performed by women.

Within the scope of gender diversity in management functions (Executive Committee/Senior Management and Management) in 2021, globally, 44% of these functions were performed by women – 22% in Portugal, 58% in Poland and 31% in Mozambique. In commercial functions, this figure increases to 62% in the Group, i.e. 49% in Portugal, 76% in Poland and 60% in Mozambique.

In 2021, the Bank in Portugal published a revised and updated version of its Plan for Gender Equality, a document that outlines concrete actions and practices to be implemented by the end of 2022 to foster diversity and inclusion.

Millennium bcp is also a signatory to the Commitment Agreement of the Organisations Forum for Equality (Igen). This Forum, promoted by the Commission for Equality in Labour and Employment (CITE), aims to encourage its members to implement concrete and tangible actions to ensure gender equality.

In Poland, Bank Millennium, reaffirming its commitment to respect and promote diversity among Customers and Employees, is one of the companies adhering to the Charter of Diversity of the European Union, coordinated locally by the Responsible Business Forum.

In 2021, Millennium bcp joined the Women's Empowerment Principles (WEPs) of the United Nations Global Compact, an important international platform for promoting gender equality. The Bank is also a member of its Steering Committee in Portugal, promoted by the Portuguese Global Compact Network.

In 2019, Millennium bcp had already subscribed the “CEO Guide to Human Rights” an initiative from the World Business Council for Sustainable Development (WBCSD) and from the Business Council for Sustainable Development (BCSD Portugal). The Guide incorporates benchmark policies and practices and intends to contribute to the implementation and promotion of human rights in organisations and their value chains.

BCP also joined the Bloomberg Gender-Equality Index for the second consecutive time in 2021, joining the group of companies worldwide that excel in the implementation of gender equality, diversity and inclusion policies and practices.

The inclusion in this index, which brings together companies from 44 countries, is a milestone that reflects the Bank's commitment to the development of its Sustainability plan and a recognition of performance in matters of gender equality and clear and transparent non-financial reporting.

In 2021, People management processes were characterised by prevention and control actions developed in the context of the pandemic caused by Covid-19, declared by the World Health Organisation (WHO) on 11 March, which prompted the Bank to activate its Contingency Plan with two clear goals: (i) to safeguard people, Employees and the entire surrounding community and (ii) to maintain service levels to Customers.

Millennium bcp undertakes active social responsibility policies to comply with the legal provisions that promote equal opportunities and rights in terms of gender, culture, ethnicity or religion, and also in terms of the positive inclusion of people with disabilities with a degree of disability equal to or greater than 60%. Towards a more diverse and sustainable organisation, we continue to remove barriers to the recruitment of people with disabilities.

In 2021 we continued our participation in Inclusion Labs within the Inclusive Community Forum (ICF) promoted by NOVA SBE and we conducted two more training classes of Vencer no Mundo do Trabalho (Succeed in the World of Work), which seeks to stimulate key concepts that improve the social skills and employability potential of people with disabilities.

This partnership, created as part of Millennium bcp's commitment to law no. 4/2019, which defines the employment quota system for people with disabilities (with a degree of disability equal to or greater than 60%), aims to help us address the challenges that the inclusion of people with disabilities raises for everyone, but fundamentally benefit from the opportunities it creates. By being more inclusive we are: (i) ensuring a greater variety of views and a more diverse and more sustainable organisation and (ii) broadening the base for attracting talent.



In Poland and Mozambique, in addition to the offer of products and services directed at Women, initiatives are also developed, such as debates and reflection cycles, on the positioning of Women in society, in the economy and in companies.

Since Employees constitute one of the strategic pillars of the BCP Group, their level of satisfaction with the service provided by the different internal areas - with direct relation and reflection on the quality of the guaranteed Customer service - is an important endogenous indicator to assess of Bank's effectiveness and perceived efficiency.

We therefore maintained the annual opinion survey on satisfaction with internal service among Employees in Portugal, with an overall result of 79.0 p.i., slightly lower than the previous year (80.6 p.i.), although it remained at a positive level, especially taking into account the challenges imposed by the long pandemic context.

Thirty Employee surveys were also completed, with specific objectives, some with a view to improving operating processes, but most of which related to the COVID Contingency Plan and focused on the Bank's concern for the safety and health of Customers and Employees. These questionnaires allowed close and efficient monitoring and management of issues related to the pandemic (Covid Tests and Self-Tests, Vaccine Prescription, Teleworking, ...).

In Poland, the value recorded in 2021 was 88 i.p., reflecting a reduction of 1 i.p. in relation to 2020. In Mozambique, the value recorded in 2021 was 80 i.p., which reflects an improvement of 6 i.p. from the previous year.

### Covid-19 contingency plan

In 2021, the health and well-being of employees in the context of a pandemic was a priority for the organisation, which adopted, at each moment, the most appropriate solutions based on the guidelines of public authorities and available scientific knowledge.

Protecting the health of Employees, Customers and all those who come into contact with us continued to be the main objective.

To this end, the Crisis Management Office, which monitored the issues related to the pandemic, approved the implementation of the various measures proposed and most relevant at each moment, in order to ensure management adapted to a constantly changing reality.

The Human Resources Division, in partnership with the Medical Services, has actively supported the Employees with regard to issues related to the pandemic, finding solutions for the risk episodes that occurred, as envisaged in the Contingency Plan.

The Human Resources Managers were even closer to the Bank's various areas, with an active role in monitoring suspected cases and the necessary organisation of work, required in each situation.

Alongside this monitoring and with a view to prevention, special mention should be made of the Bank's investment in regular screening tests for Covid-19, as well as the active role in expediting vaccination to prevent diseases such as seasonal influenza and/or pneumonia, underscoring the concern for the health and well-being of its Employees.

Following governmental guidelines, health authorities' guidelines and perceived demands, the Human Resources Division promoted the communication of useful and necessary information in a timely manner and developed, with agility and speed, measures and tools that were made available to Employees, allowing Millennium bcp to ensure its full operation.

Material theme:

PROXIMITY AND TRUST

As for strengthening the mechanisms to bring Employees and senior management closer together, in addition to visits by members of the Executive Committee to branches and central services and the organisation of regional meetings with Employees, regular television interviews with the Chairman and other members of the Executive Committee have been maintained, in which Employees have the opportunity to ask a variety of questions about the life of the Bank.

“

*During covid-19, the BCP Group ensured the conditions necessary to ensure the well-being of all its employees*

## Training

GRI 404-1

The development of the personal and professional competences of the Employees is one of the Bank's priorities considering the need to ensure its ongoing alignment with the strategic goals defined by the organization. Seeking to promote excellence in the relations established with Customers, the Bank recognises the importance of ongoing training to ensure business sustainability and endeavours to provide its Employees with the tools necessary for the execution of their activities.

In overall terms, in the Group, 7,647 training actions were ministered, corresponding to over 726 hours of training, with an average of 45 training hours per Employee. During 2021, the training effort kept its focus not only on the commercial areas, but also on technical, operational and compliance areas and on team management.

In Portugal, the Millennium Banking Academy continued its development and training programmes with the intention of supporting the Bank in its mission and in the progress of the defined strategic plan.



The total number of training hours given to Employees was 415,438, up 1.4% compared to 2020, with emphasis on Sustainability courses, but also on Compliance and Auditing, Legal and Regulatory, justified by the demanding regulatory environment of the sector. Further mention should be made of the Integration and Development Programmes, aimed at strengthening internal talent, and the Leadership and Coaching programmes, to mobilise leaders in the context of change.

To this end, we supported leaders in the digital transformation areas to remotely manage teams, strengthen social and emotional skills to ensure effective collaboration and develop resilience in employees to enable the organisation to succeed in this new reality.

Through the Digital Academy, launched in October 2019 with the purpose of achieving digital leadership in the market, we aimed to expand the ability of Employees to work in a digital environment and develop cognitive skills, such as problem solving and critical thinking, but also technical skills that ensure response to the need to redesign processes and innovate.

Adjusting demand and supply to the distinct groups in the Bank's universe of employees: the Tech - from the development, architecture, cloud, security and data areas -; the Business - from the areas that develop new business solutions -; the Ingenious - young people from technical areas - and the Millennials - all Employees -, we continue to invest in behavioural and technical training appropriate to the different needs, and, (i) to increase digital literacy (learning for all), we launched the DigitalMente line (30-minute videos on the Bank's technological projects and on what's new in the digital market), new eLearning and webinars on how to use and maximise the current digital tools (Smartphones and Office 365) and (ii) to increase technical skills and expertise in core and technological topics, we started a partnership with UDEMY - an online learning platform with a wide range of courses in different technological and behavioural areas - everything so that our Employees are even more able to respond to current and future challenges.

As such, in 2021, 16,368 hours were invested in training in the digital area, with a total of 5,460 participants in training initiatives, mostly in weblive and eLearning format.

In Portugal, in 2021, as a result of the pandemic situation, on-the-job training was not a priority, and part of this training effort was channeled into weblive training actions (35,390 hours of training and 10,199 trainees).

In 2021, pursuing a strategy that always guarantees more and better training, but also its adaptation to a context marked by teleworking, our goal is to increase the number of hours of training provided through this format above 5%.



## TRAINING

	2021	2020	2019	VAR.% 21/20
<b>NUMBER OF PARTICIPANTS <sup>(1)</sup></b>				
In person	38,878 (M 70.6%, H 29.4%)	18,231	31,043	113.3%
e- learning	482,801 (M 67.3%, H 32.7%)	376,977	311,211	28.1%
at a distance	59,882 (M 45.7%, H 54.3%)	61,648	59,592	-2.9%
<b>NUMBER OF HOURS</b>				
In person	124,408 (M 69.1%; H 30.9%)	128,153	319,236	-2.9%
e- learning	447,928 (M 55.6%, H 44.4%)	421,190	343,403	6.3%
at a distance	154,061 (M 47.0%, H 53.0%)	136,504	184,544	12.9%
<b>BY EMPLOYEE</b>	<b>45 (M 56%, H 44%)</b>	<b>40</b>	<b>46</b>	<b>14.6%</b>

<sup>(1)</sup> The same Employee may have attended different training courses.

Given that collaboration is a critical capacity to accelerate the digital transformation process underway at Millennium bcp, we carried out a diagnosis to understand the current reality of the Bank, which included individual interviews and focus groups with Employees and a structured questionnaire sent to a representative sample of the various areas of the organisation, and 1,192 replies were received.

This diagnosis allowed us to identify the barriers and challenges to be overcome, and we are preparing an action plan to be developed in 2022, with the aim of developing this competence in the organisation's culture.

For the Business segment, the programme "The One" was implemented, designed to develop technical skills and a commercial approach focused on the Customer, with application in practical cases of the commercial network's daily life, also taking into account the health and well-being of the Employees as essential elements for performance.

The goal of "The One" programme was to consolidate leadership and commercial growth in the business segment and efficiently address a trend of increasingly demanding, informed and digital Customers.

It was a fully customised programme, in line with the diagnosis previously made, in which the main challenges of the segment were identified through interactions with employees, interviews with customers and analysis of the competition.

The technical training resulted from an individual diagnosis in which each employee identified the skills to be developed according to their specific needs.

The involvement of everyone was a determining factor for the consolidation of the concepts, and so we relied on the involvement from the beginning of the entire hierarchical chain and the participation of all Employees from the segment in the training: Commercial Managers, Branch Managers, Business Managers and Assistants.

The training took place between April and November, with more than 7,000 hours of training through weblive sessions, and an average of 20 hours of training per Employee. The general assessment was very positive, validating both the interest of the contents and the dynamics of the sessions, as well as the choice of experts in the different areas as instructors.

In the behavioural part, the highlight was the topics dedicated to well-being, Customer experience and leadership. The possibility of sharing experiences was also highly valued by the participants.

The programme ended with a process of application of the acquired knowledge, in which all Branch Managers and Managers were challenged to make a certification with a practical case, before a jury made up of a Commercial Manager and an external Consultant.

The individual feedback from the jury allowed, on a case-by-case basis, the identification of strong areas and opportunities for improvement, contributing to an effective application of the concepts covered in the training programme.

The programme will continue with the implementation of some identified initiatives, which ensure both onboarding training for new Employees in the segment and refreshing the concepts covered.

In September we launched the Sustainability Course for all Bank Employees, the main purpose of which was to clarify what sustainability is, what the key concepts are and what is Millennium bcp's approach to this global challenge.



The course includes topics such as basic concepts of sustainability and value creation, business context and commitments, sustainable financing, sustainability reporting, reference standards and guidelines, sustainability in a Covid-19 context and ESG topics and axes. The course ends with a final challenge through a game where Employees test their knowledge.

As part of the annual continuous training on MiFID II provided for in CMVM Regulation 3/2018, more than 3,565 Millennium bcp Employees completed the course Sustainability in the Financial Sector developed by the IFB with an estimated study time of 25 hours. This course covers the following topics in its programme: 1. Introduction to Green Finance, 2. Green Finance in our Changing World, 3. Going Green in our Financial System - International, National, Industry and Institutional Responses, 4. Monitoring Financial Flows and Environmental Performance, 5. Risk in Green Finance, 6. Retail, Commercial and Corporate Banking, 7. Green Bonds and Asset Backed Financial Instruments, 8. Central Banks and Development Banks, 9. Equity Markets and Investment Funds, 10. Insurance, 11. FinTech in Green Finance, 12. Putting Sustainability Finance at the Centre of the Agenda.

In 2021 we continued our participation in Inclusion Labs within the Inclusive Community Forum (ICF) promoted by NOVA SBE and we conducted two more training classes of Vencer no Mundo do Trabalho (Succeed in the World of Work), which seeks to stimulate key concepts that improve the social skills and employability potential of people with disabilities. In these sessions we train good practices with exercises that contribute to their personal and professional success. The training is given two people (people with disabilities) and the technicians who accompany them.

In the two classes that took place, the associations Novamente, Somos Nós and Pais em Rede were represented (30 trainees - 20 PWD and 10 Technicians). Between and after the training sessions, workbooks were sent to the participants, in order to facilitate the assimilation of the concepts worked in the virtual room.

In this edition of the 2021 Module we tried to make the sessions even closer to the reality of the working world, including a practical aspect of preparation for a job interview, through videos and exercises, which was highly valued by all participants. The training had a very positive impact on the participants.

In the second half of the year, we organised the Teams with Attitude training for all Mass Market, Prestige and Business Branch Managers. This training had the objective of dynamising concepts.

Keeping in mind the importance of preparation for retirement, in partnership with an external provider, we started the Active Retirement Project, an e-learning training that covers the topic from a global perspective, including practical cases tailored to the reality of Millennium bcp.

The goals of this training are to reflect on the life cycle and how to create one's own retirement project, as well as understand the conditions for retirement and good practices to ensure stability in the transition to retirement.

The chapters of the course that deal with conditions of access to retirement and financial issues are being adapted to the reality of Millennium bcp with their own contents and practical cases.

This course is available to all Employees, raising awareness of the impact that retirement has on people and organizations, as well as answering some practical questions that have been identified as recurring.

The topic of Happiness has been raising increasing interest in the organisation, as it allows strengthening the social and emotional skills of Employees, reflecting on the well-being and performance of teams. So, we have included this topic in three development programmes (Ingenious, Onboarding of New Employees and New Prestige Managers) with excellent results from the participants' feedback.

Within the scope of the development programmes, we delivered emotional intelligence training for several core areas. In this training we explored the 4 domains of emotional intelligence, with a theoretical explanation of the following topics: (i) self-awareness: what it is and how we can develop it; how emotions work and what the purpose of each one is; (ii) self-management: how to manage intense or persistent emotions (such as anxiety or discouragement); (iii) awareness of others: the importance of awareness of others also for the successful functioning of teams, and how to cultivate it; (iv) relationship management and leadership: integrating all the dimensions of emotional intelligence and communicating with awareness.

The skills developed have benefits in terms of stress management, emotional management, resilience and improvement of interpersonal relationships.

93 Employees took Emotional Intelligence courses, which corresponded to 1,240 training hours.

In Retail, onboarding training programmes were carried out for Prestige Managers and Branch Managers, with the objective of reinforcing the behavioural and technical skills necessary for those new to the position. The programme for Managers lasted 4 days and joined in November the managers appointed in 2021, who had not yet taken the training.

In the case of Branch Managers, there were two editions - in March and November, each lasting 2.5 days. The contents were divided between behavioural issues, rigour, product and service, commercial systematics and Customer experience.

In 2021, there were two editions of Integration Training, for new Employees from different areas and functions, with the aim of introducing them to the Bank and, in the case of commercial functions, also to aspects related to customer service and value proposition. The duration varies between 1 and 3 days, depending on the participants.

We continued to support training for the Retail Network on Communication and Sales topics through quarterly training courses in the form of e-learnings.

As part of the Retail Network Development Programme (#1 Customer Experience), we developed the Be #1 training for employees of the Representative Offices in a Programme that included various Technical, Behavioural and Leadership training modules and involved 22 employees and 352 Training Hours.

We also conducted two technical training courses in 2021, - the Public Procurement Programme, in collaboration with ISCTE and the Programme for Economic and Financial Analysis of Companies, lectured by the Faculty of Economics of Porto. These training courses were attended by Employees from the different business areas and were aimed at developing specific skills in the topics covered, with an impact on business.

In compliance with Regulatory Standard 6/2019 of 3 September and the requirements in terms of Insurance Certification, we continued our efforts to ensure the certification and updating of the knowledge on insurance matters of all Employees with PDEAD-People Directly

Involved in the Activity of Insurance and Pension Fund Distribution.

In this connection, 57,664 hours of training were given. In this regard, 57,664 hours of training were provided.

Certifications in Mortgage Loans and Credit Intermediation are mandatory training for the entire financial system, in accordance with DL No. 74-A/2017 of 23 June and DL No. 81-C/2017 of 7 July, respectively, covering all Employees involved in the preparation, sale and conclusion of credit agreements and the associated services usually offered. 1,626 hours of training were recorded within the scope of the Mortgage Credit and Credit Intermediation certification.

CMVM Regulation 3/2018 establishes in Article 2 - Qualifications, in its item 3, that the financial intermediary (Bank) ensures the continuous training of its Employees through the attendance of annual training actions with a duration of no less than 30 hours, in the case of those who provide investment advisory services or portfolio management services on behalf of others, or 20 hours, in the case of those who provide information to investors.

In the case of the annual renewal of the MiFID II Certification - Provision of Information, it corresponded to the course on Sustainability in the Financial Sector, with an estimated time of 25 hours of training.

Concerning the annual renewal of the MiFID II Certification - Investment

Advisory Services (Investment Consulting), corresponded to three distinct courses; 1. Investment Advisory Service Course (duration 3 hours); 2. Sustainability of the Financial Sector Course (duration 25 hours); 3. Product Governance Course (duration 2 hours).

The training provided for the Certification of new Employees and for Annual Renewal totalled 111,409 hours.

The Training Academy continued to develop the specific training courses for the various functions of the Commercial Networks, automatically offering to each Employee through the training platform the training courses required for the performance of their functions.

Each year, all employees have the opportunity to contribute to their professional growth by completing a form and attending a session with their direct supervisor. This process allows Employees to define their own Development Plan to improve their skills through technical and behavioural training courses, validated by the hierarchy and to which the MBA responds throughout the year.

In Poland, the bank also continued to invest in the training of its employees always with the purpose of developing technical and behavioural competences, able to improve quality and efficiency in the work developed and in the compliance with the goals of Bank Millennium, always in line with its corporate values.

It is within this context that the Employees participate, every year, in external and internal training actions on specific issues, as well as in congresses and conferences.

Due to the restrictions caused by the Covid-19 pandemic, all training courses have been available remotely since March 2020.

Bank Millennium continues to organise training and coaching programmes that cover all Employees, with actions focused preferentially on addressing internal or external regulatory requirements, such as Health and Hygiene in the Workplace, data protection or information security, as well as promoting training programmes on management, leadership and various conferences.

In 2021, we continued to deliver lectures under the Millennium Campus programme. The programme, which seeks to support the growth of an organisation focused on innovation, aims to create a space for reflection where science and business meet. The opportunity to participate in this programme is directed at all employees, allowing them to look at many topics from a different perspective. The lectures are hosted online, while recordings and assistance are made available on the training platform and intranet at Mundo do Milénio. In 2021, 11 remote meetings were held.

In this geography, the maintenance of the initiative especially directed to Bank Millennium's community of women, the 3xM (ille), is also noteworthy. This project consists in holding regular conferences with inspiring women from the organisation and a special guest. The meetings are followed by debates and networking which, by allowing the exchange of contacts and experiences, can help broaden horizons and personal goals. In 2021, activities were developed by creating a culture of diversity and innovation, and by conducting effective and engaging communication.

The cooperation with Vital Voices Poland in the project for young women aged 16-19 "I am a Leader" was concluded successfully in the form of external mentoring of female leaders of the organisation and the implementation of a social project with mentee.

Furthermore, several important concepts were implemented, including the launch of a social campaign for breast cancer prevention, "3xM(ille)j bez raka" ("3xM(ille)j without cancer").



In 2021 Bank Millennium trained 13,374 people (8,780 Women and 4,594 Men). In matters related to Leadership, 2,287 Employees received specialised training.

Mention should be made, in this geography, to the reduction of working time for Employees close to retirement, preparing the organisation for their departure and ensuring a period of personal adaptation to their future life stage..

In Mozambique, the year is marked by the 4.º year of activity of the Millennium bim Academia (MBA).



The mission of this training academy, the first of a bank institution in Mozambique, is developing, within an environment of continued learning and sharing of knowledge, professionals with ethics, a technique of excellence and rigour in the activities they exercise.

Based on three main pillars: i) ensuring training per functions for the Retail Employees; ii) providing diversified and consistent training to support the Employee's main needs; iii) Creation and provision of a training Curriculum per Employee, training 2,710 Employees in 2021 (1,287 Women and 1,423 Men), in a total of 35,611 hours of general and specialised training.

In 2021 the main highlights of the training offer focused on Compliance, Leadership, Technical Training, IT Training, Behavioural Training and Training for the Commercial Network.



In order to strengthen operational rigour practices, the Training Plan on Prevention of Money Laundering and Financing of Terrorism, composed of 15 courses, includes training on prevention for all Employees, specific training for the Executive Committee and the Compliance Office team, and awareness-raising for the Commercial Network.

In terms of structural programmes, the following are of particular note: (i) the continuity of the leadership development programme "Millennium bim Leader 4.0", launched in 2018 aimed at aligning the Bank's leadership practices with the 8 core skills defined for the Millennium bim leader, which covered all second lines. (ii) The launch of the Millennium Leaders Community in Yammer (Business Social Network) with a view to stimulating good leadership practices, directed at all employees with leadership functions in the bank. (iii) The launch of the development programme "Mba Talento Mbim", in partnership with the Nova África University - Nova SBE, with the objective of supporting the success of high performing and high potential employees, and allowing an accelerated development of skills and preparation of a pool of employees ready to respond to future challenges.

In order to leverage the business, the programme for the development of fundamental sales skills was resumed with training focused on the 1st workshop, and subsequently the respective community was launched on Yammer for promotion. Several micro-learnings were also launched on good practices of operational rigour and on the bank's products and services, in order to strengthen the knowledge of the network's Employees.

The knowledge transfer programme for Employees on the eve of retirement was also launched, with the following assumptions: i) ensure the transfer of knowledge from senior Employees to Employees with less experience; ii) accompany Employees in the final stage of their career in the bank; iii) manage internal knowledge.

## Talent Management

Managing individuals is one of the strategic pillars of the competitiveness of the BCP Group. Together with the development of generic and specific competences it is crucial, in a perspective of the Bank's sustainability, to identify Employees with potential and talent to exercise functions with increased responsibility and complexity.

The development programmes that have been implemented in the different geographic areas of the BCP Group are therefore a concrete response to employees with high performance and potential, allowing: i) newly recruited employees to gain a transversal vision of the business and of the organisation's best practices; and ii) experienced employees, the opportunity to acquire additional skills so that, in the future, they can take on positions of greater responsibility.

The adverse context of the pandemic required a rethink of the entire training format, previously face-to-face, for a remote format, suited to existing needs and allowing the same proximity to be maintained, always with the focus on the growth and development of employees.

In 2021, we continued to invest in the M Power Programme, with the aim of developing and preparing leaders for the demands that the pandemic context and the adoption of the hybrid working model introduced in the monitoring, proximity and motivation of teams.

In a programme that continued the previous edition, which involved 66 Employees, and in a new edition that involved 49 Employees, the topics of the training workshops were adapted to current challenges and individual and group coaching sessions were held to share best practices.

Millennium bcp, in order to continue to respond to the acceleration of the digital world and ensure that the organisation is prepared to adapt to constant changes and technological challenges, maintains a constant focus on investing in the management of talent for the Bank's analytics and technology areas.

The inGenious Programme is a value proposal for these young people, which seeks to develop the necessary competencies at the soft skills level, with behavioural training for personal development, and at the technical level, with adaptation to the specific needs of each area.



During a period of 9 months, the 52 young people who participated in the 3rd Edition, carried out in 2021, also had the opportunity to get to know the different business areas, to integrate them into the culture and strategy of Millennium bcp, and were challenged to develop critical thinking and teamwork in a collaborative way, through involvement in projects that are fundamental to the Bank's activity.

In partnership with Nova Business School, we started the Power On training, addressed to central areas, involving 113 leaders from 6 Divisions. This training programme was designed to empower managers from Central Areas to deal with the challenges arising from the new work paradigm in an effective and natural way.

The thematic areas worked in the training were: 1. The fundamentals of the World of Work; 2. Balance, Emotions and Technostress; 3. Learning Culture and Technological Skills; 4. Change, Performance, Meetings and Feedback, and 5. Diversity and Inclusion. The programme combines asynchronous sessions (short 5 to 10-minute video presentations), practical exercises (where each participant reflects and asks questions about their reality) and synchronous sessions (classes with the teacher to discuss the participants' real-life situations).

The Programme was valued by the participants for the contents covered, the methodology used and the teachers' performance, so it will be extended to other areas and their respective teams in 2022.

Already in Poland, we maintained cooperation with student organisations. In 2021 we supported the BIG DATA conference, organised by the Student Scientific Club of Statistics, during which experts from the Bank presented issues in the technological field.

In addition, as part of the Velas de Negócios competition dedicated to smart organisations created by students and run by students, PhD students or graduates of the Warsaw School of Economics, the Bank acted as a member of the competition's jury. All these activities were conducted at the Warsaw School of Economics. For many years, the Bank has been a member of the Partner Club of the Warsaw School of Economics and cooperates closely with this university, playing an active role in academic life. The Bank's representatives participate in meetings with the Board of the Partners Club of the Warsaw School of Economics during which elements of the university's strategy and the possibilities of educating students on key skills are discussed.

In 2021, Bank Millennium faced the Covid-19 global challenge and reorganised its talent attraction activities in order to ensure the highest level of security for both Employees and other participants, examples of which are

the Week with Career Advisors organised by the Warsaw School of Economics digitally, where students had the opportunity to discover career opportunities in the Bank, but also regular attendance at virtual job fairs such as Jobicon and Warsaw IT Days.

To reach groups of branch professionals, Bank Millennium effectively uses the communication capabilities of LinkedIn and Goldenline social media, actively promoting its brand as an attractive employer and successfully communicating with potential candidates. In the IT and digital field, communication via LinkedIn is the main contact route for candidates.

Bank Millennium, concerned about the experience of its Employees, launched the Onboarding project for the IT and central services areas, in a process to be extended to the commercial areas that includes a welcome pack for new Employees and an e-guide with information for managers.

Bank Millennium, within the scope of a partnership with the Faculty of Economics of Warsaw, created the first Coworking Centre for Start-ups. The objective of the Centre is to put together students and graduates who created or are in the process of create their own start-up and wish to compare their ideas with the business reality. It is a place for meetings, networking and debates with experts from both the University and Bank Millennium.

In Mozambique, given the increased challenges imposed by Covid-19, changes

were implemented in the recruitment process with the introduction of the technological component and the redesign of the experience of new Employees.

In 2021, the bank maintained its commitment to digital recruitment, having launched in October the 1st Digital and Analytics Marathon, which had more than 200 candidates trained in IT. The programme was designed to attract and develop young talent trained in the areas of IT, where they are challenged to work on strategic projects in the Analytics and Technology areas. This programme consolidates the Millennium bim brand as an innovative and digital bank, where young talents in the Technology area can develop their professional skills.

The online launch of the 5th edition of People Grow was also undertaken through the Zoom platform, which had more than 280 participants and received more than 1,200 applications.

In 2021, at Millennium bim, partnerships were also consolidated with the country's main universities and cooperation protocols were signed to attract the best graduates.

## Evaluate and recognize

GRI 404-3

At the BCP Group, the individual performance assessment models, based on a process of counselling and guidance towards the development of skills, gives rise to opportunities of dialogue between the senior staff and their Employees, enabling the further deepening of a culture of personal accountability for the development of their careers.

The performance evaluation cycle that ended in 2021 maintained a level of involvement of participants in Portugal, evaluators and participants, in line with the values of previous years (100%), and the results relating to satisfaction with the process remain in line with the values of the previous cycle, with a growing trend in the "very satisfied" evaluated segment.

In Portugal, the 4th edition of M Desenvolvimento was concluded, a programme that allows employees to voluntarily share their professional aspirations and actively contribute to their development. Employees may, if they feel the need to develop some specific skills or wish to undergo some special training, express this wish in the Personal Development Plan proposal. It was possible to meet 113 requests for mobility of organic unit and function.

Together with a permanent attitude of incentive towards the development of the Employees and the adoption of practices of excellence, the BCP Group maintains a policy of recognition of merit and of the commitment shown by each Employee by means of: i) an incentive system applied throughout the Bank; ii) a plan of professional development due to merit; and iii) specific awards attributed to Employees that were excellent in the exercise of their functions.

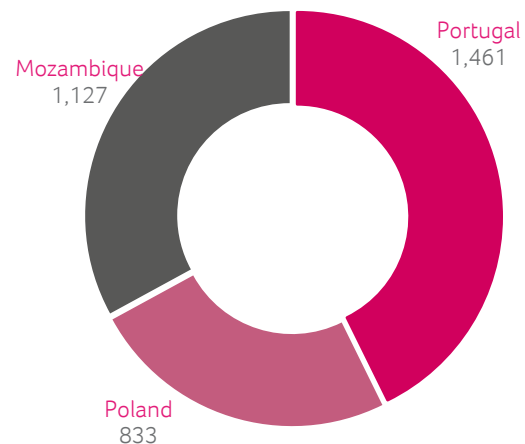
The commercial incentives system is intended for Employees of the Commercial Networks (Retail, Private, Companies, Corporate, Large Corporate and ActivoBank) as well as Employees of other Divisions of the Bank who meet the indicated criteria (Investment Banking, Treasury Markets & International, Credit Recovery, Specialised Recovery, Real Estate Business and Specialised Monitoring) and consists in assigning a variable remuneration based on the contribution above expectations for the results.

The culture of meritocracy is one of the pillars of people management at Millennium bcp and the greater the challenges faced, the greater the need to recognise the commitment, dedication and results achieved - by individuals and teams. The performance evaluation system, which measures the annual performance of the Employee in relation to the defined objectives, is the basis that makes it possible to show the level of performance of each individual and identify, with rigour, the need or appropriateness of promotions and other forms of recognition for Employees with results consistently above average.

In addition, and alongside the incentive systems of the commercial networks associated with business results, Millennium bcp has a transversal recognition programme called Millennium People. In its different aspects and individual and collective categories, this programme enables more than a thousand Employees to be recognised every year, through an evaluation matrix that reconciles attitude and results, and ensures recognition, visibility and sharing of good practices.

The Millennium bcp recognition model is transparent and has clear rules, which can be easily consulted by any Employee on an online platform - and is intended to involve participation. As such, in the annual categories (Millennium Leader, Millennium Impact, Millennium Excellence, Millennium Instructor and Millennium Team), the programme also encourages interaction with the winners through a system similar to social networks.

Promotions  
(Number of Employees)



In 2021, the Gala Millennium People was organised in a different format, this time virtual and using digital technology to share the testimonies of the Employees awarded in 2020, in order to inspire the entire organisation.

**Millennium Leader:** Enables first and second line leaders to be recognised who show the best leadership and management practices - as demonstrated in the evaluation they obtained in the annual Climate Questionnaire - and the best business results.

**Millennium Impact:** The Millennium Impact award honours Employees with hierarchical functions at the 2nd level of the structure who have led projects in a decisive way for the Bank's success in the period under analysis. It is the Executive Committee that selects the Employees to be rewarded.

**Millennium Excellence:** This category is designed to distinguish the top performers in each Division. The selection is made by the Coordinating Manager and the only eligibility criterion is to be at the top of the performance evaluation in the last two years.

**Millennium Instructor:** This category intends to value and recognise the Bank's Employees who make exceptional contributions as Instructors at the Millennium Banking Academy, making a sustained contribution to the sharing of knowledge, good practices and distinctive attitudes. The three instructors who contributed the most to the hours of training provided, in class or via e-learning, will be identified and awarded to the three instructors best evaluated by the trainees.

**Millennium Team:** The Millennium People Recognition Programme also includes a team category, the only one of self-application, with the objective of valuing and rewarding all those who successfully engage in projects and activities with a relevant impact in the period under analysis. All employees are invited to take a Quiz on a relevant topic of the Bank, which allows the accumulation of credits that can then be invested in the applications submitted. The investments made contribute to the selection of the finalists. The aim is to enhance the visibility of the projects and the involvement of all Employees in this programme, and whoever invests also has the opportunity to be rewarded.

**Recognition by the Hierarchy:** Lastly, the Millennium People programme takes into account that recognition is as or more effective the closer and more immediate it is. This is why all first line Managers annually receive a set of vouchers - Millennium Gifts - in a number proportional to the size of their Divisions, so that throughout the year they can reward their Employees or promote their own annual recognition actions.

In Millennium bim, in Mozambique, the process of performance evaluation and management is based on a culture of meritocracy and high performance. For the Employees who most excel in the performance of their functions, there is a privileged moment, at the annual Objectives meeting, when these attitudes are recognised. In 2021, 16 employees were recognised with the Excellence award in five categories: Young Talent, Best Instructor, Backstage, Customer Service and Best Team.

In Poland, in turn, the 5th edition of the IMPakt Programme was organised, an innovative initiative in which employees nominate and vote for their peers and 48 more employees were recognised for their performance and example in the following categories: for their commitment, quality improvement, innovative solutions and accepting challenges to inspire others.



The programme's gala and awards ceremony was attended by around 120 people and was broadcast to all employees.

In this operation, 12 Employees were also recognized with a distinction awarded by the Chairman of the Board of Directors for their participation in key projects.

Bank Millennium has defined and published "Instructions on how to conduct employee evaluations at Bank Millennium S.A.", which contains guidelines on the preparation of rules for employee evaluations, in particular the evaluation of work performance or skills. Evaluations are conducted based on objective and previously communicated criteria. The rules for evaluating employees are aligned with the nature of the work and relate to attitudes of cooperation, commitment, quality and effectiveness.

The BCP Group continues to bet on the ongoing improvement, believing in the value that can be generated by the innovation processes, stimulating creativity and the sharing of experiences by all Employees.



The internal programmes for the generation of ideas – Mil Ideias (A Thousand Ideas), with 65 suggestions in Portugal, - Call 2 Action - , in Poland and the recent programme – Ideias que Contam– (Ideas that Count) in Mozambique are based on the recognition that the Employees are a creative force that generates ideas of value, representing a means to value and increase their individual abilities through the direct participation with an idea and indirect through comments or votes.

In Portugal, in 2021, in the context of the Sustainability Master Plan (PDS), the internal challenge was carried out - Sustainability: we are building the Future - on themes that fall within Millennium bcp's Sustainability strategy and using the Mil Ideias platform. The objective was to collect ideas and suggestions from Employees on the Environmental, Social and Economic/Governance axes of Millennium bcp's activity and allowed to gather 46 ideas and mobilize more than 1,000 participants (proposals, votes, comments and visits).



In Mozambique, with the “Fórum – Ideias que Contam”, a space for sharing and discussing ideas, which throughout the year had the participation of 260 Employees, responsible for 479 ideas or for their comments, 44 ideas are in the implementation and 71 under analysis.

These programmes, which are still being re-evaluated in all geographies, have the potential to support the improvement of the organisation's internal processes for the increase not only of the value of the products and services offered to Customers but also the ability to make a swift adaptation to new realities, namely functional, and represent an opportunity for the identification of good practices that can be extended to the entire organisation

### Evolution of the workforce

In 2021, the BCP Group's workforce decreased by 7.6% (1,315 fewer employees) compared to the previous year, essentially due to the rationalisation of operations in Portugal and Poland. Around 61% of the Group's employees worked in the international activity and 39% in Portugal.

## EMPLOYEES

	2021	2020	2019	Var. % 21/20
<b>TOTAL IN PORTUGAL</b>	<b>6,289</b>	7,013	7,204	-10.3%
Poland	7,079	7,645	8,615	-7.4%
Mozambique	2,648	2,591	2,680	2.2%
<b>TOTAL INTERNATIONAL</b>	<b>9,727</b>	10,318	11,377	-5.7%
<b>GROUP TOTAL</b>	<b>16,016</b>	17,331	18,581	-7.6%

Note: does not include Millennium bcp Bank & Trust Employees.

In Portugal, as a result of the restructuring process undertaken, there was a reduction of 724 employees compared to the previous year. A total of 74 new employees were taken on (51% women), mostly to perform technical functions in the Digital Banking area, while 800 employees left, 90% by mutual agreement and/or retirement plans and 8.5% on the employee's initiative. Among the Employees who left, 64% worked in the commercial areas and 8% in management functions.

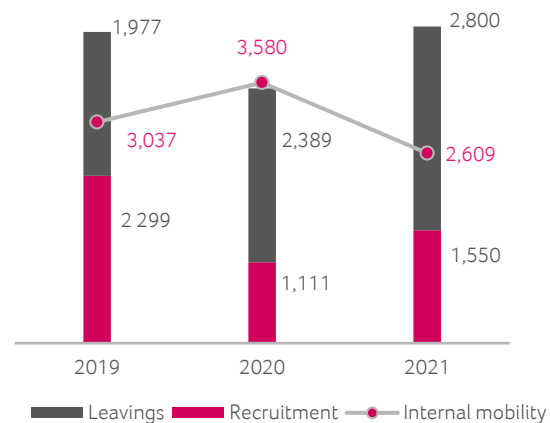
In Poland, the workforce was reduced by around 7.4% (566 fewer employees compared to 2020) due to the continued reorganisation of the operation, reaching 7,079 employees, 67% of whom are women.

Mozambique saw an increase in its workforce of around 4.7% (123 more employees than in 2020), with the hiring of 212 new employees, 77% of whom are women. 144 employees left, 52% of whom were assigned to commercial functions.

The BCP Group sees mobility as an opportunity for the Employees to develop their professional careers and their skills, and therefore fosters their contact with different realities of the Bank whenever possible. Thus, the employees' internal mobility processes are of strategic importance for Millennium.

In 2020, 16.3% of the Group's Employees were involved in internal mobility processes, notably in Portugal and Mozambique where 26.0% and 30.7%, respectively, of the Employees changed areas/ divisions.

Employees Turnover and Mobility  
(Number of Employees)



## Ethics and professional conduct

Material theme: VALUES, ETHICS AND CONDUCT

Millennium bcp considers that the respect for its defined mission and values and also the compliance with its strategy depends, first and foremost, on each Employee and therefore it fosters a culture of rigour and responsibility, based on permanent information disclosure, training and monitoring mechanisms able to ensure strict compliance with the established rules of conduct.

## Compliance office

The Compliance Office's mission is to assure that all the management bodies, the functional structures and all the Group's employees comply with the legislation, rules and requirements that guide the activities carried out by the Bank and its subsidiary companies in order to avoid the risk of the institution incurring in legal or regulatory sanctions, financial losses or negative effects in terms of reputation, resulting from non-compliance with the laws, codes of conduct and good business practices and duties that bind the company.

Within the scope of the Prevention of Money Laundering and Terrorist Financing (AML/CTF), the performance of the compliance function, in 2021, based on a risk-based approach, included the filtering of operations, a process that ensured compliance with the systems of sanctions and embargoes decreed by the competent national and supranational authorities, their monitoring, aimed at detecting and preventing potentially irregular situations, but also the pre-validation, substantive and formal, of the opening and maintenance of entities and accounts and credit operations. This functional perimeter, based on dedicated technological solutions, also foresees the definition and a management of risk models according to the evolution of the various competing variables to establish scorings to be applied to operations. Also worth noting is the development of new, more efficient solutions, based on automation processes for analysing the risk factors underlying new account openings and the screening of transactions, and the effort to update internal rules in order to align them with recent changes in the legislative environment. Of the various initiatives undertaken in 2021, we point out the following:

- With regard to ML/TF risk on the onboarding side, we highlight the enhancement of control over the segments and jurisdictions involved in business relationships and account opening processes and transaction screening, so as to ensure compliance with the regimes of sanctions and embargoes decreed by the competent national and supranational authorities, as well as their monitoring, to detect and prevent potentially irregular situations;
- Implementation of automatic processes related to the screening of sanctions and embargoes, allowing a faster and more efficient action on transactions with this profile;
- Optimisation of the alarm system and monitoring of business relations (SAS/AML) in order to reduce the number of alerts generated considered as not suspicious, through the use of a specific transactional scenario;
- Reinforcing control over the opening of single-member accounts, involving risk jurisdictions and companies with beneficial owners from countries outside the Schengen Area;

- Launch, in the Millenniumbcp and ActivoBank App, of a process that facilitates the collection and updating of Customers' personal information, namely the information provided in the regulatory framework;
- Ongoing strengthening and specialisation of the Compliance Office teams within the scope of the AML/CTF, in its various dimensions;
- Maintenance and streamlining of work processes, in order to respond adequately to the operational challenges posed by the COVID 19 pandemic, ensuring the level of service of scrutiny and decision on Customer operations, as well as all the internal controls and other functions within the responsibility of the Compliance Office.

As regards the updating of internal regulations, of note is the updating of the Policy on Preventing and Combating Money Laundering and the Financing of Terrorism, mainly with the following objectives::

- Formalise the implementation of the EBA Guidelines on ML/TF risk assessment and appropriate due diligence measures (EBA/GL/2021/02);
- Review the basic elements that make up the Global Compliance Operating Model;
- Standardise the controls that should be implemented across the Group;
- Include a non-exhaustive list of ML/TF high risk factors that must be considered in the identification and appraisal of risk.



During 2021, the BCP Group strengthened its regulatory framework regarding topics such as anti-corruption and anti-bribery and the reporting of irregularities.

The Anti-corruption and Anti-bribery Policy is included within the scope of the set of policies related to sustainability, and defines that any act of corruption and bribery is illegal, unacceptable and contrary to the values and principles of ethics, integrity and transparency of the Group, which rejects completely and regardless of the circumstances, any form of corruption and bribery. It is in this context that the BCP Group recognises the importance of developing its activity founded on compliance values and rules and of ensuring business integrity. The BCP Group's approach to any indication or manifestation of corruption and bribery is one of zero tolerance, requiring its Employees to refrain completely from such acts.

The activities of BCP Group are performed around fundamental principles of compliance with the law and internal regulations in force, as well as with the highest standards of ethics, responsibility, transparency, rigour and professionalism.

The BCP Group ensures that its activity, in the various countries where it operates, is conducted not only in compliance with the legal requirements imposed in the fight against corruption and bribery, but also following the best practices applied in this field, making sure that the values that guide the Group are put into practice by Employees in the performance of their duties. As a signatory to the 10 Global Compact Principles proposed by the United Nations, the Group is committed to complying with the principles laid down, including combating corruption in all its forms, namely bribery, extortion and facilitation payments (Principle no. 10). The Anti-Corruption and Anti-Bribery Policy supplements the principles and rules of conduct established by the Bank in its Code of Conduct, internal rules on which all Employees receive regular training, regardless of their position or place of work.

As for the reporting of irregularities, the Anti-corruption and Anti-bribery Policy, in its own context, defines that any practice of corruption and/or bribery, potential or real, must be immediately communicated to the Audit Committee through the irregularities' reporting system defined in the Regulation on the Communication of Irregularities, so that it can apply the appropriate measures.

Reporting irregularities may be undertaken by Employees, lawyers, agents, or any other persons who provide services to them, either on a permanent or occasional basis, in any entity of the Group, or by shareholders. The insufficiency of information, evidence or proof does not exempt an Employee from the duty of reporting.

The Audit Committee is responsible for managing the system for reporting irregularities and ensuring the confidentiality of communications. Within this scope, it is worth noting, in 2021, the improvement in the process of reporting irregularities resulting from the implementation of a new channel that ensures the anonymity of the source.

The communication and interaction with the competent authorities is ensured with regard to the communication of transactions and the response to requests for information, obtaining the necessary authorisations from third parties, where applicable.

In 2021 the fostering of the compliance culture was one of the Bank's important initiatives, both through the regular development of the Training Plan and through outreach communication programmes to all areas of the Bank, in particular the commercial networks. The "100% Compliance", the "Compliance Culture" (also part of the SP 2021) and the "Compliance Express" are the most visible aspects of the transformation that began in 2019, in which, through weekly chapters aimed at all the Bank's networks, we sought to inform, clarify and support Employees with regard to the most important points to be taken into account both in terms of the risk of financial crime and in other compliance and regulatory compliance risks, using simple but informative and training language. Innovative solutions were also employed, which included the regular participation of Employees from the Bank's 1st line of defence, and on a broad spectrum of compliance and conduct risks.

In these various chapters, topics such as AML/CTF, code of conduct, the Markets in Financial Instruments Directive, internal control and governance were covered in depth. In parallel, the Compliance Newsletter continued to be published on a monthly basis, with a modern and appealing image, covering practical and current topics related to compliance risk management and the rules of good conduct.

As for the most important training actions, we highlight:

- The new e-learning training for all Bank Employees on the Prevention of Money Laundering and Combating Terrorism Financing, already considering the changes arising from the entry into force of Law No. 58/2020;
- The e-learning course on the Code of Conduct for all the Bank's Employees;
- Two e-learning courses related to sustainability subjects: one addressed to all the Bank's Employees, on sustainability challenges and another, addressed to the commercial areas, dedicated to sustainability in the financial sector, more focused on the legislative challenges related to Green Finance;
- Two e-learning courses, addressed to all Bank Employees, on Personal Data Protection and Information Security;
- Innovative communication and training initiative focused on specific risks of ML/TF, dedicated to the Bank's Commercial Networks, on the topic of Trade Finance;
- Training session, via Teams, dedicated to the impact of Notice 3/2020, of Banco de Portugal, on the Bank's governance, culture and internal control matters;
- Specific training sessions for Compliance Office Employees:
  - I. Conducting internal and external training courses to ensure and update regulatory, legislative and internal knowledge on topics relating to the functions performed, including Advanced Training in Compliance, AML/CTF and Notice 3/2020, among others;
  - II. Training, through electronic means, on the risk arising from the application of funds in crypto-assets.
- Integration training and InGenius programme in compliance matters: participation in the training programme for new Employees.

## TRAINED EMPLOYEES <sup>(1)</sup>

GRI 406-1

AML/CTF, Market Abuse, Internal Control, Transaction Monitoring and Legal Issues

	2021	2020	2019	VAR.% 21/20
Activity in Portugal	45,816	25,828	5,798	77.4%
International Activity	30,299	28,507	20,733	6.3%
<b>TOTAL</b>	<b>76,115</b>	<b>54,335</b>	<b>26,531</b>	<b>40.1%</b>

<sup>(1)</sup> Attendance at training actions.



In terms of internal communication, it is also important to mention an important initiative taken in 2021, within the scope of Notice no. 3/2020 of Banco de Portugal, which regulates the governance and internal control systems and defines the minimum standards on which the organisational culture of the entities subject to supervision by Banco de Portugal must be based, and in compliance with article 63 on the systematisation of information, the Compliance Office ensured the provision, in an integrated and updated manner, of information concerning the matters provided for in the Annex to that Notice, in a format that is available to all employees. This information is structured according to the following topics:

- Shareholder, organizational and governance structure;
- Internal control system;
- Key function holders;
- Characterization of the Group's business;
- Code of Conduct;
- Remuneration policies;
- Subcontracted activities.

The Compliance Office maintained its role in the governance of the new product development process, namely in the validation of compliance with the requirements of the internal rules regulating the process of sending proposals for the creation, change, reintroduction and elimination of products/services.

It is worth highlighting that the Bank promoted the strengthening of the monitoring process of compliance with regulatory requirements in relation to advertising campaigns and other behavioural matters of the Bank, which included a training session, through electronic means, aimed at Employees in the communication and marketing areas, dedicated to compliance with advertising campaigns.

In the pursuit of the alignment of strategies and priorities in the risk management of the Group's Operations, efforts continued to update the group's policies, also applicable to International Operations. In addition, the Compliance Office reinforced its monitoring of the Compliance function's activity in those operations, implementing a series of initiatives, of which the following are of particular note:

- Reinforcement of the Compliance Office Team, in Portugal, that follows the International Operations, sizing it, adapting the response capacity to the challenges that Compliance and regulatory issues have been presenting;
- Improving the quality of the information received, by strengthening the set of KPIs on local compliance risks, based on a common model;
- Publishing the first Self-Assessment Reports on the adequacy and effectiveness of the organisational culture and governance and internal control systems of the Group's various operations, within the scope of the requirements defined in Notice 3/2020 of Banco de Portugal;
- Support in improvements to the screening tools and monitoring of Customer transactions, with a view to greater efficiency;
- Creation of a team dedicated to the transposition of Group policies by International Operations.

In 2021 the Bank joined several working groups within the Portuguese Banking Association (APB), in which it contributed to the identification and development of several initiatives and actions aimed at strengthening the ML/TF prevention system and internal control of the Portuguese banking market.

Although lobbying is not yet regulated in the Portuguese legal framework, there are only draft laws in the Portuguese Parliament, BCP makes no provision for this practice in its internal regulations, and it is forbidden to Bank Employees.

This position does not imply that participation in banking industry representative bodies is not allowed, as mentioned in the previous section, or participation in public consultation processes for regulations to be issued.

As for contributions to Political Entities, the BCP Group does not grant any type of monetary or financial donations to political parties or related entities, under the terms of the Portuguese law in force (Law 19/2003 of 20 June - Financing of political parties and electoral campaigns, article 8 - Financing Prohibited), in the context of the Anti-corruption and Anti-bribery Policy approved by BCP in 2021.

Subsequent to the publication, on 15 July 2020, by Banco de Portugal, of Notice 3/2020, regarding the adequacy and effectiveness of the organisational culture and governance and internal control systems, which has significant impact on issues directly related to compliance, conduct and ethics risks, the Compliance Office drew up a plan of initiatives with the aim of aligning the organisation and internal practices with the Notice, ensuring full compliance with all requirements in addition to including other relevant matters related to sustainability. Out of the initiatives undertaken in the first semester of 2021, we emphasise the approval, in February, of the update to the Group's Code of Conduct, highlighting changes, among others, in topics such as the protection of personal data, gifts and the reporting of irregularities and introducing a new section dedicated to non-discrimination and harassment prevention.

In order to disseminate these changes internally, training was provided on the Code of Conduct, applicable to all Employees and Outsourcers, with a level of completion above 95%, and various internal communication initiatives were promoted, highlighting the following topics: conflict of interest, duty of secrecy, gifts, data protection, diligence in the use of work e-mail and ethical behaviour.

Relations of cooperation and loyalty have also been maintained with the judicial authorities and with national and international conduct supervision authorities. Within this scope and by its own initiative, it made a total of 1,782 communications to local Judicial Entities and replied to 2,247 requests.

## COMMUNICATIONS TO LOCAL JUDICIAL ENTITIES

	2021	2020	2019	VAR.% 21/20
<b>OWN INITIATIVE</b>				
Activity in Portugal	339	338	306	0.3%
Activity in International	1,443	1,587	2,196	-9.1%
<b>REPLY TO REQUESTS</b>				
Activity in Portugal	174	241	103	-27.8%
Activity in International	2,073	2,883	3,359	-28.1%
<b>TOTAL</b>	<b>4,030</b>	<b>5,049</b>	<b>5,964</b>	<b>-20.2%</b>

## Policies for the fair design and sale of financial products and services

GRI FS-15

In its code of conduct (GR0021), there is Article 24 on the protection of Customers' assets, which stipulates that the Group must ensure, through all legal and regulatory instruments at its disposal, the protection of the assets whose management or custody has been entrusted to it and that the instructions received from and requested by Customers must be executed with respect for the safeguarding of their assets, within the constraints imposed on the exercise of financial intermediation activities, and executed with diligence, rigour and transparency.

## Product and service design policies

Through the " Policy for the Approval of New Products" (GR0033), applicable to all the geographic areas of the BCP Group, the principles and guidelines on the risks associated with the launch of new products and changes in the characteristics of products being sold are determined, as well as the need to identify, cancel or mitigate these risks in a clear and targeted manner.

This PANP - Process for the Approval of New Products has the following main objectives:

- I. promote best practices in risk management and control of risks associated with the launch and marketing of new products and services in the Bank, guaranteeing that the process is performed with adequate analysis, assessment and operating procedures, and that the products and services sold have their risks duly identified, eliminated or mitigated;

- II. promoting a culture of compliance with the duties of satisfying Customers' needs, ensuring that the new products developed and sold are suited to the needs, knowledge and financial profiles of the target segments of the new products;
- III. To promote adequate efficiency levels when launching new products or altering existing products, namely when decreasing their time-to-market, adequately and securely in terms of risk.

Thereon, the PANP encompasses the process of preparing, approving and launching of new products, significantly altering products being sold, and mainly attempts to ensure that:

- I. The various risks are duly analysed and managed considering the Bank' goals and strategy and the risk appetite set forth by the Bank's management body;
- II. comply with the rulings and recommendations of supervision authorities and regulators;
- III. meet, in terms of features and information, the Customers' needs and rights;
- IV. The premises in what regards the Bank, the Customer, the market or the regulation that approved the product remain unaltered, while sold.

This process of development of products and services, formalised in a specific service order, should be subject to the Policy for Approval of New Products. This service order (applicable in Portugal) establishes the approval circuit for launching new products and services and changing the characteristics of products being offered for sale (creation, change, reintroduction or elimination of the offer), guaranteeing:

- I. customer protection - ensuring that customers have access to transparent, clear and complete information that identifies the characteristics and risks of the different types of services/products made available, so that the customer is able to make an informed decision;
- II. preservation of the Bank's solidity - ensuring that the sales/subscription processes do not allow any failures of conduct that may affect the Bank's reputation and the customers' confidence;
- III. mitigation of situations of possible conflicts of interest - ensure strict control of the incentives given to commercial areas and ensure the introduction of mandatory disclaimers in the documentation of products/services that alert to the situations identified (e.g. sale/subscription of products/services from related parties), in order to protect the reputation of the Bank and the confidence of its customers.

## Credit risk policies

The principles and guidelines relating to the credit activity undertaken by the financial institutions of the Banco Comercial Português Group are formalised in a Group code applicable to all geographies (GR0005). It is established that the Group's entities must guarantee the adaptation of their activities to the risk that the business presents to the parties involved, as well as to the legally admissible exposure. Risk management in the BCP Group is based on a strong credit risk culture, reflected in the overall attitudes and behaviour of all employees involved in credit risk management, with a view to ensuring that credit is granted to borrowers who meet the criteria defined in this code, guaranteeing proper capital management, aligned with profitability and sustainability goals, where environmental, social and governance factors are included. It should be pointed out that transactions with related parties are regulated in accordance with the provisions of the applicable regulations (in particular Notice no. 3/2020 of Banco de Portugal and the Legal Framework for Credit Institutions and Financial Institutions), which require a specific approval procedure and within the legally defined limits.

Aiming to comply with the applicable regulatory requirements and guidelines issued by national and European institutions, the service order "Credit granting, monitoring and recovery" (OS0016) establishes the guiding principles, rules and decision-making powers for the process of granting, monitoring and recovering credit in the BCP Group, in its activity in Portugal and Macao. As a result, the requirements and procedures specifically applicable to each loan granting are created according to the level of risk associated with it, the type of counterparty and whether it is classified as a Bank Related Party or not. Additionally, the document determines the procedures applicable to loan recovery.

This internal regulation establishes the principle of the adequacy of the pricing to the Customer's risk, determining that the pricing of credit operations should always be defined according to the risk associated to them, measured by combining the Customer's level of risk (or, where appropriate, that of its guarantee or guarantor) with the level of protection acknowledged in each operation.

## Conflict of interest policies

In the Code of Conduct, the issue of conflicts of interest involving Customers is addressed in Article 25, in which it is defined that:

- I. The Group organises itself in a way that enables it to identify potential conflicts of interest and act in a manner so as to avoid or reduce as much as possible their occurrence.
- II. In case conflicts of interests occur, the Group must act in a way that guarantees that the client is provided equitable and transparent treatment, giving prevalence, in accordance with the applicable legal and regulatory provisions, to the client's interests under the terms of the conflicts of interests policy approved.

It is through the "Policy for the Prevention and Management of Conflicts of Interest" (GR0021) that the principles, governance model and fundamental processes adopted for the identification and management of situations of conflict of interest that occur within Banco Comercial Português, S.A. or any entity directly or indirectly controlled by it, integrating the Banco Comercial Português Group, are defined. This Service Order identifies the control process to allow for an effective and prudent management of conflicts of interest at an institutional or personal level, including segregation of functions, information barriers and the specific process of deciding on transactions with "Related Parties", in order to defend the interests of the stakeholders and of the Bank and of the Group. In addition, it specifies the internal responsibilities regarding the management of conflicts of interest, the involvement and responsibilities of the internal control functions and the regular reporting model.

This regulation is complemented by the "Policy on Related Parties" (OS0155), which is based on the International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS), namely IAS 24 - "Related Party Disclosures", complemented by national legislation, in particular by the Legal Framework for Credit Institutions and Financial Institutions, as well as by Notice no. 3/2020 of Banco de Portugal, which establishes the minimum mandatory content of a Related Party Policy. The standard ensures the disclosure by the Group's subsidiaries of the necessary information to comply with the reporting obligations resulting from IAS 24, fulfilling the obligations arising from transactions, directly or indirectly, with Related Parties in which any entity of the Group participates, namely restrictions on the granting of credit, as well as the acquisition of goods/contracting of services, related to the management and supervisory bodies of the Group's credit institutions or holders of more than 2% of the share capital of BCP, or entities related to them, as well as other entities legally qualified as such. The decision-making process is outlined by the standard, identifying the powers assigned to each division as well as the necessary interactions to ensure adequate regulatory compliance.

## Personal Conduct Policies

The Code of Conduct establishes the fundamental principles and rules to be observed in the exercise of the activity developed by the entities that form Group Banco Comercial Português underlying the conduct, good practices and observance of the institutional values by the universe of people that form the Group. The entities of the BCP Group, the members of its management and supervisory bodies, as well as its Employees, guide their actions by principles of respect for the rights of people, for the preservation of social and environmental sustainability, and for institutional culture and values, committing to adopt behaviours of integrity and honesty in all relations that they establish with each other, with their Customers, or any other person or entity with whom they have a relationship. Relevant topics are developed, such as Inside Information, Communication of Transactions, Conflict of Interests (including with Customers), Gifts, Loyalty, Reputation, Duties to Customers, Asset Protection or Customer Claims.

## Internal audit

The Audit Division is a component of the internal control system of Banco Comercial Português whose primary mission is to assess the adequacy and effectiveness of the organisational culture, the risk management process, the internal control system and the governance models.

The Audit Division's mission is exercised by adopting the internal audit principles recognised and accepted internationally, namely those defined by the Institute of Internal Auditors, issuing recommendations based on the results of the assessments made, focused on strengthening the efficiency and effectiveness of the internal control system, adding value to the organisation and contributing to the achievement of its strategic interests.

The exercise of the internal audit function is paramount amongst the functions attributed to the Audit Division and has a permanent and independent nature.



The Internal Audit function adopts integrated / end-to-end methodologies when carrying out process audits. The audit programmes include namely the assessment of behavioural issues, the compliance with the legislation and with all the remaining rules and codes of conduct, the proper use of the delegated powers and the respect for the performance principles in force in what concerns the relations established with the Customers, internal and external.

Throughout 2021, as part of the execution of its Activity Plan, the Audit Division also undertook analysis of matters related to environmental and social management practices arising from or related to the object of each specific audit. Particularly in what concerns the audits made to the networks, one must also point out the mechanisms to prevent and detect practices showing that money is being laundered.

The prevention and mitigation of the risk of fraud as well as the detection and investigation of internal fraud attempts or situations and the execution and monitoring of the consequent eventual disciplinary or judicial proceedings are also a priority in the distribution of resources allocated to the Audit Division. All the claims, complaints or denouncement of situations that show socially inappropriate behaviours by the Employees, either among themselves or relating to Customers are also assessed and investigated and will originate disciplinary proceedings whenever deemed justified.

## DISCIPLINARY PROCEEDINGS FOR BREACH OF RULES

GRI 419-1

	2021	2020	2019	VAR.% 21/20
Activity in Portugal				
Internal Standards	24	27	13	-11,1%
External Standards	0	0	6	0%
<b>TOTAL</b>	<b>24</b>	<b>27</b>	<b>19</b>	<b>-11,1%</b>

As a result of the preventive activity conducted and subsequent individual analyses of potentially anomalous situations, as well as situations reported by other organic units of the Bank, 118 preliminary investigation proceedings were concluded in 2021. That same year, 24 disciplinary proceedings brought against Employees of the Bank in Portugal were completed. By the end of the year there were 6 proceedings underway. None of the cases involved situations of corruption.

The Coordinating Manager of the Audit Division is also responsible for coordinating the internal audit function in all subsidiaries of the BCP Group with their own internal audit team, as part of which he participates in the respective Audit Committees, appraises their proposed Activity Plans and regularly monitors their execution and the implementation of recommendations issued on the basis of the audits performed, promoting the alignment of procedures and analysis criteria and the sharing of knowledge, namely through collaboration in the preparation and execution of audits on matters of common interest to the various institutions.

The standardization of the practices in force in the internal audits of the several operations of the Group increased throughout the years either by the adoption of joint approach methods, safeguarding eventual differences due to local regulations or by the setting up of audit teams, at Group level, responsible for the execution of audits relating to specific issues in any of the countries where the Group operates.

In this context, in 2021, the Bank's Audit Division carried out audits in all those subsidiaries, selecting its scope based on the issues and risks most relevant to the Group, for which it usually relies on joint teams of auditors from the Bank's structures and subsidiaries.

At the end of 2021, the Audit Division had a staff of 52, including the Coordinating Manager.

## Service quality

Material theme:

QUALITY SERVICE

In Millennium bcp service quality is ensured by the ongoing implementation of initiatives that contribute to achieve an enhanced rigour and control of execution, ensuring that the operational and business processes function in an efficient and reliable manner, being continuously monitored and perfected, thus contributing towards a progressive and consistent increase of customer satisfaction.

## Satisfaction survey

GRI 102-43, 102-44

In Portugal, Millennium bcp continues to focus on the model of "Assessment of Customer experiences". In the 24 hours after interaction with the Bank, the Customer is invited to answer a brief questionnaire to assess Customer satisfaction with his/her experience with the Bank and the corresponding level of recommendation.

In 2021, Millennium bcp's NPS (Net Promoter Score) indicator - the difference between the percentage of Promoter Customers (who rate 8 or 9 on a scale of 0 to 9) and the percentage of Detractor Customers (who rate between 0 and 5 on the same scale) -, which reflects the level of recommendation with the Bank, registered, in the case of Prestige Customers, a slight decrease to 64.9 NPS points, 0.5 points less than in 2020. In the Mass Market Customer segment, the positive trend continued, which translated into an increase of 1 point, to 75.1 NPS points. The NPS of the Business Customers also improved, progressing to 67.3 NPS points (3 points more than in 2020). Based on these results by segment, the overall NPS of Millennium bcp is 72.5 NPS points, an indicator that has evolved positively since the evaluation process began in 2013, reaching this year the highest value ever (71.7 points in 2020).

Another issue dealt with was the recommendation of the service provided by the Employee / Account Manager. This indicator also recorded the highest NPS value ever in all segments and, consequently, the Global NPS Service, with 83.4 points in 2020, reached the best value ever, thus continuing to register a continuous positive evolution.

Another issue dealt with was the recommendation of the service provided by the Employee / Account Manager. This indicator has once again recorded the highest NPS value ever in all segments, and consequently the Global NPS Service, with 84.3 NPS points in 2021, attains the best value ever, thus continuing to register a continuous positive evolution.

More than 127,000 Customer experiences that visited Millennium bcp Branches or that were contacted by Managers were evaluated.

Apart from the Customers' experiences with the Branches and Customer Managers, on which the aforementioned indicators are based, Millennium bcp assesses other Customer experiences, namely (i) the Opening of Individual, Companies and Digital Accounts, (ii) the handling of Claims, (iii) interaction with the Contact Centre, (iv) Home Loans, (v) the moment of Account Closure in order to ascertain the reasons for Customers abandoning their accounts and (vii) the use of Millennium Transaction Machines (MTM).

In total, in 2021, Customers evaluated more than 213,000 experiences with Millennium bcp.

Throughout 2021, we conducted 4 Mystery Customer actions, totalling 1,591 visits to Millennium bcp Mass Market branches and 360 visits to branches of other banking institutions. The aim of these actions is to evaluate Customer service in order to continuously improve their experience at our branches. We obtained a global score of 78%, which compares with the average global score of 69% of the other institutions and is above that obtained in 2020 (76%), a year in which only one visit was made to each branch in view of the pandemic situation. These results prove the continuous investment in improving Customer service and the positioning of Millennium bcp in the use of the best practices. We continue to strengthen the skills of Employees in order to improve the service provided to the Customer.

After a thorough diagnosis of the business segment, on 12 April 2021 we launched an intensive training programme "#1 Business - THE ONE" aimed at improving the behavioural and technical skills of the Employees in this segment, based on a customer service and commercial approach model focused on the Customer Experience.



We held 550 training sessions with an average of 20 hours of training per employee, culminating in a certification process for all branch managers and directors.

In the Mass Market and Prestige segments, the quarterly "Training #1" behavioural training was maintained in e-learning format and with contents prepared by an external specialist. We also continued the "Moment #1" project, promoting weekly videos on product characteristics, use of tools and best practices in Customer service with a direct impact on improving Customer service.

The Bank carried out 30 surveys, using different approaches, for monitoring the satisfaction of the Customers with the several Direct Channels and Business Networks.

"As for satisfaction levels with the remote channels for Companies, they remained at high levels, of which the 86% of user Customers who responded that they were satisfied or very satisfied with Internet Banking - Companies and the 83% of Mobile Banking Companies are an example."

Since Employees constitute one of the strategic pillars of the BCP Group, their level of satisfaction with the service provided by the different internal areas - with direct relation and reflection on the quality of the guaranteed Customer service - is an important endogenous indicator to assess the Bank's effectiveness and perceived efficiency. The opinion surveys were maintained regarding the satisfaction with the internal service among Employees who interact with other areas to perform their duties, in order to, as part of a continuous improvement policy, identify opportunities for improvement and optimisation of the processes, technological solutions and procedures in force.

In Portugal, these opinion surveys are performed annually, and the global value obtained in the 2021 study, 79.0 index points (i.p.), is slightly below that recorded in the previous year (80.6 i.p.), but remains at a very positive level, especially in the already long pandemic context we are going through.

Thirty Employee surveys were also completed, with specific objectives, some with a view to improving operating processes, but most of which related to the COVID Contingency Plan and focused on the Bank's concern for the safety and health of Customers and Employees. These questionnaires allowed close and efficient monitoring and management of issues related to the pandemic (Covid Tests and Self-Tests, Vaccine Prescription, Teleworking, ...).

Millennium bcp participated in a study on the digital literacy of Millennium bcp Customers over 65 years old, as part of the PhD in Communication Sciences of the Faculdade de Ciências Humanas da Universidade Católica Portuguesa ("Catholic University").

This year we again participated in the international scientific project coordinated by ISCTE Business School that intends to provide the community and each of the participating Banks with relevant information about the management of human resources in the current pandemic scenario. This integrated study has the objective of assessing the type of relationship and effects between several dimensions of the organisational behaviour of the Banking sector in the current context of the "new normal".

With the objective of enhancing the measurement of the satisfaction and loyalty of the several Customer segments, Millennium bcp continued to follow-up several external market studies made by specialized companies so as to get indicators enabling to position the Bank in the sector and assess, in an ongoing manner, the market's perception in what concerns the quality of the service provided, the Bank's image and the products and services it trades.

One of these studies is the CSI Banca, carried out by Marktest. This is a benchmark study for the Banking sector, which as of this year is annual, and is based on an econometric model that aims to measure Customer satisfaction and loyalty and their perception of the quality of products and services in a benchmarking logic.

Millennium bcp maintains a positive evolution in the CSI Banca Index, reaching the highest value ever in 2021 (78.6pts), occupying the leadership position among the five largest banks operating in Portugal.

The CSI Banking Index is the result of two indices, one that assesses the satisfaction of Customers who prefer to use Bank branches (CSI Branch Index) and another that assesses the satisfaction of Customers who prefer to use Digital Banking solutions (CSI Digital Channels Index).





Millennium bcp was positioned in 1st place in the ranking in both indices, having achieved the best annual scores ever (79.9pts in the CSI Branch and 77.9pts in the CSI Digital Channels).

Another study monitored is BFin, conducted by DATA E, dedicated to the description of the banking sector in Portugal from the perspective of companies, regarding the products and services offered by banks. In the 2021 survey, Millennium bcp was once more considered the Main Bank for companies in Portugal. It is also referred to as the "Bank Closest to Corporate Customers", as the "Bank with the Most Appropriate Products for Companies" and as the "Best Bank for Companies".

In 2021, Millennium bcp was, once again, recognised by the Global Finance Awards as the "Best Digital Bank" in Portugal, in its "World's Best Digital Bank Awards 2021". In addition to this distinction, it was also recognised as the "Best in Corporate Information Security and Fraud Management", "Best Consumer Social Media Marketing and Services" and "Best in Consumer Lending" in Western Europe in 2021.



Millennium bcp was once again elected the "Best Digital Bank", for the 4th consecutive year, with 69% of nominations in the total number of Customers in the Brand Score Banca study, another study we follow, conducted by Scopem, whose main purpose is to measure the impact of the Brand and of Communication on notoriety, image, Customer loyalty and attraction to new Customers. In this study, Millennium bcp is also recognised as the "Best Companies' Bank", also for the 4th consecutive year, with 45% of the nominations (+6pp compared to 2020).

Consumer Choice aims to publicly promote the companies that have services and products with a high level of satisfaction and acceptability among consumers, helping them to make an informed purchase regarding a given product and service.

This is the second consecutive year that the Bank has received this distinction. In 10 editions of the Consumer Choice Award, Millennium has won 6 editions.

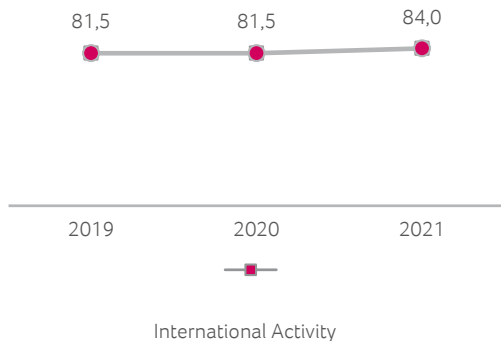
We have adopted as Quality KPIs the Overall Satisfaction (NPS) and Bank Recommendation (NPS) indicators of Marktest's BASEF Study, with the objective of positioning ourselves in the TOP3 among the largest banks operating in Portugal. In 2021, we achieved TOP1 in the two Quality KPIs. For 2022 we maintain our goal of being in the TOP3 among the largest banks operating in Portugal.

All these results reflect Customers' recognition of Millennium bcp's continuous effort to provide an excellent service, investing in modernising and simplifying products and services, in proximity to Customers, in streamlining operations and in the sustainability of its value proposal.

In international activity, the overall Customer satisfaction index with the Bank improved significantly, from 81.5 to 84.0 p.i., essentially due to Mozambique, where the value registered was 80 p.i. (+6 p.i. compared to 2020. The objective for 2022 in Mozambique is to maintain the global Customer satisfaction index at 80 points.

In Mozambique, several studies were carried out in order to know the opinion, needs and expectations of customers, of which the following stand out:

Satisfaction levels - External Customers (Index points)



- "Millennium bim Corporate Customer Satisfaction Study", an online and annual survey aimed at identifying the problems with the greatest impact on the business and the key factors for Customer loyalty. The global satisfaction of Corporate Customers remained at the levels reached in 2020, 70 points. The intention to repurchase registered a decrease of 2 points, standing at 73 points. The Bank's level of recommendation fell by 3 points compared to 2020, to 69 points;

- "Company Network Customer Satisfaction Survey", an annual online survey designed to help increase cross-selling and the financial relationship with Company Customers. Overall satisfaction fell by 2 p.i., standing at 69 p.i. The repurchase, with 69 i.p., and recommendation, with 65 i.p., also fell compared to 2020 (-5 i.p. and -9 i.p., respectively);



- "Prestige Customer Satisfaction Survey", an online survey designed to identify opportunities to improve the quality of the services provided, increase cross-selling and support the attraction and retention of Prestige Customers. Global satisfaction remained at 77 p.i.. The level of recommendation fell by 6 i.p. to 73 i.p.. Intention to repurchase increased by 1 i.p., standing at 80 i.p.. Satisfaction with the Customer Manager stood at 80 i.p., an increase of +2 i.p. compared to 2020;
- Concerning the remote channels that support sales, the "Study of the evolution of dormant IZI Customers (active and non-active)" was carried out, a telephone survey conducted by Quality Division employees in order to assess (i) Customer satisfaction with the experience of using IZI and (ii) the reasons for not using the channel. The overall satisfaction level reached 93 points. The bank's NPS for Customers using IZI is +34;
- The "Satisfaction with POS services survey" was also carried out. This survey was done online and over the phone by Quality Division employees, aimed at measuring customer satisfaction with the experience of using the POSs. Overall satisfaction and continued use of POS's registered an increase of 2 points, standing at 76 and 78 points, respectively;
- "Evaluation of Prestige Customer Experiences", telephone survey conducted to measure customer satisfaction with moments of interaction with the Bank and the segment's degree of recommendation. The overall degree of recommendation reached 87 points out of 177 interviewed Customers. The moments of interaction evaluated were: (i) Account Opening; (ii) 6 months after Account Opening; (iii) Manager Contact/Visit; (iv) Financing Process (Granted); (v) Claims Management; and (vi) 6 months after transfer to the Prestige segment;
- Over 2021 improvements were implemented in the "Net Promoter Score (NPS) Evaluation of Millennium bim Branches", performed through USSD sessions, with more moments being incorporated and a review of the questions asked. Currently SMS's are sent inviting

Customers to place their degree of recommendation of the Bank after: (i) completing a transaction over the counter; (ii) performing a transaction on IZI/Smart IZI/IZI in Whatsapp; (iii) credit card activation; (iv) CNV credit disbursement; (v) completing a claim; (vi) contacting the BIM Line; and, (vii) opening an account. In 2021, globally 144,237 Customers were interviewed and the overall NPS was +75.

To ensure a quality and consistent Customer service experience, Millennium bim continued to monitor Service Quality, through the Operational Quality Index, a management support instrument that measures the rigour in the execution of operations and the branches' compliance with Service Levels in 5 metrics: (i) Dispatch time of account opening processes, (ii) Number of account openings that were returned, (iii) % of cancellations of cash operations, (iv) % of errors in ATMs and (v) Credit processes not handled on the day. The overall score in 2021 was 3.2 points (objective: 3 pts).

As for Internal Customers, in 2021 the following Studies were carried out:

- "Supplier Satisfaction Survey" in order to evaluate the quality of the services provided by the Outsourcing companies, which had a response rate of 61%, where it was possible to identify opportunities to improve the service provided;
- In order to assess the degree of satisfaction of Employees with the service provided and identify the needs to adapt processes, the "Employee Satisfaction Survey with SIM-Personal and Health Insurance and Medihealth" was conducted. This survey had a 58% participation rate;
- Seeking to evaluate the experiences of internal service provision by Commercial Network Employees, the "Evaluation of Internal Customer Experience" was performed, where the following processes are evaluated: (i) Opening an Account; (ii) Issuing a Payment Order; (iii) Contracting Credit; and (iv) contact with SOS Rede;

- We also continued to monitor 15 central service operations areas using the Balanced Scorecard (Balanced Performance Indicators), a management support tool that measures performance indicators, through a simple and actionable "scorecard", which ranges from 1 to 5 (lowest to best performance). The KPIs of each Organic Unit (OU) are distributed into 6 categories: Efficiency, Financial, Risk, Service (NS), People and Strategy. In 2021 all the OUs evaluated showed positive results;

- Continuing with the goal of measuring the levels of satisfaction and commitment of its Employees to the Bank's objectives, the online survey " Organisational Climate Questionnaire" was carried out, one of the main instruments of the Employee Satisfaction Management System, which had a participation rate of 89%.

In the Suggestion programme "Ideas that Count", which tries to ensure the involvement of Employees in the culture of innovation, 479 ideas were presented by 261 Employees.

In Poland, Bank Millennium also benefits from robust processes and instruments for measuring the quality of the service provided to Customers. In Poland, with 88 i.p. of global satisfaction, the internet banking and mobile banking channels reached 86% and 83% of positive reviews in 2021, respectively. Also branch servicing showed a very positive evolution, showing 94% of satisfaction. The objective for 2022 is to keep the global Customer satisfaction index above 85 points.

As in previous years, Bank Millennium conducted its annual satisfaction surveys in the Mass Market and Corporate Areas, and continued to inquire into the Small Business and Affluent segments, providing a holistic view of all the Bank's business segments. The main objective of these surveys is to monitor the levels of satisfaction and recommendation among our Customers in the main business lines and to identify the main points of difficulty and satisfaction that influence them. Beyond the general

opinion on cooperation with the Bank, all points of contact between the Customer and the Bank are assessed: contact channels (branches, internet, telephone banking and mobile banking) and people (e.g. branch consultants).

In this operation, whose surveys are done using an external company, "Mystery Customer" actions, there was a generalised improvement in the satisfaction indexes, as attested by the results obtained: Retail (NPS of 51); Prestige (NPS 43); Business (NPS 36) and Companies (NPS of 49).

Bank Millennium, embodying a holistic approach and aware of the impact that the growing popularity of new digital channels is introducing in the behaviour and needs of Customers - which is not only reflected in e-banking, but also in traditional channels, namely in Branches -, continues to conduct evaluations that, with the use of innovative techniques, have allowed the improvement of the space and choreography of customer service.

The Actions carried out by Bank Millennium were recognised by one of the most prestigious service quality classifications

- the Newsweek survey. Bank Millennium was ranked first in the Traditional Bank category and second in Remote Channels. Bank Millennium also occupied a place on the podium in the ranking of Gold Bank.

The philosophy of monitoring Customer surveys in all business lines is based on two pillars: moments of truth and closing the cycle. Within this approach, i) we measure the Customer experience at carefully selected moments; ii) we follow the Customer, choosing the method and timing of the evaluation; iii) we focus on strengthening the relationship with the Customer; iv) we are looking for opportunities to improve processes, procedures and products.

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*Millennium bcp maintains a positive evolution in the CSI Banca Index, reaching the highest value ever in 2021 (78.6pts), occupying the leadership among the 5 largest banks operating in Portugal*

## Claims

Concerning claims on products and services, one of the priorities of the BCP Group is to ensure the ongoing improvement of its management in the countries where it operates, either by optimizing, simplifying and accelerating the reply procedures or by the regular assessment and monitoring of the satisfaction of the claimants with the solution presented to them. The identification and assessment of the origin of the claims aiming at their correction are also part of an unequivocal orientation of the Bank for Customer servicing.

	2021	2020	2019	VAR.% 21/20
<b>REGISTERED COMPLAINTS</b>				
Activity in Portugal	53,972	44,474	32,811	21.4%
International Activity	118,777	128,200	103,751	-7.4%
<b>COMPLAINTS RESOLVED</b>				
Activity in Portugal	42,859	32,245	28,706	32.9%
International Activity <sup>(1)</sup>	118,450	128,123	97,185	-7.5%

(1) Includes well-founded complaints regarding breaches of Customer privacy in Poland (94) and Mozambique (9) resulting from operational lapses in the processing of personal data.

In Portugal, the claims process is monitored by the commercial areas and the Customer Care Centre (CCC). In this operation, the number of claims increased compared to the previous year, with a total of 53,976, mainly explained by card-related issues, namely the acquisition of products and services through digital channels. In spite of the constant effort to resolve claims quickly being a constant concern of the Bank, the average resolution period deteriorated from 4 to 5 working days.

Poland recorded 100,873 claims, 11% less than in 2020. The decrease in the number of claims was achieved despite the effects of the pandemic and the implementation of a new card system (Visiona). The elimination of issues related to the migration of Eurobank customers, coupled with the taking of various measures to reduce claims handling time and to increase the level of customer satisfaction, greatly helped these results. Most claims are attributable to home loans, current accounts and card transactions, with the average resolution period remaining at 6 days.

In Mozambique, the number of complaints was 17,904, which represented an increase in the order of 17.7% in comparison with the same period in the previous year, essentially due to the increase in miscellaneous claims. The average settlement period worsened to 15 days.

The Customers of Millennium bcp may also bring to the Client Ombudsman claims due to actions or omissions by the Bank's corporate bodies and Employees. All the claims addressed to the Ombudsman Office are firstly handled and managed by the Bank's concerned areas and the Ombudsman Office is exclusively responsible for analysing and issuing a final opinion to claims received in connection with prior claims presented by the Customers that obtained an unfavourable decision.

The Ombudsman's Office, regulated by its own Regulations, is a body independent from the Bank's hierarchical structures, defending and upholding the rights, guarantees and legitimate interests of Millennium bcp's customers that address it.

## CLIENT OMBUDSMAN

Activity in Portugal	2021	2020	2019	VAR.% 21/20
<b>REGISTERED INTERPELLATION</b>				
Claims	2,788	2,670	2,339	5%
requests	255	364	512	-30%
<b>NEW COMPLAINTS</b>				
completed	64	57	51	12%
with provision	7	20	25	-65%
no provision	54	24	24	58%
Average resolution time (days)	12	12	11	0%

The Customers of Millennium bcp may also bring to the Client Ombudsman claims due to actions or omissions by the Bank's corporate bodies and Employees. All the claims addressed to the Ombudsman Office are firstly handled and managed by the Bank's concerned areas and the Ombudsman Office is exclusively responsible for analysing and issuing a final opinion to claims received in connection with prior claims presented by the Customers that obtained an unfavourable decision.

Thus, and looking at the activity developed in 2021, the Ombudsman Office received 2,852 claims (2,670 em 2020), a figure representing, in accrued terms and year over year, a 7% increase versus 2020.

The Ombudsman Office analysed 2,533 Claims (2,249 in 2020), that were forwarded to the Customer Care Centre, the area responsible for ensuring the analysis and final response to the claimants; 255 Requests (364 in 2020), were forwarded to the respective services of the Bank which are responsible for ensuring the claims assessment and final response to the claimants and 64 Appeals (57 in 2020) which, for their nature, were analysed and replied by the Ombudsman Office.

The rate of decisions in favour of the Customer was 11%, which compares with 36% in 2020, and the average response time was 12 days, identical to 2020.

The issues - from a product or financial standpoint - that raised the greatest number of claims from the Customers, were those related to "Current Accounts" (37% vs 31% in 2020) and "Cards" (12% vs 13% in 2020).

When one assesses the business areas with a greater number of claims, the one showing the highest number is Retail Banking, with 85% followed by ActivoBank with 9%.

## Tax Policy

GRI 207 - 1, 2 e 3

Corporate social responsibility increasingly requires the adoption of behaviors and commitments to the communities in which we operate, such as environmental protection, social well-being and the quality of governance of institutions. More recently, conscientious and fair fiscal behavior on the part of companies has been gaining importance as an integral dimension of the corporate social responsibility of organizations. Companies are faced with high levels of tax burden (taxes, fees and contributions), which often leads to aggressive tax planning schemes that jeopardize the desired standards of fiscal responsibility.

Paying a fair amount of tax by companies has become one of the main challenges of the European Union (EU (2018) Action Plan for a Fairer and Efficient Taxation of Companies in the EU) and the OECD, in the recent BEPS Report – (*Erosion Profit Shifting Base*) whose performance has been to control anti-evasive behavior and tax evasion. In this context, the concept of tax governance emerges as a fundamental part of corporate social responsibility, requiring companies to adopt good tax governance practices, such as: (i) compliance and timely payment of their tax obligations; (ii) management of tax risks and (iii) good relationship with tax authorities, shareholders, investors and other *stakeholders*.

Good corporate fiscal responsibility practices involve promoting principles such as fiscal transparency, the careful and transparent definition of fiscal strategies and the disclosure of fiscal governance practices. Aware of the relevance of this issue, BCP complies with the tax burden to which it is subject, having adopted a policy of fiscal transparency based on the good practice of disclosing the value of its taxes and contributions, as expressed in notes 6 and 30 of the disclosure of the attached to the accounts.

It is also through this relevant contribution that BCP assumes itself as an institution with a relevant contribution to the development of a more inclusive, fair and sustainable society.

### ( [Principles of Millennium bcp in Tax Matters](#) )

It is worth noting that the activities of the BCP Group carried out in countries, territories and regions with clearly more favourable tax systems, as laid down in Ministerial Order no. 150/2004, of 13 February, are already residual:

- On the date of issuance of this report, the entities BCP Finance Company and Millennium bcp Bank & Trust, headquartered in the Cayman Islands, are in liquidation, which should be completed during 2022;
- As at 31 December 2021, BCP Finance Bank, headquartered in the Cayman Islands, has a liability of 300 thousand Euros arising from a bond loan issued in March 2004, maturing in March 2024.



## Disclosure of tax information

GRI 207 - 4

The activities of the BCP Group are subject to several types of taxes, rates and financial contributions, which, when considered globally, establish the level of taxation to which the BCP Group is subject.

The BCP Group discloses quarterly in its Annual Reports the main characteristics of the tax systems applicable in the countries where it operates, such as nominal income tax rates, the framework of tax losses/benefits and the most relevant legislative changes. Moreover, the information publicly disclosed in this context includes an analysis of the reconciliation between the nominal and effective income tax rate applicable to the BCP Group on a consolidated basis. Through this analysis, the BCP Group explains the weight in its results of the income tax accounted for, which includes, overall, the impact of current tax and the impact of deferred taxes associated with existing temporary differences. In light of the International Financial Reporting Standards (IFRS) that govern the preparation and disclosure of the financial statements of the BCP Group, the analysis presented does not represent the tax paid or received by the BCP Group in the period to which it relates.

The BCP Group, as a group of multinational companies, fully complies with the annual communication and reporting obligation, which translates into a financial and tax declaration per country, and which results from the transposition to Portuguese tax law (Article 121-A of the IRC/corporate tax Code) of the provisions of Action 13 of the OECD project on BEPS. This reporting obligation is fulfilled in Portugal by BCP, as the ultimate parent entity of a multinational group of companies, according to the established legal deadlines, respecting the last reporting period to the financial year of 2020.

## Information included in the 2020 Country Financial and Tax Return

The financial and tax information per country reported by BCP to the Portuguese tax authorities, as the ultimate parent entity of a group of multinational companies, for the year 2020 (amounts in thousands of Euros) is reproduced below:

Tax Jurisdiction	Revenues			Profit (Loss) Before Income Tax	Income Tax Paid (on cash basis)	Income Tax Accrued – Current Year	Specific taxes on the banking sector paid*	Stated capital	Accumulated earnings	Number of Employees	Tangible Assets other than Cash and Cash Equivalents
	Unrelated Party	Related Party	Total								
Portugal	2 505 246	54 330	2 559 576	70 080	6 445	12 486	70 016	25 702 153	-19 523 848	6 988	371 644
China	0	0	0	49	1 424	0	0	0	49	17	1 161
France	0	0	0	0	43	0	0	0	0	0	177
Netherlands	143 421	0	143 421	-2 669	0	0	0	23	-37 865	0	0
Cayman Islands	605	17 629	18 235	-2 322	0	0	0	600 264	125 203	4	32
Poland	3 353 089	-42	3 353 047	47 326	72 615	74 468	100 140	266 017	1 432 038	7 645	125 389
Switzerland	44 213	-73	44 140	8 292	3 422	1 203	0	64 744	2 858	82	7 315
Mozambique	308 665	161	308 826	80 467	3 054	25 161	0	49 329	309 627	2 591	67 542
Brazil	2	0	2	-785	0	0	0	9 370	-9 123	8	223
Ireland	10 353	0	10 353	-2 847	0	0	0	40	17 039	0	0

\*Information on the specific Taxes on the banking sector that have been paid is not reported to the tax authorities in the Financial and Tax Country Statement.

Below we reproduce the financial and tax information by country reported by BCP to the Portuguese tax authorities, as the ultimate parent entity of a multinational group of companies, in respect of the 2020 financial year (amounts in thousands of Euros):

Tax Jurisdiction	Revenues			Profit (Loss) Before Income Tax	Income Tax Paid (on cash basis)	Income Tax Accrued – Current Year	Specific taxes on the banking sector paid*	Stated capital	Accumulated earnings	Number of Employees	Tangible Assets other than Cash and Cash Equivalents
	Unrelated Party	Related Party	Total								
Portugal	2 181 347	50 220	2 231 567	156 844	7 575	8 900	77 198	23 587 830	-17 300 509	6 263	335 288
China	10 811	32 148	42 959	6 525	982	1 783	0	0	13 076	20	3 953
France	2 206	0	2 206	2 159	263	176	0	0	25 619	0	0
Netherlands	0	0	0	-337	0	250	0	18	-43 740	0	0
Cayman Islands	210	21 871	22 081	5 295	0	0	0	600 264	130 452	4	22
Poland	3 361 490	-46	3 361 444	-219 394	43 419	43 548	99 430	264 647	1 133 376	7 079	119 939
Mozambique	264 026	104	264 130	104 890	1 633	26 696	0	61 728	435 721	2 496	77 895
Brazil	56	0	56	-776	0	0	0	9 902	-9 762	6	228
Ireland	3 918	0	3 918	-3 003	0	0	0	40	14 035	0	0

\*Information on the specific Taxes on the banking sector that have been paid is not reported to the tax authorities in the Financial and Tax Country Statement.

We underline the following relevant aspects to justify effective income tax rates lower or higher than the nominal rates in force in the most relevant tax jurisdictions:

- In addition to autonomous taxation on IRC (corporate tax) and State and Municipal Surcharges, the expenditure on income taxation of the BCP Group in Portugal in 2020 and 2021 translates mainly into expenditure on the reduction of Deferred Tax Assets as a result of deductible temporary differences recorded in previous years in terms of loan impairments, post-employment benefits and impairments relating to investment in subsidiaries.
- In terms of the activity developed in Poland, the income tax values in 2020 and 2021 were strongly conditioned by the constitution of provisions related to legal risks associated with the home loan portfolio granted in foreign currency and by the taxes on the banking sector, non-deductible for tax purposes.
- The results obtained in China, within the scope of the activity of the Macao Branch, are also taxed in Portugal at the income tax level. The positive results obtained in the Cayman Islands are attributed for tax purposes to Portugal and the Netherlands, and are taxed in those jurisdictions for income tax purposes.

### Specific taxation of the banking sector

The specific taxation on the banking sector bears a significant weight within the BCP Group and, as a general rule, it is not related to the result of the economic activity developed, thus reducing part of the shareholder value. Portugal is, in this context, the country with the highest level of taxation, both in terms of the number of contributions and the amounts collected, even after the change and harmonisation of the regulatory framework of the resolution mechanisms and their financing within the European Union from 2015.

In fact, since 2015, the two domestic resolution contributions and the contribution established by European Union law under the Single Resolution Mechanism have coexisted, with an additional solidarity levy on the banking sector since 2020, created under the pretext of the VAT exemption applicable to most banking operations but which in no way benefits banking institutions.

The values of taxes on the banking sector paid by the BCP Group in Portugal amounted to the following amounts:

	Banco ActivoBank		BCP	
	2021	2020	2021	2020
<b>Contributions and taxes on the banking sector:</b>	<b>441</b>	<b>388</b>	<b>76,757</b>	<b>69,629</b>
Contribution to the banking sector	230	191	3,867	29,380
Additional solidarity on the banking sector	38	45	6,151	5,800
Contribution to the national resolution fund	118	98	16,835	15,040
Contribution to the single resolution fund	50	50	20,836	19,344
Contribution to the deposit guarantee fund	5	4	69	64

“

*From a financial product or service perspective, the matters that raised a greater number of appeals to the Customer Ombudsman were relating to the Accounts to the Order and Cards*

Taxes on the banking sector paid by the BCP Group in Poland reached the following amounts:

(Thousand Euros)		
<b>Millennium Bank</b>		
	<b>2021</b>	<b>2020</b>
<b>Contributions and taxes on the banking sector:</b>	<b>94,430</b>	<b>100,140</b>
Contribution on the banking sector	68,520	62,630
Contribution to the national resolution fund	10,661	13,069
Contribution to the deposit guarantee fund	15,249	24,441

### Other taxes supported by BCP

In 2020 and 2021, the banking activity carried out by the BCP Group in Portugal also borne the following taxes:

(Thousand Euros)				
	<b>Banco ActivoBank</b>		<b>BCP</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Exploration Charges:</b>	<b>2,269</b>	<b>2,016</b>	<b>47,293</b>	<b>49,539</b>
VAT supported	2,260	2,007	41,719	42,748
Stamp duty	9	9	2,519	2,337
IMI and Additional to IMI	-	-	3,055	4,453

### IRS/IRC withholding tax and stamp tax collected in the banking activity

With respect to taxes collected by the BCP Group in the banking activity carried out in Portugal and transferred to the Portuguese State (third party charges), their value exceeded 250 M€ in 2020 and 260 M€ in 2021, and it should be stressed that the activity of tax collection on behalf of the State absorbs significant resources:

(Thousand Euros)				
	<b>Banco ActivoBank</b>		<b>BCP</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Taxes withheld / charged to third parties:</b>	<b>4,884</b>	<b>3,781</b>	<b>256,767</b>	<b>247,654</b>
IRS	2,046	2,005	145,726	142,408
IRC	14	13	9,703	8,801
Stamp duty	2,824	1,762	101,338	96,446



*Portugal is the country with the highest level of taxation, even after the amendment and harmonisation of regulatory framework for resolution mechanisms and their financing within the European Union*



# SOCIAL RESPONSABILITY





Sustentável





## Social responsibility

The BCP Group's strategy aims at promoting a culture of social responsibility, developing actions for and with several groups of Stakeholders to, directly and indirectly, contribute to the social development of the countries where it operates.

Thus, it is within this context of proximity to the community that the Bank has been materialising its policy of social responsibility, giving priority to its intervention in cultural, educational and social initiatives.

ODS	Our goals	Our contribution in 2021
	Promoting employment and social innovation by supporting social enterprises	<p><b>Financing, support and products addressed to social enterprises</b></p> <p>Initiatives:</p> <ul style="list-style-type: none"> <li>• Non-Profit Associations Account - a current account with special conditions.</li> <li>• Line FIS – Credit and Covid-19 Line to support Economy – Social Sector.</li> </ul> <p>Results:</p> <ul style="list-style-type: none"> <li>• Opening of 295 Non-Profit Associations accounts', corresponding to a total of 5,079 accounts in the Bank's portfolio.</li> <li>• 8 operations within the scope of Line FIS and Covid-19 Line to support Economy – Social Sector, with an amount of credit of 2.1 million euros</li> </ul>
	Contribute to improving the quality of life and reducing poverty	<p><b>Community donations and collaboration on community support initiatives</b></p> <p>Initiatives:</p> <ul style="list-style-type: none"> <li>• Participation in the Program Oeiras Solidária - carrying out an action to reorganize and improve spaces, dedicated to children and the occupation of free time, in an intervention complemented by the donation of food items.</li> <li>• Food collection campaign promoted by the Food Bank, with around 80 Volunteers registered, among Employees, family and friends, distributed throughout the Warehouses of the Food Bank in Lisbon and Porto.</li> <li>• Award "Culture Atlas" - Bank Millennium was awarded for its involvement in promoting culture, for its sponsorship of the contemporary music festival Sacrum Profanum.</li> <li>• Millennium bim offers a school building in Cabo Delgado and promotes the education of 800 misplaced children.</li> </ul>
	Promote the financial literacy of the population, contributing to a more informed management of personal finances and promoting entrepreneurship.	<p><b>Promotion of financial literacy actions</b></p> <p>Initiatives:</p> <ul style="list-style-type: none"> <li>• Promotion, on the institutional website, of the instruments Savings Centre, Finance Managers and the Kit for unexpected expenses.</li> <li>• Program of Digital Literacy in a partnership with APB - training program on digital banking, aimed at the senior population, who are not yet familiarized with the use of banking.</li> <li>• Financial ABC Program, a financial literacy programme of Foundation Bank Millennium, whose object is to give basic financial concepts to pre-school children.</li> <li>• Savings Project - Millennium bim through its Social Responsibility program "Mais Moçambique pra Mim" developed activities aimed at its Customers, such as the Savings project.</li> </ul> <p style="text-align: right;">(continous)</p>

ODS	Our goals	Our contribution in 2021
	<p>Contribute towards the development of entities in the social economy sector by providing training in management</p>	<p><b>Training for managers of social entities within the scope of the GOS Program (Management of Social Organizations) by AESE</b></p> <p>Results:</p> <ul style="list-style-type: none"> <li>In 2021, 54 participants - coming from 39 entities</li> </ul>
	<p>Ensure equal opportunities at work and reduce and reduce inequalities (internally)</p>	<p><b>Promotion of equal opportunities</b></p> <p>Initiatives:</p> <ul style="list-style-type: none"> <li>Participation in the Inclusion Labs within the scope of Inclusive Community Forum (ICF).</li> <li>Formation of two classes of the training session Succeed in the World, which aims to boost key concepts that improve social skills and the employability potential of disabled individuals.</li> </ul> <p>Results:</p> <ul style="list-style-type: none"> <li>56% of the training hours supplied is addressed to women</li> <li>No. of employees with disability: 201</li> </ul>
	<p>Ensuring partnerships aimed at sustainable development and the sharing of knowledge, expertise, technology and financial resources</p> <p>Enhance involvement with the community</p>	<p><b>Partnerships and participation in work groups and social organisations</b> (see chapter Introduction, section Partnerships)</p> <p><b>Collaboration and support to entities through social responsibility activities, in particular from Fundação BCP</b></p> <p>Results:</p> <ul style="list-style-type: none"> <li>102 projects supported in culture (60%), knowledge (14%) and social solidarity (26%)</li> </ul>

## Participate and sharing

Material issue:

PARTNERSHIPS WITH NGO/PUBLIC CHARITABLE ORGANIZATIONS AND VOLUNTEER WORK

In 2021, as had already happened in 2020, as a result of the Covid-19 pandemic, the Corporate Social Responsibility initiatives, especially those including volunteering work on the field were, for public health reasons, significantly reduced and the majority was rescheduled to an opportune occasion, in all countries where Group BCP operates.

Even so, in Portugal, by the end of the year we started our return to face-to-face volunteering with two actions in the communities:

As part of the participation in the Oeiras Solidária Programme, a group of Millennium Volunteers carried out an action to reorganize and improve the spaces of the Parish Community Centre of Nossa Senhora das Dores, in Caxias, dedicated to children and the occupation of free time, in an intervention complemented by with the donation of food.

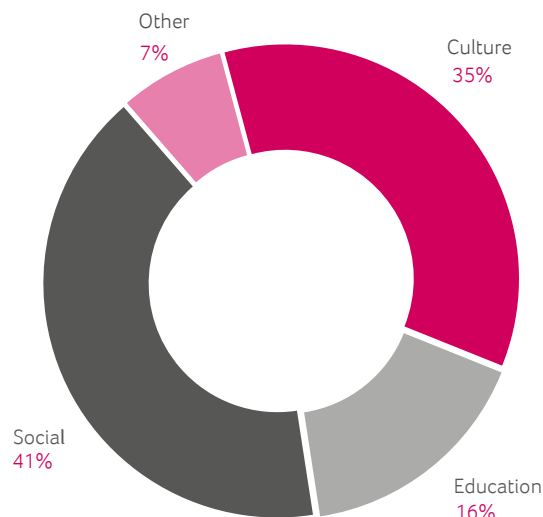
We once again participated in a regular food collection campaign promoted by the Food Bank, with around 80 Volunteers enrolled, including Employees, family members and friends, distributed throughout the warehouses of the Food Bank in Lisbon and Porto, confirming the return to face-to-face volunteering with greater scale after a suspension of more than two years imposed by the pandemic.

This initiative allowed the Food Bank to raise 1,680 tons of food and had the total participation of 22,000 volunteers, distributed across more than 1,300 stores and warehouses in 18 regions. The food collected was given to 2.700 Social Solidarity Institutions and reached around 450 thousand people in a situation of food shortage in the form of baskets or prepared meals.

In Poland, the social programs are managed by Bank Millennium through the Foundation Bank Millennium and are focused mostly on financial education, cultural sponsorships and support to the academy and volunteering actions. In 2021, the Bank revised and updated its practices of corporate volunteering, enlarging the program #słuchaMYwspieraMY (#WElistenWESupport) with the purpose of enhancing its commitment with local communities.

Thus, in 2021, the Bank granted support to 21 projects. 139 volunteers, together with his/her families and friends participated in these activities. The solidarity work carried out within the scope of the initiatives proposed, designed and implemented by Bank Millennium Employees, after a careful assessment of the expected social impact and the surrounding circumstances, reached 2,638 beneficiaries - children accompanied by social assistance institutions, people with disabilities, children and young people at all educational levels, including those in special education classes, and senior citizens.

Donations allocated by intervention area (Percentage)



In Mozambique, we must mention the Project “Girl Move”, an association that intends to support young Mozambican girls to have access to a more and better training to be able to break the cycle of poverty and, this way, build their own future and contribute for a better society. Millennium bcp ensured the complete training of 1 GirlMover, of 2 Guides and 30 Muarussis (girls integrated in the community), by accrying out an advanced program of leadership and social entrepreneurship for young university female students from all over the country. Support is provided to these young women at the most diverse levels, namely in the area of education, making them role models for adolescent girls in their community.

In 2021, Millennium bcp, which is also part of the companies that, since the beginning, supported the project “Girl Move”, opened its doors to Zulmira Mutowe, a young Mozambican who participated in Exchange Lab 2021, a hybrid methodology that included a month with a strong component of online training, through the Millennium Banking Academy, complemented by practical sessions in the Bank’s main Divisions.

The Bank has also been organizing, supporting and following up internal solidarity actions that promote a culture of proximity and add social value and are also a significant contribution for the materialization of its Social Responsibility Policy in Portugal. From these initiatives, we must point out the following ones:

- “Millennium Solidário –Christmas 2021”: united in a common purpose, to support children and young people who face severe health difficulties with the greater objective of contributing to their treatment and recovery, the Employees of Millennium bcp and Fundação Millennium bcp, this year joined two institutions providing support to children and young people facing serious health situations: ACREDITAR - Association of Parents and Friends of Children with Cancer and the Burn Unit of Dona Estefânia Hospital;
- Within the scope of this partnership, for every 100 goods donated by Employees in favour of ACREDITAR, Fundação Millennium bcp assigned a pre-defined value to the Burns Unit of Hospital D. Estefânia for the acquisition of specialized medical equipment. More than 1,500 goods were donated to ACREDITAR (colourful children’s plasters, colouring books, boxes of coloured pencils and surgical masks) and 20,000 euros were attributed to Hospital D. Estefânia;
- The Bank disclosed and promoted by resorting to its communication channels, initiatives from the program Oeiras Solidárias (POS), an organization of which it is a member, but also from entities of the social sector, such as CERCI Oeiras or CERCICA. It was within this context that the Bank made its facilities available again for the annual sale of Fireflies, as part of the campaign “We are together for whatever comes and goes”, with the main objective of contributing to fund-raising in favour of the CERCI.



In 2021, as a result of the Covid-19 pandemic and similar to 2020, it was not possible to carry out a significant part of the planned volunteer actions. Thus, the objective of 5% growth in Volunteering hours at the BCP Group was not feasible.

In 2022, if the public health situation allows, we will continue to materialize a strong social commitment that allows us to be (always) closer to communities and People, so we propose to increase the total number of hours of Volunteering by 2% in the BCP Group registered in 2019 (1,202 in Portugal and 2,939 in the Group's operations).

Material issue: SOCIAL AND ENVIRONMENTAL AWARENESS

Millennium bcp, in Portugal, also carried out a number of supporting actions to institutions and initiatives able of generating social value, of which we highlight:

- As part of an initiative of the Portuguese Ministry of Foreign Affairs, Millennium bcp supported the populations of Cabo Delgado Province, in Mozambique, with 25,000 euros, suffering from armed attacks by terrorist groups;



- Regular support to institutions through the donation of IT equipment and office furniture that is no longer used, but is in condition to be reused. In this context, the agreement established with ENTREAJUDA, has been maintained. The Bank donated over 829 items of IT equipment and furniture to 26 institutions during 2021;
- In the cultural component, we must point out the 13rd Edition of the “Festival ao Largo Millennium bcp”, an annual initiative, free of charge, that returned to the Square of Teatro Nacional S. Carlos. Musical diversity, ballets and the presentation of young talents were part of this year's line-up, whose shows were also broadcast live on the Bank's social networks, given the restrictions on face-to-face access to the space, taking into account health safety rules;
- Millennium bcp participated once again in the campaign “Portugal Chama”, a prevention campaign launched by the Portuguese State to avoid forest fires, protecting the people, the forest, rural ecosystem services and minimising the environmental, economic and social impact of fires;
- In a logic of proximity, some internal campaigns of Corporate Social responsibility were also carried out in the sector, of which the “Solidarity Days” initiative, promoted by ActivoBank, is an example. In 2021, 12 Entities were aided with an amount comprised between 1.000 and 2.000 euros. The amount donated was estimated through the number of shares that the publication promoting the action, made on the social network Facebook, obtained;
- The Bank, pursuing a usual practice, also disclosed through its corporate communication platforms, the possibility of assigning 0.5% of the income tax to a charitable organisation directly chosen by the taxpayer, suggesting around 25 social institutions of the most varied types, with which the Bank established partnerships or cooperation relations.



In Poland, Bank Millennium, together with its social intervention, continues to carry out a significant number of actions within the scope of culture and volunteering, notably:

- In education, in 2021, the Bank continued its cooperation with renowned universities, including the Warsaw School of Economics and the University of Warsaw, supporting these institutions in improving the quality of their infrastructure and changing their model. during the pandemic, as well as students in developing their skills. An example of this cooperation is the co-working centre established by Bank Millennium and by the Warsaw School of Economics.

In culture, Bank Millennium supports national and local initiatives, constituting itself as a patron of culture at 360°, as it promotes art in almost all its manifestations, including music, painting, sculpture, cinema, theatre, photography, literature and performance.

- Bank Millennium, in recognition of its continued commitment to support and promote culture, received the award “Culture Atlas”, which is the 6th time, and the “Golden Lifter of Culture”, awarded by the Kraków Festival Bureau, for its sponsorship of the contemporary music festival Sacrum Profanum, which the Bank has maintained since 2012;
- Bank Millennium was, once again, partner of Docs Against Gravity Film Festival, the biggest film festival in Poland and one of the main documentary film festivals in the world. This was the most important cultural project supported by the bank in 2021, which justifies the cooperation agreement signed in the meantime, which extends the support until 2024;
- The Cinema Festival Millennium Docs Against Gravity, together with the event Docs Against Isolation, was recognized by digital users with 2nd place on the podium in the "Golden Banker" contest, in the "Socially Responsible Bank" category;



- The strategy for inclusion and reduction of barriers defined for accessing banking services is also extended to the events supported by the Bank. In the case of Docs Against Gravity, an App with audio contents is made available and these contents allow people with special needs to better understand the films exhibited;
- For the last 11 years, the Bank has been the patron of the joint program “Millennium Pearls” (“Perły Millennium”) of Bank Millennium and Polish TV (TVP), with the aim of producing, promoting and presenting artistic events in the field of art in Polish TV;
- Bank Millennium has also consistently supported the Złota Tarka [Golden Grater] Old Jazz Meeting, an International Festival of Traditional Jazz, over the last 17 years;
- It has also supported, over the years and among others, the Bella Skyway Festival, a multimedia show prepared by an international group of artists, the "Two Theaters" Festival, the Gdańsk Music Festival and the Mozart Festival at the Warsaw Chamber Opera.

In Mozambique, the Bank's social commitment is embodied in the "More Mozambique for Me" programme, one of the references of the BCP Group under Corporate Social Responsibility aimed at tightening relations with local communities, which, even under a pandemic context, continued to focus on projects in the area of health, education, culture and community development:

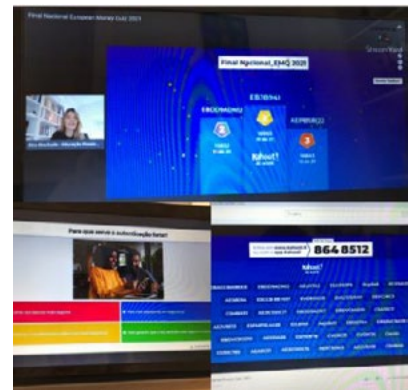
- Integrated care for cancer patients, through the strengthening of the institutional capacity of the Maputo Central Hospital – a partnership project that brings together, since 2014, Millennium bim, Fundação Millennium bcp, the Calouste Gulbenkian Foundation, the Camões Institute - Institute for Cooperation and Lingua and the Ministry of Health, for the improvement of medical services in the provision of integrated care to cancer patients at the Maputo Central Hospital, through improved screening, diagnosis, treatment and registration of cancer diseases;
- Clube Empresarial da Gorongosa - support to the program “Girls Clubs”, an initiative aimed at preventing the high number of early marriages and school abandon by promoting activities approaching the education of girls and their personal safety, nutrition and access to family planning;
- The several projects currently underway in Parque Nacional da Gorongosa have as main aim is to restore the ecosystem, support local communities in their socio-economic development and sustainably create a tourist industry, an emblematic example of nature conservation and the creation of opportunities for local populations;
- Savings Project – In compliance with the recommendation of the Bank of Mozambique on saving habits, Millennium bim, through its Social Responsibility program “Mais Moçambique pra Mim”, developed a set of activities aimed at its Customers, of which the “Savings Project” is an example. With the implementation of this project, the Bank sought to raise awareness and instil in young people an awareness of the importance of saving. In accordance with the “new normal” imposed by the pandemic, several activities in social networks were carried out, notably contests on the several ways to save;
- Construction of a block of 3 classrooms in the district of Marocane, province of Cabo Delgado – Continuing the support that Millennium bim has been providing to victims of terrorist attacks in Cabo Delgado, it was built in the town of Marocane, administrative post of Ancuabe, a building consisting of three classrooms. This support benefited around 800 students and teachers who were not integrated in the schooling process due to the absence of infrastructures;
- Additionally, a donation-raising campaign was promoted. Thus, for 10 months and through the Bank's digital channels, Customers and partners were able to contribute to minimizing the negative impact in that part of the country.. The amount collected through this campaign was used to acquire school materials for the students of the district of Marocane.



## Financial Literacy

In all its operations, the BCP Group assumes as one its strategic goal the increase of financial literacy. An example of that commitment are the actions that the Bank has been developing on an ongoing manner to increase the financial knowledge of the individuals, namely young people, always bearing in mind the importance of a generalized adoption of responsible banking behaviours and of a clear, balance and informed decision-making process. Within this context, the Group promoted a diversified group of initiatives throughout 2021, among which we highlight in Portugal:

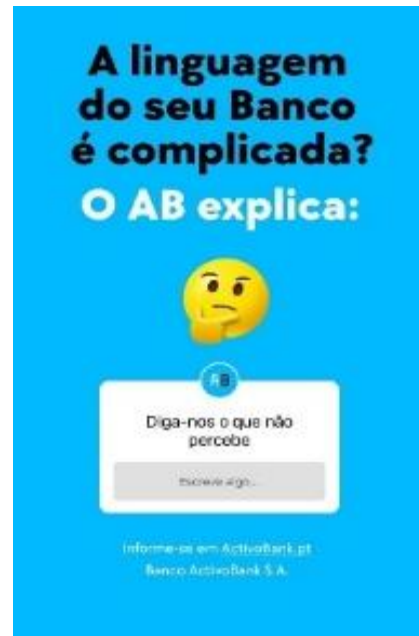
- The promotion, in its institutional website, of the following instruments – Savings Centre, Finance Managers and the Kit for unexpected expenses which, despite being independent tools, have the same purpose: helping the client balance his/her personal budget. In the M Vídeos area of the website it is also possible to find tutorials and savings suggestions;
- In the accounts of Millennium bcp and Activobank in the Social networks, the banks continued with the regular sharing of contents related with financial planning, a practice extended to all operations of Group BCP;
- The Bank also participated in the Work Group “Financial Education” of Associação Portuguesa de Bancos (Portuguese Bank Association), together with several financial institutions and Instituto de Formação Bancária, whose mission is to develop and support initiatives for the promotion of the financial education of citizens;
- Realization of another edition of the European Money Quiz - Created by the European Banking Federation (FBE), of which the APB is a member, the European Money Quiz is a game that aims to test the knowledge of financial literacy of young people between 13 and 15 years old, at the European level. For the 4th consecutive year, APB associated itself to this initiative that, only in Portugal, already place more than 7 thousand students playing the *quiz*. The 1st round of this game involved more than 2,000 3rd cycle students from 40 schools nationwide, with the two best players from each school having been selected for the National Final. In this national competition, students had to answer 20 questions about budget management and planning, money and transactions, risk and financial literacy, with the national winners competing with their peers coming from 25 countries at he European final of the initiative;
- We must also point out the launching of the Program Digital Literacy, training on digital banking that began in September and will run until July 2022. It is a program aimed at the senior population, who are not yet familiarized with the use of digital platforms and functionalities, and which comprises 12 free online sessions and open participation.. The objective of this program is to transmit to the target audience a set of basic notions, allowing them to carry out some of the essential day-to-day banking operations, through online channels, such as making transfers, payments, learning to consult the bank account through computer or mobile phone, be alert and know how to protect yourself from possible fraud attempts, among other. All the sessions are promoted by representatives from the associate banks of APB, being Millennium bcp the promoter of the session on the solutions MBWay and MBNet, scheduled to take place in 2022.





ActivoBank, on the other hand, maintained its Financial Literacy strategy in line with the brand's values, simplifying banking concepts and greater inclusion of everyone at a financial level, standing out:

- A set of contents were published in the form of Investment Conferences (About Investments), webcasts or informative videos and images, on ActivoBank's digital communication channels – Facebook, Youtube, Instagram, LinkedIn and TikTok. On Tik Tok, ActivoBank was the first Portuguese bank to create contents in this social network within a logic of *infotainment*. These contents were made available to Customers and non-Customers, thus enabling us to sustain the value of simplification that we intend to transmit in the market;
- We must also point out the partnership established with Cofina, in which investment financial literacy content was developed for Branded Content publications, with the aim of making the main day-to-day financial decisions simpler and more transparent. The motto of the initiative is “make your life simpler now”;
- Also within the scope of financial literacy in terms of investments, LinkedIn content was developed in partnership with Nova Investments Club with the aim of simplifying advanced investment concepts.



Also in Portugal, with the aim of supporting the publication and dissemination of content on Sustainability topics, in particular on Sustainable Finance, the Bank maintained its support for the ECO Capital Verde project. Among the initiatives carried out and materials published, we highlight the presence in the Green Economy Forum and in the ECO Sustainability Yearbook.

The Bank also associated itself, with the same objective, to the Jornal de Negócios project on Sustainability. Of the activity developed in 2021, we highlight the participation of Millennium bcp in Talks with CEOs “Miguel Maya - Sustainability is part of the essential values of our culture”; Sustainable Finance Talks "New Market Financing Paradigms"; and Communication in Sustainability "Brands today only make sense if they are sustainable".



In Mozambique, in 2021, and to respond to the limitations resulting from the Covid-19 pandemic - which prevented the holding of a series of face-to-face events, of which the traditional initiatives to mark the World Savings Day and the “Millennium bim Banking Olympics” program -, the Millennium bim significantly increased the publication of financial literacy content on its pages on social networks, informing about new transactions, disseminating good practices on credit and investment and alerting to the importance of saving habits.

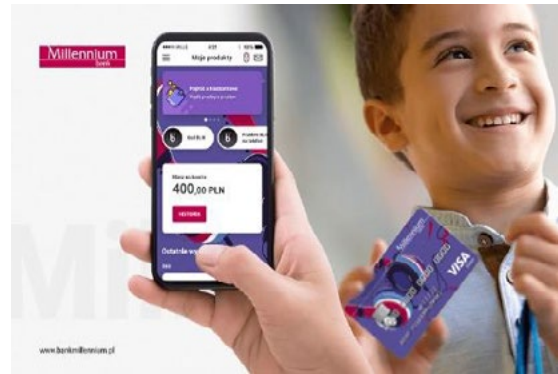
In Poland, we must point out the “Financial ABCs”, a financial literacy programme of Foundation Bank Millennium whose purpose is to provide basic financial concepts to pre-school children.. In 2020 and 2021, despite the pandemic, the Foundation continued to execute the project remotely, creating a series of modern educational materials for the children and their parents. One of its new components is the 4th episode of the comic book movie with Mr. Sebastian, who in an accessible way explains to children the basics of finance, modern technologies and online safety issues. The printed manuals, which have their counterparts in multimedia cartoon films, are accessible on the Foundation's YouTube channel.



In November and December 2021, as part of the seventh edition of the programme, the Foundation held 200 workshops in 54 kindergartens. More than 5.000 children aged from 3 to 6 years old participated in these sessions. The challenges faced by families in terms of changes in the labour market, management of the family budget and flexible responses to changes continue to be reflected in the project curriculum. As the project meetings took place during the fourth wave of the Covid-19 pandemic, a special epidemiological and health procedure was developed prior to the launch of activities, and all meetings were conducted in accordance with local health guidelines.



Children's app - in 2021, Bank Millennium made available a special version of the mobile app for children aged from 7 to 12 years old. This application is not only a useful gadget, it is also a tool to introduce children to the world of finance and to use technology safely. During activation, the app recognises the user and adapts the version to the age of his/her user. The application for children supports payments by phone or BLK. It's accessible to younger users and designed together with them - it has a simplified menu, children-friendly language and a children-friendly design. At the same time that it gives parents total control on the children's spending, the app grows with the child. After completing 13 years of age, the version of the app installed on the birthday child's phone automatically switches to the version currently available for people up to the age of 18, offering a greater number of services.



The Foundation Bank Millennium presented the result of a survey on financial education carried out with the participation of the parents of pre-school children. In accordance with this survey carried out for the Foundation by Instituto de Investigação GfK, the ideal age to start learning processes on finance is between three and seven years of age. These results enable to prove that concentrating the education on financial literacy, at a national level, on pre-school children is the correct thing to do.

This program has the Honorary Sponsorship of the Ministry of Education and of the Ombudsman for Children and in 2019, was awarded by the "Golden Banker" in the category "Socially Responsible Bank".

For pre-school children, their parents and anyone else interested in this topic, Bank Millennium also makes other educational materials available online, such as a parent guide "How to teach children finance" with tips on children's education and interviews with experts from Maria Curie-Skłodowska University in Lublin on the same topic.

In this operation, we must point out the Finance Manager, a free of charge online service that enables to make a follow-up of the family budget through the automated classification of the entries made in the current accounts and of the use of credit cards and the possibility of creating budgets for the control of expenses. Apart from that, the Bank continued to maintain a consolidated practice of disclosing information on this issue to its Clients.



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*Within a context of accelerated transformation of the banking relationship and of the channels that support it, BCP Group also assumed the priority of contributing to the improvement of the financial literacy levels of the communities it serves*

## Fundação Millennium bcp

Culture, Knowledge and Social Solidarity are the three main components of the activities performed by Fundação Millennium bcp. Within a context featured by high uncertainty, motivated by the consequences of the Covid-19 pandemic, the Foundation sought to support projects in these three areas, aiming to contribute to the development of society, in its various aspects, and to encourage the activity of the supported entities, so that they enrich its potential for innovation and sustainability.

In the development of its activity, the Foundation tried to favour policies and initiatives able to respond to the challenges placed in aspects such as the social, environment and governance, aligning its performance with the main guidelines of the Sustainability Master Plan of Millennium bcp, especially in the areas of influence of the Foundation.



In 2021, the Foundation supported a total of 102 projects, of which 60% in the area of Culture, 14% in Knowledge and 26% in Social Solidarity.

### Culture

In that sense, it provided support to projects oriented towards the development of national museums, the recovery of national architectonic and art heritage and the disclosure of modern art and of new artistic talents.

We must highlight the inauguration, on 21 June, of the new Millennium bcp Gallery located at the Portuguese Museum of Contemporary Art (MNAC), in Chiado. This new space, resulting from a cooperation protocol established between the Bank and the Museum, will allow for a combined exhibition of works from the Millennium bcp painting collection and from the MNAC collection.


Extremely relevant to the Foundation's activity and to the area of culture in Lisbon was the reopening of the Rua dos Correios Archaeological Centre (NARC). This space, classified as a National Monument since 2015, has undergone a profound renovation in order to improve the museum experience of its visitors, exploring the archaeological remains of the last 25 centuries of Lisbon's history.

In terms of Culture, the Foundation provided support to the following initiatives:

#### Conservation and Disclosure of the Bank's Art Assets

- **Completion of the remodelling works of the Rua dos Correios Archaeological Center (NARC)**, which had been closed for this purpose on June 1, 2019. The space, completely refurbished, was inaugurated on November 23 and benefits from a new concept on museums developed and implemented with the architecture and design project developed by atelier Brükner;
- In 9 June was inaugurated the exhibition **“Francis Smith – Em busca do Tempo Perdido”**, the first held within the scope of the protocol signed in 2018 between MNAC, the Institute of Art History/FCSH/NOVA and Fundação Millennium bcp which, among other objectives, aims to study in depth and in context of relevant artists common to the Millennium collection bcp and that of MNAC, as well as the holding of exhibitions by these artists. This exhibition, held within the scope of the Shared Art program, seeks to make known part of the work of the Portuguese painter Francis Smith (1881- 1961) where, among other factors, the evocative universe of suspended temporality stands out, standing between nostalgic crystallization of a popular Portugal and the daily life of modern French life;
- **On June 21st, the new Millennium bcp Gallery was inaugurated, located at the National Museum of Contemporary Art**, in Chiado. This new space, resulting from a cooperation protocol established between the Bank and the Museum, will allow for a combined exhibition of works from the Millennium bcp painting collection and from the MNAC collection. The inauguration involved the **exhibition named “O caminho para a luz porque passa pela Luz”**, curated by João Biscaíno, which presents 61 pieces that explore the cognitive systems of the human brain in relation to art and the dialogue between the artistic work and its observer. In 2021, the National Museum of Contemporary Art received 24,434 visitors, of which 16,589 were in the second half of the year.

## Museum Activities:

- **Museu Nacional de Arte Antiga (MNAA)** (Portuguese Museum of Ancient Art) - support to the conservation and restoration of the Saint Vicent panels, in accordance with the Triennial Patronage Protocol to be in force from 2020 to 2022, signed by the Museum, Grupo de Amigos do Museu Nacional de Arte Antiga, the General-Directorate for the Cultural Heritage and Fundação Millennium bcp;
  - Additionally, and within the scope of a partnership established with the MNAA and Público newspaper, a website was launched that reveals and projects for a wide audience, in the digital universe, all the steps of the most important scientific restoration of a work of art carried out in Portugal;
  - **National Museum of Contemporary Art** – Museu do Chiado (MNAC) - support to the museum activities within the scope of the existing protocol and the edition of the catalogue of the exhibition “A Brasileira do Chiado”;
- 
- **National Museum of Archaeology - Olhares Milenarios Exhibition** - The exhibition features 270 pieces, from national and international collections, which show the agro-pastoral communities of the 4th and 3rd millennia BC. in the Centre/South of the Iberian Peninsula.. From April 9 to October 17, the period in which the exhibition was on display, the National Museum of Archaeology received 58,420 visitors, of which 9,939 were included in guided tours of the Idols exhibition;
  - **DGPC - Palácio Nacional da Ajuda** – formalisation of the protocol to support the display in the museum of the collection placed in the spaces adjacent to the “queen’s dining-room”, in Palácio Nacional da Ajuda. This support recognises the existence of one of the most representative collection of objects related to the "table arts" which include very diverse items ranging from ceramics to gold smithery or textiles;
  - **National Museum of Contemporary Art** - Rehabilitation of the façade of the Museu Nacional de Arte Contemporânea, which, afterwards, involved an artistic intervention by the Portuguese plastic artist Pires Vieira. The inauguration of the façade of MNAC coincided with the 110th anniversary of the Museum and with the International Museum Day;
  - **Museum of Contemporary Art of Elvas** - Support for the edition of the catalog of the solo exhibition by the artist José Pedro Croft, which will take place in 2022;
  - **Jerónimos Monastery** - Support for the program “Luz a D. Manuel nos 500 anos da sua Morte”, which will run until the end of 2022, enabling the exhibition, at the Jerónimos Monastery of the Armour of D. Manuel I, a piece of Italian manufacture, dated 1510, from the collection of the Musée de L’Armée.;
  - **Soares dos Reis national Museum** – Support granted for the elaboration of the Aurélia de Sousa Catalog and to support the activities of the Museum’s Educational Service.

## Restoration of Heritage:

- **General Directorate of Cultural Heritage – Jerónimos Monastery.** Support to the conservation of the cloister involving treating the white limestone walls of the exterior vertical plans, of the two galleries and walls;
- **Sociedade Histórica da Independência de Portugal** (Historical Society of the Independence of Portugal) – support for the rehabilitation of the fountain in the Garden of Palácio da Independência, including the restoration of the tile panels that surround the fountain;
- **Church and Monastery of São João da Tarouca** – Support for the restoration of the Iberian Baroque pipe organ built in 1767 by master organist Francisco António de Solla;
- **MNAA / Monstrance restoration** - Completion of the monstrance conservation and restoration treatment process, from the 18th century in gilded silver with topaz belonging to the collection of the National Museum of Ancient Art;
- **Church of Santa Clara of Porto** –Support granted for the restoration work of this important National Monument, which was completed in October, and has been open to the public since the 22nd of that month;

- **Parish of Santa Catarina do Monte Sinai** – Support for extraordinary maintenance works, including the restoration and arrangement of the bells placed in the western bell tower.

#### Other Cultural Initiatives:

- **Carpe Diem Art and Research -Arte Jovem 2021** - support aiming at the carrying out of the 6th edition of the award “Young Art Fundação Millennium bcp” for final-year students of visual arts; This initiative intends to disclose the most recent proposals made by artists that initiated their art careers; thus, it provides a more extended vision of the Portuguese artistic production; The selected works were brought together in an exhibition opened on October 23, in Pavilion 31 of the Centro Hospitalar Psiquiátrico de Lisboa.

The Foundation attributed two awards:

- “Trip to Madrid Millennium bcp” Award: will take place in 2022 during the art fairs and side events of that city, which was awarded to Gabriel Ribeiro (Faculty of Fine Arts of the University of Lisbon - FBAUL);
- “Fundação Millennium bcp Acquisition” Award: consists of the acquisition of a work to be included in the Millennium bcp collection, being awarded to Francisco Painço Santos (FBAUL), with the work 40°21'39.0"N7°37'18.1"W III;

- **Drawing Room Lisbon 2021 – 4th Edition** - The event took place from the 27th to the 31st of October at Sociedade Nacional de Belas Artes and sought, in this 2021 edition, to position itself as a signal of a contribution to the creation of opportunities for the realization of the artistic class of drawing and the space that drawing can occupy in the contemporary art sector. This year's edition was attended by 26 national and international galleries, representing more than 90 artists from around the world, with a program with several parallel activities, and received 5,201 visitors;



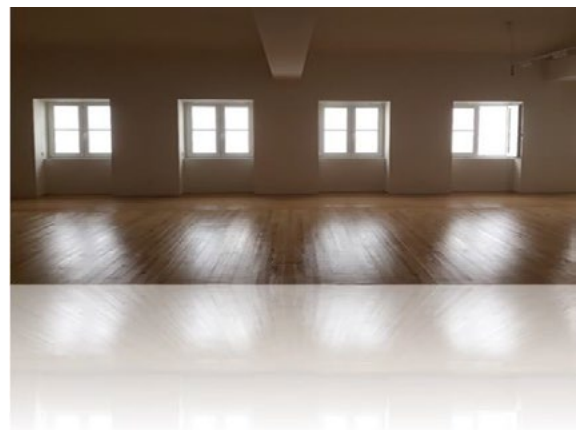
Within the scope of this initiative, the following awards were granted:

- Award “Aquisição Fundação Millennium bcp Talento Emergente (Emerging Talent) that aids an artist by purchasing his/her works and including the same in the Mbcp’s collection – Isabel Madureira Andrade;
  - Award Projeto Artístico Destacado, that distinguishes an artist from the year underway – Paulo Brighenti;
  - Award “Projeto Curatorial Galeria”, that distinguishes a curatorial proposal from a participant gallery – Kubikgallery.
- **Ar.Co** - Support for the publication of the exhibition catalog “Ar.Co Scholarships & Finalists’19” which was attended by 24 finalists and/or scholarship holders. It is an important document for the disclosure of the activities developed by Ar.Co and for exhibitors in the extent that, usually, it is the first institutional publication that includes its;
  - **Architecture Triennial Lisbon** - support granted from the preparation of this 6th edition of this initiative, expected to take place in 2022;
  - **A.I.C.A. - Association of Art Critics – AICA/MC/Millennium awards of Visual Arts and Architecture** attributed every year in Portugal to one plastic artist and one architect. These awards intend to distinguish Portuguese artists and architects who, for their work and personal path, provide a contribution of excellence for art and culture. This year, the 2020 prizes were awarded, with Eduardo Batarda being distinguished, with emphasis on the exhibition “Great Moments. Eduardo Batarda nos Anos Setenta”, and Atelier do Corvo in the visual arts and architecture categories, respectively;





- **BOCA Associação Cultural** – support for the holding of the Biennial of Contemporary Arts 2021 that , will hold its 3rd edition in 2022. It is an international contemporary arts program focused on trans-disciplinarity. It establishes a synergy between cities (Lisbon, in dialogue with two other cities), cultural institutions (theatres, museums, galleries, material heritage), including actions in public spaces, artistic territories (performance, performing arts, visual arts, music) and their respective audiences. The third edition took place between September and October 2021 in the cities of Lisbon, Almada and Faro, with the participation of 41 artists and collectives, of which 25 Portuguese and 16 foreigners. 49 projects were presented which, overall, had an audience of 37,500 people;
- **BOCA / Murmúrio Theatre – Futurama 2021** – an initiative that aims to implement between 4 neighbouring municipalities of Baixo Alentejo – Beja, Mértola, Serpa and Castro Verde – a cross-border, multidisciplinary and collaborative cultural and artistic ecosystem. The project includes activities related to Art Residencies, Cantexto (safeguard and contemporary regeneration of Cante Alentejano), Cultural Mediation (ongoing educational activities in schools and universities), Constellations (dialogues between traditional and contemporary practices) and the Futurama Festival. This edition had 18 institutional partnerships and the participation of 107 artists and collectivities, of which 64 came from Alentejo.. 985 people attended the initiatives in person, and the live broadcasts carried out on Facebook had an attendance of 3,106 people, which corresponds to a total audience of 4,091 people. During the event period, which ran from April to December 2021, 46 activities were carried out;
- **Theatre Company Foco Lunar** – support for the production of the show “Quem é esta gente nos Painéis de S. Vicente”, a didactic piece, aimed at children and based on a book in the process of being registered in the National Reading Plan, which uses multimedia and video mapping to the creation of an atmosphere and language that is current and close to the interests of children without, therefore, losing rigour in the content, namely in the historical and scientific context;
- **Project Umbigo Lab** – An initiative targeted at young national and international artists with the purpose of fostering the cooperation among them and exhibit their work, with the assistance from emerging and recognized curators who, after selecting the works exhibited on the network, will organize exhibits. Considering the environment in which it develops its activities – the Internet – the UmbigoLAB intends to promote digital art, hybrid and multimedia, at the same time that it encourages thinking on the exhibition of works and contents within those contexts;
- **AIR 351 - (Art Residences)** - project for welcoming national and international artists in Portugal (visual arts) for the establishment of art residences;
- **Pausa Possível – Cultural Association / Jardins Efémeros** – IX edition - The Jardins Efémeros (JE) are a multidisciplinary and experimental cultural platform based in Viseu. Its experimental component aims to enhance the relationship between artists, curators, researchers, universities, cultural, social, trade, tourist associations, companies, museums, schools, the municipality, residents and visitors. The educational service is a fundamental pillar of Jardins Efémeros. Similar to what happened in previous years and created from the theme of this edition – A Palavra e as Linguagens –, the workshops occupy two different educational areas: Oficinas Gerais and Casa do Sonho. The support granted contributes to the creation and production of the Jrdins Efémeros pedagogical program – A Casa do Sonho (CS). In this context, in the 2021 edition, 36 workshops were held with 143 sessions covering 1640 people in the areas of yoga, health and well-being, cinema, meditation, concert/performance/installation, vegetarian cuisine, personal development, citizenship, performing art , dance, expression and movement, fine arts, ceramics, creative writing and photography. In 2021 all, the activities were developed in person, an some transmitted online. Over the 10 days of the event, the same was visited by 35,000 people, mostly from the central region, but with 7% of visitors from abroad and 11% from the Lisbon and Tagus Valley region;



- Municipality of Lisbon - support to the 13th edition of Festival TODOS – Caminhada de Culturas 2021**, an initiative that celebrates, since 2009, Lisbon as an inter cultural city, through the contemporary performing arts, inviting the public to get acquainted with cultures from all over the world. Its 13th edition was carried out from 11 to 25 September 2021, in the parish of Santa Clara, in Lisbon, and digitally on #TODOSemlinha. On the digital platform, it was possible to watch 11 original videos made specifically for this edition of the festival and two live streams were broadcast through the platform (concert by Diego Ela Gavi and Orquestra Malabares). During the Festival period, 19 shows were held in 28 sessions, 2 photography exhibitions, 4 guided tours in 7 sessions, 1 handicraft fair, 3 gastronomic events and 1 community meeting (A Escola é onde?). These events were attended by 16,635 spectators, of which 5,001 were physically present and 11,634 through the digital platform, in a year in which capacity, both indoors and outdoors, remained reduced due to restrictions caused by the pandemic. 276 artists were involved, who were joined as speakers, cooks, judges for the photography exhibition, and another 24 people, in a total of 300 collaborators in the creative and thinking areas. Additionally, 26 volunteers and 33 professionals directly linked to the organization were involved;
- Óbidos Criativa – Festival Fólho 2021** - After a year of interruption, due to the pandemic, the FOLIO festival was held again, giving its visitors the possibility to attend gatherings, book presentations, workshops, concerts and other initiatives. FOLIO had more than 39.000 thousand visitors. The literary event involved 469 speakers and activity promoters and was attended by 16 countries. Over the 11 days of the event, 205 activities were carried out with 279 hours of programming, including 12 exhibitions, 24 concerts and 16 author tables;
- SPIRA / Associação Mundo do Património – Iberian Biennial of Cultural Heritage 2021** - The Iberian Biennial of Cultural Heritage is an event in the Cultural Heritage sector, which seeks to constitute a privileged meeting point and forum for debate for professionals and institutions dedicated to Cultural Heritage. The 2021 edition was dedicated to the theme of Youth and Heritage, having presented a hybrid format, with online programming and, in the Leiria region, from June to October, focusing on the historic center of Leiria from 14 to 17 October 2021 . The event had the participation of 60 partners, 56 stands, 86 speakers, 66 different activities during the 4 days of the event, in addition to 34 held since May, and had the participation of 5,800 people from May to October;
- Municipality of Leiria / Flamingo Imbatível Associação Cultural – festival A Porta 2021** - Support for the realization of the Festival which, in its 6th edition, focused on Villa Portela and sought to be a space for the city to meet culture, its history and its memory. In this year's edition, there were more than 60 artists and cultural actors who participated in artistic residencies, exhibitions, conversations, documentary cinema, children's activities and music. The event was visited by around 1800 people;
- Nuno Miguel Borges** – support for the publication of the book “Termas Romanas de São Pedro do Sul”;
- Martinho da Arcada** - Edition of the book celebrating its 240 years of history . Support for the publication of a book evcative of the more than two centuries of history of this emblematic café;
- Embassy of Portugal in Beijing** – Support for the translation and edition of works from Portuguese writers in China. The goal of this initiative is to contribute to the creation of conditions that allow the Embassy of Portugal to promote in a systematic and coherent manner, the publication of works of Portuguese literature, both classical and contemporary;
- Fundação Eça de Queiroz –Literary Award Fundação Eça de Queiroz / Fundação Millennium bcp** – this award aims to encourage the production of literary works in Portuguese, as well as honouring Eça de Queiroz, one of the major national and international figures in Portuguese literature and culture. The award distinguishes a fictional work written in Portuguese and published in Portugal in the years 2019 and 2020 by a national author aged not over 40 at the time of publication. In this year's edition, it was awarded to the writer Frederico Pedreira with the work A Lição do Sonâmbulo;
- Municipality of Faro /Poetry National Award António Ramos Rosa** - Within the scope of the existing protocol, the award of this prize was supported, which, in this VIII edition, distinguished the poet Manuel Alegre with the work “Quando”. The ceremony for the delivery of the award was held on 4 September in the auditorium of the Municipal Library of Faro António Ramos Rosa;
- European Institute of Cultural Sciences P<sup>a</sup> Manuel Antunes** – Within the scope of the existing protocol, support was maintained with a view to publishing the complete work of Marquês de Pombal;

- **Universidade do Algarve** – Support for the edition of volume 25 of the collection Promotoria Monográfica História da Arte, entitled “Retábulos na Diocese do Porto”;
- **Caleidoscópio Editions** – Support for the publication of the book “João António de Aguiar e a cidade no Estado Novo” from Architect. Joana Bastos Malheiro and the publication of the book “A reconstrução da Baixa de Lisboa no séc. XVIII – The “Projeto de Manuel da Maia” from Maria Helena Ribeiro dos Santos;
- **Instituto D. João de Castro** - Support for the creation of the Bulletin Roteiro n.º 14; **Association Isto não é um Cachimbo** – support to the project Map of Arts – a platform of modern art that shows the several art spaces in Lisbon, such as art galleries, museums and foundations. This map may be consulted using the website or in a hard copy;
- **Universidade Nova de Lisboa - International Conference on Digital Art, Museums and Cultures** – Conference held on April 22 and 23, 2021, in Lisbon, which brought together different scientific and creative perspectives on the intersections between digital technologies and the arts. This event is part of the collaborative project Art, Museums and Digital Cultures promoted, between 2020 and 2021, by the Institute of Art History, Faculty of Social and Human Sciences, NOVA University of Lisbon and by MAAT - Museum of Art, Architecture and Technology, within the scope of the Art, Museums and Digital Cultures cluster. The project also had the participation of Instituto Superior Técnico partner institution) and of the magazine Umbigo (media partner). The conference had the contributions of 56 speakers, from countries such as Australia, Austria, Belgium, Brazil, Denmark, Spain, United States of America, Greece, Netherlands, Italy France, Portugal, United Kingdom and Turkey, among others, and the participation of an audience with 109 subscribers from 16 countries. The support granted allowed the production of an e-book with works gathered within the scope of this conference;
- **The e-book Art, Museums and Digital Cultures - Rethinking Change** was edited by Helena Barranha and Joana Henriques, following the conference, with the aim of deepening the discussion on the paradigm of change, usually associated with the relationship between culture and technology. This publication, which will be available in open access, includes 22 texts and a visual essay, with contributions from 32 authors from 12 different countries, including several renowned names in the academic, artistic and museological circles, as well as young researchers. The organization estimates, based on previous experiences of publications in digital format and open access, in the quality and timeliness of the texts (all unpublished), that this e-book will have a high acceptance and international reach, which is facilitated by being written in English language;
- **Clube Português de Imprensa** - Support for the development of 2021 activities, where there was an important contribution resulting from the promotion and innovation of its website;
- **Rui Ochoa - Photo exhibition "Acasos"** - Support for the edition of the catalog of the exhibition “Acasos” that will take place at the National Society of Fine Arts;
- **Musical band of Alcobaça / Music Academy of Alcobaça** – CisterMúsica 2021. Support for the Cister Route program included in the 29th CisterMúsica Festival that takes place between June 25th and August 1st. With the Cister Route, the festival has gained a national dimension, as it takes part of its Main Program to the Cistercian heritage located throughout the country.. The vast majority of monasteries and convents are located in remote and rural places, so providing classical music shows in those places reflects the continuous work of valuing, enjoying and disseminating the Cistercian heritage, developed by the Festival. In this year's edition, 35 shows were performed on 19 stages and with the presence of 466 musicians.. 3.300 spectators went to the events held. In terms of the Festival website, in the period from 01.06.2021 to 14.08.2021, there were 13,033 sessions by 7,818 users, and it should also be noted that the Festival's communication reached around 1.4 million people who were exposed to the message conveyed by 175 news items in the media;
- **Cascais and Oeiras Chamber Orchestra Association** – 2nd Edition of the Festival entre Quintas. The Festival Entre Quintas is a festival of classical music which took place between 2 and 11 of July, held in two farms with a secular history and incomparable beauty, which joined to carry out this cultural production. 924 people attended this event;
- **Tiago Nunes – VI Edition of the Coimbra Concerts Cycle**– an event that aims to create points of (re)meeting between people, arts and cultures, in various reference spaces in this city near the Mondego river. As part of the municipal project «European Semester – Europe in Coimbra 2021», the 2021 edition of the Coimbra Concerts Cycle, which resulted from a fruitful partnership between the CulturXis association and the Orquestra de Sopros de Coimbra, featured 3 major lines of music. activities, which offered different experiences of cultural enjoyment to various audiences: the musical (the main one, with concerts and recitals), the educational/formative (with workshops and didactic spaces) and the argumentative/reflective (with a space for dialogue and debate around the theme «Saber Ouvir»). The 2021 edition counted with the presence of around 3.000 visitors;

- DSCH - Filipe Pinto Ribeiro - Festival e Academia Verão Clássico 2021** - An initiative with an innovative format, created in 2015, which includes a performative axis and an educational axis, namely the Verão Clássico Festival, with daily concerts, and the Masterclasses of various Instruments and Chamber Music guided by musicians and teachers from some of the the most prestigious international educational institutions and by soloists from some of the best orchestras in the world. The event took place from 1 to 10 August at Museu dos Coches – Picadeiro Real de Belém. According to information provided by the organizer, the 10 concerts were filled to capacity, with more than 3,000 people, always respecting the DGS guidelines, and the masterclasses were attended by 200 participants from around 30 countries, half of which were Portuguese;
- Youth Symphonic Orchestra – Opera Gala 2021** – Support to the concert given by the Youth Symphonic Orchestra which, traditionally and with a significant impact, celebrates the end of the year. 1.510 people attended this gala held on 4 December;
- Caldas da Rainha Cultural and Congress Centre** - Support for the Caldas Nice Jazz festival held in October and November 2021. In this year's edition, 7 concerts were held, 5 of which at the Cultural and Congress Centre, and 2 within the scope of the JazzOut na Cidade project;
- Associação Desenvolvimento Artístico – 16th International Festival of the Azores** - Held between September 7 and 14, 2021, on Faial Island, with a parallel activity that extended to Pico Island, the festival paid tribute to Heitor Villa-Lobos, descendant of Azoreans and one of the greatest Brazilian composers of the 20th century. This edition had the artistic direction and follow-up of two of the original organizers of this festival, Jorge Forjaz and Adriano Jordão.. In this edition, 28 activities were held, including 11 concerts, with the participation of 17 musicians, 3 Masterclasses, 5 heritage and biodiversity actions and 1 exhibition. More than 680 people participated in the several events carried out;
- Festival Tremor – 8th Edition** – An initiative that seeks new ways of observing the heritage and historical territory of the Azores and the creation of spaces for dialogue between local artists and artists from other places. In the 2021 Edition, still very conditioned by the pandemic, which led to an option for the creation of outdoor venues that could increase the festival's capacity ensuring the safety of the participants, 21 concerts, 5 installations and 9 art residencies. In total, 3,000 participants attended the event, corresponding to a sold out edition in an edition conditioned by the rules arising from the pandemic context, 83 actions were carried out in 17 spaces in the historic centre of Ponta Delgada, Ribeira Grande and São Miguel Island. 120 artists from 12 nationalities were involved;
- Performing Arts Platform – “O Espaço do Tempo” project**, created by choreographer Rui Horta, supports national and international creators through its art residency program (in Montemor-o-Novo) in the areas of theatre, dance, performance, music, visual arts and the arts in general, focused especially on emerging contemporary creation. This year, in its 7th edition, it held the PT 21 FEST Festival, from 8 to 13 June, representing 6 days of broadcast exclusively online, where some of the best works created by the artists over the past two years were presented. 117 programmers, mostly international, signed up to monitor the online shows.. The alive sessions were attended by 440 people;
- MIAMAS Academy Association – Marvão International Academy for Music, Arts and Sciences** - Support for the development of the activities of the academy which is the entity responsible for executing, in partnership with the Regional Directorate of Culture of Alentejo, the project "Music, Arts and Science ", one of the winners of Portugal's Participatory Budget.. Within the scope of this project, the Association promotes the holding of master classes, artistic and scientific residencies, concerts, field activities, exhibitions, workshops, training or awareness-raising actions. The comprehensive scope of the program allows attracting a heterogeneous audience, not only from the region but also nationally and internationally, of different age groups, cultures and social backgrounds, contributing directly to the cultural offer of the region, attracting tourists, communicating the geographical area, always highlighting its natural, cultural and buildings heritage. During 2021, 14 initiatives were held, namely 5 masterclasses, 4 concerts, 2 scientific residencies, 2 exhibitions and an experimental class, which had 172 participants. The actions developed within this scope recorded an audience of 2.145 people. Additionally, the Academy also registered the visit of 665 people in the Reception programs and visits to Quinta dos Olhos D'Água. Overall, the project had a direct impact on participants and audience, 2982 people;
- Arte Institue – Project RHI 2021** – The main purpose of this initiative is to promote the Portuguese modern culture in New York and in the world. The III edition took place from 23 June and 4 July in 13 Portuguese cities.



## Education and Investigation



In line with the Sustainable Development Goals (SDGs) of the United Nations.

In Science and Knowledge, we have been privileging scientific investigation, , training and projects particularly on health issues and post graduation programmes at Portuguese universities of reference which may contribute for the internationalization of schools, as well on an university education of excellence in areas connected with financial activities and arts, of which we may point out the following examples:

Scientific Investigation Projects:

- **Fundação Rui Osório Castro -Award Rui Osório de Castro / Millennium bcp** - Protocol established for the period from 2020 to 2022 aiming at, by means of an award, promoting the development of innovative scientific projects on paediatric oncology, able of encouraging and promote the improvement in health care provided to children with a cancer disease;
- In the 5th edition of the Rui Osório de Castro / Millennium bcp Award, 16 applications were presented for the award, with the same being awarded to João Pedro Lobo, from the Portuguese Institute of Oncology Francisco Gentil do Porto, as responsible for the project “Improving the clinical approach of paediatric and young adult patients with germ cell tumours of the testicles: in search of new epigenetic-based biomarkers and treatments”;
- **Universidade Nova de Lisboa**– support granted within the scope of the protocol signed with Universidade Nova de Lisboa and the DGPC for the attribution of a research scholarship in art history to study authors from the Millennium bcp painting collection;
- **I3S – Instituto de Biologia Molecular e Celular**– support for the project “Para além das interações celulares entre neurónios na Doença de Alzheimer” (“Beyond cellular interactions between neurons in Alzheimer’s Disease) which, apart from its scientific component, also tries to integrate a component of social participation associated with the transmission of knowledge. In the scientific field, we seek to dissect the mechanisms underlying the neurological protection conferred by TTR, exploring physiological processes known to be compromised due to Alzheimer’s Disease.. At the social level, efforts will be made to ensure the dissemination of information on neuro-degenerative diseases, in particular Alzheimer’s Disease, and on the brain;
- **Pedipédia / ASAU** - PEDIPEDIA is a free-access digital literacy pedagogical tool in the area of child health and well-being, with a free online access. Developed by ASAU (Associação de Apoio à Saúde, a Non-Governmental Organization for Development, incorporated and registered in 2015), PEDIPÉDIA received the support from Instituto de Ciências da Saúde from Universidade Católica Portuguesa and its purpose is to contribute for the improvement of health care provided in Portugal and in Portuguese-speaking countries to children, young people and adolescents, disclosing scientifically correct, updated, clear, credible, succinct and oriented information for clinical practice. It also provides pedagogical content for teaching health sciences. Currently, around 1,100 scientific articles prepared by around 350 authors and reviewers from 44 paediatric medical and surgical specialities are available. 90 short films are also available, of which 60 have been translated into Portuguese Sign Language, which constitutes a world première in an online encyclopaedia. In 2021, PEDIPEDIA was visited by 716,000 internet users from 54 countries;
- **Casa da América Latina** – Support for a Chair to be awarded to a qualified professional selected by the IHMT/UNL, which aims to carry out research projects on malaria, involving the teams from IHMT, researchers and international collaborators, as well as clinical research, together with the institution’s research laboratories, focused on travel assistance activities, namely through training programs in the area of tropical diseases;
- **Museu Nacional do Teatro e da Dança** – Award Estudar a Dança (Study Dance). An initiative of the General Directorate of Cultural Heritage, through the National Museum of Theatre and Dance, which aims to reward academic works of exceptional quality that contribute to the knowledge of this art and stimulate its development. This is a prize awarded annually, which is directed alternately to master’s dissertations and doctoral theses. The 2021 edition distinguished the researcher Raquel Madeira with her master’s thesis “Dance and Internet – Connectivity and Participation in Choreographic Creation”.



## University:

- **Scholarship Program** from Fundação Millennium bcp, for students from Portuguese-speaking African Countries and from Timor (PALOP) - The management of the program, which foresees the annual attribution of up to 7 scholarships, was given to Instituto Camões through a cooperation protocol;
- **A partnership with Bim so as to give scholarships (in several areas) from Universities of Mozambique** to young people that evidenced academic merit and lack economic means. The support granted made it possible to finance the tuition fees of 25 students from different courses;
- **IPRI – Instituto Português de Relações Internacionais** - Universidade Nova de Lisboa - Support to the activities carried out by this institution, engaged in advanced studies on Political Science and International Relations;
- Centre for European Studies at the Institute for Political Studies from Universidade Católica Portuguesa - Support for the activities of the Center for European Studies;
- **Universidade Católica Portuguesa** – Faculdade de Ciências Humanas - attribution of scholarships to two students to enable their participation in the academic program The Lisbon Consortium (Art Scholarships);
- **Centro de Astrofísica da Universidade do Porto – Astrocamp 2021** – AstroCamp is an academic program in the field of astronomy and physics, for students in the last 3 years of pre-university education and organized by the Research Centre in Astronomy/Astrophysics of University of Porto (CAUP).. The main objectives of this initiative are to provide students with high quality training, promote scientific knowledge in the area of Astrophysics, stimulate curiosity and critical thinking skills and encourage the creation of personal relationships between young people of the same age. The initiative took place from the 8th to the 22nd of August at the Center for Environmental Education and Interpretation of the Protected Landscape of Corno de Bico and had 15 participants from Portugal, Spain, Germany, Croatia, Brazil and Poland. The public lectures held within the scope of this initiative were broadcast live on the Facebook page of the Municipality of Paredes de Coura;
- **University of Trás-os-Montes and Alto Douro - Fernando Real Geology Museum** - Support granted for the development of the various activities planned for 2021;
- **Junior Achievement** – this initiative aims to undertake entrepreneurial programmes with university students by creating new micro companies. Under the format of a university and entrepreneurship competition and with the guidance provided by professors from several universities, the students learn how to create and manage a company. This initiative allows students to develop a wide range of personal skills and allows educational institutions to offer their students a more global view of the set of professional opportunities. Additionally, and due to the fact that it is linked to an international network, participation in this program allows students to open their horizons and get acquainted with new realities and generates, for teachers, opportunities to create synergies with other national and international educational institutions. In the 2021 edition, 10 universities, 1078 students (more than 200 teams / business ideas), 40 mentors / evaluators of companies and JA Portugal partners were involved. The final of the national competition took place in March 2021 with the presence of 26 teams. The winning team was the MUTE of the School of Arts and Design belonging to the Polytechnic Institute of Leiria. This team represented Portugal at the European competition - GEN-E Festival - organised by JA Europe.

## Basic Education:

- **Associação Empresários pela Inclusão Social (EPIS)** - support to the promotion of initiatives addressed to the creation of work opportunities and social reintegration of persons, families or groups which are under situations of exclusion or of risk of social exclusion, giving a special attention to promoting the social inclusion of young people through school success and professional insertion. In the 2021/2022 school year, 9,085 young students are being monitored by EPIS.

## Social Action



In line with the Sustainable Development Goals (SDG) of the United Nations.

The extension and depth of the impacts caused by Covid-19, that led to a quite significant aggravation of the living conditions and isolation of the most fragile populations, gave rise to a special follow-up and support to the projects launched in order to mitigate the effects of this pandemic.

Hence, in the area of Social Solidarity, the Foundation provided aid to actions carried out by different entities, providing assistance in several areas, such as infancy/adolescence, poverty and disability, namely:

- **Banco Alimentar Contra a Fome** - Support for food collection campaigns conducted by this institution and which had, as one of its main priorities, to ensure an adequate response to the impact caused by the Covid-19 pandemic on many families. During 2021, the 21 Food Banks collected 2,610.63 tonnes of food and supported 2,700 solidarity institutions that help around 450,000 people;
- **ENTRAJUDA - campaign #TodosJuntos** - an initiative promoted by 10 banks in the Portuguese financial system and more than 30 companies, which came together to organise a solidarity action focused on food support for families. Under the motto #Todosjuntos (All Together), the initiative made it possible to mobilise financial resources to immediately help the most vulnerable people and families in the context of the current crisis. In addition to food support, this initiative supported the needs of families related to medication. This campaign raised around €2.5 million and the distribution of support is ensured by the Emergency Food Network, launched by ENTRAJUDA, which includes around 2,700 institutions;
- **AESE - GOS Programme - Management of Social Organisations** - This programme is the result of a partnership between AESE and ENTRAJUDA and aims to provide management training to managers of entities in the social economy sector, exclusively non-profit, seeking to respond to the training needs felt in this sector;
- **Critical Concrete** - Offer of a scholarship for a postgraduate programme in sustainable architecture. The programme focuses on the development of sustainable construction, natural construction, urban development, participatory design and social project management. In the spaces renovation the use of natural materials such as earth, wood and stone is ensured and pioneering sustainable technologies such as cork isolation or natural wood protection are implemented. A key part of the mission is to minimise the projects CO<sub>2</sub> emissions by rejecting unnecessary concrete or steel structures. Participants gain practical experience with this form of sustainable, low-tech construction, which they can then apply to their own projects. This extends to teaching on sustainable infrastructure, food systems, reusing materials and deconstruction;
- **ACEGE - Associação Cristã de Empresários e Gestores** - Support to the activities of the community of Christian business leaders in the promotion of people's dignity and the construction of good. The developed programmes seek to raise awareness and impact leaders to promote new policies in companies that affect organisations and, consequently, society, namely by changing the payment period to suppliers, changing the culture of companies to define and reconcile personal and professional life, and reinforcing the importance of values and ethics as criteria for company decisions. In 2021, there were 1,187 leaders, from 14 districts, adherent to this project. More than 30,000 families were covered in the 28 companies certified in the "Conciliação, Família e Trabalho" (Conciliation, Family and Work) programme by policies of conciliation, personal development and equality. The "Compromisso Pagamento Pontual a Fornecedores" (Commitment to Prompt Payment to Suppliers) programme involved 1,746 companies, including Millennium bcp, and 26 Municipal Councils. There were also 74 events, with the participation of 2,500 leaders, 128 young professionals involved in the Next work and reflection groups, as well as the dynamics of the VER portal, with more than 262,000 readings / year and a community of 5,500 newsletter subscribers;



- Associação Dignidade – Abem Fund-** Created to support people in need, also covering cases of unexpected economic need resulting from sudden unemployment or facing an incapacitating illness, among others, who have specific needs for access to health care, by aggregating access to medicines, health products and services in a coordinated manner. Through a collaborative network, which includes entities such as Local Authorities, Private Social Solidarity Institutions, Caritas and Charities, needy families are identified and given the Abem card. Subsequently, it will be sufficient to present this card in the adherent pharmacies for the beneficiaries to have access to medication free of charge. The incurred expense is covered by the Abem Solidarity Fund: 100% dedicated to covering the part of the cost not reimbursed by the State in the price of prescribed medicines. The Abem programme covers the whole country, accompanying 25,893 beneficiaries in all districts of mainland Portugal and in the autonomous regions. At the end of 2021, there were 219 referencing entities, 1,092 adherent pharmacies and 1,430,228 medicine packs had been dispensed. The support granted by the Fundação Millennium bcp allowed supporting 100 beneficiaries for a year;
- Associação Ajuda ao Recém-Nascido (Baby Bank)** - Support for the “Ser mais família” (Be more family) project, which includes home support for newborns with disabilities or at social risk. The goal of the programme is to empower families with emotional and social skills, ensure care and therapies until the parents become autonomous. In 2021, 131 babies from 123 families were monitored. The activity of delivering Bags of Goods, in person, was also maintained, having been distributed around 600 bags with a total of approximately 53,000 essential goods (hygiene products, nappies, clothes, etc.). In some situations, support was extended to pharmacy products and food;
- Associação Mais Proximidade Melhor Vida-** Support for the 2021 activities of this Association, which seeks to reduce the impact of loneliness and isolation and contribute to improving the elderly quality of life. In 2021, 145 elderly people were supported, and the association ensured 8,055 telephone contacts, 2079 home visits, 2013 contacts with relatives, neighbours and/or carers, 433 appointments for consultations and exams, 193 bookings for medical exams;
- 55 MAIS** - Project to prize people over 55 who are inactive, which, through a technological and human platform, connects the needs of citizens with the services provided by people aged 55+ (food, pet-sitting, care for seniors and children, watering plants, etc.) for a competitive and fair price for everyone. In 2021, 444 new specialists registered on the platform. In that year 8,862 work hours were rendered, providing remuneration to specialists of €49,180. The services rendered were used by 278 Clients, of which 138 used the services more than once;
- Centro Paroquial de Assistência de Santa Maria de Belém** - support to the activities carried out by the institution that helps young mothers in need;
- Amigos da Estrela - Projeto SOUMA-** Project that aims to accompany people in a situation of isolation and social exclusion, with a vision centred on each individual Being, in order to ensure greater integration in Society;
- FAMSER Associação de Apoio às Famílias Desfavorecidas | Place to Be** - The mission of the Association is to promote support to families and individuals who, due to various circumstances and/or social impediments, are temporarily unable to ensure the satisfaction of their basic needs and/or daily life. The Foundation contributed to the implementation of the activities planned for 2021 by the institution under the GPS project - Gerar, Percorrer e Socializar (Generate, Run and Socialise), developed from a Residential Shelter for young people aged between 12 and 18 years old. In 2021, the project directly supported 20 beneficiaries and indirectly supported 40 (parents);
- Terra dos Sonhos – Projecto WeGuide Cancer 360** - The mission of the cancer 360 project' is to improve the quality of life of cancer patients, acting to improve the overall health outcomes of the person diagnosed with cancer. In parallel, some patients (or all when possible) will also benefit from the support of a WeGuide Health Guide, a person who intends to support the patient, and his/her main carer, in a biopsychosocial and spiritual approach that not only empowers the patient to self-manage the disease, but also boosts his/her inner strength and mental health, and that of his/her carer. This project supported 24 cancer patients and their families;





- **BUS – Bens de Utilidade Social** - Support for the development of 2021 activities, which consist of collecting and forwarding household goods to people/families in need. In 2021 more than 19,000 goods were collected and around 7,500 users were supported through 399 partner institutions;
- **Abraço** - Support for the development of the 2021 activities of this association which provides support to people infected and affected by HIV/AIDS and develops prevention actions aimed at reducing the number of new cases of HIV infection;
- **Associação Salvador** - Support for the development of the association's activities, whose mission is to promote the inclusion of people with motor disabilities in society and improve their quality of life, enhancing their talents and raising awareness of equal opportunities;
- **Teatro Micaelense** -Support for students' travel to the educational service of Teatro Micaelense (Ponta Delgada);
- **Teatro D. Maria II** - Support for students' travel to the D. Maria II Theatre. This travel support ensures the accessibility of the theatrical programme to schools; throughout the country, providing students with the opportunity to come into contact with diverse artistic proposals;
- **Ajudaris** -Support to the national-level project Histórias da Ajudaris 2021, which were dedicated to the theme "If I were...". The project promotes social inclusion through reading, writing and art and through the solidary sale of the copies to help families and children in need. Within the scope of this project, 2,100 stories were collected, 610 of which were selected for publication and distributed in 6 books illustrated by illustrators from various parts of the world. The use of digital platforms made it possible to organise a set of online training courses with guests aimed at providing Educators and Teachers with new strategies for working with children and young people. The project benefited 60,000 people, with 770 goods distributed;
- **Associação de Paralisia Cerebral de S. Miguel**- Support for the "Dançar por Inteiro" (Fully Dance) project, which aims to provide group and individual dance classes with a multidisciplinary team for better introspection about technical content in relation to body expression, as well as an improvement in individual aspects, through experimentation and learning activities, reflection, awareness and knowledge production. It also aims to disseminate inclusive dance in the community as a privileged means of fostering the development of disabled people, promoting social inclusion and enhancing personal and social autonomy and acting as a catalyst and driver of equity in society. 17 users of the Association directly benefited from this programme;
- **Instituto de Apoio à Criança** -Support for the association's activities which develops projects that promote the Child's Rights and contribute so that all children have a future with more dignity;
- **Lar Crianças Bom Samaritano** - Child psychiatric support for the children of this institutional home and in need of it;
- **Hospital Magalhães de Lemos**- Support for an exhibition of works by the artistic nucleus of the users of the Psychosocial Rehabilitation service of the Magalhães de Lemos Hospital;
- **ACAPO Associação de Cegos e Amblíopes de Portugal** - Support for the association's activities;
- **Millennium Solidário – 2021 Christmas Campaign** - With the major objective of contributing to the support of children and young people facing severe health difficulties and their treatment and recovery, Millennium bcp Employees and Fundação Millennium bcp, joined two institutions, ACREDITAR - Associação de Pais e Amigos de Crianças com Cancro and Dona Estefânia Hospital Burned Unit. Under this initiative, for every 100 goods donated by Employees in favour of ACREDITAR during the campaign period, Fundação Millennium bcp would donate €2,000 to Dona Estefânia Hospital Burned Unit for the purchase of specialised medical equipment up to a limit of €20,000. More than 1,500 items were collected, so the support to the Burned Unit, to be attributed by the Foundation, reached the maximum amount foreseen for this action;
- **Fundação Ageas** – Support for the launch of a campaign, in collaboration with the Associação Nacional de Farmácias (National Association of Pharmacies), for the early detection of colon cancer.

## Social aid within a pandemic context

The years 2020 and 2021 will remain undoubtedly marked by the Covid-19 pandemic. In just a few months, the new coronavirus SARS-CoV-2 introduced radical changes in our way of living and in our way of work. In companies, the pandemic was a real stress test to management ability, particularly in what concerns Management of People, within a context featured by significant uncertainties.

As financial services are essential for the normal functioning of companies, companies and citizens, Millennium bcp has always remained in operation, even during the most critical periods. The Bank confirmed its capacity to adjust to unexpected challenges and, rapidly, adapted the way it operates. Even before the first confirmed case of Covid-19 in Portugal, Millennium bcp activated the Contingency Plan foreseen in the Business Continuity Plan, with two clear and prime objectives:

- Protect the health of People - Employees, Customers and of all those who contact with Millennium bcp; and
- Ensure the continuance of a service of quality in line with the Customer's expectations.

The swift definition and implementation of measures and the strong focus on the direct communication with the Employees, enabled Millennium bcp to protect People and Business and, despite the required physical distance, we remained close and stood by those who needed us, internally and externally.

Thus, Group BCP was always a front-line player in the emergency response to the pandemic caused by Covid-19. The following initiatives stood out in Portugal and in the other countries where the Bank operates:

- #Todos Juntos (All together) - Millennium bcp and other 9 banks of the Portuguese financial system joined ENTREAJUDA – a Food Emergency Network- an initiative of solidarity to support the most unprotected families within a context of social crisis provoked by the pandemic. The 10 banks committed to a total contribution of around 1.8 million euros and invited more than 20 companies to join the initiative, with donations and food. The total amount obtained reached 2.043 million euros, and the donation of Millennium bcp amounted to 250.000 euros;
- Attribution of 500,000.00 euros to the Coronavirus Global Response, an international initiative for universal access to vaccination, treatment and testing of Covi-19 at affordable prices launched by the President of the European Commission, Ursula von der Leyen, and in which Portugal has made a commitment to deliver 10 million euros;
- In Poland, Bank Millennium made available a Special Support Fund, having allocated 1.000.000 PLN, to support in 2020 and 2021, the Bank's employees affected by the pandemic;
- In Mozambique, Millennium bim delivered 100 beds to the Mavalane General Hospital, thus contributing to the reinforcement and operational capacity of the Hospitalization and Treatment Centre for patients with Covid-19.



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*In 2021, Fundação Millennium bcp supported a total of 102 projects, of which 60% in the area of Culture, 14% in Knowledge and 26% in Social Solidarity*

## Products and Services

Material issue: PRODUCTS INNOVATION AND SUSTAINABLE SERVICES

GRI FS7, FS8

The BCP Group offers a complete and broad range of financial products and services, and continues, under the development of its business lines, responsible for offering an increasing number of products and services which incorporate social principles and respect for the environment and nature.

BCP Group is also aware that the implementation of social and environmental criteria and standards in the commercial offer is reflected in more efficient risk management, reputation value and higher quality of the products and services offered to customers, meeting the needs and ambitions of a market increasingly related with sustainability.

### Microcredit



In line with the Sustainable Development Goals (SDGs) of the United Nations.

In Portugal, Millennium bcp continues to reinforce its commitment to Microcredit activity, with its value proposition still being recognised in the Portuguese market as an alternative for the funding, encouragement, and achievement of entrepreneurial action, comprising an effective instrument in the fight against unemployment, poverty and social exclusion.

Despite the number of new companies created in Portugal in 2021 (#41,656) grew 9,6% versus 2020 (#37.586), pre-pandemic entrepreneurial figures have not yet been resumed (#49,175 in 2019). Thus, COVID-19 continued to determine the evolution of the economy in Portugal and, consequently, the search for instruments to support the creation of new businesses such as Microcredit. On the other hand, State employment protection measures preserved many jobs, preventing a substantial increase in the number of unemployed, the main recipients of this credit instrument.

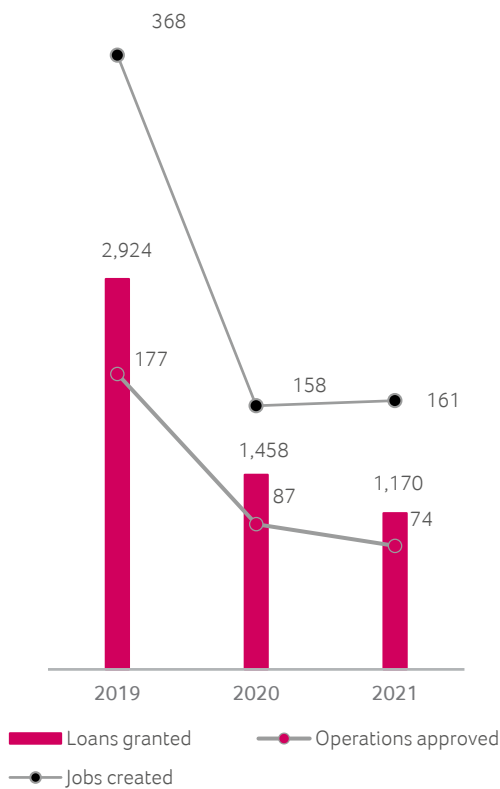


Notwithstanding the difficulties brought by the pandemic, the Bank continued to develop its action to support entrepreneurship and dissemination of Microcredit. After starting the year with many restrictions, the opening of economic and social activity from the spring onwards made it possible to establish contacts with microcredit partner entities.

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*Since 2005, 7,325 jobs were created resulting from projects funded by Millennium bcp's Microcredit. Of these, 161 had its origin in 2021*

**Microcredit activity**  
(Thousand euros)



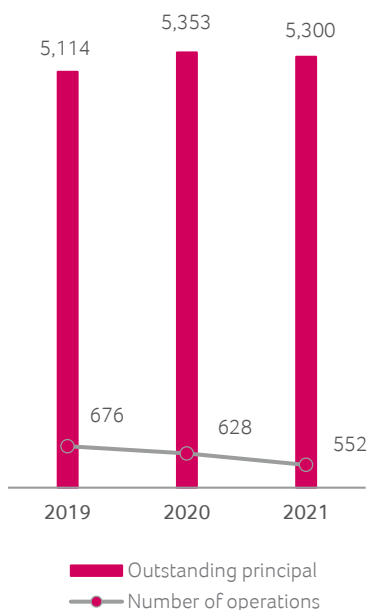
This way, considering its promotion model, based on partnerships with institutional entities that work on the themes of entrepreneurship and job creation, 18 new cooperation agreements for entrepreneurship were established: 4 municipalities (Rio Maior, Alcanena, Alcobaça and Porto de Mós), 5 entrepreneurial associations, 4 advising companies and 3 CLDS 4G (entities from social economy). Within the scope of this institutional Microcredit cooperation work, the Bank participated and/or led 21 awareness and training sessions reaching a total of 654 people. Of these sessions, 16 were aimed at young people in training, unemployed or finalists in professional courses and 5 were aimed at potential entrepreneurs. We must point out the sessions held in partnership with the Municipality of Porto and its employability promotion area and the Municipality of Alvaiázere, the workshops carried out with the CLDS 4G (Local Contracts for Social Development) to train young people about to reach the labour market or the presence in “The Business Case Summit 2021” promoted by Instituto Piaget.

In 2021, still within the scope of the relation with the microcredit institutional partners, were carried out, in person or online, 85 meetings to present microcredit to potential new partners and 132 follow-up meetings.

Despite the constraints caused by the Covid-19 pandemic crisis, the Bank managed to meet the objective of increasing institutional contacts by 5% compared to 2020, which deserves to be highlighted, considering that one of the main strategic priorities of Microcredit is based on the dissemination of this financing model and the promotion of entrepreneurship in the different regions of the country.

In 2022, despite the feeling of uncertainty that we are still facing, we reinforced our ambition of increasing these indicators in 10%.

**Microcredit loan activities**  
(Thousand euros)



The alteration of the structure of microcredit in 2018 with the migration of the operation into the Bank’s Network, paved the way for a clear approximation of the instrument to its recipients, thus reinforcing the commitment of Millennium bcp towards micro credit as an opportunity to help those with an entrepreneurial mind and a feasible business idea, encouraging them to use this solution to develop their business and create his/her own job. This alteration placed Micro credit near the surrounding community.

Millennium bcp’s Microcredit, created in 2005, is recognised as a comprehensive service providing permanent support to the Customer throughout the duration of the funding contract. Its social responsibility nature is revealed by a permanent focus on the Client’s reality, circumstances and needs. Since 2005, 7,325 jobs were created resulting from projects funded by Millennium bcp’s Microcredit.

Despite this adverse context, as a result of the work carried out, Millennium bcp’s Microcredit approved the financing of 74 new operations, which resulted in a total of 1.170 million euros of approved credit and the creation of 161 new jobs. The volume of active credit granted to the 552 operations in the portfolio, on 31 December 2021, totaled 5.300 million Euros.



## Financial Advisory Service

Millennium bcp, with the objective of continuing to support Customers in financial difficulties and preventing and avoiding situations of default, it maintained its focus on the promotion and applicability of the SAF packages (Financial Monitoring Service), which were used mainly by those who no longer benefited from credit defaults and were not yet able to resume its payment plans. The Bank's concern continues to be proposing to Clients the solution, which is more adequate to their available budget, so that they can keep meeting their liabilities by reducing costs with credit payments.

In this context, 5,663 contractual amendments were made during 2021 (2,833 mortgage loans and 2,830 consumer credit), with a restructuring value of 245 million Euros (226 mortgage loans and 19 consumer loans), comprising 5,247 Clients (2,504 mortgage loans and 2,743 consumer loans).

Also, Activobank made available to Customers showing signs or need for financial support, packages for the renegotiation of the terms of the credit agreement (maturity and reduction of instalments) in a fully digital way, which enabled the best framework for families in the context of return after the moratorium period.

During 2021, some developments were also carried out with a view to making it possible to formalize remote credit restructurings (through the Millennium App).

## Companies Support Solutions



In line with the Sustainable Development Goals (SDGs) of the United Nations.

In 2021, the Bank continued to support economic activity, extremely affected by the impact of the Covid19 pandemic, through a number of measures to preserve the financial stability of businesses and, consequently, of households. Some examples:

- With the objective of identifying initiatives developed to ensure that the interests of the institution and its Employees are aligned with the interests of Customers, we must refer the process of “completion” of the legal moratoriums (September 2021). In a transversal and general way, the Bank provided all commercial support to Customers, restructuring and refinancing operations associated with Customers identified as being in financial difficulties, in order to mitigate their financial situation and avoid defaults;
- Within the scope of “pandemic solutions”, the Bank has made available the first new lines in Portugal negotiated with the European Investment Fund (EIF) under the European Programme, Pan-European Guarantee Fund (EGF). It was the EIF’s largest operation in Portugal, and one of the largest in Europe, for a credit portfolio guarantee of around 2,850 million euros. In this context, the Bank launched FEI EGF Lines for financing the treasury or investment of Micro, Small and Medium Enterprises, having carried out 8,372 operations in the amount of 1,068 million euros;
- The Bank also subscribed the Line Retomar from BPF, the purpose of which is to help companies after the end of the moratoriums;
- By the end of 2021, the Bank signed an EGF guarantee agreement with the European Investment Bank (EIB) for a €400 million portfolio intended for MID CAPS and Large Corporates to support investment and the treasury needs of this segment of companies;
- Within the scope of protocols established with Banco Português de Fomento (BPF) and the Mutual Guaranty Companies (SGM), the Bank launched several credit lines in the form of Lines to Support Economy Covid 19 (ESL). These lines are intended to finance the treasury needs of Companies and the following were opened: i) Exporting Companies of Industry and Tourism; ii) Companies that organize Events; iii) Travel Agencies and Tour Operators; iv) Medium and Large Tourism Companies; v) Sports Federations and vi) Major Cultural Events. In what concerns ESL, were carried out a total of 1,524 operations in an overall amount of 330 million Euros;
- To facilitate the inclusion of Third Sector institutions in the financial system, the Bank makes available the FIS – Credit and the Economy Support Line Covid-19 – Social Sector. In 2021, the Bank carried out 8 operations, in a total value of 2.1 million Euros;

- As for the support to Agriculture and Fisheries, the Bank maintained the possibility of financing, under a set of protocols signed with the Institute for Financing Agriculture and Fisheries (IFAP), through the Credit Lines – IFAP Short Term, Support for Fisheries 2020 (included in the set of Covid-19 lines), Flores 2020, Intempéries (Elements) 2020, Agricultural and Forestry Sector and also the General Protocol established with Agrogarante. The Bank carried out 169 operations, in a total value exceeding 20 million Euros;
- Regarding the support to investment projects aimed at the creation of companies by the unemployed with subsidized financing conditions, within the scope of the protocol signed with the Institute of Employment and Professional Training (IEFP) and with the Mutual Guarantee Companies (SGM), the Bank financed, in the 1st half of 2021, through credit lines: i) Microinvest Line: 70 entrepreneurs, for a total of 0.8 million euros and ii) Invest+ Line: 15 entrepreneurs, for a total of 0.5 million euros and ii) Invest+ Line;
- Under the protocol established Millennium bcp and Turismo de Portugal, the Bank continued to provide the credit line that enables companies to benefit from a credit line for projects aimed at the re-qualification of tourism undertakings and at the creation of new ones, of restaurants and leisure activities. 13 operations were financed, in a total of 2 million euros;
- The Bank also made available the - Linha Capitalizar Mais -, a protocol established between Millennium bcp, the Instituição Financeira de Desenvolvimento (IFD) and the Mutual Guarantee Companies (SGM) that created a Credit Line with mutual guarantee to finance projects to be implemented in mainland Portugal and in the Autonomous Region of the Azores to help reinforce the entrepreneurial capacity of the SME for the development of goods and services that are innovative in terms of processes, products, organization or marketing. In 2021, the Bank carried out 69 operations, in a credit total value of 34.7 million Euros;
- Within the scope of Decarbonization and Circular Economy, the Bank offers a specific support line, with mutual guarantee.



In Poland, the support to small and medium-sized enterprises (SMEs) is granted within the scope of energetic and technological development, through PolGEFF (Polish Green Economy Financing Facility) and financing instruments such as “Biznesmax” and “MilleSun”. Thus:

- Bank Millennium Leasing, through protocols established with BERD, under the PolGEFF (Polish Green Economy Financing Facility), ensures financing of projects in the sector of small and medium-sized companies (SMEs) related with energy efficiency or renewable energy, projects to improve the energy efficiency of commercial buildings, expenses with hardware or projects promoting the use of renewable energy;
- Since 2019, the Bank is particularly active in the development of MilleSun – a program for the financing of investments in solar energy. The rental of solar panels is a solution for entrepreneurs who like to change and are aware that the environment needs to be protected. In the area of leasing of solar panels, Millennium Leasing has been cooperating with the leading market suppliers, providing financing under preferential conditions for the installation of panels;

- In 2022 Millennium Leasing plans to participate in the Mój Elektryk Priority Program guaranteeing co-payments from the National Fund for Environmental Protection and Water Management for the rental of electric vehicles with a view to down-payment in electric vehicle rental agreements. Co-payments are up to PLN 27,000 for passenger vehicles (M1) and up to PLN 70,000 for commercial vehicles up to 3.5 tonnes, respectively. The program's objective is to reduce air pollution emissions by co-financing companies to reduce the consumption of emission-generating fuels in transport;
- The bank offers the Biznesmax Guarantee Program, within a partnership established with Bank Gospodarstwa Krajowego (BGK). The program aims at guaranteeing loans granted to finance innovative undertakings by the SMEs, being particularly focused on eco-efficient companies. The client may take advantage of the "ecological path" that the Biznesmax Guarantee Program intends to foster to finance projects involving at least one environmental category, such as electric mobility, renewable sources of energy, including solar energy plants, technologies to reduce the consumption of energy or to produce alternative fuels, circular economy, installations for the recovery of raw-materials from productive processes, among other;
- The maintenance of the FGP Liquidity Guarantee Program launched in 2020 was also ensured, which is an instrument of the government's anti-crisis shield. Its objective is to support the financial liquidity of medium and large-scale economic entities. These guarantees guarantee up to 80% of the loan principal with a maximum guarantee amount of PLN 200 million;
- The FGP Liquidity Guarantee Program and the more favourable terms and conditions of the de minimis and Biznesmax programs will be in effect at least until June 30, 2022;
- Like in previous years also in 2021 Bank Millennium participated actively in the national program of Credit for Technological Innovation implemented together with the BGK as part of the Intelligent Growth Operational Program. The goal is to support the investments made by innovative small and medium-sized companies. The Credit to Technological innovation enables obtaining an allowance under the form of a technological award to be attributed by the BGK for the partial repayment of the loan granted by the Bank. The amount of the award is determined by the investment's location and may go to 70% of the costs eligible for projects from micro and small companies, and up to 60% for medium-sized companies, in accordance with the Regional Aids Map; The facts that are crucial for the evaluation of the project (for selection purposes) are criteria such as the positive impact in the implementation of the principle of sustainable development, namely if the project has a high environmental value, such as remove, prevent or mitigate pollution for the environment, environmental damages or promotes the use of natural resources in a more sustainable and efficient manner;
- Bank Millennium adopted a sector policy to support the financing of ecological investments and of energy saving projects containing exclusions concerning the financing to new mines of coal and new investments with generation of energy from coal sources, exception made to the initiatives aimed at reducing the levels of;
- In Mozambique, Millennium bim made available the Credit line AIMO (Industrial Association of Mozambique) aimed at supporting the development of industrial investment projects, treasury, and support to the imports of small and medium-sized companies, part of AIMO;
- KFW Grant Fund – For emergency support in the context of Covid-19, the KFW Grant Program opened, free of charge, applications to support economically healthy Micro and SMEs before the pandemic: up to 225,000 MZN for micro-entrepreneurs and up to 2,500 thousand MZN for SMEs, respectively, with a view to helping the Mozambican economy to recover more quickly;
- Credit line FECOP Calamities – created within the scope of the cooperation established between the Government of the Portuguese Republic, the Government of the Mozambican and the Mozambican Banking Association. Intended to finance investment projects and operations to support the treasury of Micro and SME Mozambicans, in regions affected by the natural disasters decreed by the Government. The available tranche covers all companies affected by the impact of the Covid-19 pandemic.

## Individuals Support Solutions

The BCP Group provides products and services that, while meeting the needs and expectations of individual customers, also incorporate social benefits. Among these, we must point out the following:

- University Loans - for students who decided to pursue their academic career, the Bank concluded, in the first six months of 2021, within the University Credit Line, 49 new loans totalling 510 thousand euros. The volume of active credit granted to the 356 operations in the portfolio is 2.817 million Euros;
- University Loans with mutual guarantee - in Portugal, the Bank makes available to university students, a line with mutual guarantee. In 2021, 485 new loans were attributed, in a total amount of around 5.5 million euros. The volume of active credit granted to the 2,114 operations in the portfolio is 13.3 million Euros;
- In 2021, ActivoBank also started to offer the Training Credit product in its offer, thus granting our Customers adequate conditions for the financing of technological specialization courses, degrees, postgraduates, masters, doctorates, Erasmus programs, executive masters and executive education, inside and outside Portugal.

Aiming at encouraging the use of renewable energies, and protecting and improving environmental quality, in 2021 we launched the following offers:

- Renewable Energy Personal Credit, product intended to finance the acquisition of equipment for the production of renewable energy. 37 operations were financed, in a total of 400 thousand euros;
- Car leasing for new 100% electric vehicles with exemption from set-up fee. 28 operations were financed, in a total of 1,626 thousand euros;
- In 2021, also with the objective of supporting the more ecological choices of our Customers, creating sustainable living habits, in their homes and on their travels, ActivoBank launched two new products: the Crédito +Energia for the financing of equipment for production and storage of energy from renewable sources and the EcoActivo Credit for items or equipment that, while not producing energy, are characterized by their efficiency and/or energy classification;
- Dobra Mola - is a salary domiciliation campaign that covers individual Bank Customers who receive their salaries through Millennium bim. This campaign benefits Customers from different social strata, most of whom are less favoured civil service employees. A total of 120 Customers will be covered, who will receive in 1 month an additional amount equivalent to their net

salary up to a maximum of 25,000 MZN. Customers with salary at the Bank, in addition to being eligible for this draw, benefit from a competitive and advantageous offer of products and services;

- Manda Mola – a type of transfer that enables transferring money to any mobile phone number. This innovation contributes for the financial inclusion process of the Mozambican society since it allows the Bank's clients to transfer cash to beneficiaries who do not hold a bank account and have access to an Electronic Currency Account (IZI Account), that may be used through the mobile channel (Millennium IZI) or ATMs for withdrawal of cash;
- Credit line Mulher Empreendedora (Entrepreneurial Woman) – credit to support individual businesses, small and medium – companies managed by Women. This product intends to promote the development of projects related with the entrepreneurial spirit of women in Mozambique and boost the growth and appreciation of the Mozambican women through her involvement in activities that contribute for the growth of the economy;



- Smart IZI – fully digital service, from its subscription, registration to its use. It is a Mobile Banking application (App), where our individual customers can obtain information and submit transactions wherever and whenever they need to. Marked in 2021 by the improvement in service provision in the channel, a simplification of the flow of subscription to the channel was carried out at the application level, and documents such as current account statements and debit and credit slips from the entries list were made available. By making these types of documents available completely digitally and free of charge, for other functions, such as updating documents and international transfers, the Bank has contributed to save resources that contribute to an improvement in the environment. Currently, we have more than 101 thousand active customers on this platform;



- Update of data via IZI on Whatsapp – the clients of Millennium bim, in Mozambique, are able to know which are the missing documents (Identity card, Single Tax Identification Number, Income Statement and proof of residence) and to send them through Whatsapp, in a digital version, to the Bank, enabling, this way, the automatic unblocking of the means of payment;
- As is usual worldwide, the last Friday of November is marked by product and service promotions in almost all sectors, it is the famous Black Friday. In 2021, the Bank prepared 3 surprises for its Customers in terms of the following products and services:
  - Consumer credit - Customers who applied for personal credit on 11/26/2021 received a 2% reduction in the fee and exemption from the arrangement fee.
  - Credit cards - when making payments with credit cards at the Bim POS on that date, Customers automatically became eligible to earn 2% of the amount spent in cash back.
  - Opening of Deposit Accounts - by opening an account with Bim and buy recharge on mobile banking on that date, the Customer would receive the recharge amount back.
- Saving Plans (Women, Health, Family, Young People) – in Mozambique are available programmed saving products that, apart from the offer of a personal accidents insurance, ensures annual malaria tests to the members of the family of the account holder, automatic credit amounting to 80% of the amount of the savings;
- IZI Microcredit – short-term financing (up to 45 days), currently available to Customers with salary domiciled at the Bank who meet a set of eligibility criteria, to meet small daily expenses. This product has no interest rate, and a fee of 4% is applied to the amount to be financed and is presented in amounts brackets ranging from 500 to 5,000 MZN. With a new lay-out in 2021 in terms of terms, amounts, fees and functionalities (consultation and settlement), it continued to be preferred for Customers with a domiciled salary, having disbursed just over MZN 2.40 billion in 1.3 million operations;

- Dom Maklerski provides accounts and brokerage services to customers – IKZE (Pensions Individual Accounts). The IKZE is a welfare individual program that enables accumulating savings through a brokerage account;
- Konto 360° Student / Junior– Poland, having as recipients young people aged 18 to 26 years in the first case and 13 to 17 in the second, enabling the opening of a bank account with special conditions, free of charge, that provides a first contact with the financial and banking;



- As of May 2021, children aged 7 to 12 can use a mobile app and payment card for the Junior 360° Account designed to meet the needs of younger users. These modern tools help introduce children to the world of finance and teach them how to use technology safely;
- Debt repayment assistance – Bank Millennium provides a debt consolidation loan, with the option of incorporating the debt to other banks, to customers looking for an opportunity to reduce the costs of servicing in their current liabilities. In addition, Customers can take advantage of the deferred payment of an instalment of a cash or consolidation loan, which represents an important help in the event that the funds allocated for an instalment in a given month are used for other purposes;
- Millennium Bank also provides mortgage loans for the renovation or modernization of buildings, under which Customers can use the funds to replace the roof or the central heating system.

## Social Inclusion



In line with the Sustainable Development Goals (SDGs) of the United Nations.

In Portugal, within the scope of Entities that incorporate the social industry, Millennium bcp keeps available the Non Profit Association Account, a current account with special conditions that does not require minimum deposit to open and has no maintenance and overdraft fees. 295 accounts with these features were opened in 2021, corresponding to a total of 5,079 accounts in the Bank's portfolio.

To ease the inclusion of institutions from the third sector in the financial system, a protocol was signed with Instituto de Emprego e Formação Profissional, Cooperativa António Sérgio para a Economia Social and the Mutual Guarantee Societies, defining a credit line – Social Investe – to support social economy. In 2021, the Bank maintained 3 operations in portfolio, with a total value of 58 thousand Euros.

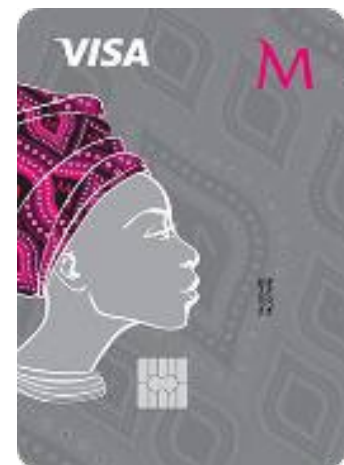
Regarding the support to enterprise creation investment projects by unemployed persons, through the following credit lines: i) Microinvest Line - which financed 56 entrepreneurs to a total of 778.98 thousand Euros; and ii) Invest+ Line which supported 15 entrepreneurs, to a total value of 528.65 thousand Euros.

Within the scope of the inclusion of individual Clients (resident and non-resident) with low incomes in the financial system, the Bank was one of the banking institutions that voluntarily provided the current account – Minimum Banking Services–, without associated costs, this account can be used with a debit card and through online banking. In 2021, 2,905 accounts were opened, presently accruing to 15,678 accounts.

## Charitable Cards

In Portugal, the credit cards issued by Millennium bcp continue to promote solidarity:

- Loyalty Programme– Customers the possibility of exchanging the points on the card into donations to charitable institutions. Within this scope, the cards from the network Visa/Mastercard (Catalogue of Points) delivered donations in a total amount of around 2,400 euros to institutions such as Acreditar, Ajuda de Berço, AMI and Associação Portuguesa de Bombeiros Voluntários;
- In terms of Credit Cards, we highlight the growth in the course of 2021 of contactless purchases, representing a total of 43.1% of the total transactions made;
- The credit cards issued by Millennium bcp in Portugal and by Millennium bim in Mozambique continue to allow their holders to take advantage of the partnership with NOS and Lusomundo movie theatres, offering two tickets for the price of one for the chosen film. In 2021, this partnership of aid to access culture was rather affected due to the closing of the movie theatres due to the pandemic.



In Poland, the WWF Millennium MasterCard credit card, available since 2008 and produced with recyclable plastic, takes up an environmental commitment. For each subscribed card, the Bank transfers to WWF Poland (Worldwide Fund for Nature) half of the first annuity and a percentage of each transaction made. In 2021, more than 11.0 thousand euros were transferred, in a total of 1,754 cards, 329 of which were subscribed in the year.



In Mozambique, the Bank provides the debit card “Woman”, for the female segment, which offers, besides discounts on a set of business establishments and access to several online channels, a health insurance that covers treatment expenses for breast and uterine cancer and childbirth health care. This card includes the “Woman Package”, a set of financial products and services thought out to meet the specific needs of Women.

## SRI Funds (Socially Responsible Investment)

GRI FS11

The BCP Group meets the needs of Investors that consider it relevant to cover, in their investments, social and environmental risk factors, placing Responsible Investment Funds at their disposal for subscription:

- In Portugal, these funds are available through: i) an online platform of Millennium bcp – which marketed 3 environmental funds in the area of energy and sustainable investment, amounting to, on 31 December, a portfolio value of more than 35,321 thousand euros (more than tripled the amount compared to 2020 - 10,009 thousand euros); and ii) ActivoBank – which provided 24 investment funds, of which 15 ethical and 9 environmental funds, with an accumulated value in the portfolio of more than 32,625 thousand Euros, which represents an increase of 616% compared to 2020 (4,558 thousand Euros);
- In Poland, Bank Millennium also has a solid offer of SRI (*Socially Responsible Investing*), funds, fundamentally aimed at Customers of the Prestige and Private segments, reflecting the investment in businesses whose principles incorporate environmental concerns, namely regarding climate change. The entire offer of investment products is available on the electronic channels.

## Social Bonds

### First Issue of ESG Bonds – Social Bonds

Taking another important and decisive step within the scope of its global strategy in terms of sustainability, in May 2021 Millennium bcp established its Green, Social and Sustainability Bond Framework (“[Framework](#)”), the regulates and enables the issue by the bank of ESG Bonds. With this instrument, the Bank is now able to access to one of the most important segments of the capital markets and this way significantly reinforce the commitments and efforts it makes in terms of sustainability.

The Framework is in line with the four principles defined by the International Capital Markets Association (“ICMA”) for this type of bond issuance, which also explains the eligibility criteria for operations to be financed or refinanced in the Green and Social categories, as well as its alignment with the United Nations Sustainable Development Goals (“SDGs”).

The Framework follows market best practices and was validated through a Second-Party Opinion (“[SPO](#)”), issued by Sustainalytics, B.V., an independent and specialised entity. In accordance with the SPO, the Framework is robust and able of making an impact and follows the Green Bonds Principles 2018, Social Bonds Principles 2020, and Sustainability Bond Guidelines 2018 from ICMA. This conclusion is based on the defined eligibility criteria and the expected impacts that are expected to lead to important and positive environmental and social effects, within the scope of the various sustainable development objectives pursued by the United Nations, namely the SDG 2, 3, 4, 6, 7, 8, 9, 10, 11 and 12.

We must also mention that Millennium bcp implemented a system for the identification, selection, assessment, and allocation of the credit operations to finance or refinance under the issue of ESG Bonds. This process is supervised by a working group, which involves various Divisions of the Bank and which will also validate the allocation and impact reports that will be released annually by Millennium bcp.

In October 2021, Millennium bcp was an issuer for the first time in the ESG segment of the capital market, through its first issue of ESG Bonds supported by the Social aspect, the first of its kind made by a Portuguese issuer. The proceeds of the issue (500 million euros) was entirely used in the refinancing of a portion of the portfolio of loans granted by the Bank under the lines to support the economy within the pandemic context (“Covid-19 Lines”). The portfolio allocated to the issue includes a very diversified group, from a sectoral, geographic and dimension point of view, of 6,000 Millennium bcp Customers, mainly micro and small and medium-sized companies affected by the pandemic crisis. These financing lines were aimed at normalizing the activity of the beneficiary companies, through financial support aimed at helping to generate and, above all, maintain jobs.



The issue, as part of the Bank's sustainable financing strategy, is in line with several sustainable development objectives pursued by the United Nations, in particular SDGs 3 - Quality Health and 8 - Decent Work and Economic Growth.

In accordance with the annual reporting commitment provided for in the Framework, Millennium bcp will publish in 2022 the report on the allocation and the corresponding impact of using the net proceeds from the ESG Bonds issues. The Allocation Report will include, among other information, the total value of the securities issued and their allocation per category (Green and/or Social). The Impact report will report relevant impact metrics per asset category.

### Sustainable Finance Disclosure Regulation (SFDR)

In line with the commitment to promote a culture of environmental, social and financial responsibility, namely in the fight against climate change and social inequalities, BCP Group provides information on the integration of risks in terms of sustainability, in accordance with the provisions of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 (SFDR).

Sustainability and ESG factors (*Environmental, Social e Governance*) are increasingly relevant themes for our Customers, for our business and for society. The sustainability of the planet is one of the great challenges of today and urgent action is not only necessary but imperative to combat climate change and social inequalities.

Our ambition is to continue to be an active player in this change and, in this sense, we are committed to integrating ESG aspects in our operations, in our products and services and in the supply chain, positively influencing the long-term value of the organization, contributing to the well-being of people and communities and to the preservation of natural resources and the environment.

It is with this purpose that Group BCP promotes the transparency of the policies related with ESG risks and disposes of several policies and principles in matters of sustainability on its institutional website.

Group BCP monitors and guides its action through legal and regulatory initiatives related to climate change as a systemic risk for the financial system, reinforcing the transparency of negative impacts on sustainability at the level of its operations.

The ongoing monitoring of the prudential and supervisory areas, as well as the development of criteria and technical standards to be widely and unequivocally adopted in the market, are priorities to avoid a dichotomy between the approaches of each company, with disruptive effects on the financing of the economy.

We continue to identify risks related to climate change, to ensure the continuity of operations in the event of natural disasters able of causing the interruption of activities. We seek to understand the positioning of our portfolio in order to assess and promote its resilience in the transition to a low carbon economy. Over the years, we have been financing ecological and energy efficient projects, including projects related to the replacement of energy production from coal with low-emission energy sources, modern energy infrastructure, and emission reduction in polluting industries.

Environmental risk analysis is part of the Customer assessment, credit granting, project finance and discretionary portfolio management processes, and is therefore incorporated into our management policies, standards, and procedures.

We do recognize the existence of sectors of activity or projects, which do not meet the commitment assumed by the BCP Group in preserving the environment and biodiversity, promoting sustainable development, and combating climate change. Therefore, we consider in our decisions the sector principles of financing and investment for industries with high exposure to environmental or reputation risks, and we do not finance certain activities or projects, as described in Principles for Responsible Financing.

Group BCP is also evaluated by the most relevant ESG indices and analysts, including the S&P Dow Jones Sustainability Indices, Vigeo Eiris, FTSE, MSCI, Sustainalytics, CDP – Carbon Disclosure Project, among others (see chapter Sustainability Indexes).



These sustainability indexes represent a relevant tool for the assessment and communication of our performance in the economic, environmental, and social areas, as well as a way of identifying and promoting improvements. We continue to work to improve our processes and regulations, so that we can be a reference company in the most relevant ESG indexes.

The remunerations policy of BCP is reviewed annually by the Bank's management bodies and aims to inform Employees and members of the management and supervisory bodies of the rules and principles underlying the management of the Bank's remuneration, thus promoting the transparency of remuneration policies regarding the integration of sustainability risks.

For such, it includes a set of good governance rules in the sense that it enshrines provisions aimed at ensuring that its senior managers and other Employees are aligned with the Institution's sound and prudent management and that considers the interests of all its stakeholders, not promoting an incentive to take risks at levels higher than those defined by the BCP, avoiding the creation or contribution to the creation of situations of conflicts of interest, and through these rules and alignment, contribute to sustainability. These rules are detailed in the Remuneration Policies of the Employees of Group BCP and of the members of the management and supervisory bodies.

In the case of the variable remuneration of the Executive Committee, one of the KPIs under consideration is the degree of execution of the Sustainability Master Plan (SMP).

Moreover, the Chief Risk Officer (Executive Director responsible for risk) also has in his/her specific KPIs the "compliance with the implementation plan for monitoring climate and environmental risks".

Our portfolio management and advisory services based on the offer of ESG funds, are based on transparency regarding the integration of sustainability risks in pre-contractual information, in particular:

- In the process of selecting and monitoring funds, the BCP Group's portfolio management services analyse how management companies and investment teams integrate ESG factors into their investment processes, based on internal evaluation criteria and using the information disclosed by issuing entities and recognized international sustainability ratings;
- The assets that compose the funds and, consequently, the profitability of investing in them are exposed to various non-financial risks, including environmental, social and governance risks, which may have an impact on the economic activity in which the funds invest or on the perception by the markets.

BCP promotes the transparency of environmental or social characteristics in the disclosure of pre-contractual information and therefore makes available [portfolio management services](#) that promote environmental and social characteristics, as described in the respective pre-contractual information.

BCP also provides a [ESG products advising service](#) which aims at sustainable investments, as described in the respective pre-contractual information, thus encouraging the transparency of sustainable investments in the disclosure of pre-contractual information.

Detailed information on the disclosure of non-financial information according to SFDR is available on the webpage [Institucional/Sustentabilidade/ Informação não Financeira](#).

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*The BCP Group promotes transparency of remuneration policies with regard to the integration of sustainability risks*

## Employee Benefits

Material issue: MOTIVATION MANAGEMENT GRI 201-3, GRI 401-2

The BCP Group provides a diversified set of social benefits to its Employees that go beyond what is set forth in the legislation applicable in the different countries where it operates.



## Health and Safety

GRI 403-3

In Portugal and in Poland, Millennium bcp's employees have medical clinics and a group of full-time doctors, who ensure the provision of curative medicine, occupational medicine, and medical assistance. The employees are also provided with a regular and broad medical check-up, largely surpassing what is defined by law for occupational medicine.

In Portugal, to improve health benefits granted to its Employees, the Bank's Internal Medical Services in Taguspark now include experts on Nutrition (334 consultations vs 397 in 2020) - also for -and Clinical Psychology (866 consultations vs 866 in 2020, Experts Employees working in Porto). A service for posture correction is also available at this stage in Taguspark, the purpose of which is to correct anomalies in the spinal column and nervous system, as well as the remaining symptoms thereto related. The Physiotherapy services are also available in Taguspark and in the head office of Club Millennium in Lisbon. In addition, a service for the collection of clinical tests is also available.

In 2021, the exclusive telephone support line for Employees of Millennium bcp provided by Hospital da Luz continued to operate, as well as the nursing line provided by Médis, which provides clarification of doubts and recommendation of the most appropriate health care that, in this cyclical phase, was extended to Employees without Médis insurance.

In Mozambique, Millennium bim has: i) a medical office, which, in addition to medical appointments, also offers various specialities and basic health care; ii) a HIV office, ensuring prevention and follow-up of this disease; and iii) social support office, offering counselling to Employees with serious social problems that also provides legal and psychological support.

## HEALTH SERVICES <sup>(1)</sup>

	2021	2020	2019	VAR.% 20/19
<b>MEDICAL SERVICES</b>				
Medical appointments made	24,472	35,007	26,539	-30,0%
Check-ups made	8,344	6,487	9,416	28,6%
<b>HEALTH INSURANCES</b>				
Individuals involved	46,861	46,737	46,311	0,0%

<sup>(1)</sup> Includes active Employees and retired Employees.

The Employees of Group BCP as well as their families also benefit from health insurances, free of charge, or with subsidized conditions which ensure very wide cover plans.

In Portugal, for more complex situations, the employees, whether active or retired, their spouses and children, may also have access to healthcare at Clínica Universidad de Navarra.

The disclosure, through internal communication corporate platforms, of information on issues related with health and well-being, prevention of illnesses and healthy life habits are a practice transversal to all operations of Group BCP.

In Poland, the “Millennium Active Zone” continues available, a programme for employees that aims to promote and promote exercise and to disclose concepts, practices and habits for a healthy life.

Within the scope of pandemics or other situations that may severely and broadly impact the health of the Employees, as happened in 2020 and 2021 with the Covid-19 pandemic, Millennium defines and discloses and implements contingency plans together with the Bank's Medical Services and the local health authority. Vaccination campaigns against seasonal flu and/or pneumonia, such as those carried out at national level in Portugal and Poland, are an example of this.

The Bank also provided Covid-19 diagnostic tests available to Employees, with a view to preventing and screening for possible asymptomatic cases.

The Bank seeks, every year, to improve and complement its social benefits policy for its Employees, always aiming to meet the needs conveyed by the Employees.

Since 2017, at Millennium bcp's premises, Thursdays became Farmers Market Day. The covered patio of the restaurant area at Taguspark now hosts a farmers market every week to sell different products, from fruit to smoked meats. This initiative, which resulted from an idea presented by Employees, aims to give access to those working at Taguspark to seasonal produce, with a good price/quality relation and without having to leave the bank's premises.



It is also available since the beginning of 2018, an innovative space near the meals area in Taguspark called the Books Bank a library based on a rationale of sharing wherein any employee of the Bank may take a book at his/her choice home, if he/she replaces it by another one. The Books Bank is made by all Employees. Therefore, the more the library is used, the more books it has.

One must also make an additional reference to the internal information flow, which, based on corporate communication platforms, publishes contents regarding business, operational, training, and technological issues, but also contents on social responsibility, employee advantages and many other general interest pieces. In Portugal alone, 5,708 pieces were published on the intranet, 444 of which with videos produced by Millennium TV. Of the regular items, note for the contents on Sustainability, Financial Literacy and Healthy Living.

It is also published a weekly *newsletter*, transversal to all countries where Group BCP operates, the “About us”, a communication vehicle through which the news and the most relevant events that mark the activities of Millennium in Portugal, Poland and Mozambique are shared. In 2021, 102 editions were carried out (Portuguese and English), with an average circulation of 6,289 units per edition.

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*Group BCP provides a diversified set of social benefits to its Employees, which have now been reinforced to adequate the response to the pandemic context*

Material issue: **PHYSICAL SECURITY**

BCP Group provides a workplace that enables its employees to undertake their activities with minimum risk and maximum productivity. To guarantee these conditions, the premises are monitored regularly, there are occupational safety and health (HST) visits to the premises, so as to find and correct problems. In 2021, 328 inspections were made in the Group (only Portugal).

Also, under this subject, and aiming to reinforce Millennium bcp's commitment to its Employees Occupational Safety and Health – which is a permanent concern in its day-to-day management –, a specific corporate policy on these matters is in effect at the Bank.

The Bank maintains a regular and constant flow of information and training on matters of Health and Safety at Work, a recent example of which, in Portugal, is the “Minuto Seguro”, an internal communication section that disseminates video content with succinct information on topics that from emergency response plans, plans and teams to access to Bank facilities and security systems.

Following up the needs resulting from the concentration of employees from central services of Millennium bcp from Lisbon in TagusPark, and without damaging increasing parking space with the creation of a new car park, the focus continues on the daily and free use of buses that ensure transportation to and from Taguspark which, since 2020, are managed based on the existing demand, an improvement that enables optimising the number and frequency of the travels.



## Credit

Employees of the BCP Group benefit from mortgage loans, permanently and under special conditions. The credit is granted abiding by the credit risk assessment principles set by the Bank's regulations. The Employees may also benefit from loans for social purposes that, among other, serve to meet credit needs in order to face education or health expenses, repairs made in their own domicile or in a rented one and the acquisition of other goods and services with an exceptional nature;

## LOANS TO EMPLOYEES <sup>(1)</sup>

	(Million euros)					
	2021		2020		2019	
	Amount	Staff Members	Amount	Staff Members	Amount	Staff Members
<b>HOME LOANS</b>						
In portfolio	574,4	7,395	529,8	7,940	562,1	8,294
Granted in 2019	22,8	158	23,1	217	29,8	281
<b>SOCIAL PURPOSES</b>						
In portfolio	9,64	2,210	9,1	2,199	11,1	2,429
Granted in 2019	2,4	876	3,2	265	3,9	981

<sup>(1)</sup> Includes active Employees and retired Employees.

In Portugal, Employees with term contracts do not have access to the specific conditions of the credit lines for the acquisition of a permanent residence or to loans for social purposes. Part-time employees have access to the benefits common to all, but whenever those benefits are related to the number of years, the value of the benefit is computed based on effective work time.



## Parenting

In Portugal, the Bank, being aware of the demands that being a parent implies, put into practice a Programme for the Protection of Parenting to create the necessary conditions to enable the Employees to achieve a better balance between work and family life.

This program that began in Portugal in 2015 continued active, even under a pandemic context. The Bank sent 96 kits for babies born in 2021 and, notwithstanding the constraints due to the pandemic, was granted the afternoon off on the birthday of their children under 12 years old to celebrate the event with their family, to 1,730 Employees.

Due to the union negotiations for 2020 the amount of the parenting allowance was revised to become 800 euros, corresponding to an increase of 6,7% versus the previous amount granted.

Sharing the rights associated with pregnancy and birth or adoption of a child and ensure their observance in the entire organization are the main objectives of this program, applicable to all employees of Millennium bcp, exercising functions in Portugal. For that purpose, there is a digital guide on intranet and shared when deemed pertinent with the employees that benefit from this program that gathers information of laws, rights and also duties, based on a digital system that makes the life of the parents easier and also the one of the teams.



In addition, Millennium bcp also guarantees:

- Offer of the Baby Millennium Kit right after birth or the adoption of a child up to 3 years of age that includes a gift for the baby and a voucher for the opening of a savings account in favour of the newly born child or newly-adopted child (currently in the amount of 800€). 104 savings accounts were opened, totaling 134,967 thousand Euros;
- The mother and her baby also receive a flower *bouquet* with a greetings card from the Bank, together with a teddy-bear;
- Afternoon off work on the birthday of the child of an Employee until the child's 12th birthday (inclusively);
- Use of an outsourcing company, whenever necessary, to ensure the replacement of the absent Employee (in commercial areas);
- Adoption of measures to follow-up the moment the parent returns from the parental leave to ensure a good interaction with the team; and
- Carrying out of a follow-up questionnaire made to all Employees that take parental leave so as to identify eventual improvement opportunities.

The satisfaction with this program remains at very relevant levels, with the highest values, above 90 points, achieved by the "Millennium Baby Kit" offer, the indicator that receives the best evaluation from the Employees, for the enjoyment of the leave period and for Waiver from work on the afternoon of the birthday of a child up to 12 years old. On the lower side of the score table, the breastfeeding break is an area that could be improved in the future, notwithstanding reaching a score of 78 points.

It is a program that continues to be highly appreciated by our employees not only because it offers several benefits to the employees, but also because the same enables Millennium bcp to be part of a very significant moment in the life of our Employees and respective family.

In Poland, an operation where 67% of the staff is composed of women, most of them mothers, the new Bank Millennium programme "Yes for Parents" helps them to balance their professional life with their personal and family life.

This initiative, apart from the relevant information (rights, family health, etc.) - available for consultation at a digital platform - and of several social benefits, also enabled the creation of three nurseries at the Bank's central services in Warsaw.



## Support to Education



In line with the Sustainable Development Goals (SDGs) of the United Nations.

BCP Group continues to encourage academic qualification, providing financial support, in accordance with the regulations in force, to Employees who, on their own initiative, intend to obtain degrees, postgraduate degrees or executive programs at a level equivalent to a postgraduate and master's degree, relevant to their careers and for the Group.

In Portugal, in terms of education and through monthly subsidies, the Bank also supports: i) Employees who qualify as Student-Employee, granting a total of 5,617 Euros, to 33 Employees; ii) Employees with children of school age, supporting 3,483 Employees, totaling 1,156 thousand Euros; and iii) school-age children of deceased Employees. The bank supported 122 young people with 277,460 Euros.

In Poland, the pandemic context forced the bank to develop and/or adapt its support solutions addressed to Employees. In 2020 and 2021, as it was not possible to carry out initiatives or events of a social nature, in person, the Bank chose to reinforce the Company's Social Benefit Fund, such as the allocation to the "Yes to Parenting" program and the support for Employees, and their families, most affected by the pandemic. This was also a way to respond to the parent's needs related with the remote education of their children, especially the need to purchase computers and educational tools for home learning.

## Culture and Leisure

In 2021, although conditioned by the conjuncture conditions resulting from the pandemic situation caused by Covid-19, it was possible to resume almost normal activity from the second half of the year, with adaptation to the health safety conditions essential for the well-being of the associates.

The Club's activity was carried out by means of a mixed format: in person and online. With this model, the Club was able to reach outside the usual Lisbon and Porto circuits, where more than 76% of its Members are concentrated.

This diversification of the offer format by the Club was accompanied by new information content to maintain a permanent flow of liaison with its Members, allowing the provision of information, training and alerts about the activities developed and to be developed. The activities, initiatives or information disclosed in 2021 reached the number of 242. Its strong adherence resulted in 643 thousand visits and more than 1.7 million page views (average of 2.6 page views/visit) on the Club's website, which speaks well of the interest of Members in the offer presented and in the recognition that it globally meets what they want to practice in their spare time.

Recognition, moreover, evidenced in the results of the survey carried out with the Club's Members in the last quarter of 2021 in which, in addition to important information that will help the Club's management, a high degree of satisfaction was observed, with 85% of Members giving a positive evaluation, and recommendation, with 92% indicating that they would recommend the Club to third parties, indicators higher than those obtained in the 2017 survey.

In 2021, still partially impaired by the pandemic, 9,347 employees joined the initiatives disclosed by the Club: 4,320 related to the presence in the Christmas Circus, 2,492 related to sporting activities, 1,961 cultural, 42 leisure, 405 related to requests for tickets to the Zoo, Dino Parque and Oceanário, in addition to 127 opinions regarding the choice of an IPSS to be supported by the Club.



## MEMBERS OF CLUBE MILLENNIUM BCP

	2021	2020.	VAR.% 21/20
Active Employees	5,214	5,825	-10.5%
Retired Employees	5,600	5,344	4.8%
<b>Subtotal</b>	<b>10,814</b>	11,169	-3.2%
Relatives	24,010	23,490	2.2%
<b>Total</b>	<b>35,306</b>	34,659	0.5%
Total of signing up in events on the website	9,347	4,053	130.6%

Source: Members database and website December 2021

The Club celebrated Christmas 2021 with the distribution of 3,230 toys for children and young Members up to 12 years of age and with the usual Circus Show in Lisbon and Porto during December, the Christmas Audition from The Music School of Clube Millennium bcp on 19 December and a special program aimed especially at children, with theatre, magicians, workshops and ateliers.

The solidarity component was also present throughout the year, not only through the donation of 5,000 euros to each of the IPSS, Tenda do Sonho in Vila Nova de Gaia and Ajuda de Berço in Lisbon, but also with the donation of 90 tracksuits to Adexo - Association of Obese and Ex-Obese Patients in Portugal and 30 toys to Refood in Carnaxide.

By the end of 2021, the Club had 34,824 Associates, 10,814 effective ones and 24,010 relatives. 48% of the Associates are still in active duty and e 52% are retired or left the bank by mutual agreement signed with one of the companies of Group Banco Comercial Português.

For 2022 the Club will continue to maintain its levels of excellence concerning the quality of its products and services, innovation, and diversity of its initiatives/activities, as well as the protocols it will sign, requesting the best discounts and services for their Associates and families since they represent its priority and the reason why Clube Millennium bcp exists.

In Poland, employees who are members of MilleKlub, a recreational club that promotes initiatives outside work hours - sports, travels, culture and art projects -, can submit ideas / initiatives within these areas and manage them to completion, with the possibility of co-funding of up to 50% of the project. Moreover, the Kids Projects also enables the co-financing of projects to stimulate family activities.



In 2021, Bank Millennium was, for the 8th consecutive time distinguished with the "Solidny Pracodawca 2020" (Reliable Employer). This award, that distinguishes the best Polish employers, recognises the quality of management of human capital, translated in reliable employment policies, the promotion of training and management of careers, in solutions and benefits addressed to employees and also in the development of social responsibility actions and in the volunteer work opportunities created by the Bank.

Bank Millennium was also distinguished by the magazine Forbes as one of the best employers in Poland.

In Mozambique, the Millennium bim Club continued its activities with the goal of supporting the development of initiatives related to sports, culture, and leisure, to promote the Employees' identification, cohesion and involvement with the Bank, while promoting healthy habits, regular exercise and artistic expression.

The Employees also have preferential access to cultural events and spaces sponsored by the Bank in the various Countries where it operates, for example in 2021 the Concerts of Festival ao Largo (Portugal), the film festival Millennium Docs Against Gravity film festival (Poland) and the Art Nucleus Exhibition (Mozambique).



## Suppliers

GRI 204-1

In Group Millennium, the process for selecting suppliers mainly obeys criteria of global competence of the company, functionality, quality and flexibility of the specific solutions to acquire and ongoing capacity of providing the service. In all the Group's operations, it is given preference to purchasing from Suppliers of the respective country, registering 92.3% in payments to local suppliers.

The Bank's main suppliers are companies that publish their economic, environmental and social performance, assuring a responsible purchase of goods and services.

Since 2007, the BCP Group, namely in Poland and Portugal, includes, as an attachment to the agreements it establishes with suppliers, the Principles for Suppliers which include several aspects, such as compliance with the law, good environmental and labour practices, including human rights and the application of those principles in the engagement of third parties.

In 2020, in Portugal, the Bank revised the [Suppliers Sustainability Guidelines](#), which are now part of all the contracts for the purchase of goods and provision of services signed by Millennium bcp. This document includes aspects such as compliance with the law, environmental and labour good practices, but also human rights and the application of these principles in the contracting of third parties.

At the same time, in 2021, we started to send to the largest suppliers (in this initial phase, invoicing above 100,000 Eur) the Sustainability Questionnaire for Suppliers, which aims to assess the alignment of supplier companies with sustainable development and assess compliance with the Suppliers Sustainability Guidelines defined by the Bank.

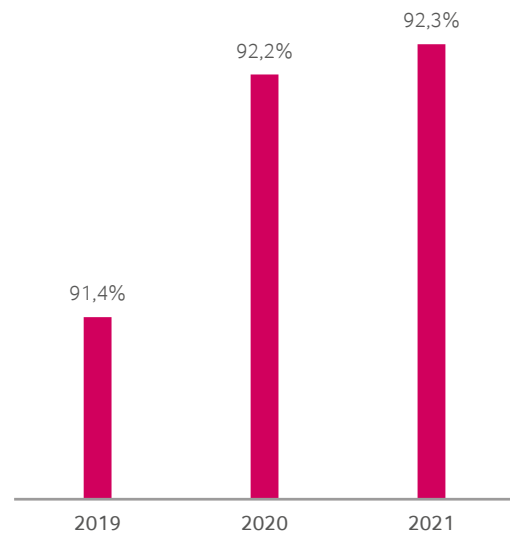
BCP conducts assessments of its suppliers, through the application of a performance questionnaire which includes parameters related to the level of compliance with the Supplier Principles. In 2021, 503 suppliers were evaluated, and the average score was 4.34.

Within the scope of the monitoring, Millennium bcp's suppliers are subject to a permanent evaluation process, based on: i) the relationship they maintain with Technical Competence Centres; ii) performance assessment actions and the identification of areas for improvement; and iii) on existing decision-making processes to execute investments and renew contracts.

In Portugal, Millennium bcp participates in the Commitment to make Timely Payments from ACEGE, an initiative that intends to encourage the timely payment to suppliers, being an ethical exercise, which contributes not only for the entrepreneurial success but also to enhance the economy's competitiveness. The ratio payment deadline/agreed deadline in Group BCP is 1.

Millennium bcp is a subscriber of the Charter of Principles from BCSD Portugal – Council for Sustainable Development. This document establishes the principles that are the guidelines for good corporate management, enabling the subscribing companies to be recognized by their customers, suppliers and by the society in general for the adoption of solid sustainability commitments. The Charter encourages subscribers to go beyond legal compliance, adopting rulings and practices recognized and in line with management, ethical, social, environmental, and quality standards in any context of global economy.

### Payments to local Suppliers (Percentage %)



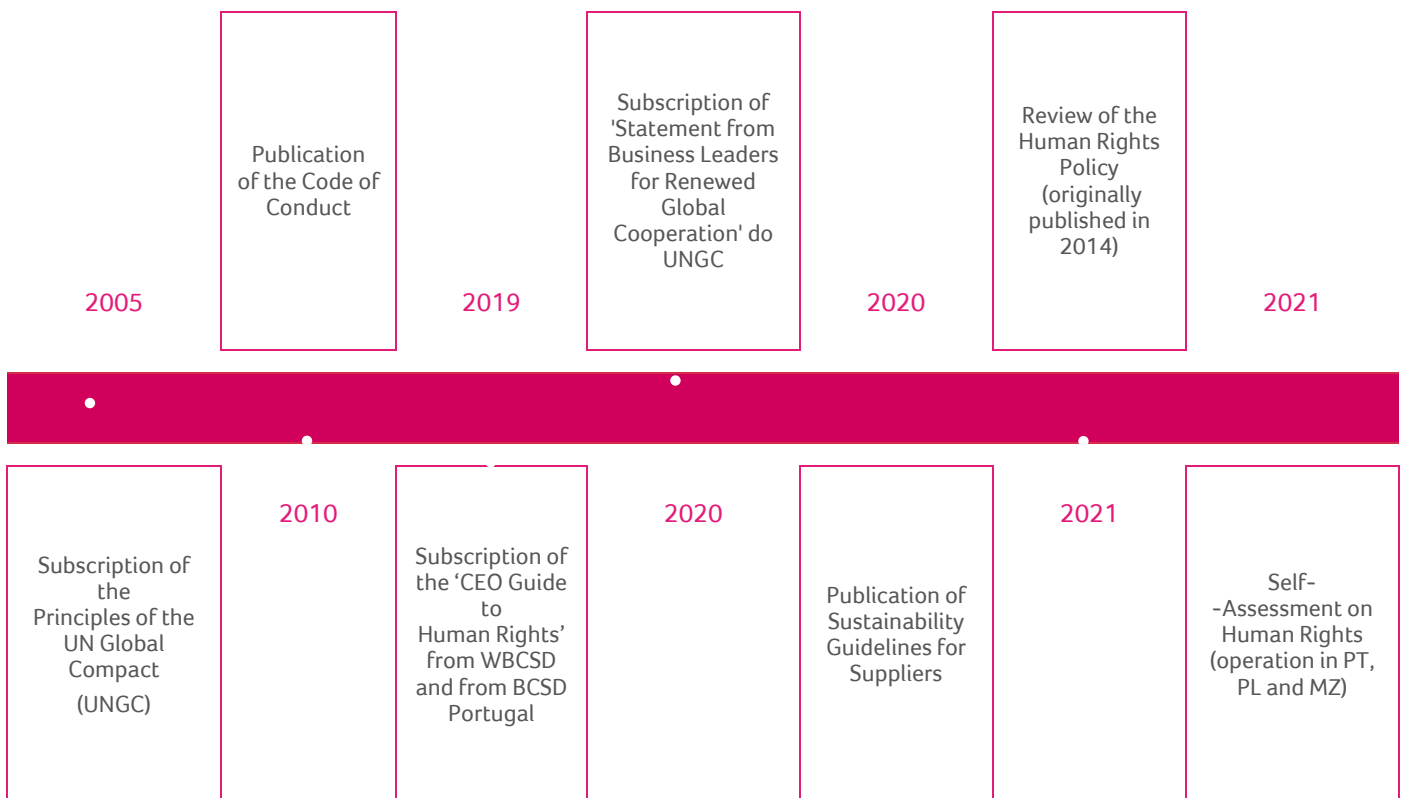


## Human Rights

Human Rights comprise a set of structuring themes that have been gaining increasing importance on the national and international agenda. There have been several developments in the legal and regulatory framework, namely within the European Union, the most recent being the development of a Directive on Human Rights Due Diligence, which, underlining its relevance in current times, helps to understand the impact of these matters on the life of organizations.

In addition, and as value chains become more complex, the monitoring of this issue needs to go beyond what is established by human rights protection legislation. This is how the reporting of information through standards, guidelines and reference documents that allow and facilitate the approach, management, and protection of human rights, not only within the scope of the Bank's activities, but throughout the entire value chain, is nowadays a power/duty whose relevance Group fully assumes.

### BCP's Human Rights Journey



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*Millennium bcp is a signatory to the Charter of Principles of BCSD Portugal – Business Council for Sustainable Development, a document that establishes the principles that constitute the guidelines for good business management*

In Group BCP, the respect, protection and promotion of Human Rights is a commitment that, having been present from the outset in the essential core of corporate values, is reflected in all of its lines of action. In this sense, Human Rights are one of the dimensions considered in Millennium bcp's Sustainability Master Plan, and for the period 2020/2021, we have elected and implemented a set of specific actions, among which we highlight:

Size	Action Line	Actions
Human Rights	Analyse and communicate positioning in terms of the management of human rights risk	Revise, update and publish the Human Rights Policy
		Define and publish the Policy for Diversity and Equal Opportunities
		Document the Group's human rights risk management process and data disclosure, including identification of human rights risks, vulnerable groups and remedy actions
		Include in the annual report, information on human rights, in accordance with UNGP - Guiding Principles Reporting Framework

The [Human Rights Policy](#), updated in 2021, confirms the commitment of Group BCP in respecting and protecting the fundamental principles of human rights. In addition to this Policy, other Policies with an impact on Human Rights issues were also reviewed and updated, such as the [Social Impact Policy](#) and the [Policy for Diversity and Equal Opportunities](#).

The Code of Conduct, the 1st version of which dates back to 2010, also includes a set of guidelines on matters related to Human Rights. In addition to this internal regulation, in matters such as non-discrimination, the prohibition of harassment and equal treatment, the Code of Conduct on Equality, Harassment and Non-Discrimination.

The Bank also tries to communicate the importance of the theme and best practices near its Stakeholders. In this context, training on Human Rights themes is provided within the scope of regular training programs aimed at Employees, such as, in 2021, courses on (i) Code of Conduct, (ii) Sustainability and (iii) Sustainability in the financial sector, already taken by 6,365, 5,815 and 3,538 Employees, respectively. These training actions, which covered Human Rights topics, made it possible to record, in Portugal, an overall value of 6,276 hours of training.

In what regards the Bank's suppliers, these are encouraged to improve and respect human rights promotion practices, namely through the implementation of the Sustainability Guiding Principles for Suppliers in 2020, developed in accordance with the Universal Declaration of Human Rights and the UN Global Compact Principles (of which the Group bcp is a subscriber since 2005). In this document, that applies to all suppliers, there is a specific topic dedicated to the Human Rights theme and the expected conduct of suppliers in this matter.

This theme is also included in the risk management process, namely in Operational Risk, in the categories of Employee Relations (R3), Violation of hygiene and safety regulations (R4), Discrimination against employees (R5), Customer relations (R12), Design of products/services (R13) Regulatory, legal and tax duties (R16) and (R19) Outsourcing. In 2021 as in previous years, the results of the Self-Assessment of Operational Risks show the low level of exposure to those risks (maximum level of 2 in a scale from 1 to 5) in the most significant countries where it operates.

In order to identify the main Human Rights issues and risks in BCP Group, a human rights self-assessment was also carried out in 2021 in the different countries: Portugal, Poland and Mozambique. This self-assessment, which enable identifying, from a risk management and minimization perspective, the areas wherein the Bank's activities could be intensified, did not detect any risk situation with a potential appreciable impact.

The self-assessment focused the following themes:

<p><b>Standards related with work</b></p>	<p><b>Health and Occupational Safety</b></p>	<p><b>Issues related with safety services</b></p>	<p><b>Impacts on the Community</b></p>	<p><b>Relation with suppliers and partners</b></p>
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All the corporate policies and principles of Group BCP are available on the bank's website, on: [Institutional/ Sustainability / Main Corporate Policies and Principles](#)



*The Human Rights Policy, updated in 2021, confirms the BCP Group's commitment to respect and protect the fundamental principles of human rights. In addition to this Policy, other policies such as the Social Impact Policy and the Diversity and Equal Opportunities Policy have also been reviewed and updated*

## Responsibility and Social Solidarity Initiatives



Millennium bcp volunteers in action at the Food Bank (Portugal)



Bank Millennium volunteers in an action of the #stuchaMYwspieraMY programme (Poland)



Millennium bim delivers new hospital beds to Ministry of Health as part of response to Covid-19 (Mozambique)



Delivery of goods as part of the Natal Solidário 2021 campaign (Mozambique)



Bank Millennium headquarters invests in innovative and ecological solutions (Poland)



Delivery of goods to the ACREDITAR Association under the scope of the Millennium Solidarity 2021 campaign (Portugal)



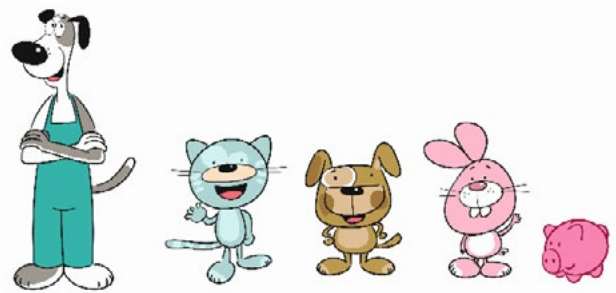
Inauguration of 3 classrooms in the province of Cabo Delgado (Mozambique)



## Responsibility and Social Solidarity Initiatives



Millennium Docs Against Gravity Film Festival, the largest documentary film festival in Poland maintains Bank Millennium's support until 2024 (Poland)



Bank Millennium's "Financial ABCs" programme for pre-school children now also in cartoons on Youtube (Poland)



Bank Millennium's headquarters building in Wrocław with high environmental standards and the new "environmentally friendly" model branch in Gdańsk (Poland)



Millennium bim offers food products as part of the celebration of the Children's Day (Mozambique)



Corporate volunteering action within the scope of the Oeiras Solidarity Programme (Portugal)



Donation to the Burned Unit of Hospital Dona Estefânia by the Millennium bcp Foundation (Portugal)



# ENVIRONMENTAL RESPONSIBILITY



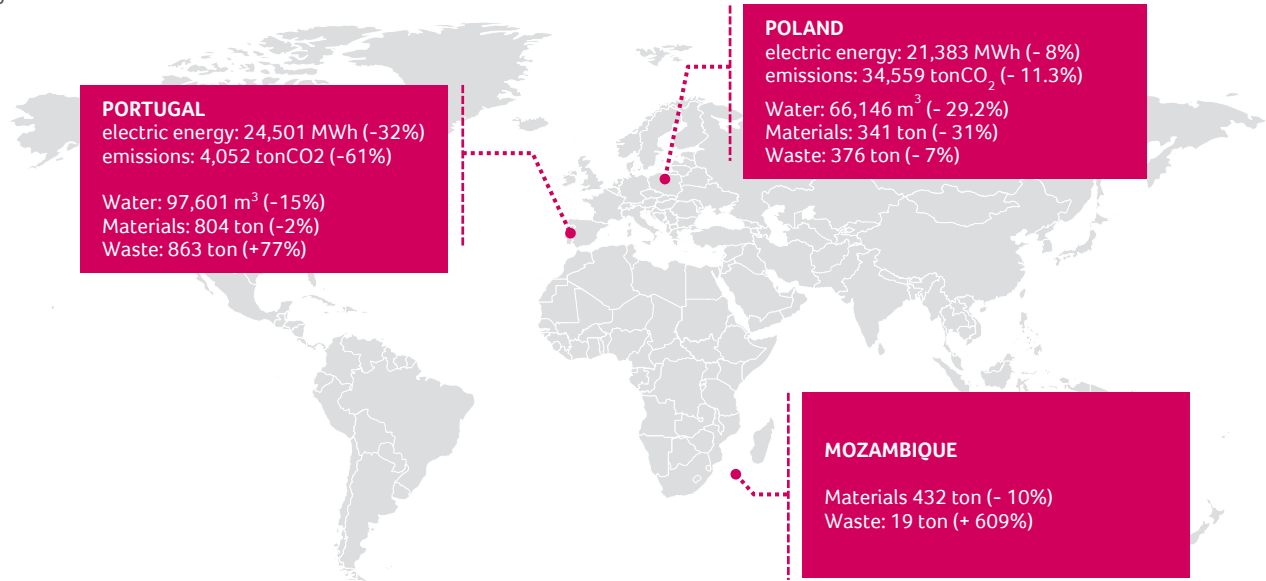


# Environmental responsibility

The Bank recognises its responsibility in the management of environmental impacts and the promotion of sustainable development. To define an effective strategy and action plan that result in the effective minimisation of negative impacts on the environment and greater eco-efficiency in operations management, the Bank is committed to international frameworks, tools and indices.

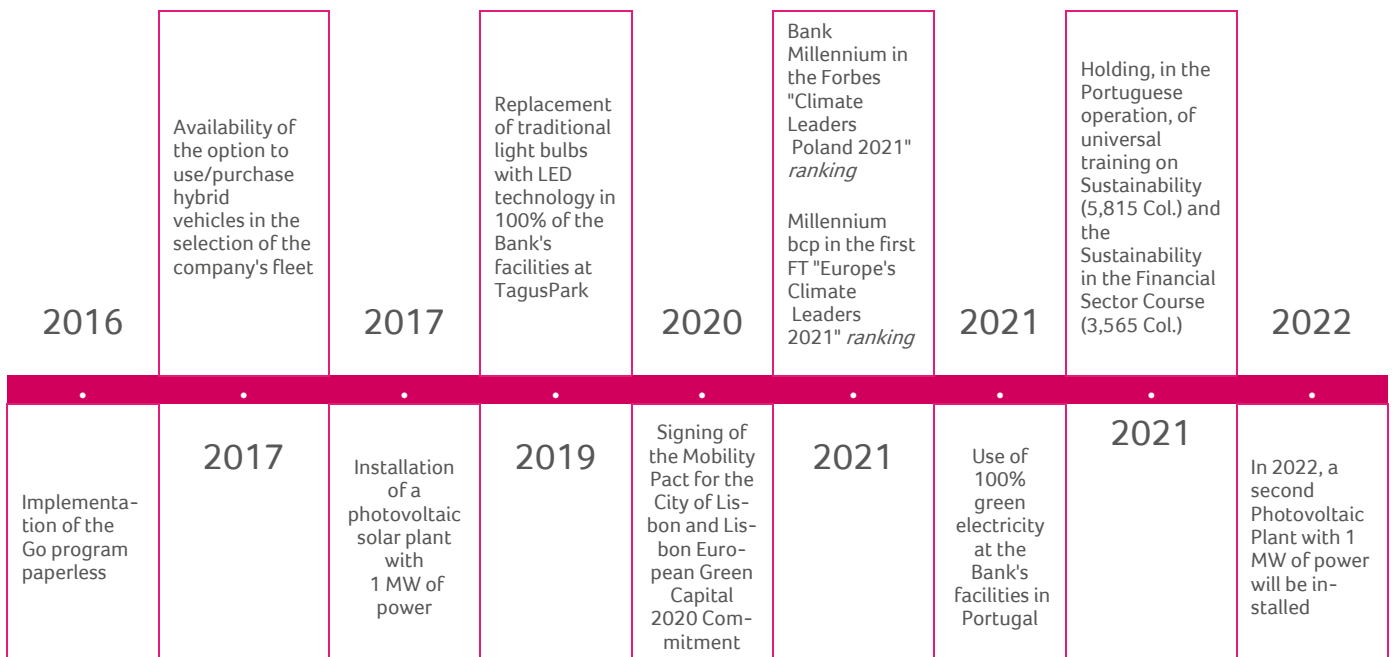


## Main highlights 2021



Caption: 2021, % of evolution compared to 2020

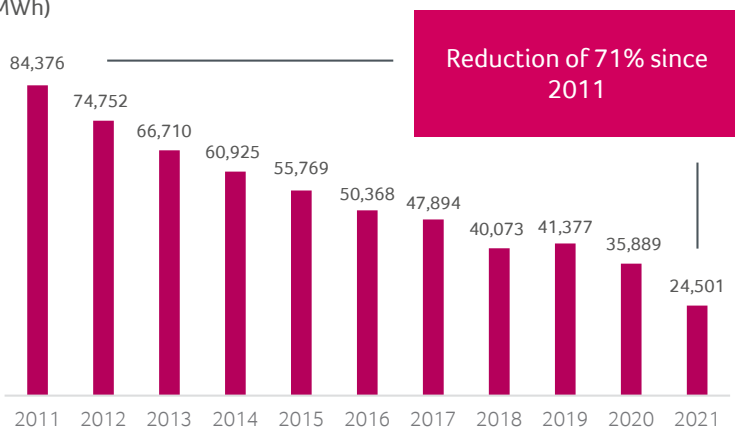
## The Bank's path in improving environmental performance



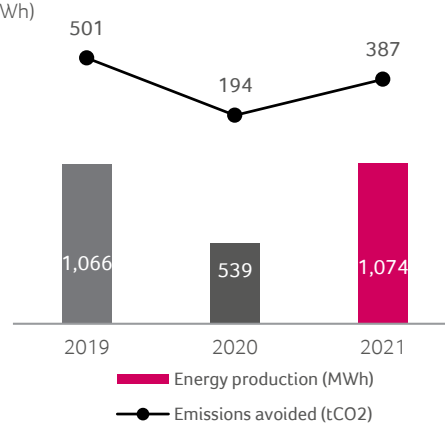
## Millennium bcp's energy efficiency path in Portugal

<b>Electric Energy</b> target 2021: - 5% performance: -32% Target 2022: -3%	<b>Energy</b> target 2021: - 7% performance: -17% Target 2022: -3%	<b>Direct Energy</b> target 2021: - 9% performance: +19% Target 2022: -2%	<b>Indirect energy</b> target 2021: - 5% performance: -32% Target 2022: -10%
<b>Water</b> target 2021: - 7% performance: -15% Target 2022: -2%	<b>Waste</b> target 2021: - 20% performance: +77% Target 2022: -2%	<b>Materials</b> target 2021: -10% performance: -2% Target 2022: -2%	
<b>CO2 emissions</b> target 2021: - 7% performance: -61% Target 2022: -7%	<b>Direct emissions</b> target 2021: - 7% performance: +14% Target 2022: -7%	<b>Indirect emissions</b> target 2021: - 7% performance: -99% Target 2022: 0%	

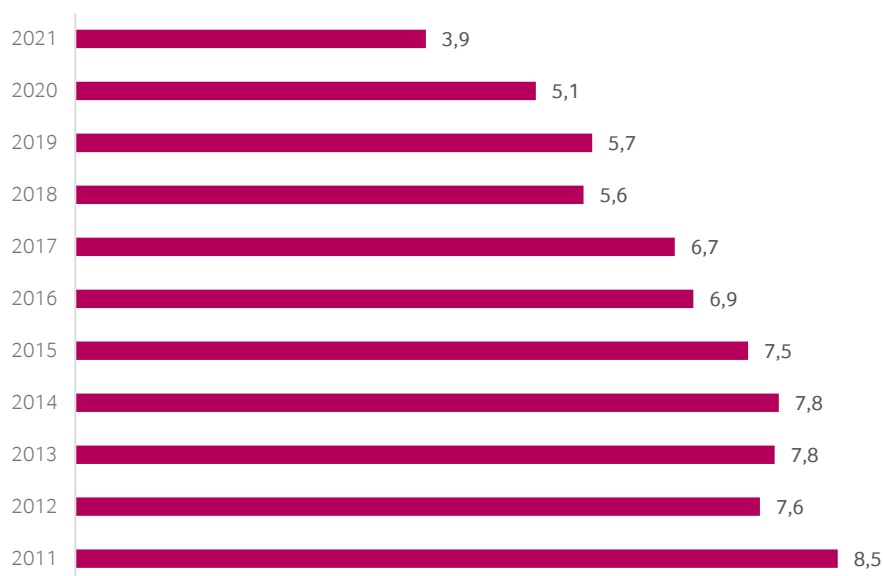
Consumed Electric Energy (MWh)



Energy produced by solar panels (MWh)



MWh per employee






71% reduction in electricity consumption since 2011

99% increase in energy produced in photovoltaic panels since 2020

54% reduction in electricity consumption per employee since 2011



## Sustainable Development Goals

SDGs	Our goals	Our contribution in 2021
	Contribute to limiting global warming to 2°C	<p><b>Promotion of the decarbonization of the BCP Group</b> Initiatives:</p> <ul style="list-style-type: none"> <li>In Poland and Portugal, fleet cars are gradually being replaced by hybrid models. Millennium Bank predicts that by 2030, all cars will have been replaced by hybrid models.</li> </ul> <p>Results:</p> <ul style="list-style-type: none"> <li>In Portugal, 4.5% of our fleet is made up of electric or hybrid vehicles. An increase that contributes to achieving the commitment to increase the % of energy efficient vehicles for the Bank's car fleet in Portugal by 80% by 2030.</li> <li>The BCP Group reduced total CO<sub>2</sub> emissions by 24% compared to 2020 and 48% compared to 2011.</li> </ul>
	Increase the percentage of renewable energy in total fuel consumption	<p><b>Renewable energy consumption</b> Results:</p> <ul style="list-style-type: none"> <li>In Portugal, all electricity consumed was 100% green, in a <i>mix</i> of energy produced by the TagusPark photovoltaic plant and energy acquired with a certificate of renewable origin, thus fulfilling the commitment to use 100% renewable electricity in all the Bank's facilities in Portugal.</li> <li>In Poland, a commitment was made, in 2022, to purchase electricity only with a certificate of renewable origin.</li> </ul>
	Mobilize and increase financial resources for the conservation and respect of biodiversity and ecosystems and for the promotion of sustainable forest management, including conservation and reforestation	<p><b>Financing of projects that contribute directly or indirectly to the conservation of biodiversity and ecosystems and to the sustainable management of forests</b> Initiatives:</p> <ul style="list-style-type: none"> <li>BCP finances several projects in the areas of energy, forestry and agriculture, through the lines Programa "Casa Eficiente", lines of credit PRODER/PROMAR IFAP Short Term, PolGEFF Polish Green Economy financing Facility, Leasing Eko Energia, Mile Sun, among others.</li> </ul>
	Ensuring universal access to affordable, modern energy services	<p><b>Financing of renewable energy infrastructure and equipment projects and others that contribute/enhance the consumption of renewable energy</b> Initiatives:</p> <ul style="list-style-type: none"> <li>Personal Credit Energy Efficiency and Personal Credit Renewable Energies - credits intended to finance the acquisition of equipment for the production of renewable energy.</li> <li>MilleSun – program dedicated to financing investments in photovoltaic energy.</li> <li>Participation in Moj Elektryk priority Program - guaranteeing co-payments from the National Environmental Protection and Water Management Fund for the rental of electric vehicles.</li> </ul>

## Strategic Plan - Overcoming 24

The update of Millennium's Strategic Plan for the 2021-2024 cycle aims to consolidate the progress achieved in the 2018-21 period and adds new elements consistent with the new framework. Within the scope of strategic priorities, the Bank presents in the new Plan its commitment to sustainability, in order to reflect the adaptation to trends in the financial sector. Within the scope of these commitments, the following objectives are established:

- Innovate in its own products with a green and social rating aimed at Individuals and Companies, risk appetite and funding structure influenced by the adoption of a green business model;
- Explore partnerships to expand the range of ESG products, providing consultancy and advisory services to companies to support them in their transition process;
- Increase the origination of bonds linked to sustainability criteria and issuance of ESG bonds;
- Establish strong communication with internal and external Stakeholders, training all Employees and relating incentives with behaviors and results aligned with ESG criteria.



## Sustainability Master Plan 2021- Environmental Axis

In 2019, the Bank published its Sustainability Master Plan 2021, developed around three axes of action, one of which is the environmental axis, focused on sustainable operations. This axis is composed of twelve concrete actions, developed to contribute to limiting global warming to 2°C and minimise operations environmental impact.

During the Plan's execution period, all the planned actions **were successfully implemented**.

Dimension	line of action	Actions
Climate change, energy efficiency and alternative energies	Contribute to limiting global warming to 2°C (Paris Agreement)	Increase knowledge on the carbon footprint, including scope 3, both up-ward and downward of the Group's activity
		Prepare the definition of emission reduction targets according to the Science Based Targets Initiative
		Implement the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD)
		Assess the capacity to increase the installation of photovoltaic plants (de-fine production targets and implementation deadline)
		Energy consumption (of at least) 30% renewable
		Purchase of energy-efficient vehicles for the Bank's car fleet, 30% until 2025 and 80% until 2030
Environmental Performance	Minimize operations environmental impact	Implement measures to reduce consumption
		Implement measures targeted at the reduction, re-use and recycling of waste
		Encourage individual awareness of the need to adopt environmentally responsible behaviour
		Reduce the use of disposable plastics in Millennium bcp operations
		Scanning - with the "zero paper" objective
		Implement a process of environmental monitoring of a set of KPIs, in national and international structures, harmonizing criteria and monitoring their evolution

## Sustainable operations

Material topic: **ECO-EFFICIENCY**

Several environmental performance indicators<sup>1</sup> are monitored in order to follow up the Bank's eco-efficiency and, based on the observed performance, develop actions to improve it. In 2021 impacts related to the pandemic were still felt, so some indicators remain constrained, as reported in 2020.

The Bank seeks to rationalise its consumption, namely of energy, water and materials, mainly based on a logic of process dematerialisation and preservation of natural resources, in line with what is established in its Environmental Policy, updated in 2021<sup>2</sup>, adopted by all geographies and operations of BCP Group. Despite this effort, part of the reduction in consumption is due to the pandemic context, which made hybrid working models a reality for some of the Bank's Employees., part of the reduction in consumption is due to the pandemic context, which made hybrid work models a reality for part of the Bank's Employees.

### Environmental Performance of the BCP Group

	unit	2021			2020		2019		Variation % 2021 compared to 2016 (5 years)
		Target <sup>3</sup>	Var. % 21/20	Values	Var. % 20/19	Values	Var. % 19/18	Values	
ELECTRICITY	MWh	-5%	-23%	45,884	-10%	59,214	-0.3%	65,989	-42%
ENERGY	TJ	-7%	-13%	359	-6.9%	412	-5%	443	-38%
direct	TJ	-9%	+12%	107	-26%	96	-18%	130	-52%
indirect	TJ	-5%	-21%	251	1%	316	2%	313	-29%
WATER	m <sup>3</sup>	-7%	-22%	163,747	-24%	208,817	-2%	276,460	-56%
WASTE	t	-20%	+48%	1,141	25%	768	-9%	617	+106%
MATERIALS	t	-10%	-9%	1,577	-18%	1,732	-1%	2,107	-38%
Card / Paper	t	-10%	-9%	1,531	-17%	1,692	-1%	2,046	-39%
Plastic	t	-10%	+13%	46	-33%	41	-10%	60	-13%
CO <sub>2</sub> EMISSIONS	tCO <sub>2</sub> and	-7%	-22%	38,611	-3%	49,307	0%	50,760	-36%
Emissions direct	tCO <sub>2</sub> and	-7%	+9%	6,988	-23%	6,421	-16%	8,376	-49%
Emissions indirect	tCO <sub>2</sub> and	-7%	-26%	31,623	-4%	42,886	4%	42,384	-31%

<sup>1</sup> Following the sale of the Swiss operations to Bank Privée, the 2021 data no longer includes the Swiss operations within its scope.

<sup>2</sup> The Bank's updated Environmental Policy is available here: [Institutional/ Sustainability / Main Corporate Policies and Principles](#)

<sup>3</sup> The identified targets only apply to Portugal's performance.

## Main sustainability communication and awareness initiatives

The universal **Sustainability Course** was launched in September 2021, covering most of the Bank's employees, including Trainees and Outsourcers, with the main objectives of helping to understand the role of Sustainability in the financial sector and its essential concepts, but also to learn more about the approach defined by Millennium bcp to respond to new ESG challenges and opportunities. This course has so far been attended by 5,815 employees, which corresponds to around 88% of the total.

### Portugal

As part of the MiFID II annual continuous training, provided for in CMVM Regulation 3/2018, more than 3,565 Millennium bcp Employees took the course Sustainability in the Financial Sector developed by IFB, with an estimated study time of 25 hours. This course addresses the following topics: Green Finance, Monitoring financial flows and environmental performance, Risk in Green Finance, Green Bonds and other financial instruments, among others.

### Poland

In Poland, the Bank seeks to promote its employees' knowledge of eco-friendly project financing. In June, its advisors and credit analysts in corporate banking participated in a webinar held by a law firm specialised in the renewable energy sector. The meeting was dedicated to discussing the specificities of a financing transaction in the photovoltaic sector considering the legal and regulatory environment of the sector.

### Mozambique

Since 2017, Millennium bim has been a member of the Gorongosa Business Club and directly supports the "Clubes de Raparigas" programme. This programme promotes the education of girls, their personal safety, nutrition and access to family planning, but also environmental sustainability. The several projects taking place in Gorongosa National Park have as their main objective to restore the ecosystem, support local communities in their socio-economic development and create, in a sustainable way, a tourism industry, an emblematic example in the conservation of nature and the preservation of biodiversity and in the creation of opportunities for local populations.

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*The BCP Group promotes its activities in order to achieve the objective of achieving carbon neutrality resulting from of the Bank's activity*

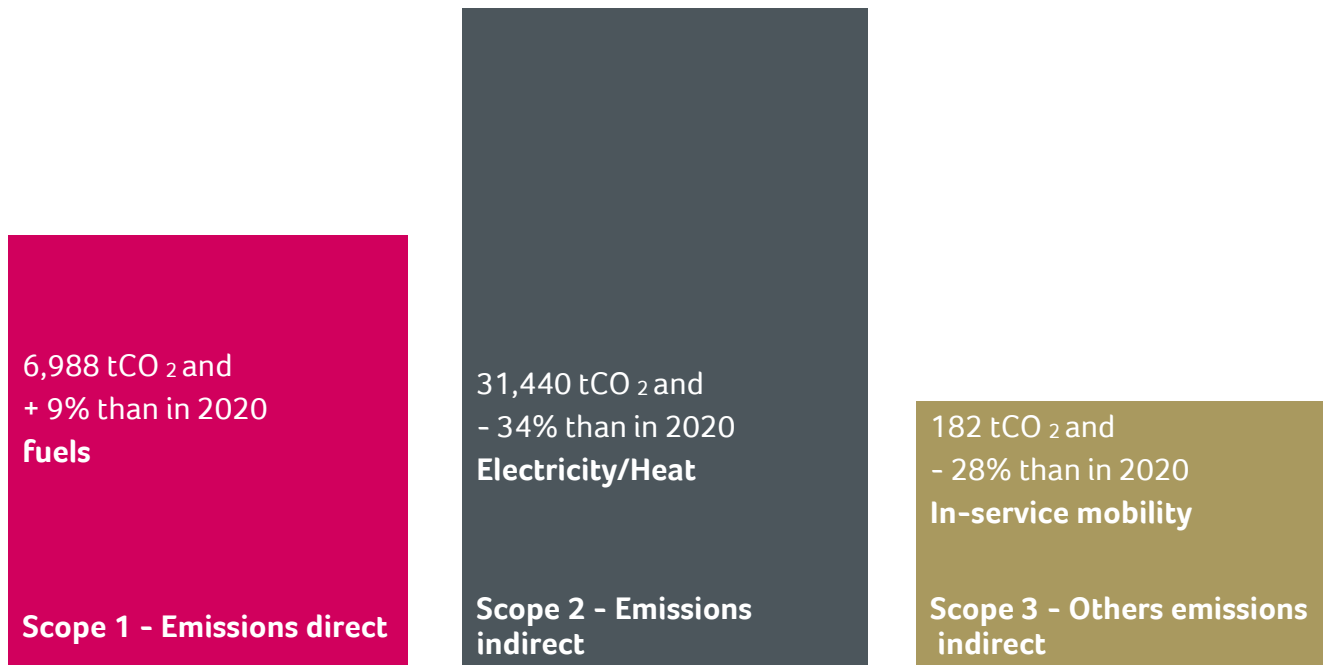


## De-carbonisation

Material topic:

CLIMATE CHANGES

BCP Group promotes its activities in order to meet the objective of achieving carbon neutrality resulting from the Bank's activity (direct emissions) by 2030. The effort to mitigate the carbon footprint has been intensified, namely through the reduction of emissions arising from its activity<sup>4</sup>.



In 2021, the trend of reducing GHG (Greenhouse Gases) emissions associated with the activity of the BCP Group continued, with a reduction of 22% compared to the total values of emissions in 2020.

Regarding BCP Group's scope 1 emissions, there was a 9% increase compared to the previous year's results. As for scope 2 emissions, there was a 26% reduction compared to 2020, boosted by the transition in Portugal to electricity consumption from renewable sources.

Concerning scope 3 emissions, in line with the commitment to broaden the scope of emissions calculation, these began to consider (only regarding operations in Portugal) a) the carbon footprint of the portfolio loans to companies<sup>4</sup>, which represents the contribution of granting credit to the carbon emissions of the companies it finances, and b) the carbon footprint associated with suppliers, which arises from the acquisition of goods and services. Regarding the emissions associated with service mobility (already monitored in the previous year), there was a 28% reduction, as a result of efforts to raise employee awareness for holding meetings remotely and the restrictions arising from the pandemic.

Regarding the emission reduction objectives established for Portugal (7% reduction in total emissions and in direct and indirect emissions), the Bank complied with what was defined for indirect emissions, with a 99% reduction, as a result of the Bank having started to consume energy only from renewable sources.

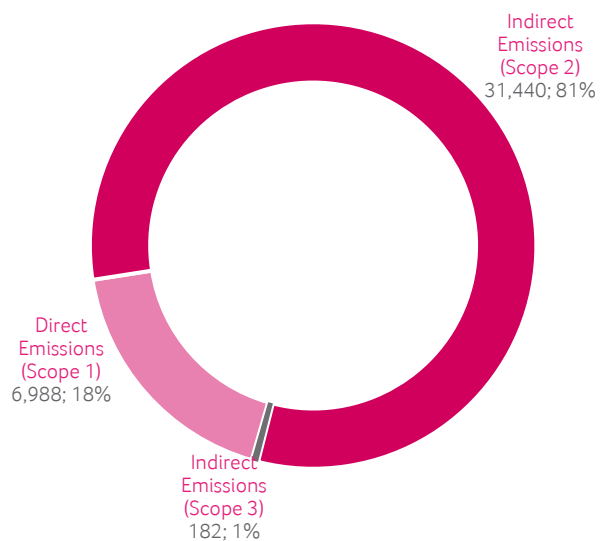
In Poland, there was also a reduction in scope 2 and 3 emissions, of 12% and 48% respectively, and an increase in scope 1 emissions of approximately 3%. Despite this increase, total emissions resulting from the activity in Poland registered a decrease of about 11%.



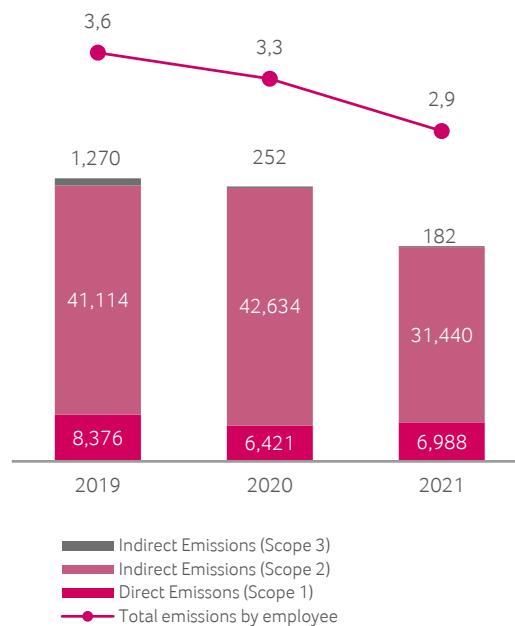
<sup>4</sup> The emission figures presented in this report do not include data from operations in Mozambique

In BCP Group, there was also a reduction in tCO<sub>2</sub> per employee (considering scope 3 emissions associated with its activity as an organisation and not as a financier - only emissions from service mobility), from 2.1 to 1.7, which corresponds to a 17% reduction.

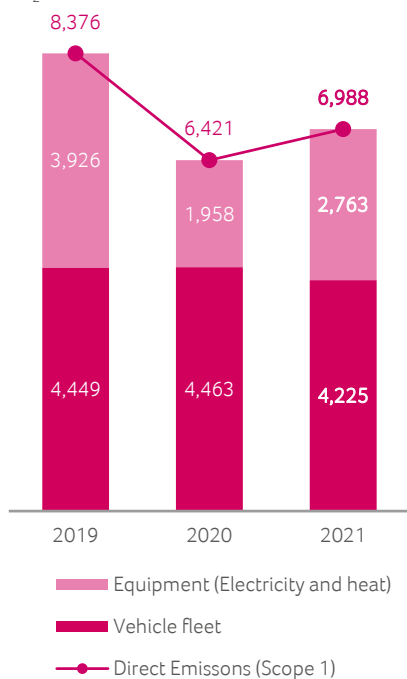
**Total emissions (Scope 1, 2 and 3) in 2021**  
(tCO<sub>2</sub>e AND e %)



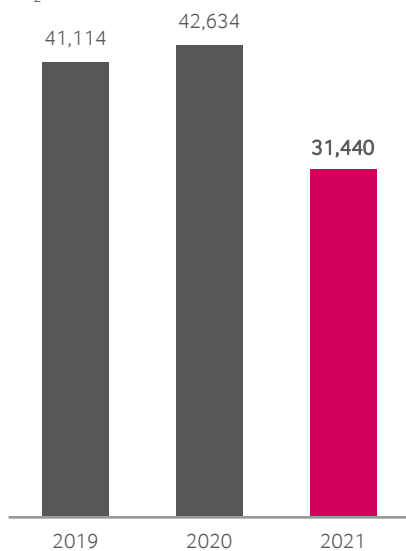
**GHG emissions\***  
(tCO<sub>2</sub>e)



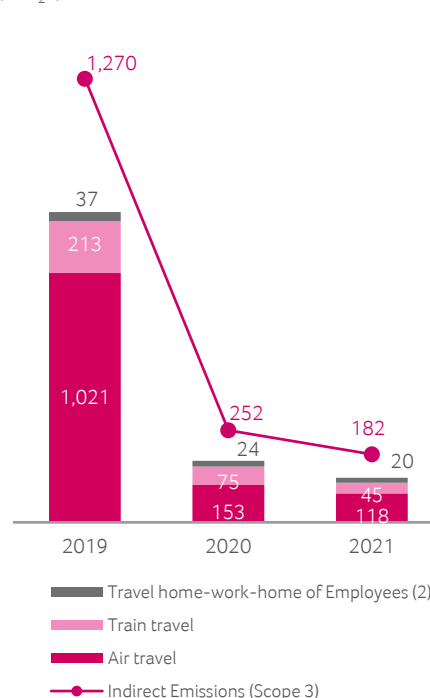
**Direct GHG emissions (Scope 1)**  
GRI 305-1  
(tCO<sub>2</sub>e)



**Indirect GHG emissions (Scope 2)**  
GRI 305-2  
(tCO<sub>2</sub>e)



**Indirect GHG emissions (Scope 3)**  
GRI 305-3  
(tCO<sub>2</sub>e)



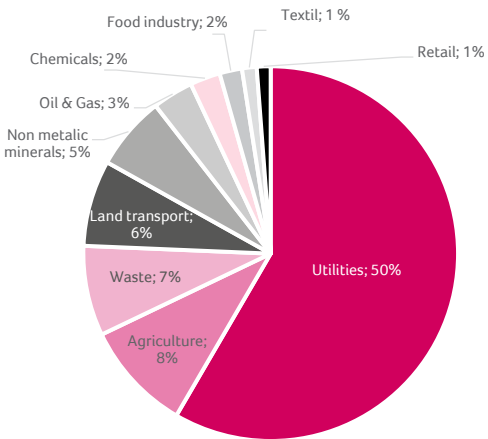
**Main decarbonization initiatives**

BCP Group	BCP Group guarantees a complete and wide offer of financial products and services and has been providing a growing number of products and services that incorporate social principles and respect for the environment, as part of the development of its responsible business lines <sup>5</sup> .
	Aiming to reduce CO2 emissions, throughout this year, still atypical due to the pandemic, the use of collaboration and productivity tools MS Teams and Skype continued to be promoted, having been registered 405,325 meeting sessions, 12.,612,928 instant messages, 2.,567,763 audio sessions and 74,153 video sessions, thus avoiding the displacement of employees and consequent emissions.
Portugal	The bus transport offer between Tagus Park and Lisbon has been constantly adapted to demand, in order to meet employees needs, optimising the offer and avoiding the need for them to travel by their own vehicle.
	In order to reduce fuel consumption, the fleet cars have been replaced by hybrid or electric models and, for business trips, means of transport with lower emissions are preferred, such as the train.
Portugal and Poland	In an attempt to encourage employees to adopt more sustainable lifestyles, the Bank provides charging stations for cars, bicycles and scooters at its premises in Warsaw. In Portugal, 8 electric charging stations were installed at the Bank's facilities in Taguspark.

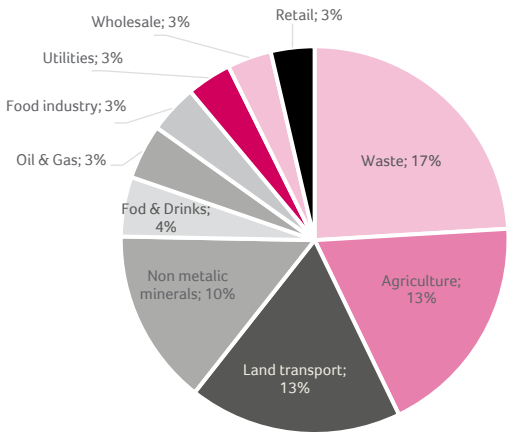
In response to the commitment to expand the scope of calculation of scope 3 emissions, for operations in Portugal, estimation exercises were carried out:

- a) carbon footprint of the corporate credit portfolio<sup>6</sup>, which represents the contribution made by granting credit to the carbon emissions of the companies it finances.  
The analysis, adapted from the estimation methodology described in the occasional paper by Banco de Portugal " [Assessment of the exposure of the Portuguese banking system to non-financial corporations sensitive to climate transition risks](#) ", suggested that BCP's corporate loan portfolio is less exposed to climate transition risks than the banking system, mainly because the carbon footprint of this portfolio is more diversified than the financial system, with no concentration on sectors:

**Companies with exposure in the banking system**

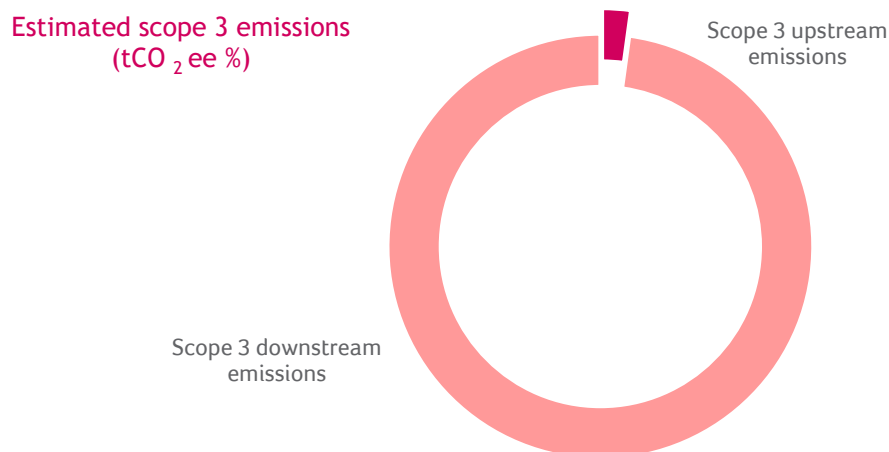


**Companies with exposure to BCP**



<sup>5</sup> More information on the offer of products and services that incorporate environmental principles is available in the chapter Eco-friendly products and services offer.  
<sup>6</sup> More information on the carbon footprint of the corporate loan portfolio is available in the chapter Eco-friendly products and services Offer > Green Project Finance.

b) carbon footprint associated with suppliers, which arises from the acquisition of goods and services<sup>7</sup>.



### Energy efficiency

In order to reduce energy consumption and its impact, the Bank has invested in improving the efficiency of its processes and in investment in renewable energies. In 2021 Millennium bcp, in its operations in Portugal, will ensure that 100% of the energy consumed is renewable, through the purchase of certified renewable energy and the consumption of energy produced by the Bank's photovoltaic plant.

**42% reduction in total energy consumption in the last 5 years**

Electricity consumption (Portugal)	2021	
Electricity from renewable sources	24,501 MWh	100%
Electricity from non-renewable sources	0 MWh	0%

In 2021 the trend towards a reduction in energy consumption continued, due to the pandemic context and consequent lower use of facilities, but also due to increased energy efficiency in BCP<sup>8</sup> Group's operations. There was an 23% overall reduction in energy consumption, having maintained the trend of being mostly (61%) indirect energy (electrical and thermal).

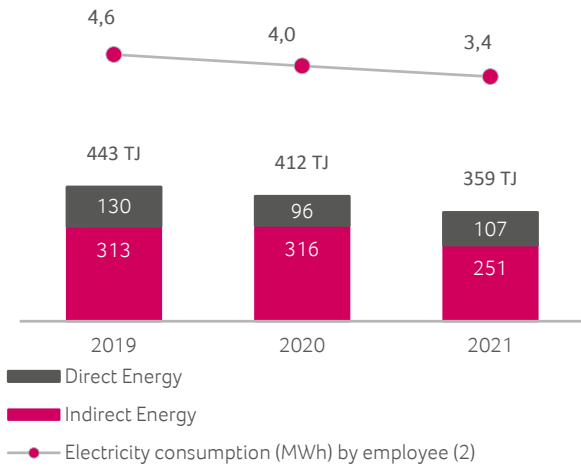
Within the scope of the targets set by Portugal regarding energy, these were all exceeded, with reductions of 17% in total energy consumption, 19% in direct energy consumption and 32% in indirect energy consumption, with reduction targets of 7 %, 9% and 5% respectively.

<sup>7</sup> The Bank's scope 3 emissions resulting from the activity of its suppliers were calculated by combining *supplier-specific methods* (based on real emissions data - available in the entities' Sustainability Reports - and estimated - based on the methodology for estimating the carbon footprint of the corporate loan portfolio) using sectoral *spend-based methods* (by applying the monetary factors of emissions from the Bilan Carbone® Inventory).

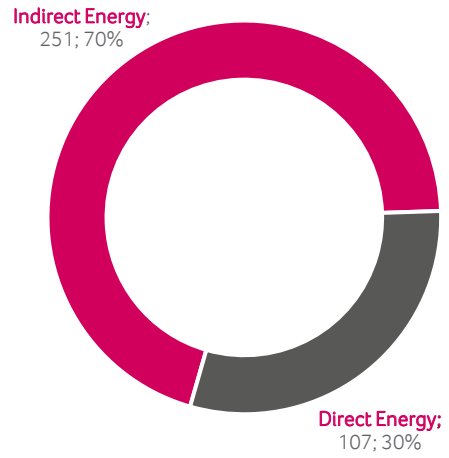
<sup>8</sup> The energy consumption figures presented in this report include the cogeneration plant, do not include datacenters in Portugal and do not include data relating to operations in Mozambique.



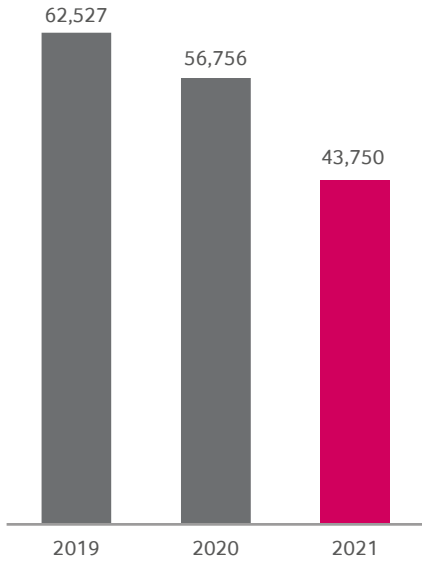
**Total energy consumption - GRI 302-1 <sup>(3)</sup>**  
(TJ and MWh/employee)



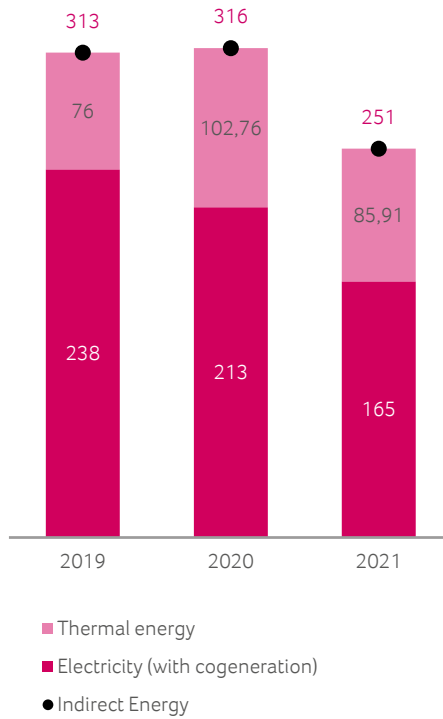
**Direct and indirect energy consumption in 2021**  
(TJ and %)



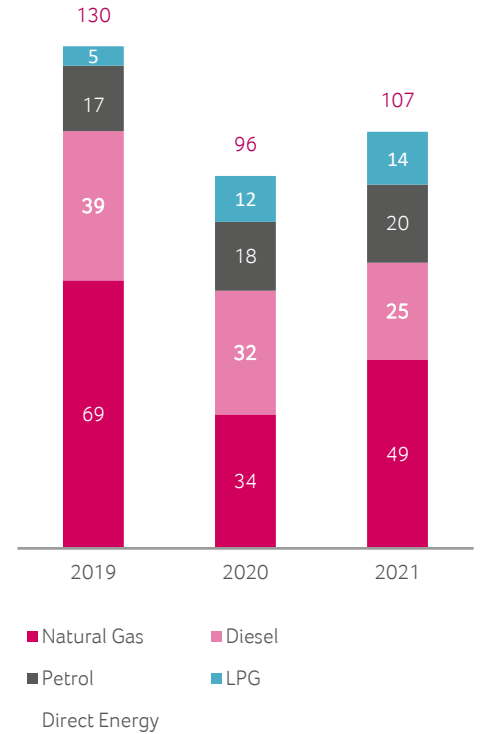
**Electric energy consumption**  
(MWh)



**Indirect energy consumption**  
(TJ)



**Direct energy consumption**  
(TJ)



## Energy efficiency main initiatives

**Portugal** Regarding the measures promoted to improve energy performance, the installation of a new photo-voltaic power plant with a capacity of 1 MW in Taguspark is in the development phase, with a forecast production date of September 2022. The installation of solar panels in nine branches of the Bank is also at the market consultation stage.

In Poland, by 2022 all the electricity purchased by Bank Millennium will also be covered by certificates of origin from renewable energy sources. Ecological solutions have also been introduced in the Bank's buildings, namely the relocation of employees from the Bank's headquarters in Wroclaw to a new space, with LEED Gold certification, which will allow reducing the need for electricity by half. In Gdansk, an environmentally friendly model branch was also opened and the Dali (Digital Addressable Lightning Interface) system was installed, a system that reduces operating costs and increases working comfort. This system uses natural light supply sensors and occupancy sensors throughout the space, which significantly contributes to energy efficiency.

**Poland**

In 2021, additional floors at the Bank's Headquarters in Warsaw were rehabilitated and occupancy sensors were installed in all bathrooms and pantries, which cause the lights to turn off automatically if there are no people present. Advertising banners with traditional light sources were replaced by energy-efficient LEDs in all branches.

Modernization of the lighting system at Bank Millennium headquarters. In partnership with Signify, about 12,000 light bulbs were replaced by LED, which will consume 54% less electricity, allowing CO2 emissions to be reduced by about 500 tonnes. The equivalent to eliminate the impact of more than 166 cars or save more than 21,777 trees.

## Resource Management - Water, Materials and Waste

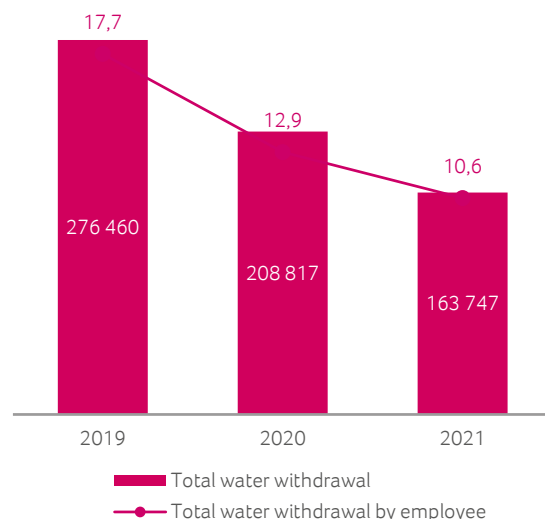
### Water

Total water withdrawal/consumption in BCP Group has registered a downward trend, with a 22% reduction in 2021 compared to 2020 in the total volume of water withdrawn, and a 18% reduction in the total water withdrawn per employee. The installation of water jet regulators, namely in the Bank's facilities in Poland, has contributed to the reduction in water withdrawal and consumption

As far as water withdrawal targets established for Portugal are concerned, these were surpassed, with a 15.4% reduction regarding the established target of -7%.

**56% reduction in total water consumption in the last 5 years**

Water withdrawal - GRI 303-1 (m<sup>3</sup>)



\* Group figure does not include Mozambique. Includes figures from EuroBank since October de 2019. Change in the methodology for calculating data for Portugal, applied to all years, considering an average unit cost of 4.93 €/m<sup>3</sup> and 5.08 €/m<sup>3</sup> in 2021.

## Materials

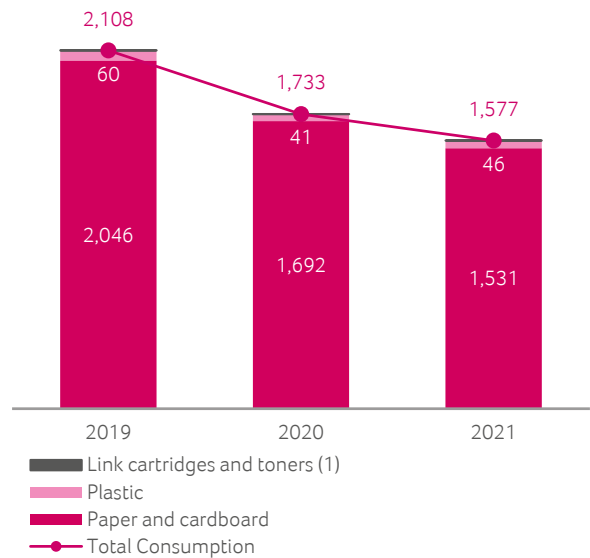
Regarding materials consumption, BCP Group<sup>9</sup> recorded a 34% reduction in the consumption of the main materials: paper and cardboard, plastic and ink cartridges/tonners. The most consumed materials, in terms of total weight of materials, continued to be paper and cardboard, which represent 98% of the materials consumed.

**Reduction of 34% in the total consumption of materials in the last 5 years**

In Portugal, in 2021, the trend towards a reduction in materials consumption was maintained, with a 2% reduction, not having reached the 10% overall reduction target and the 10% specific reduction target for paper and cardboard consumption; but having significantly exceeded the target for reducing plastic consumption, which was 10%, whose reduction was 32%. We must point out that the A3 and A4 paper used by the Bank has Eco-Label environmental certification from the European Union, a certification that guarantees a responsible paper production process.

In 2021, at Millennium bcp in Portugal, the trend already observed in the previous year regarding paper use continued, with a total of 5.647,455 statements issued, 91% of which in digital format and only 9% in paper, substantially reducing paper consumption related to statements centralised issue. A reduction in the number of prints and copies was also observed as a result of the scanning of some business processes (currently more than 40) and of the biannual communication of local consumption to all Divisions, which allows the evolution to be monitored. A practice that was also adopted in Poland and which has had positive results in raising awareness and consequent more responsible consumption of materials.

Materials consumption - GRI 301-1 (t)



Prints and copies (Portugal)	2020	2021	Variation 20/21
Prints / Copies color	73.6 M	65.4 M	- 11%
Black and White Prints/Copies	4.6 M	3.9 M	- 14%

<sup>9</sup> The figures for material consumption in 2021 do not include data relating to operations in Mozambique.



*In 2021, the Go Paperless initiative saved 1,671,950 cash transaction impressions, corresponding to a 10% decrease in branch equipment impressions, resulting in an average monthly savings of 139,329 impressions*

## Reduction/efficiency in materials consumption main initiatives

### **Kaizen Programme**

The Kaizen Programme in the Operations Division and the Millennium Operations Centre continued. This programme currently involves 341 employees, distributed across 40 teams and 8 departments. Its objective is to support teams in the analysis and development of initiatives that promote their processes improvement, always based on a Lean methodology.

In 2021, 269 improvement initiatives were implemented, of which 6% led to savings of around €4,644 in consumables (e.g. paper, printouts, internal mail stamps, among others).

### Portugal

#### **GO Paperless**

As for technological projects, we highlight the continuity of the "GO Paperless", a transformation that focuses on the dematerialisation of operations as a way to innovate and optimise processes, using solutions for the electronic production and signing of documents, and which in 2021 saved 1.671,950 cash transaction printouts, corresponding to a 10% reduction in printing carried out on branch equipments when compared with the same period in 2020, translating into a monthly average saving of 139,329 printouts.

On the digital level, new functionalities were launched in the app (versions 6.4 to 6.7) throughout the year aiming at encouraging the use of digital channels in the acquisition/maintenance of products and services, and consequent reduction in paper consumption.

#### **Digital Bank - ActivoBank**

ActivoBank continued to strengthen its strategy of total digitalisation, which is materialised in several areas of activity:

- 100% of account openings are carried out in paperless processes and 30% of them through totally remote subscription (website and app);
- Of all ActivoBank Customers, 70% digitally use the Bank, maintaining the customers onboarding fully digital, with 99% digital statements subscription;
- New fully digital product subscription solutions were made available through the ActivoBank app, namely answering to the investor questionnaire, certificates subscription, launch of the AB Gold credit card through the app, subscription of Médis and Médis Dental health insurance through the app, and also the YOLO life insurance especially designed for younger customers.

In 2021 a marketing campaign was developed to encourage customers to change their options for services and correspondence with the Bank to digital, significantly reducing the need to use paper and envelopes.

### Poland

Currently all investment products are made available to customers through remote channels, thus reducing the number of documents printed at the Bank's branches and paper consumption and contributing to the protection of the environment.

### Mozambique

The transactions at Tellers only print the receipt for the customer, and duplicates for internal control are digitally filed. At the level of accounts opening, all processes are currently totally digital, and there is no physical archive of documentation.



## Waste

With regard to the production of waste <sup>10</sup>, in global terms, in 2021 there was an increase in the total amount of waste produced by 48%. In Poland there was a 7% reduction in the total waste generated, in Mozambique a significant increase as 18-liter plastic bottles are now included in the scope of reporting, and in Portugal there was an increase in waste produced, with greater expression in paper and cardboard waste (with an increase of 81% compared to 2020), falling short of the established reduction target of 20%. This increase is justified by the reasons presented below, all of which represent non-regular activities at the Bank:

- Return of Employees to the offices;
- Works at the branches that resulted in waste of construction material;
- Closure of branches representing a collection of paper and plastic for destruction;
- Removal of boxes from the Benavente Archive to be destroyed, whose storage period was exceeded. In 2021, special attention was given to this activity, which will continue in the coming years to reduce the contracted file space, so it is expected that there will be higher values to be reported in this period.

Produced Waste (t)	Paper and cardboard			Plastic			Ink Cartridges and Toners		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Portugal Activity	323,3	471.3	851.3	23.6	17.1	11.7	0.4	0.3	0.2
International Activity	249,6	272.3	258.8	25.6	7.3	18.7	0.5	0.0	0.0
Total	572.9	743.6	1,110.0	49.2	24.5	30.4	0.9	0.3	0.2

### Main waste reduction/management initiatives

**Portugal** In 2021 it was no longer possible to order plastic coffee cups and straws, and crockery cups and spoons were distributed to the buildings and branches pantries, avoiding the waste generated by disposable cups and straws.

**Portugal and Poland** Installation of hot and cold water dispensers at the headquarters, in order to encourage employees to use the dispensers as an alternative to bottled water, avoiding the plastic waste generated by bottles.

At Bank Millennium, the equipment and furniture from the former headquarters were auctioned to employees, giving them a second life and preventing them from becoming waste. The Bank organised, through a specialised company, the sale of some of this equipment, with 3,269 items being put for sale.

**Poland**

In Bank Millennium measures were implemented to reduce generated waste, namely: payments with virtual card and BLIK through a mobile application that reduces the need to issue cards, and introduction of an option to temporarily freeze the card so that a new card does not have to be produced.

<sup>10</sup> The waste considered for the analysis of this indicator are: Paper and Cardboard, Plastic and Ink Cartridges and Toners, with the exception of Poland where Toners are not considered

## Offer of eco-friendly products and services

In addition to the Bank's actions within the scope of its operations (see Sustainable Operations chapter), ESG criteria, namely environmental performance criteria, have been increasingly taken into consideration in the supply of the Bank's products and services offer.

### SUSTAINABLE FINANCE TASKFORCE

As part of the 2021 SMP, **Sustainable Finance Task Force** was created, composed by employees from various areas of the Bank (Marketings, Communication, among others).

The Task Force operated during the SMP period (2020 and 2021), and was responsible for promoting a set of sustainable products and solutions included in Millennium bcp's offer ("M Sustentável" seal), of which we highlight:

- creation of specific credit lines to increase energy efficiency and sustainable mobility;
- home loans to finance properties with A+, A or B energy certification;
- increasing and diversifying the supply of SRI funds (Investment Funds and ETFs ESG);
- promotion of the issue of green or social bonds (in 2021 the 1st Social Bond issue was held in the amount of EUR 500 million, under Millennium bcp's Euro Note Programme, the first of its kind accomplished by a Portuguese issuer);
- launch of long-term credit Lines to finance new technologies: solar, hydro, wind, biomass and geothermal;
- launch of the GO CHANGER credit card, produced with ecological and biodegradable material, which supports beaches cleaning and decontamination.

In the geographies where BCP Group operates, several products and services have been developed that consider environmental aspects and/or are developed considering their environmental impact, which aim to support Customers' more ecological choices, creating sustainable habits of life, at home and on their travels.

### Portugal

- **Casa Eficiente 2020" Programme** promoted by the Portuguese State and co-financed by the European Investment Bank (EIB), this programme aims at granting loans under favourable conditions for credit operations that promote the improvement of the environmental performance of private housing buildings, with special focus on energy and water efficiency, as well as urban waste management.
- **Personal Credit Energias Renováveis**, a product designed to finance the acquisition of equipment for renewable energy production.
- **Car leasing for new 100% electric vehicles** with exemption of the file commission.
- Availability of a **specific support line within the scope of Decarbonisation and Circular Economy**, with mutual guarantee.
- **Crédito + Energia**, to finance equipment for the production and storage of energy from renewable sources.
- **EcoActivo Credit** for articles or equipment that, although they do not produce energy, are characterised by their energy efficiency and/or classification.
- **ESG/SRI investment funds** are Investment funds that respect social and environmental aspects and that Millennium bcp and ActivoBank, in Portugal, make available to their customers in the different distribution channels.



Regarding projects to adapt business support solutions to ESG requirements, we highlight the following, implemented in Portugal:

- **Creation of a Support Platform for the issuance of ESG, Green or Social bonds**, in which the emissions have to be backed by portfolios of eligible "green" or "social" credits;
- **Adaptation of the RDGS application for regulatory reporting on ESG rating requirements**, namely the inclusion of the ESG Matrix and Transfer Risk Matrix questionnaires and text changes and inclusion of the ESG and Transfer Risk matrices in Rating Reports;
- **Inclusion of environmental requirements in the acquisition of IT equipment**, namely through contracting based on the Sustainability Guidelines for Suppliers, requirements included in the adjudication letters, and payment of the EcoREEE<sup>11</sup> tax, included in the equipment unit value.

## Poland

- **WWF Millennium Mastercard credit card**, offered as part of the Bank's long-term partnership with the WWF Foundation Poland, this card is made with recycled plastic.
- **Biznesmax Guarantee Programme** in cooperation with Bank Gospodarstwa Krajowego, through which loans are granted to finance innovative projects in the SME sector, including eco-friendly companies. Customers covered by the Programme can execute investment projects with at least one environmental category, namely: electric mobility, renewable energy sources through photovoltaic installations, technologies for reducing energy consumption, technologies for producing alternative fuels, circular economy, facilities for recovering raw materials in production processes, among others.
- **MilleSun Programme**, under development since 2019 in Millennium Leasing, its a programme dedicated to financing investment in photovoltaic panels. The implementation of these panels is a solution aimed at commercial enterprises that want to reduce their environmental impacts.
- In 2022, Millennium Leasing plans to participate in the **Mój Elektryk Priority Programme**, guaranteeing copayments from the National Fund for Environmental Protection and Water Management for the leasing of electric vehicles. The aim of the programme is to reduce air pollution emissions through co-financing of enterprises to reduce fuel consumption in transport and consequent emissions. The co-financing is to support and incentive the purchase/lease of zero-emission vehicles.



A few years ago, Bank Millennium in Poland decided to significantly reduce its exposure to the coal industry, whose financing constraints are now expressed in the Environmental Policy. As a result, the portfolio of exposures to coal mining and directly ore-related industries is insignificant. In 2021, Bank Millennium Group's exposure was 0.96% of the corporate portfolio and 0.27% of the entire portfolio of the Group.

Bank Millennium also has investment funds with social and environmental objectives in its customers offer and is also developing efforts to expand the investment offer available to customers in electronic banking channels.

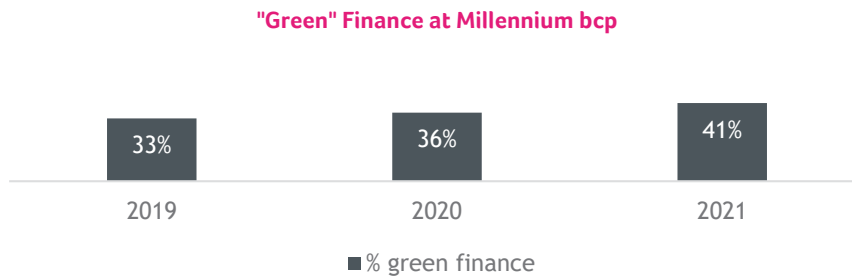
<sup>11</sup> EcoREEE is a tax for the management of Waste Electrical and Electronic Equipment. The EcoREEE's constitute the financial consideration charged by the managing entities, per ton of equipment placed on the national market.

### Mozambique

- Smart IZI is a totally digital service that comprises the subscription, registration and use of the service moments. This service consists of a Mobile Banking application, where private Customers can obtain information and submit operations wherever and whenever they need. In 2021, the focus was on improving service provision in the channel, simplifying the channel’s subscription flow and providing documents such as current account statements and debit and credit slips. By making these types of documents available in a totally digital and free of charge manner and other functionalities such as documents updating and international transfers, the Bank has contributed to resources saving that contributes to a reduction of negative environmental impacts.

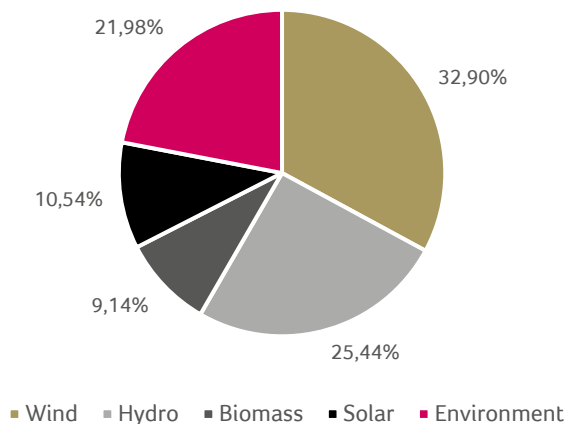
### Green Project Finance

As part of our funding portfolio in Portugal, we seek to increase the percentage of funding for environmentally sustainable projects and organisations, having published in 2021 the Principles of Responsible Financing, which identified, among other things, excluded projects and sectors/projects that are conditional on funding from the Bank<sup>12</sup>. As can be seen, the last three years have seen an increase in the percentage of green’s financing, with an increase of 8 percentage points between 2019 and 2021.<sup>13</sup>



Included in the scope of financed activities are: Wind, Hydro, Biomass, Solar and other environmental aspects, namely the financing of investments in urban waste collection and treatment plants, in water distribution and residual water treatment networks (ETAR), waste treatment plants, among others.

**'Green' funding by investment type**



<sup>12</sup> The Principles of Responsible Finance are available here: [Institutional/Sustainability/Principal Corporate Policies and Principles](#).

<sup>13</sup> Project finance operations whose purpose is in line with the Green Loan Principles were considered “green”.



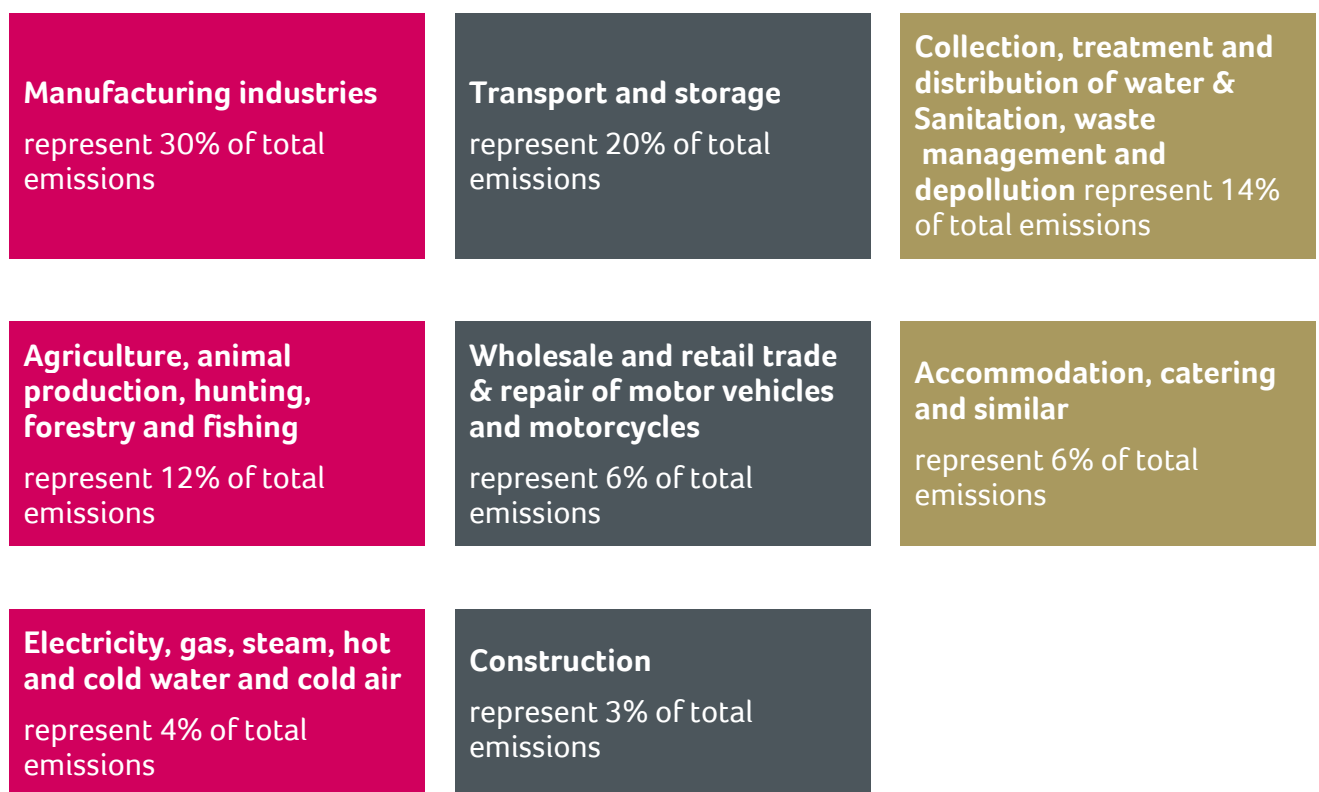
## Carbon footprint of the corporate credit portfolio

In order to characterise the Bank's loan portfolio in terms of exposure to transitional climate risks and to complete the calculation of the Bank's carbon footprint, a sector analysis of the corporate loan portfolio was carried out, which made it possible to estimate scope 3 emissions (downward), i.e., the indirect GGE emissions produced downward of the value chain, resulting from the use of products or services - arising from the activity of granting credit, and which constitute a significant part of the total scope 3 emissions of credit institutions.

The carbon footprint value of the corporate loan portfolio represents the contribution of the loan granting activity to the GGE emissions of the companies it finances, considering the scope 1 and 2 emissions of the companies with exposure in the form of loans as attributable to the Bank, in proportion to the companies activity that is financed by the Bank.

Within the scope of the monitoring of the carbon footprint of the corporate loan portfolio (see also Sustainable Operations > Decarbonisation), the Bank has identified which sectors are the largest contributors to scope 3 indirect emissions..

### TOP 8 sectors



### Taxonomy European Union

In its Sustainability Master Plan, Millennium bcp has defined objectives that respond to the most recent trends in sustainable finance and disclosure of non-financial information, namely with the European Union Taxonomy classification system ([EU Regulation 2020/852](#)), which will be an essential aspect to promote information transparency information in the market.

Taxonomy is a system that identifies economic activities that can be considered green or environmentally sustainable and that will empower investors, companies, issuers and project promoters in the transition to a resilient, efficient and low-carbon economy, translating the EU's climate and environmental objectives into criteria for investment in certain economic activities.

On this basis of transparency and regulation, the European Commission adopted on July 6 the Delegated Disclosure Act, which sets out the information - content, methodology and presentation - to be disclosed by financial and non-financial companies regarding the proportion of environmentally sustainable economic activities of business, investment or credit activities, in the form of KPI and templates for different types of entities.

In this context, Millennium bcp discloses the indicators and information applicable under Article 10 of the Delegated Act of Article 8 of the EU Taxonomy:

Article	No.	Description	BCP's response
10	2.a	Proportion of exposure to Taxonomy-eligible economic activities in total assets	Not available
	2.b	Proportion of exposure to central governments, central banks, supranational issuers in total assets	29.5%
	2.c	Proportion of exposure to non-reporting entities under the NFRD in total assets	61.68%
	2.d	a. Contextual information to understand the quantitative indicators (including at least the scope of covered assets and activities, data sources and limitations)	<p><b>On 2.a indicator:</b> The absence of information, disclosed by the entities under the NFRD up to the date of this Report's production, on the eligibility of their activities for the EU Taxonomy, made it impossible to calculate this indicator.</p> <p><b>On 2.b indicator:</b> The <u>numerator</u> includes:</p> <ul style="list-style-type: none"> <li>• cash balances and other demand deposits to Central Banks;</li> <li>• securities (central governments + central banks + supranational issuers);</li> <li>• credit (central governments + central banks + supranational issuers);</li> <li>• derivatives.</li> </ul> <p>The <u>denominator</u> includes:</p> <ul style="list-style-type: none"> <li>• all assets of the types Loans and advances, debt securities, equities, repossessed collaterals.</li> </ul> <p><u>Source:</u> FINREP as of December 31, 2021, at BCP Group level.</p> <p><b>On 2.c indicator:</b> The numerator includes: cash balances and other demand deposits with Central Banks; securities, shareholdings and loans to non-NFRD entities. The denominator includes: all assets of the types Loans and advances, debt securities, equities, repossessed collaterals. The Non-NFRD entities includes those that are not listed companies, banks or insurance companies. <u>Source:</u> FINREP as of December 31, 2021, at BCP Group level.</p> <p><b>About the indicator Proportion of trading portfolio and on demand interbank loans in total assets:</b> The <u>numerator</u> includes:</p> <ul style="list-style-type: none"> <li>• <i>trading portfolio</i>;</li> <li>• on demand interbank loans.</li> </ul> <p>The <u>denominator</u> includes:</p> <ul style="list-style-type: none"> <li>• all assets of the types Loans and advances, debt securities, equities, repossessed collaterals.</li> </ul> <p><u>Source:</u> FINREP as of December 31, 2021, at BCP Group level.</p>
	c. Description of compliance with Regulation (EU) 2020/852 in the business strategy, product design process and engagement with customers and counterparties.	<p>The Bank is preparing the alignment of its activity with the EU Taxonomy, having already achieved concrete steps, namely:</p> <ul style="list-style-type: none"> <li>- Assumption of commitments, in the SMP, to create and develop ESG offer;</li> <li>- Identification of the offer as "green" implies compliance with the applicable criteria according to the EU Taxonomy;</li> <li>- The framework for analysis of financing proposals of relevant amounts already involves ESG due diligence and alignment of the activity and/or the use of proceeds with the EU Taxonomy;</li> <li>- In the oil and coal sectors, it has made a commitment to limit funding for purposes of transition to a low carbon economy and ongoing management;</li> <li>- Report, in the 2022 Sustainability Report, as per requirements of Article 10 of the Delegated Act Article 8 (disclosure) of the Taxonomy.</li> </ul>	
	Proportion of trading portfolio and on demand interbank loans in total assets	1%	

## Task Force on Climate-related Financial Disclosures (TCFD)

The BCP Group is committed to reporting relevant information to Stakeholders within the scope of its contribution to the fight against climate change. In this sense, the Bank seeks to align the report with the recommendations of the Task Force on Climate- Related Financial Disclosures (TCFD), as presented in this chapter.

### Governance

In order to ensure an effective management of environmental issues at the Bank (including climate change), the existence of a Governance structure transversal to the organization is ensured, capable of responding to environmental issues and ensuring timely decision-making in line with the strategy. of the BCP Group.

Ownership	Activities
<b>Board of Directors</b>	Approval of Corporate Policies and Principles Approval of the Sustainability Report Monitoring the implementation of the PDS through the progress report included in <i>Risk appetite Statement</i>
<b>Commission executive</b>	PDS approval Monitoring the implementation of the PDS through the progress report included in <i>Risk appetite Statement</i>
<b>Sustainability Committee</b> Chaired by the <i>Chief Executive Office, Chief risk Officer</i> and responsible for other Directorates	Monitoring the implementation of the PDS that includes ESG and climate change-related components
<b>Risk Committee</b> Composed of the <i>Chief Executive Officer, Chief Financial Officer, Chief risk Officer</i> and responsible for other Directorates	Definition and supervision of the global risk management <i>framework (including ESG risks)</i> Identification of risks related to climate change and incorporation of policies and procedures in order to ensure the continuity of the Bank's activity in the event of natural disasters
<b>Sustainability Areas</b>	Implementation, internal promotion and monitoring of PDS actions, which include actions related to climate change, namely in the areas of improving energy efficiency and increasing consumption of energy from renewable sources Support for structuring the offer with environmental criteria Support for climate and environmental risk management in compliance with applicable regulations, objectives and targets
<b>Mbcpc Sustainable Finance Taskforce (2020/21)<sup>14</sup></b>	Plan, develop and implement a sustainable, coherent and integrated offer of products and services (credit, investment and savings)

### Strategy

Climate change is a risk considered relevant for BCP, with the potential to impact the Bank in the short (up to 1 year), medium (1 to 3 years) and long term (3 to 15 years). The specific physical and transition risks that the BCP Group faces in the 'climate change' risk category are presented below, as are the mitigation measures being adopted by the Bank. The risks and their potential financial impacts are identified through the internal management and control processes of the various types of risks according to internal taxonomy, which consider the impact of climatic and environmental factors.

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*For the third consecutive time, BCP Group was included bloomberg gender-equality index, by implementing gender equality practices and policies, diversity and inclusion*

<sup>14</sup> More details on the Mbcpc Sustainable Finance Taskforce (2020/21) presented in the Environmental Responsibility chapter.

RISKS				
Risk	Description	Impact	Cost <sup>15</sup>	
REGULATORY RISKS	<b>Current regulation on emissions reporting</b>	Risk of non-compliance with more stringent regulations under the European Union Directive on the Energy Performance of Buildings since several buildings owned by the Bank and in which it operates are covered by the Directive. To manage this risk, BCP is committed to implementing energy efficiency measures, such as the installation of LED lighting, in all the geographies in which it operates <sup>16</sup> .	short term	~2.4 M €
	<b>Current regulation on products and services</b>	Climate regulation impacting corporate customers and BCP's loan and financing portfolio may result in additional <i>compliance costs</i> . In addition to this aspect, if a BCP client does not comply with the regulations and does not have the funds to pay fines or sanctions, BCP, as a financier, can be held responsible. To mitigate this risk, BCP binds its customers not to use credit funds for actions on the EBRD's Environmental and Social Exclusion List (European <i>Bank for Reconstruction and Development</i> ), and must hold all necessary environmental licenses related to their activities.	mid-term	~2.5 M €
	<b>emerging regulation</b>	The increase in the price of fuel in Portugal may represent an increase in operational costs related to transport, the bank's fleet and the heating of buildings. To mitigate this risk, BCP is renewing its fleet, replacing them with more efficient vehicles with less environmental impact <sup>17</sup> . At Bank Millennium, in general, the vehicles were replaced by hybrid models.	mid-term	~0.42 M €
REPUTATIONAL RISKS	<b>Reputation</b>	BCP faces competitive risks imposed by competitors and public opinion on the issue of climate change, which may result in reputational risks if <i>stakeholders</i> do not understand whether the Bank is responding adequately to the issue of climate change. To mitigate this risk, BCP is developing low carbon products and services <sup>18</sup> and participates in recognized sustainability indices <sup>19</sup> , such as the CDP, in order to improve its reputation in relation to climate change.	short term	~6.47 M €
PHYSICAL RISKS	<b>Acute physique</b>	Changes in physical climatic parameters can lead to natural disasters. To mitigate this risk, for example, BCP has a Business Continuity Plan and insurance coverage for assets in the event of natural disasters.	long term	~1 M €
	<b>Chronic physical</b>	Higher temperatures or heat waves will potentially increase the demand for energy for cooling in BCP's counters and buildings, thus incurring higher operating costs. To mitigate this risk, BCP is implementing energy efficiency measures in its buildings.	short term	~2.4 M €

<sup>15</sup> More detail on the methodology and description of costs associated with climate risks is available in the BCP Group's response to CDP Climate Change 2021.

<sup>16</sup> More details on measures relating to energy efficiency in buildings are available in the Environmental Responsibility chapter.

<sup>17</sup> More details on the alteration of the BCP Group's fleet are available in the Environmental Responsibility chapter.

<sup>18</sup> More detail on low carbon products and services is available in the Environmental Responsibility chapter.

<sup>19</sup> More detail on BCP's response to sustainability indices is available in the Sustainability Indices chapter.



OPPORTUNITIES			
Opportunity	Description	Impact	Cost
Use of new technologies	Installation of low carbon equipment and implementation of energy efficiency measures that have the potential to reduce the operating costs of the Bank's main central buildings and branches. In order to take advantage of this opportunity, the BCP Group is implementing energy efficiency measures <sup>20</sup> .	short term	~0.53 m €
Use of lower emission energy sources	The use of lower emission energy sources and the installation of low carbon equipment could reduce the operating costs of BCP's main central buildings and branches. To take advantage of this opportunity, BCP installed a photovoltaic panel plant in its buildings in Oeiras, Portugal.	short term	~0.15 m €
Reputational benefits that result in increased demand for goods/services	Adapting financial products and services to a low carbon economy (eg SRI funds) could improve the Bank's reputation, and consequently result in the gain of new customers and revenue streams. To take advantage of this opportunity, BCP is marketing several low carbon products and services <sup>21</sup> .	mid-term	~6.5 M €

BCP is developing and planning other activities to better understand the exposure to risks and impacts related to climate change in its business. It is actively participating in the ECB's Climate Stress Tests 2022 exercise, the first EU-wide effort to assess banks' capabilities in relation to climate risk and industry exposure to physical and transitional risks. The Bank also participates in the ECB Thematic Review, which assesses each bank's alignment with the ECB's expectations on climate and environmental risks. BCP also recently carried out an assessment of its credit portfolio footprint and exposure to climate transition risk <sup>22</sup>. In this context, a sectoral analysis of the Bank's companies' credit portfolio was carried out, compared with credit to companies in the banking system. The analysis, adapted from the estimation methodology described in the occasional Bank of Portugal paper "[Assessment of the Portuguese banking system's exposure to non-financial corporations sensitive to climate transition risks](#)", suggested that BCP's corporate loan portfolio is less exposed to climate transition risks than the banking system, mainly because the carbon footprint of this portfolio is more diversified than the financial system, with no concentration on sectors.

In view of the risks and opportunities of climate change described above, BCP is adapting its business strategy to manage/mitigate or enhance the issues identified. During 2021, BCP made very important advances in the integration of climate change into day-to-day activities, in line with the strategy and fundamental values of the Bank's culture. In particular, BCP acted on three fronts:

<p><b>1. Definition of climate change as a strategic priority</b>, adapting its business model to capture business opportunities and manage climate risks.</p>	<p><b>2. Reinforcement of the risk management framework</b> by integrating climate change into the main risk processes, namely in the identification and measurement of risks, <i>stress testing, risk appetite</i> and monitoring.</p>	<p><b>3. Reinforcement of skills and transversal ESG mechanisms</b>, having strengthened the areas responsible for the transversal vision of sustainability, thus establishing the bases for the management of climate information (identification of future information needs driven by business opportunities, measurement of risks and regulatory requirements) and implementation of relevant metrics.</p>
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<sup>20</sup> More details on energy efficiency measures are available in the Environmental Responsibility chapter.

<sup>21</sup> More detail on low carbon products and services is available in the Environmental Responsibility chapter.

<sup>22</sup> More detail on the carbon footprint of the credit portfolio is available in the Environmental Responsibility chapter.

## 1. Climate change as a strategic priority

BCP's long-standing commitment to climate change and sustainability is reinforced by the inclusion of the topic of sustainability as one of the seven strategic priorities of the Strategic Plan 2020-2024 in Portugal. In fact, BCP is adapting its business model to increase differentiation in the face of the growing expectations of customers and the community related to sustainability, while capturing related business opportunities and responding to regulatory requirements.

In this context, BCP assumed the commitment to be Net Zero by 2050 and began to strengthen its operations with a greater understanding of the environment in which it operates, carrying out a thorough materiality assessment and risk map (both physical and transitional) of the sectors and regions in which it operates.

In 2022, BCP will develop a net zero portfolio alignment strategy for the most carbon intensive sectors.

In addition, BCP has developed new products and services tailored to customers' needs to support them in the transition to a low-carbon economy and capture opportunities related to climate change. As an example, BCP launched Millennium GO CHANGER! and has developed 'green' mortgage and personal loan products to complement its current product offering<sup>23</sup>.

## 2. Reinforcement of BCP's risk management structure

During 2021, BCP reinforced its climate risk management framework, from risk taxonomy and materiality assessment, to data, scenarios, methodologies, management integration, validation and audit processes, disclosure and governance. The following improvements are a non-exhaustive list of what has been done:

- Design and implementation of a process for a complete and recurring materiality assessment of transitional and physical risks across all risk types (e.g., credit, market, liquidity) and across all portfolios (e.g., mortgage, retail, non-financial);
- Integration of climate risks in Risk Appetite Framework;
- Creation of a methodology to integrate climate risks (and more broadly ESG risk) in client ratings;
- Introduction of exclusionary policies and conditional financing for sectors that are outside their risk appetite;
- Development of a methodology to perform stress tests bottom-up, at the counterparty level (beyond supervisory expectations) for non-SME non-financial corporations and, at the portfolio level for the remaining portfolio, to be implemented during 2022. This will allow the Bank to continue progress in measuring the physical and transition risks, integrate the result into other risk processes and inform your business strategy.

## 3. Strengthen ESG transversal skills and mechanisms

In order to capture opportunities and manage the risks posed by climate change, the BCP Group has adjusted its organization and internal capabilities, in particular, and as mentioned in the Governance section:

- In terms of internal organization and governance, the BCP Group has been working on the development of an adequate structure to manage the issue of climate change, promoting an internal area of Sustainability reporting directly to the CEO;
- The skills of most employees, with a focus on the most critical functions, were also developed through ESG training;
- To ensure internal efforts in terms of climate, Millennium bcp adjusted its remuneration policy by integrating KPIs linked to sustainability;

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<sup>23</sup> More detail on low carbon products and services is available in the Environmental Responsibility chapter.

- Finally, the Bank laid the foundations of the climate data strategy. The BCP Group evaluated all the climate and environmental data requirements necessary to manage the relevant exposures from a climate point of view, defined their availability (and potential ways to capture additional information through customer involvement and external sources) and ownership in their informational and organizational systems. The BCP Group is implementing a plan to fill the identified data gaps and define potential adjustments to its IT infrastructure and application ecosystem.

## Risk management

As indicated in the previous section (Strategy), BCP has a formal annual process to identify, assess and manage more than 60 types of risk, including “climate change” risk and “property and disaster” risk (which includes conditions extreme weather). The Risk Officer conducts the process of identifying and assessing risks annually, with the support of other divisions of the Group. The process consists of a self-assessment exercise of the impacts of risks for the Group and its subsidiaries through formal risk identification workshops and expert discussion panels, in order to provide an informed opinion on the risk factors, probability and materiality for the BCP Group's capital and liquidity position<sup>24</sup>.

## Metrics and goals

As part of its environmental commitment, BCP has set targets to reduce carbon emissions, namely, to reduce scope 1, scope 2 and scope 3 GHG emissions by 7% in 2022, compared to the previous year, for operations in Portugal. BCP in Portugal also aims to decarbonize its car fleet by 80% by 2030. Poland is committed to replacing all cars with hybrid or electric models by 2030.

BCP measures its GHG emissions (Scope 1, 2 and 3) and presents its performance and evolution in the Environmental Responsibility chapter. In 2021, with regard to operations in Portugal, scope 3 emissions associated with suppliers (upstream) and associated with the corporate loan portfolio (downstream) began to be monitored.

In addition to the aforementioned information, the Bank monitors other metrics related to climate change in addition to emissions and reports them in the Environmental Responsibility chapter. Regarding energy efficiency, in 2021, the Bank continued the process of installing LED lighting in all buildings (indoor and outdoor, if applicable), corresponding to around 80% of the total. Regarding the production of low carbon energy, Millennium bcp has a solar photovoltaic power plant in operation with around 1 MW of capacity, with 3,703 photovoltaic panels in three of the buildings located at TagusPark , in Oeiras. In 2021, this plant was able to produce around 1,074 MWh, avoiding the emission of 387 tons of CO<sub>2</sub>, and in 2022 foresees the doubling of installed capacity.

Metrics and targets related to climate change are incorporated into BCP's remuneration policies: the variable remuneration of the Executive Committee (EC) and other employees is determined by several Key Performance Indicators (KPIs), which include, in the case of the EC, the percentage of fulfillment of the PDS targets (which provides for actions aimed at reducing emissions). Additionally, to Chief risk Officer (CRO) is assigned an individual KPI related to compliance with the climate and environmental risk monitoring implementation plan.

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*In order to encourage the adoption of more sustainable by employees, in Portugal, 8 electric charging stations were installed at the Bank's facilities, in Taguspark*

<sup>24</sup> More details on the ESG risk management process are available in the Introduction > Social and Environmental Risk Management chapter.



# SUSTAINABILITY INDEXES



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## Recognition - Sustainability Indexes

Material theme:

BANK REPUTATION

Throughout 2021, the BCP Group was present in several Sustainability indices.

In Portugal, as a result of the evaluation carried out by the analyst Standard Ethics, it remains in the "European Banks Index", also integrating the first "Europe's Climate Leaders 2021" ranking by the Financial Times and Statista as one of the European companies with the greatest progress in reducing GHG emissions.

In its most recent assessments, analyst MSCI assigns an "A" rating to the BCP Group's ESG performance, while Gaia Rating gives it an assessment of 78%, Refinitiv 76% and Vigeo Eiris an overall rating of 49. % (which reaches 88% in the assessment of the quality and scope of reporting practices).

In Poland, Bank Millennium was once again included in the "WIG-ESG" index of the Warsaw Stock Exchange, in recognition of the work carried out in the environmental, social, economic and corporate governance dimensions. It was also the bank with the best performance in the "Climate Leaders Poland 2021" ranking by Forbes magazine, reaching second place among Polish companies in the list for reducing GHG emissions.

In the 2021 edition of the CDP – Carbon Disclosure Project, the BCP Group was included in the band "Management", with the classification "B", after having joined the band "Leadership" in 2020 and obtained the notation "A-".

In 2022, the BCP Group was included for the third consecutive time in the Bloomberg Gender-Equality Index, joining the group of companies that, worldwide, stand out in the implementation of practices and policies of gender equality, diversity and inclusion.

Also in 2022, the BCP Group had its presence confirmed in "The Sustainability Yearbook", a reference publication in the area of Sustainability now published by S&P based on information collected in the responses of companies to the 2021 edition of the "Dow Jones Sustainability Indices", in which the BCP Group obtained an overall assessment of 64%.

Index	2021 Performance		2020 performance
MSCI <sup>(*)</sup>	A	=	A
DJSI	64%	↓	69%
Carbon Disclosure Project	B	↓	THE-
Bloomberg Gender-Equality Index	81%	↑	78%
Vigeo eiris	49% (88% disclosure)	↑	47% (86%)
Gaia Rating	78%	↑	76%
Refinitiv	76%	↓	77%



(\*) The use by Banco Comercial Português of any MSCI ESG research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Banco Comercial Português by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.



# EXTERNAL AUDITOR'S REPORT



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## ***Independent Limited Assurance Report***

**(Free translation from the original in Portuguese)**

To the Board of Directors

### ***Introduction***

We were engaged by the Board of Directors of Banco Comercial Português, S.A. (“Millennium bcp” or “Company”) to perform a limited assurance engagement on the sustainability information identified below in the section “Responsibility of the auditor”, included in the Sustainability Report 2021, for the year ended in December 31, 2021, prepared by the Company for the purpose of communicating its annual sustainability performance.

### ***Responsibilities of the Board of Directors***

It is the responsibility of the Board of Directors to prepare the sustainability information identified below in the section “Responsibility of the auditor”, included in the Sustainability Report 2021, in accordance with the sustainability reporting guidelines “Global Reporting Initiative” (“GRI”), GRI Standards version, and with the instructions and criteria disclosed in the Sustainability Report 2021, as well as for the maintenance of an appropriate internal control system that enables the adequately preparation of the mentioned information.

### ***Responsibilities of the auditor***

Our responsibility is to issue a limited assurance report, which is professional and independent, based on the procedures performed and specified in the paragraph below.

Our work was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) “Assurance engagements other than audits or reviews of historical financial information”, issued by the *International Auditing and Assurance Standards Board of the International Federation of Accountants* and we have fulfilled other technical standards and recommendations issued by the Institute of Statutory Auditors. These standards require that we plan and perform our work to obtain limited assurance about whether the sustainability information (GRI Standards indicators), included in the Sustainability Report 2021, is free from material misstatement.

Our limited assurance engagement also consisted in carrying out procedures with the objective of obtaining a limited level of assurance as to whether the Company applied, in the sustainability information included in the Sustainability Report 2021, the GRI Standards guidelines.

For this purpose the above mentioned work included:

- (i) Inquiries to management and senior officials responsible for areas under analysis, with the purpose of understanding how the information system is structured and their awareness of issues included in the report;



- (ii) Identification of the existence of internal management procedures leading to the implementation of economic, environmental and social policies;
- (iii) Testing, on a sampling basis, the efficiency of processes and systems in place for collection, consolidation, validation and reporting of the performance information previously mentioned, through calculations and validation of reported data;
- (iv) Confirmation that operational units follow the instructions on collection, consolidation, validation and reporting of performance information;
- (v) Execution of substantive procedures, on a sampling basis, in order to collect evidence of the reported information;
- (vi) Comparison of financial and economic data included in the sustainability information with the audited by the external auditor, in the scope of the legal review of Company's financial statements for the year ended in December 31, 2021;
- (vii) Verification that the sustainability information included in the Report complies with the requirements of GRI Guidelines, GRI Standards version.

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

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

#### **Quality control and independence**

We apply the International Standard on Quality Control 1 (ISQC1) and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

#### **Conclusion**

Based on the work performed, nothing has come to our attention that causes us to believe that the sustainability information identified above in the section "Responsibility of the auditor", included in the Sustainability Report 2021, for the year ended in December 31, 2021, was not prepared, in all material respects, in accordance with GRI Standards requirements and with the instructions and criteria disclosed in the Report and that Millennium bcp has not applied, in the sustainability information included in the Sustainability Report 2021, the GRI Standards guidelines.

***Restriction on use***

This report is issued solely for information and use of the Board of Directors of the Company for the purpose of communicating the sustainability information in the Sustainability Report 2021 and should not be used for any other purpose. We will not assume any responsibility to third parties other than Millennium bcp by our work and the conclusions expressed in this report, which will be attached to the Company's Sustainability Report 2021.

March 28, 2022

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

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

**(This is a translation, not to be signed)**



# METHODOLOGICAL NOTES



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## Environmental indicators

### GRI 301-1

The figures presented in 2021 include the operations in Portugal, Poland and Mozambique.

Consumption of paper and cardboard – Total estimated based on the purchases of these materials and the amounts recorded in the office. The weight of the paper units was obtained using the *standard* paper measurements given by the ISO 216 Standard.

Plastic consumption - Total estimated based on the purchases of these materials and the quantities recorded in the office. The calculation of the amount of plastic consumed derived from bank cards was based on the number of plastic cards issued to Customers and the standard weight of a card.

Ink and *toner cartridges* – Estimated total based on purchases of these materials. In Portugal, the values reported include ink cartridges and *toners* consumed by the Bank through Xerox.

### GRI 302-1

The figures presented in 2021 include the operations in Portugal and Poland.

Consumption of natural gas and liquid fuels – Total estimated based on the purchases of these fuels. The PCI (Calorific Power of Fuels) of the fuels used for energy calculation is based on the GRI, publicly available at [www.globalreporting.org](http://www.globalreporting.org), and the APA (Portuguese Environment Agency), publicly available at [www.apambiente.pt](http://www.apambiente.pt).

Electricity consumption – Total estimated based on billed energy.

The conversion factors used were as follows:

#### Energy - Fuels (source: GRI)

	Lower Calorific Power (PCI)	Density
Natural gas	0.03901 Gj / m <sup>3</sup>	
LPG	46.00 Gj / ton	1.96 l/kg
diesel	43.07 Gj / ton	0.835 ton / m <sup>3</sup>
Gasoline	44.00 Gj / ton	0.748 ton / m <sup>3</sup>
Liters - M <sup>3</sup>	1000 Liter = 1m <sup>3</sup>	
Liters - Tj	(liters/1000)*43.33*0.825	diesel
Liters - Tj	(liters/1000)*44.80*0.825	Gasoline
Liters - TJ	(liters/1000*46/(1.96*0.001))	LPG
M <sup>3</sup> - Tj	((m <sup>3</sup> )*0.03901)/1000	Natural gas
<b>Electricity</b>		
1 kWh	3.60 MJ/kWh	

### GRI 303-3

The figures presented include the operations in Portugal and Poland. Total water abstraction in Portugal is estimated based on the analysis of the cost of water, using for the calculation of water consumption in m<sup>3</sup> an average unit cost determined from 4.93€/m<sup>3</sup>, updated in 2021 to 5.08€/m<sup>3</sup>.

## GRI 305-1 to 305-3

The figures presented include the operations in Portugal and Poland. The emission factors used are as follows:

Portugal	Factor - 2018	Factor - 2019	Factor - 2020	Factor - 2021
Energy and Total Heat - Without being disaggregated (CO <sub>2</sub> / kWh)	0.22896 kgCO <sub>2</sub> /kWh Source: Total – <a href="#">EDP Comercial</a>	0.24854 kgCO <sub>2</sub> /kWh Source: Total – <a href="#">EDP Comercial</a>	0.19237 kgCO <sub>2</sub> /kWh Source: Total – <a href="#">EDP Comercial</a>	0.199700 kgCO <sub>2</sub> /kWh Source: Total – <a href="#">EDP Comercial</a>

Poland		Factor - 2018-2021	Source - 2018-2021
Electricity	Coal / peat (CO <sub>2</sub> /kWh)	0.87422 kgCO <sub>2</sub> /kWh	<a href="http://www.ghgprotocol.org/calculation-tools/all-tools (2012 consumption)">http://www.ghgprotocol.org/calculation-tools/all-tools (2012 consumption)</a>
	Oil (CO <sub>2</sub> /kWh)	0.48401 kgCO <sub>2</sub> /kWh	<a href="http://www.ghgprotocol.org/calculation-tools/all-tools (2012 consumption)">http://www.ghgprotocol.org/calculation-tools/all-tools (2012 consumption)</a>
	Gas (CO <sub>2</sub> /kWh)	0.33734 kgCO <sub>2</sub> /kWh	<a href="http://www.ghgprotocol.org/calculation-tools/all-tools (2012 consumption)">http://www.ghgprotocol.org/calculation-tools/all-tools (2012 consumption)</a>
Energy and Total Heat - Without being disaggregated (CO <sub>2</sub> /kWh)		0.75584 kgCO <sub>2</sub> /kWh	<a href="http://www.ghgprotocol.org/calculation-tools/all-tools (2012 consumption)">http://www.ghgprotocol.org/calculation-tools/all-tools (2012 consumption)</a>

Emission factors - Fuels (source: UNL, EDP, IPPC)

Gasoline	CO <sub>2</sub>	69300.0 Kg/TJ
	CH <sub>4</sub>	25.0 kg/TJ
	N <sub>2</sub> O	8.0 kg/TJ
Diesel	CO <sub>2</sub>	74100.0 Kg/TJ
	CH <sub>4</sub>	3.9 Kg/TJ
	N <sub>2</sub> O	3.9 Kg/TJ
LPG	CO <sub>2</sub>	63100.0 Kg/TJ
	CH <sub>4</sub>	62.0 Kg/TJ
	N <sub>2</sub> O	0.2 kg/TJ
Natural gas	CO <sub>2</sub>	56100.0 Kg/TJ
	CH <sub>4</sub>	1.2 Kg/TJ
	N <sub>2</sub> O	2.3 Kg/TJ

Emission factors - travel

	Flight Type	Distance (km)	Emission Factor	Source
Plane	Short	<500	0.18 kgCO <sub>2</sub> /km	GHG Protocol
	Medium	500-1600	0.13 kgCO <sub>2</sub> /km	GHG Protocol
	Long	>1600	0.11 kgCO <sub>2</sub> /km	GHG Protocol
	Radiative Forcing Index		1.9	GHG Protocol
Train			0.06 kgCO <sub>2</sub> /km	GHG Protocol
bus			0.19 kgCO <sub>2</sub> /km	GHG Protocol

### Credit portfolio issues

The carbon footprint of the corporate loan portfolio corresponds to scope 3 emissions — indirect emissions attributable to the final consumption of the goods and services produced. It represents the contribution made by granting credit to the carbon emissions of the companies it finances. Scope 1 and 2 issues of companies with exposure in the form of credit were considered attributable to the Bank, in proportion to the companies' assets that are financed by the Bank.

Scope 1 and 2 emissions information for companies comes from the respective report when available, and is estimated based on information on fuel and electricity costs in other cases.

In the case of credit exposure to *holding companies* (CAE 64201, 64202 and 70100), which perform management functions within economic groups, and whose sector of activity does not reflect the economic activities to which they are actually exposed, the exposure was affected to the sectors of activity of the related companies in proportion to the respective assets.

### Emissions associated with suppliers

Scope 3 emissions associated with suppliers (amount) were calculated using *spend-based methodologies*, which tend to be more conservative. to these emissions.

### GRI 306-3

Paper and Cardboard - The total amount of paper and cardboard waste is obtained through the sum of recovered paper and recovered cardboard.

Plastic – The amount of waste produced from the consumption of water bottles and plastic items in the office was estimated, which are not usually intended for archiving or for Customers.

Ink Cartridges and *Toners*– It was considered that the total quantity produced corresponds to consumption.



*With an overall rating of 64%, BCP Group confirmed its presence in "The Sustainability Yearbook", a reference publication in the area of Sustainability, now published by S&P based on the information collected in the companies' responses to the 2021 edition of the "Dow Jones Sustainability Indices"*



# ANNEXES



# GRI Table - Global Reporting Initiative

**Sources of information:**

R&amp;C – Annual Report 2021

RS – Sustainability Report 2021

Site – [millenniumbcp.pt](http://millenniumbcp.pt) – Sustainability

## General standard contents

GRI STANDARDS		Content, page or link	UNGC Principles
<b>GENERAL DISCLOSURES</b>			
102-1	Name of the organization	Banco Comercial Português, S.A.,	
102-2	Activities, brands, products, and services	SR 21   Social Responsibility > Products and Services	
102-3	Location of headquarters	Praça D. João I, 28, 4000-295 Porto	
102-4	Location of operations	SR 21   Relationship with Stakeholders > PDS- Sustainability Master Plan 2021	
102-5	Ownership and legal form	Sociedade Anónima	
102-6	Markets served	SR 21   Relationship with Stakeholders > PDS- Sustainability Master Plan 2021	
102-7	Scale of the organization	SR 21   Summary of Indicators	
102-8	Information on employees and other workers	SR 21   Summary of Indicators SR 21   Economic Responsibility > Employees	6
102-9	Supply chain	SR 21   Summary of Indicators SR 21   Social Responsibility > Suppliers	
102-10	Significant changes to the organization and its supply chain	SR 21   Introduction > Sustainability Report SR 21   Methodological Notes	
102-11	Precautionary Principle or approach	SR 21   Introduction > Strategic Plan 2021-2024 SR 21   Introduction > Management of Social and Environmental Risks R&C21   Risk and Outlook	
102-12	External initiatives	SR 21   Introduction > Sustainability Report SR 21   Sustainability Indexes	
102-13	Membership of associations	<a href="http://www.millenniumbcp.pt">www.millenniumbcp.pt</a> Institutional > Sustainability	
<b>STRATEGY</b>			
102-14	Statement from senior decision-maker	SR 21   Joint message from the Chairman of the Board of Directors and the Chairman of the Executive Committee	
<b>ETHICS AND INTEGRITY</b>			
102-16	Values, principles, standards, and norms of behaviour	SR 21   Economic Responsibility > Ethics and Professional Conduct	10
<b>GOVERNANCE</b>			
102-18	Governance structure	SR 21   Introduction > Governance Model	

## STAKEHOLDER ENGAGEMENT

102-40	List of stakeholder groups	<a href="http://www.millenniumbcp.pt">www.millenniumbcp.pt</a> Institutional > Sustainability > Stakeholders Engagement SR 21   Relationship with Stakeholders	
102-41	Collective bargaining agreements	SR 21   Summary of Indicators	3
102-42	Identifying and selecting stakeholders	<a href="http://www.millenniumbcp.pt">www.millenniumbcp.pt</a> Institutional > Sustainability > Stakeholders Engagement SR 21   Relationship with Stakeholders	
102-43	Approach to stakeholder engagement	<a href="http://www.millenniumbcp.pt">www.millenniumbcp.pt</a> Institutional > Sustainability > Stakeholders Engagement SR 21   Relationship with Stakeholders SR 21   Economic Responsibility > Service Quality > Satisfaction Survey	
102-44	Key topics and concerns raised	<a href="http://www.millenniumbcp.pt">www.millenniumbcp.pt</a> Institutional > Sustainability > Stakeholders Engagement SR 21   Relationship with Stakeholders SR 21   Economic Responsibility > Service Quality > Satisfaction Survey	

## REPORTING PRACTICE

102-45	Entities included in the consolidated financial statements	R&C21   Regulatory Information > Consolidated Financial Statements	
102-46	Defining report content and topic boundaries	SR 21   Introduction > Sustainability Report SR 21   Relationship with Stakeholders	
102-47	List of material topics	SR 21   Relationship with Stakeholders	
102-48	Restatements of information	SR 21   Introduction > Sustainability Report	
102-49	Changes in reporting	SR 21   Introduction > Sustainability Report	
102-50	Reporting period	SR 21   Introduction > Sustainability Report	
102-51	Date of most recent report	SR 21   Introduction > Sustainability Report	
102-52	Reporting cycle	SR 21   Introduction > Sustainability Report	
102-53	Contact point for questions regarding the report	SR 21   Ficha Técnica	
102-54	Claims of reporting in accordance with the GRI Standards	This report was prepared in accordance with the GRI Standards: Core option (essential)	
102-55	GRI content index	Present GRI content Index	
102-56	External assurance	This report has been subjected to external verification by an independent entity.	



GRI STANDARDS		Content, page or link	UNGC Principles																				
<b>CATEGORY ECONOMIC</b>																							
<b>ECONOMIC PERFORMANCE</b>																							
201-1	Direct economic value generated and distributed	R&C21   Corporate Information > Key Figures R&C21   Financial Information > Results and Balance Sheet > Profitability Analysis																					
201-2	Financial implications and other risks and opportunities due to climate change	SR 21   TCFD <a href="https://www.cdp.net">https://www.cdp.net</a> > Search responses > Banco Comercial Português SA																					
201-3	Defined benefit plan obligations and other retirement plans	SR 21   Social Responsibility > Employees Benefits																					
<b>MARKET PRESENCE</b>																							
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	SR 21   Summary of Indicators	6																				
202-2	Proportion of senior management hired from the local community	<table border="1"> <thead> <tr> <th></th> <th>Homens</th> <th>Mulheres</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Employees hired locally</td> <td>7.050</td> <td>8.812</td> <td>15.862</td> </tr> <tr> <td>% of employees hired locally</td> <td>98,9%</td> <td>99,1%</td> <td>99,0%</td> </tr> <tr> <td>Senior management hired locally</td> <td>138</td> <td>42</td> <td>180</td> </tr> <tr> <td>% senior management hired locally</td> <td>91,4%</td> <td>100%</td> <td>93,3%</td> </tr> </tbody> </table>		Homens	Mulheres	Total	Employees hired locally	7.050	8.812	15.862	% of employees hired locally	98,9%	99,1%	99,0%	Senior management hired locally	138	42	180	% senior management hired locally	91,4%	100%	93,3%	
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<b>INDIRECT ECONOMIC IMPACTS</b>																							
203-1	Infrastructure investments and services supported	SR 21   Social Responsibility > Share and Participate SR 21   Social Responsibility > Financial Literacy SR 21   Social Responsibility > Millennium bcp Foundation																					
203-2	Significant indirect economic impacts	SR 21   Social Responsibility > Share and Participate SR 21   Social Responsibility > Financial Literacy SR 21   Social Responsibility > Millennium bcp Foundation																					
<b>PROCUREMENT PRACTICES</b>																							
204-1	Proportion of spending on local suppliers	SR 21   Summary of Indicators RS 21   Social Responsibility > Suppliers																					
<b>ANTICORRUPTION- MATERIAL ISSUE</b>																							
103-1; 103-2; 103-3	Management approach	SR 21   relationship with stakeholders SR 21   Economic Responsibility > Ethics and Professional Conduct																					
205-2	Communication and training about anti-corruption policies and procedures	SR 21   Economic Responsibility > Employees > Training	10																				
205-3	Confirmed incidents of corruption and actions taken	SR 21   Economic Responsibility > Ethics and Professional Conduct	10																				
<b>TAX</b>																							
207-1	Approach to tax	SR 21   Introduction > Tax Policy																					
207-2	Tax governance, control, and risk management	SR 21   Introduction > Tax Policy																					
207-3	Stakeholder engagement and management of concerns related to tax	SR 21   Introduction > Tax Policy																					
207-4	Country-by-country reporting	SR 21   Introduction > Tax Policy																					



CATEGORY: ENVIRONMENTAL			
MATERIALS – MATERIAL ISSUE			
103-1; 103-2; 103-3	Management approach	SR 21   Relationship with stakeholders SR 21   Environmental Responsibility > Sustainable Operations	
301-1	Materials used by weight or volume	SR 21   Environmental Responsibility > Sustainable Operations	7, 8
ENERGY – MATERIAL ISSUE			
103-1; 103-2; 103-3	Management approach	SR 21   Relationship with stakeholders SR 21   Environmental Responsibility > Sustainable Operations	
302-1	Energy consumption within the organization	SR 21   Environmental Responsibility > Sustainable Operations	7, 8
302-3	Energy intensity	SR 21   Environmental Responsibility > Sustainable Operations	8
302-4	Reduction of energy consumption	SR 21   Environmental Responsibility > Sustainable Operations	8, 9
WATER AND EFFLUENTS – MATERIAL ISSUE			
103-1; 103-2; 103-3	Management approach	SR 21   Relationship with stakeholders SR 21   Environmental Responsibility > Sustainable Operations	
303-1	Interactions with water as a shared resource	<p>Most of the water consumed in the BCP is associated with human use, with a part also used for irrigation in the facilities. In 2021, all the water for irrigation of green spaces in Taguspark came from the borehole.</p> <p>The Group is concerned with reducing its environmental impact, which includes reducing water consumption in all the geographies where it operates.</p> <p>BCP does not identify in its direct operation areas of water stress relevant to this report.</p> <p>SR 21   Environmental Responsibility &gt; Sustainable Operations</p>	
303-2	Management of water discharge-related impacts	<p>The effluent management at the Bank is carried out by third parties, and most of the liquid effluents produced by the Group are discarded into public wastewater networks, and subsequently subjected to treatment and quality monitoring by the responsible entities.</p> <p>SR 21   Environmental Responsibility &gt; Sustainable Operations</p>	
303-3	Water withdrawal	SR 21   Environmental Responsibility > Sustainable Operations	7, 8
BIODIVERSITY			
304-1	Operational sites owned, leased or managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	The Bank's operations have no significant direct impact on biodiversity, in protected or restored habitats, which justifies the non-relevance of this indicator.	8
304-2	Significant impacts of activities, products and services on biodiversity	The Bank's operations have no significant direct impact on biodiversity, in protected or restored habitats, which justifies the non-relevance of this indicator.	8
304-3	Habitats protected or restored	The Bank's operations have no significant direct impact on biodiversity, in protected or restored habitats, which justifies the non-relevance of this indicator.	8

EMISSIONS – MATERIAL ISSUE																																											
103-1; 103-2; 103-3	Management approach	SR 21   Relationship with stakeholders SR 21   Environmental Responsibility > Sustainable Operations																																									
305-1	Direct (Scope 1) GHG emissions	SR 21   Environmental Responsibility > Sustainable Operations	7, 8																																								
305-2	Energy indirect (Scope 2) GHG emissions	SR 21   Environmental Responsibility > Sustainable Operations	7, 8																																								
305-3	Other indirect (Scope 3) GHG emissions	SR 21   Environmental Responsibility > Sustainable Operations	7, 8																																								
305-4	GHG emissions intensity	SR 21   Environmental Responsibility > Sustainable Operations	8																																								
305-5	Reduction of GHG emissions	SR 21   Environmental Responsibility > Sustainable Operations	8, 9																																								
WASTE																																											
306-1	Waste generation and significant waste-related impacts	The production of waste at BCP is mostly associated with office waste (paper, cardboard and plastic). The Group is concerned with reducing its environmental impact, which includes reducing waste production in all the geographies where it operates. SR 21   Environmental Responsibility > Sustainable Operations																																									
306-2	Management of significant waste-related impacts	SR 21   Environmental Responsibility > Sustainable Operations																																									
306-3	Waste generated	SR 21   Environmental Responsibility > Sustainable Operations	8																																								
CATEGORY SOCIAL																																											
EMPLOYMENT – MATERIAL ISSUE																																											
103-1; 103-2; 103-3	Management approach	SR 21   Relationship with stakeholders SR 21   Economic Responsibility > Employees SR 21   Social Responsibility > Benefits to Employees																																									
401-1	New employees hired and employee turnover	SR 21   Economic Responsibility > Employees  <table border="1"> <thead> <tr> <th>Recruitment 2021</th> <th>Men</th> <th>Women</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>&lt;30</td> <td>396</td> <td>603</td> <td>999</td> </tr> <tr> <td>[30-50[</td> <td>199</td> <td>313</td> <td>512</td> </tr> <tr> <td>&gt;=50</td> <td>17</td> <td>22</td> <td>39</td> </tr> <tr> <td><b>Total</b></td> <td><b>612</b></td> <td><b>938</b></td> <td><b>1.550</b></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Turnover 2021</th> <th>Men</th> <th>Women</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>&lt;30</td> <td>309</td> <td>495</td> <td>804</td> </tr> <tr> <td>[30-50[</td> <td>427</td> <td>808</td> <td>1.235</td> </tr> <tr> <td>&gt;=50</td> <td>487</td> <td>274</td> <td>761</td> </tr> <tr> <td><b>Total</b></td> <td><b>1.223</b></td> <td><b>1.577</b></td> <td><b>2.800</b></td> </tr> </tbody> </table>	Recruitment 2021	Men	Women	Total	<30	396	603	999	[30-50[	199	313	512	>=50	17	22	39	<b>Total</b>	<b>612</b>	<b>938</b>	<b>1.550</b>	Turnover 2021	Men	Women	Total	<30	309	495	804	[30-50[	427	808	1.235	>=50	487	274	761	<b>Total</b>	<b>1.223</b>	<b>1.577</b>	<b>2.800</b>	6
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401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR 21   Social Responsibility > Benefits to Employees  The benefits identified in the Reports are granted to the Bank's employees (full or part time) but are not extended to interns or outsourcers.	6																																								

## OCCUPATIONAL HEALTH AND SAFETY

403-1	Occupational health and safety management system	<p>Millennium bcp has published a regulation that establishes the general principles related to the prevention of occupational risks, the protection of the safety, hygiene and physical and mental health of the Employees, regardless of the type of contractual relationship, of the facilities and workplaces where exercise their activity, and to information, consultation, participation and training in this area, without prejudice to the legal rules applicable in this field. These rules are available for consultation on the Bank's internal portal.</p>
403-2	Hazard identification, risk assessment and incident investigation	<p>The Occupational Health and Safety Management System was implemented in response to specific legislation in this area (Law No. 102/2009 of 10 September, amended by Law 3/2014 of 28 January, with the updates introduced by DL No. 88 / 2015 of May 28, by Law No. 146/2015 of September 9 and by Law No. 28/2016 of August 23) but its scope, namely in the area of health, goes beyond the legally determined limits.</p> <p>In order to ensure adequate surveillance of Employees' health, Millennium bcp conducts admission tests, periodic examinations differentiated according to gender and age group - up to 50 years old, the frequency is every two years, being annual after that age - occasional and complementary, as well as activities to promote health at work, keeping clinical records and other information related to the health of each employee organized. Following the check-up, a consultation is made with the Health Doctor at work, where all the information on the Employee's health status is provided and the necessary recommendations are made.</p> <p>In the field of security, risk assessment audits are carried out, the reports of which are forwarded to the Purchasing and Means Department, which, after their analysis, issues recommendations to the Areas whose intervention is justified with a view to resolving the recommendations made.</p> <p>All Employees are alerted to the importance of ensuring their safety and health, as well as the safety and health of people who may be affected by their actions or omissions at work, as well as the need to report immediately to the employer any work situation that presents a serious and immediate danger to safety or health, and any defect registered in the protection systems.</p> <p>The current Regulation determines that Employees in the event of serious, immediate and unavoidable danger, have the right to leave their workplace or a dangerous area, and cannot be harmed by this fact.</p> <p>In the context of the pandemic, the Bank implemented a wide range of measures from the outset, with two main objectives: to protect people, Employees and the entire community, ensuring the maintenance of the expected level of services.</p> <p>Preventive measures: (i) daily information to all employees with relevant data on the disease and good practices; (ii) suspension of all air travel; (iii) implemented remote working for all employees whose functions could be performed remotely, as well as employees from risk groups and pregnant women; (iv) segregation of teams by different buildings in order to avoid a possible transversal contagion; (v) all meetings as well as training actions were carried out in digital media. Contagion risk mitigation procedures (i) definition and dissemination of an action matrix for Employees and Hierarchies (ii) definition of isolation areas in each building; (iii) distribution of safety material (masks and gel alcohol); (iv) definition of a minimum quarantine period of 14 days for any employee suspected of having been exposed to the virus; (v) closing and disinfecting any space where someone may have been infected, including branches; (vi) Online medical assistance to all Employees and 100% reimbursement of the COVID-19 screening test by Médis, for all Employees, even without the aforementioned health insurance. These measures were regularly evaluated in the light of the evolution of the pandemic and the recommendations of the General Health Directorate, always ensuring the transmission of information via the intranet to all Employees.</p> <p>Continuing with the vaccination plan implemented last year, the Bank facilitated the prescription of vaccines for the prevention of flu and/or pneumonia for Employees who were interested.</p> <p>Even when testing for COVID-19 was no longer mandatory in companies, the Bank, faithful to its commitment to safeguarding the health of Employees, continued to provide self-tests.</p>

403-3	Occupational health services	<p>There is a team of medical doctors at work and nurses available every day at the Bank's premises in Taguspark and a doctor and a nurse at the Bank's facilities in Porto. The coordination of this team is ensured by the doctor who performs the duties of Clinical Responsible, and who reports to the Human Resources Department.</p> <p>The topics of occupational health and well-being are considered at every moment, bearing in mind the importance of providing a set of services that contribute to a better balance between professional and personal life. In this domain, the following services are available:</p> <p>Curative Medicine Services - the medical and nursing acts covered by these services are available free of charge to all Employees. Analysis collection services are also available.</p> <p>Nutrition and Psychology Consultations - consultations implemented for the importance they can play in the health and well-being of Employees, as a personalized diet plan is prescribed through strategies adapted to the lifestyle of each one, allowing for change and adaptation. acquisition of healthy habits gradually.</p> <p>Campaigns for Health Promotion and Healthy Living Habits - in this context, a series of actions are carried out with the objective of informing and sensitizing Employees to the importance of adopting, in their day-to-day, healthy living habits.</p> <p>Provision of a Physiotherapy Center at Taguspark facilities, in agreement with SAMS and Médis.</p> <p>Social Benefits and Support - through the definition of a policy of social benefits and support, detailed in the internal Human Resources Portal, the Bank has sought to encourage support for work-family reconciliation, support for education and incentive to mobility.</p>
SR 21   Social Responsibility > Benefits to Employees > Health and Safety		
403-4	Worker participation, consultation and communication on occupational health and safety	<p>The performance of internal satisfaction surveys with the various services and the possibility of making comments, allows the periodical monitoring the Employees' opinion on the quality of the services provided.</p>
403-5	Worker training on occupational health and safety	<p>Within the scope of the training provided in these matters, in 2021, topics related to the contingency plan, self-protection measures and safety and hygiene at work were addressed, in a total of 408, 2 hours.</p>
403-6	Promotion of worker health	<p>Employees are invited for check-ups in accordance with the rules established and already mentioned. Following the check-up, they are later called for a health consultation at work. All other consultations, curative medicine, psychology, nutrition, as well as clinical analyses, are scheduled at the Employee's initiative through contact with the Bank's medical services. Physiotherapy sessions are scheduled through direct contact with the service provider. Clinical information is registered in an autonomous application, with restricted access, in order to guarantee the confidentiality of all data.</p>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>The Bank has an occupational health and safety service that is responsible for preparing and updating the Occupational Health and Safety Plan, which is part of the internal emergency plan, and includes specific plans for fighting fires, evacuating facilities and first aid, the occupational risk prevention plan, the development of health promotion activities and the performance of health surveillance exams.</p> <p>The external entity that supports the Bank in carrying out audits of the workplace ensures the identification of any anomaly, which needs to be corrected, in the preparation of the reports it makes.</p>
403-9	Work-related injuries	<p>SR 21   Summary of Indicators SR 21   Social Responsibility &gt; Benefits to Employees &gt; Health and Safety</p>



**TRAINING AND EDUCATION – MATERIAL ISSUE**

103-1; 103-2; 103-3	Management approach	SR 21   Relationship with stakeholders SR 21   Economic Responsibility > Employees > Training	
404-1	Average hours of training per year per employee	SR 21   Economic Responsibility > Employees > Training	6
404-2	Programs for upgrading employee skills and transition assistance programs	SR 21   Economic Responsibility > Employees > Training	
404-3	Percentage of employees receiving regular performance and career development reviews	SR 21   Economic Responsibility > Employees > Evaluate and Recognize	6

**DIVERSITY AND EQUAL OPPORTUNITY – MATERIAL ISSUE**

103-1; 103-2; 103-3	Management approach	SR 21   Relationship with stakeholders SR 21   Economic Responsibility > Employees	
405-1	Diversity of governance bodies and employees	SR 21   Summary of Indicators SR 21   Economic Responsibility > Employees  Additionally, BCP identifies and reports its employees with disabilities. In 2021, in Portugal, the Bank had 55 men and 77 women with disabilities. Poland had 67 employees with disabilities.	6

SR 21 | Economic Responsibility &gt; Employees

405-2	Ratio of basic salary and remuneration of women to men	<b>Portugal</b>		<b>Poland</b>		<b>Mozambique</b>		6	
		Basic salary (W/M)	Remuneration (W/M)	Basic salary (W/M)	Remuneration (W/M)	Basic salary (M/H)	Remuneration (M/H)		
		Senior Management	1,02	0,95	0,87	0,77	-		-
		Management	0,96	0,97	0,74	0,72	0,78		0,64
		Commercials	0,86	0,80	0,92	0,85	0,93		0,89
		Technicians	0,91	0,88	0,73	0,75	0,85		0,88
Other	0,79	0,88	0,76	0,83	1,12	1,12			

**NON-DISCRIMINATION**

406-1	Incidents of discrimination and corrective actions taken	In 2021, there were no reported cases of discrimination	6
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**FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**

407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SR 21   Social Responsibility > Suppliers	3
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**CHILD LABOR**

408-1	Operations and suppliers at significant risk for incidents of child labour	SR 21   Social Responsibility > Suppliers	5
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**HUMAN RIGHTS ASSESSMENT**

412-1	Operations submitted to Human Rights assessments	SR 21   Social Responsibility > Human Rights	
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**LOCAL COMMUNITIES – MATERIAL ISSUE**

103-1; 103-2; 103-3	Management approach	SR 21   Relationship with stakeholders SR 21   Social Responsibility > Share and Participate SR 21   Social Responsibility > Financial Literacy SR 21   Social Responsibility > Millennium bcp Foundation	
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413-1	Operations with local community engagement, impact assessments, and development programs	SR 21   Social Responsibility > Share and Participate SR 21   Social Responsibility > Financial Literacy SR 21   Social Responsibility > Millennium bcp Foundation	1
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FS13	Access points in low-populated or economically disadvantaged areas by type	SR 21   Summary of Indicators RS 21   Economic Responsibility	
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FS14	Initiatives to improve access to financial services for disadvantaged people	SR 21   Summary of Indicators RS 21   Economic Responsibility	
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**PUBLIC POLICY**

415-1	Political contributions	No contributions are made to political parties, in accordance with what is established by law. SR 21   Economic Responsibility > Ethics and Professional conduct	
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**MARKETING AND LABELING – MATERIAL ISSUE**

103-1; 103-2; 103-3	Management approach	SR 21   Relationship with stakeholders SR 21   Economic Responsibility > Ethics and Professional conduct	
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417-1	Requirements for product and service information and labelling	SR 21   Economic Responsibility > Ethics and Professional conduct	
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CLIENT PRIVACY		
418-1	Denúncias relativas a violação da privacidade e perda de dados de clientes	SR 21   Economic Responsibility > Service Quality > Claims
SOCIO-ECONOMIC COMPLIANCE		
419-1	Non-compliance with laws and regulations in the social and economic area	SR 21   Economic Responsibility > Ethics and Professional conduct > Internal Audit
SECTOR SUPPLEMENT		
PRODUCTS PORTFOLIO – MATERIAL ISSUE		
103-1; 103-2; 103-3	Management approach	SR 21   Relationship with stakeholders SR 21   Social Responsibility > Products and Services
FS6	Percentage of the portfolio for business lines, in total volume, by specific region and size	R&C21   Consolidated Accounts and Notes > Note 52. Consolidated Balance Sheet and Income Statement indicators by geographic and operational segment
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line	SR 21   Social Responsibility > Products and Services SR 21   Environmental Responsibility > Offer of eco-friendly products and services
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line	SR 21   Social Responsibility > Products and Services SR 21   Environmental Responsibility > Offer of eco-friendly products and services
AUDIT		
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	SR 21   Social Responsibility > Products and Services SR 21   Environmental Responsibility > Offer of eco-friendly products and services
FS11	Percentage of assets subject to environmental or social screening	SR 21   Social Responsibility > Products and Services SR 21   Environmental Responsibility > Offer of eco-friendly products and services

GRI - Global Reporting Initiative

# SASB Table – Sustainability Accounting Standards Board

SASB - Banks commercials	Category / unit of measure	Content and location of information	Scope																																				
<b>DATA SECURITY</b>																																							
FN-CB-230a.1	(1) Number of data breaches, (2) percentage that involved personally identifiable information (PII), (3) number of affected account holders  Number, Percentage (%)	<p><b>Number of data breaches:</b> 68<sup>1</sup>  <b>Percentage that involved personally identifiable information:</b> 71%  <b>Number of account holders affected:</b> 2,379<sup>2</sup></p> <p><sup>1</sup> The increase in the number of recorded data breaches is fundamentally justified by the increase in internal awareness of the identification of potential breaches of personal data  In 2021, 161 potential cases were reported and analyzed by the responsible Office (204% more than in 2020), with the confirmation rate rising from 30% to 42% of cases.  <sup>2</sup> The increase in the number of holders affected compared to 2000 results from the occurrence of two incidents which, by themselves, involved 2,313 individuals.</p>	Portugal																																				
FN-CB-230a.2	Description of approach to identifying and addressing data security risks  n.a.	<p>The regulatory context applicable to Portugal and Poland in terms of data security is similar, insofar as both countries are covered by the rules emanating from the General Data Protection Regulation (GDPR). In addition to the GDPR, applicable to the geographies of Portugal and Poland, the Electronic Transactions Law, approved in 2017, which provides legal provision for the protection of personal data in Mozambique, is also noteworthy.</p> <p>More information on the Bank's Information Security policies and procedures can be found in the 2021 Sustainability Report, <b>Information Security Chapter</b>.</p>																																					
<b>FINANCIAL INCLUSION AND TRAINING</b>																																							
FN-CB-240a.1	(1) Number and (2) amount of eligible outstanding loans for programs designed to promote small business and community development  number, currency	<p>Millennium bcp supported 10,743 small business and community development projects (1), with a total credit of around 1,584 million euros (2).</p> <table border="1"> <thead> <tr> <th>Projects</th> <th>No. of projects</th> <th>Amount (€)</th> </tr> </thead> <tbody> <tr> <td>invest +</td> <td>15</td> <td>528,653.59</td> </tr> <tr> <td>Capitalizar Mais/SI Inovação Line</td> <td>89</td> <td>43,925,964.59</td> </tr> <tr> <td>FEI Covid-19 Line</td> <td>97</td> <td>6,938,500</td> </tr> <tr> <td>DNA lines</td> <td>53</td> <td>16,405,179.34</td> </tr> <tr> <td>Lines of credit with IFAP (IFAP Short Term and IFAP ML Term)</td> <td>157</td> <td>12,708,551.82</td> </tr> <tr> <td>Tourism Financing Lines</td> <td>19</td> <td>6,943,957.17</td> </tr> <tr> <td>FEI lines</td> <td>8717</td> <td>1,154,564,086</td> </tr> <tr> <td>SME Investe / SME Growth / Capitalize Lines</td> <td>3</td> <td>950,000</td> </tr> <tr> <td>lines Covid-19 Protocols</td> <td>1524</td> <td>329,802,378.8</td> </tr> <tr> <td>microinvest</td> <td>56</td> <td>778,978.99</td> </tr> <tr> <td>Other Support Lines (OSI, Madeira, Azores)</td> <td>13</td> <td>11,061,330.91</td> </tr> </tbody> </table> <p>More information on the number and amount of loans to businesses with social and environmental benefits can be found in the 2021 Sustainability Report, <b>Chapter of Social and Environmental Products and Services</b>.</p>	Projects	No. of projects	Amount (€)	invest +	15	528,653.59	Capitalizar Mais/SI Inovação Line	89	43,925,964.59	FEI Covid-19 Line	97	6,938,500	DNA lines	53	16,405,179.34	Lines of credit with IFAP (IFAP Short Term and IFAP ML Term)	157	12,708,551.82	Tourism Financing Lines	19	6,943,957.17	FEI lines	8717	1,154,564,086	SME Investe / SME Growth / Capitalize Lines	3	950,000	lines Covid-19 Protocols	1524	329,802,378.8	microinvest	56	778,978.99	Other Support Lines (OSI, Madeira, Azores)	13	11,061,330.91	Portugal
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SASB - Banks commercials		Category / unit of measure	Content and location of information	Scope
FN-CB-240a.2	(1) Number and (2) amount of eligible <i>past-due</i> and <i>nonaccrual loans</i> for programs designed to promote small business and community development	number, currency	Information on <i>past-due</i> and <i>nonaccrual loans</i> is reported in the 2021 Annual Report, <b>Chapter Results and Balance Sheet - Customer Loans.</b>	
FN-CB-240a.3	Number of free current accounts provided to customers previously unbanked or with access to only some basic banking services	Number	<p>As part of the inclusion of individual Customers (residents and non-residents) with low incomes in the financial system, the Bank was one of the first banking institutions to voluntarily provide a current account – Minimum Banking Services Account – which, without associated expenses, can be operated through a debit card and <i>home service banking</i>. In 2021, 2,905 accounts were opened, so the cumulative total is now 15,678 accounts.</p> <p>In Portugal, within the scope of the Entities that make up the social sector, Millennium bcp has kept the Non-Profit Associations Account available, a current account with special conditions, which does not require a minimum opening and is exempt from maintenance and overdraft fees. In 2021, 295 accounts with these characteristics were opened, which corresponds to a total of 5,079 accounts in the Bank's portfolio.</p> <p>More information about the Bank's Social Inclusion offer can be found in the Sustainability Report 2021, <b>Social Inclusion Chapter</b></p>	Portugal
FN-CB-240a.4	Number of participants in financial education initiatives for customers who are unbanked or have access to only some basic banking services	Number	<p>In 2021, Millennium bcp impacted more than 7,000 people through its initiatives to promote financial literacy.</p> <p>The main initiatives implemented were:</p> <ul style="list-style-type: none"> <li>. Realization of another edition of the European Money Quis (PT);</li> <li>. Launch of the Digital Literacy Program (PT);</li> <li>. Publication of a set of contents in the form of Investment Conferences (<i>About Investments</i>), <i>webcasts or informative videos and images</i>, on ActivoBank 's digital communication channels – Facebook, Youtube, Instagram, LinkedIn and TikTok (PT);</li> <li>. Maintenance of "Financial ABC", a financial literacy program of the Bank Millennium Foundation that aims to introduce basic financial concepts to preschool children (PL);</li> <li>. Creation of a Children's app - Bank Millennium made a special version of the mobile application available to children from 7 to 12 years of age (PL).</li> </ul> <p>More information on the number and amount of loans to small businesses and those with social and environmental benefits can be found in the 2021 Sustainability Report, <b>Community Support Chapter.</b></p>	BCP Group

## INCORPORATION OF ENVIRONMENTAL, SOCIAL AND GOVERNMENT FACTORS IN CREDIT ANALYSIS

FN-CB-410a.1	Commercial and industrial credit exposure, by sector	Currency	Information on loans and credit to customers, by sector, is reported in the Annual Report 2021, <b>Chapter Results and Balance Sheet - Credit to Customers.</b>	BCP Group
FN-CB-410a.2	Description of approach to incorporating environmental, social and governance (ESG) factors into credit analysis	n.a.	<p>The BCP Group guarantees a complete and comprehensive offer of financial products and services and continues, within the scope of the development of its responsible business lines, to provide an increasing number of products and services that incorporate social principles and respect for the environment and nature. It is also aware that the implementation of social and environmental criteria and <i>standards</i> in the commercial offer translates into more effective risk management, reputational value and better quality of products and services available to customers, meeting the needs and aspirations of an increasingly more identified with sustainability.</p> <p>More information on the approach to incorporating ESG risks into credit analysis can be found in the 2021 Market Discipline Report, <b>Environmental and Social Risks Chapter</b> and in the 2021 Sustainability Report, <b>TCFD Chapter</b>.</p>	Portugal

## BUSINESS ETHICS

FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, <i>anti-trust</i> , anti-competitive behavior, market manipulation, <i>malpractice</i> or other financial industry laws or regulations	Currency	Information on legal and internal procedures associated with fraud, insider trading, <i>anti-trust</i> , anti-competitive behavior, market manipulation, <i>malpractice</i> can be found in the 2021 Sustainability Report, <b>Internal Audit Chapter</b> .	Portugal
FN-CB-510a.2	Description of <i>whistleblowing policies and procedures</i>	n.a.	<p><i>Whistleblowing</i> Policy is implemented, regulated by a specific Service Order.</p> <p>In Poland and Mozambique, in accordance with the recommendations issued by the Bank in Portugal, equivalent policies were adopted, adjusted to the reality of the respective geographies.</p> <p>More information on the Bank's Irregularity Reporting Policy is available here: <a href="https://ind.millenniumbcp.pt/pt/Institucional/governacao/Documents/RegComunicacaoIrregularidades.pdf">https://ind.millenniumbcp.pt/pt/Institucional/governacao/Documents/RegComunicacaoIrregularidades.pdf</a></p>	BCP Group

## SYSTEMIC RISK MANAGEMENT

FN-CB-550a.1	<i>Global Systemically Important Bank (G-SIB) Score</i> , by Category	<i>Basis points (bps)</i>	<p>The BCP Group and the banks that comprise it are not considered <i>Global Systemically Important Bank (G-SIB)</i>.</p> <p>More information on G-SIB (2021) available here: <a href="https://www.fsb.org/wp-content/uploads/P231121.pdf">https://www.fsb.org/wp-content/uploads/P231121.pdf</a></p>	BCP Group
FN-CB-550a.2	Description of approach to incorporating mandatory and voluntary stress test results into capital adequacy planning, long-term corporate strategy and other business activities	n.a.	<p>The ICAAP is a key process within the framework of the risk management function of the BCP Group and is developed under an internal governance model that guarantees the involvement of the CA (body responsible for approving the results) and its Risk Assessment Committee (CAvR), the EC and the top management of the Group, in its various stages.</p> <p>The ICAAP results allow the management bodies to test whether the Bank is adequately capitalized in view of the risks arising from its current activity, as well as in relation to the risks inherent in the balance sheet projections and results of the strategic plan and budget, in order to ensure the sustainability of the Group in the medium term, respecting the risk limits defined in the RAS (<i>Risk appetite Statement</i>) approved by the CA.</p> <p>For this purpose, the ICAAP starts from a prospective view of the impacts of the materialization of the various risks on the Group's capital (capital requirements), considering the respective scale or dimension, complexity, frequency, probability of occurrence and materiality, having as a backdrop the developments projected for the Group's activity in a medium-term time horizon (3 years). Impacts are estimated under different scenarios, including <i>stress scenarios</i> with a severely penalizing evolution of macroeconomic indicators. Through this process, it is possible to test the Group's resilience, verifying whether the capital levels are adequate to cover the risks to which its activities may be subject. For this purpose, the different risks are modeled or incorporated within the framework of the Group's stress testing methodology.</p> <p>More information on incorporating <i>stress test results</i> into capital adequacy planning, long-term corporate strategy and other business activities can be found in the 2021 Annual Report, <b>Pension Fund Risks Chapter</b> (pp. 169-171) and Report Sustainability Report 2021, <b>Chapter TCFD</b>.</p>	BCP Group

## ACTIVITY METRICS

FN-CB-000.A	(1) Number and (2) value of current and savings accounts by segment: (a) personal and (b) small businesses	number , currency	Information on Client Funds can be found in the 2021 Annual Report under <b>the Client Resources Chapter</b> .	BCP Group
FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small businesses and (c) businesses (mortgage loans as well as revolving credit loans should be excluded from the scope of disclosure).	number , currency	Information on Customer Funds can be found in the 2021 Annual Report, in <b>the Customer Credit Chapter</b> .	BCP Group

# UNPG Table - UN Guiding Principles Reporting Framework

## PART A: GOVERNANCE OF RESPECT FOR HUMAN RIGHTS

### TO 1. commitment policy

What does the company say publicly about its commitment to respecting human rights?

A1.1 How was public engagement developed?

A1.2 Whose human rights are addressed in the public engagement?

A1.3 How is public engagement disseminated?

The BCP Group assumes its commitment to the promotion of Human Rights through the Human Rights Policy, published in 2014 and revised, after a process of internal reflection and evaluation of good practices, in 2021.

It is also, since 2005, a member of the UN Global Compact, which includes Human Rights in its principles, and is also a subscriber to other initiatives that promote the adoption of best practices in this area (see the Human Rights chapter).

The various commitments to Human Rights cover above all, but not exclusively, all those who work with us, namely employees, as well as suppliers and business partners, customers and the communities in which we operate, namely through the development of partnerships and initiatives that contribute to the promotion of human rights.

### A2. Incorporating respect for human rights

How does the company demonstrate how important it is to you to implement its commitment to human rights?

A2.1 How is day-to-day responsibility for human rights performance organized within the company and why?

A2.2 What types of human rights issues are discussed by top management and the Board, and why?

A2.3 How are employees and service providers made aware of how respect for human rights should be taken into account in their decisions and actions?

A2.4 How does the company make clear in its business relationships the importance it attaches to respect for human rights?

A2.5 What lessons did the company learn during the reporting period on how to achieve respect for human rights and what has changed as a result of that learning?

The Corporate Governance, Ethics and Deontology Committee (dependent on the Board of Directors) and the Human Resources and Sustainability Committees (depending on the Executive Committee) are the governing bodies responsible for monitoring issues related to the protection and promotion of Human Rights.

With regard to raising awareness of the importance of the topic among the various *stakeholders*: i) internal training and dissemination of content related to the topic, aimed at employees, are promoted and ii) the Guiding Principles of Sustainability are applied to suppliers.

During the reporting period, a self-assessment was carried out, the purpose of which was to identify, in the main geographical areas of the BCP Group (PT, PL and MZ), which areas related to Human Rights can benefit from incremental processes of evolution (see the Human Rights chapter).

## PART B: DEFINE THE SCOPE OF THE REPORT

### B1. Declaration of relevant topics

State the main human rights issues associated with the company's business activities and relationships during the reporting period.

The BCP Group, within the scope of its Human Rights Policy, establishes its commitment to the following topics:

- Prohibition of forced labour, child labor and human trafficking;
- Non-Discrimination and Prohibition of Harassment;
- Freedom of association and collective bargaining;
- remuneration;
- Relations with stakeholders (employees and shareholders, customers, suppliers and partners and the community).

### B2. Identification of relevant topics

Describe how key human rights issues were determined, including any input from stakeholders.

The Human Rights Policy establishes a set of topics considered most relevant (see answer B1. Declaration of relevant topics), on which the self-assessment process carried out in 2021 also focused. These topics were identified based on the main national references and regulations and international standards, such as the Universal Declaration of Human Rights or the Ruggie Framework and based on best market practices.

### B3. Choice of local geographies

If the report on key human rights issues focuses on specific geographies, explain how this choice was made.

The information on Human Rights reported refers to the three geographical areas where the BCP Group operates: Portugal, Poland and Mozambique. whenever such no happen is properly identified.



**B4. Additional severe impacts**

Identify any serious human rights impacts that occurred or were still being addressed during the reporting period, but that are outside the relevant human rights topics, and explain how they were addressed.

Through the various mechanisms implemented, or through other means, no severe impacts on Human Rights arising from the activity of the BCP Group were identified.

**PART C: MANAGEMENT OF RELEVANT HUMAN RIGHTS TOPICS****C1. policies specific**

Does the company have a specific policy that addresses its most relevant human rights issues? If yes, which one/which ones?

C1.1 How does the company convey the relevance and meaning of such policies to those who must implement them?

The BCP Group has a Human Rights Policy that sets out the approach to the most relevant issues and covers a wide range of *stakeholders*, duly identified in the document.

This document is available on the Bank's *website and on the corporate intranet*.

**C2. Stakeholder involvement**

*Stakeholder* engagement on each of its relevant human rights issues?

C2.1 How are the stakeholders whose involvement in each relevant human right issue the company should promote are identified, when and how?

C2.2 During the reporting period, which *stakeholders* were involved in each relevant human rights issue and why?

C2.3 During the reporting period, how have *stakeholder opinions* influenced the company's understanding of each relevant topic and/or its approach to addressing it?

Millennium bcp seeks to actively involve its *stakeholders* in the development of its activity, including in matters related to Human Rights.

In addition to the current engagement practices (see the Relationship with *Stakeholders chapter*), all issues identified through the various existing mechanisms for this purpose are subject to analysis and consequent implementation of improvements, whenever necessary and capable of providing value.

**C3. Impact assessment**

How does the company identify changes in the nature of each relevant human rights issue over time?

C3.1 During the reporting period, were there any notable trends or patterns in impacts related to a relevant topic and, if so, what were they?

C3.2 During the reporting period, were there serious impacts related to a relevant topic and, if so, what were they?

Millennium bcp guarantees the analysis and monitoring of all issues related to Human Rights identified through the specific and confidential internal channel of communication. In addition, all situations detected by or reported to the internal audit function are also evaluated. Related situations identified through the Customer Ombudsman are also considered.

The self-assessment process conducted during 2021 is also a potential source of information for identifying changes in Human Rights-related topics.

In 2021, no significant changes or serious impacts related to Human Rights were identified.

**C4. Integrate findings and implement actions**

How does the company integrate its findings on each relevant human rights issue into its decision-making and action process?

C4.1 How are the parts of the company whose decisions and actions may affect the management of relevant issues involved in the search for and implementation of solutions?

C4.2 When tensions arise between preventing or mitigating impacts related to a relevant issue and other business objectives, how are they addressed?

C4.3 During the reporting period, what measures did the company implement to prevent or mitigate potential impacts related to each relevant topic?

As mentioned in point C2. *Stakeholder* Involvement, all issues identified by *stakeholders* are the object of analysis and lead to improvement actions and development of solutions/resolution of identified problems, if applicable.

In 2021, there was no need to implement any measures to prevent or mitigate impacts related to the relevant topics, as no significant risk was identified. However, the self-assessment exercise made it possible to identify human rights areas/themes that could benefit from incremental processes of evolution.

**C5. track performance**

**How does the company know if its efforts on each relevant human rights issue are effective in practice?**

**C5.1** What specific examples from the reporting period illustrate whether each relevant issue is being managed effectively?

Millennium bcp has a wide range of corporate Policies, available for public consultation on the *website*, which establish a set of guidelines and the expected conduct for groups of *Stakeholders* and on different subjects, which include the topic of Human Rights.

In addition, through the Guiding Principles for Suppliers, we guarantee that suppliers follow a set of guidelines also related to Human Rights, and compliance with them can be verified by answering questionnaires or visiting the places where the activity is carried out.

**C6. remediation**

**How does the company offer effective solutions to people whose actions and decisions are harmed in terms of relevant human rights issues?**

**C6.1** How can the company receive complaints or concerns related to each relevant topic?

**C6.2** How does the company know if people feel capable and empowered to raise complaints or concerns?

**C6.3** How does the company process complaints and assess the effectiveness of the results?

**C6.4** During the reporting period, what were the trends and patterns of complaints or concerns and their outcomes in relation to each relevant topic and what lessons were learned?

**C6.5** During the reporting period, has the company provided or enabled remediation of any actual impacts related to a relevant issue, and if so, what are typical or significant examples?

We encourage the reporting of actual or potential situations of violation of Human Rights (see the Human Rights chapter) through i) the specific and confidential internal channel of communication for the reporting of violations established in the Code of Conduct and other internal regulations and ii) Provider of the customer. Situations that are reported through other channels are also analyzed and, whenever necessary, trigger improvement actions.

In 2021, there were no complaints or concerns expressed by any group of *stakeholders* in terms of Human Rights.

# Alignment table with TCFD – Task Force on Climate-Related Financial Disclosures

Pillar	Recomendations	Sources
<b>Governance</b> How do we manage risks and opportunities climate-related	a) Describe the board’s oversight of climate-related risks and opportunities. b) Describe management’s role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> <li>• Sustainability Report 2021- TCFD</li> <li>• CDP Climate Change 2021- C1 Governance</li> </ul>
<b>Strategy</b> How we manage the current and potential impacts of climate-related risks and opportunities	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. b) Describe the impact of climate related risks and opportunities on the organization’s businesses, strategy, and financial planning. c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<ul style="list-style-type: none"> <li>• Sustainability Report 2021 &gt; Environmental Responsibility &gt; Sustainability Master Plan (SDP) 2021</li> <li>• Sustainability Report 2021 &gt; Environmental Responsibility &gt; Sustainable Operations</li> <li>• Sustainability Report 2021 &gt; TCFD</li> <li>• CDP Climate Change 2021- C2 Risk and Opportunities, C3 Business Strategy</li> </ul>
<b>Risk management</b> How we identify, assess and manage climate-related risks and opportunities	a) Describe the organization’s processes for identifying and assessing climate-related risks. b) Describe the organization’s processes for managing climate-related risks. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	<ul style="list-style-type: none"> <li>• Sustainability Report 2021 &gt; TCFD</li> <li>• CDP Climate Change 2021- C2 Risk and Opportunities, C3 Business Strategy</li> </ul>
<b>Metrics and targets</b> How we assess and manage climate-related risks and opportunities	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> <li>• Sustainability Report 2021 &gt; Environmental Responsibility &gt; Sustainable Operations</li> <li>• Sustainability Report 2021 &gt; TCFD</li> <li>• CDP Climate Change 2021- C4 Targets and Performance, C6 Emissions data</li> </ul>

# Alignment with CMVM's reporting model for non-financial information disclosure

Requirement	Chapter/Section	Pages	
<b>Part I- Information regarding adopted policies</b>			
<b>A- Introduction</b>	Description of the Company's general policy on sustainability issues, indicating any changes in relation to that previously approved	SR 21   Introduction > Sustainability Policy SR 21   Stakeholder Relations > Sustainability Master Plan (SDP) 2021	18 33-34
	Description of the methodology and the reasons for its adoption in the reporting of non-financial information, as well as any changes that have occurred in relation to previous years and the reasons for such changes	SR 21   Introduction > Sustainability Policy SR 21   Stakeholder Relations > Sustainability Master Plan (SDP) 2021	18 33-34
<b>B- Business Model</b>	General description of the business model and form of organisation of the Company/Group, indicating the main business areas and markets where it operates (if possible using organisation charts, graphs or functional charts).	SR 21   Value Creation	13
		SR 21   Introduction > Governance Model	18
		SR 21   Introduction > Business Model	37-41
<b>C- Main Risk Factors</b>	1. Identification of the main risks associated with the topics being reported on and arising from the Company's activities, products, services or business relationships, including, where applicable and whenever possible, the supply and subcontracting chains.	SR 21   Introduction > Management of Social and Environmental Risks SR 21   Economic Responsibility > Employees SR 21   Social Responsibility > Human Rights SR 21   TCFD	25 45-61 117-118 143-147
	2. Indication of how these risks are identified and managed by the Company.	SR 21   Introduction > Social and Environmental Risk Management SR 21   Economic Responsibility > Ethics and Professional Conduct > Internal Audit	25 58-64
	3. Explanation of the internal functional division of powers, including the corporate bodies, commissions, committees or departments responsible for identifying and managing/monitoring risks.	SR 21   Introduction > Management of social and environmental risks SR 21   Economic Responsibility > Ethics and Professional Conduct > Internal Audit SR 21   TCFD	25 58-64 143-147
	4. Express indication of the new risks identified by the Company in relation to that reported in previous years, as well as those which are no longer considered.	SR 21   Introduction > Management of social and environmental risks SR 21   Economic Responsibility > Employees SR 21   Social Responsibility > Human Rights SR 21   TCFD	25 45-61 117-118 143-147
	5. Indication and brief description of the main opportunities identified by the Company in the context of the topics being reported on.	SR 21   Introduction > Strategic Plan 2021/2024 SR 21   TCFD	19-20 143-147
<b>D- Implemented Policies</b>			
<b>i. ENVIRONMENT POLICIES</b>	1. Description of the Company's strategic objectives and the main actions to be undertaken to achieve them. SR 21   Environmental Responsibility.	SR 21   Environmental Responsibility SR 21   TCFD	123-142 143-147
	2. Description of the main performance indicators defined.	SR 21   Environmental Responsibility SR 21   TCFD	123-142 143-147
	3. Indication, in relation to the previous year, of the degree of achievement of those objectives, at least with reference to: i. Sustainable use of resource ii. Pollution and climate change: iii. Circular economy and waste management iv. Protection of biodiversity	SR 21   Environmental Responsibility > Sustainable Operations	127-128

(continues)



(continuation)

Requirement	Chapter/Section	Pages	Requirement
<b>Part I- Information regarding adopted policies</b>			
<b>ii. SOCIAL AND FISCAL POLICIES</b>	1. Description of the Company's strategic objectives and the main actions to be undertaken to achieve them.	SR 21   Social Responsibility > Sharing and Participating SR 21   Social Responsibility > Financial Literacy SR 21   Social Responsibility > Millennium BCP Foundation SR 21   Social Responsibility > Suppliers	79-82 83-85 86-99 116
	2. Description of the main performance indicators defined.	SR 21   Social Responsibility > Products and Services SR 21   Social Responsibility > Sustainable Finance Disclosures (SFDR) SR 21   Relationship with Stakeholders SR 21   Introduction > Fiscal Policy	99-108 108-109 31 72-75
<b>ii. SOCIAL AND FISCAL POLICIES</b>	3. Indication, in relation to the previous year, of the degree of achievement of those objectives, at least by reference to:	i. SR 21   Social Responsibility > Sharing and Participating i. SR 21   Social Responsibility > Financial Literacy i. SR 21   Social Responsibility > Millennium BCP Foundation ii. SR 21   Social Responsibility > Suppliers iii. SR 21   Social Responsibility > Products and Services iv. SR 21   Social Responsibility > Products and Services iv. SR 21   Social Responsibility > Sustainable Finance Disclosures (SFDR) v. SR 21   Stakeholder Relations vi. SR 21   Introduction > Fiscal Policy	79-82 83-85 86-89 116 99-108 99-108 108-109 31 72-75
	i. Commitment of the company with the community ii. Subcontracting and suppliers iii. Consumers iv. Responsible investment v. Stakeholders vi. Tax information		
<b>iii. WORKERS AND GENDER EQUALITY AND NON-DISCRIMINATION</b>	1. Description of the Company's strategic objectives and of the main actions to be undertaken to achieve them.	SR 21   Economic Responsibility > Employees >	45-61
	2. Description of the main performance indicators defined.	SR 21   Economic Responsibility > Employees >	45-61
	3. Indication, in relation to the previous year, of the degree of achievement of those objectives, at least by reference to:	i. SR 21   Economic Responsibility > Employees ii. SR 21   Social Responsibility > Millennium BCP Foundation iii. SR 21   Social Responsibility > Benefits to Employees > Health and Safety iv. SR 21   Summary of Indicators v. SR 21   Economic Responsibility > Employees > Training vi. SR 21   Economic Responsibility > Employees > Training	45-61 86-99 110-112 9 48-54 48-54
<b>iv. HUMAN RIGHTS</b>	1. Description of the Company's strategic objectives and of the main actions to be undertaken to achieve them.	SR 21   Social Responsibility > Human Rights	117-119
	2. Description of the main performance indicators defined.	SR 21   Social Responsibility > Human Rights	117-119
	3. Indication, in relation to the previous year, of the degree of achievement of those objectives, at least with reference to:	SR 21   Social Responsibility > Human Rights SR 21   Tabela UNGP- UN Guiding Principles Reporting Framework	117-119 173-175
i. Due diligence procedures ii. Risk prevention measures iii. Prosecutions for human rights violations			

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Requirement	Chapter/Section	Pages	Requirement
<b>Part I- Information regarding adopted policies</b>			
<b>v. ANTI-CORRUPTION AND ATTEMPTS AT BRIBERY</b>	1. Corruption Prevention	SR 21   Economic Responsibility > Ethics and Professional Conduct	58-64
	2. Prevention of money laundering (for issuers subject to this regime)	SR 21   Economic Responsibility > Ethics and Professional Conduct	58-64
	3. Ethical codes	SR 21   Economic Responsibility > Ethics and Professional Conduct	58-64
	4. Administration of conflicts of interest	SR 21   Economic Responsibility > Ethics and Professional Conduct > Conflict of Interest Policies	64
<b>Parte II- Information regarding Standards and Directives</b>			
<b>1. IDENTIFICATION OF STANDARDS/GUIDELINES FOLLOWED IN THE REPORTING OF NON-FINANCIAL INFORMATION</b>		SR 21   Introduction > Sustainability Reporting SR 21   Introduction > Non-financial Reporting Evolution	15 16
<b>2. IDENTIFICATION OF THE SCOPE AND METHODOLOGY FOR CALCULATING INDICATORS</b>		SR 21   Introduction > Sustainability Reporting SR 21   Methodological Note	15 155-167

Sustainability Report 2021

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Banco Comercial Português, SA,  
Open Society

Thirst:  
Praça D. João I, 28  
4000-295 Porto

Share capital:  
4,725,000,000.00 euros

Registered at the Conservatory  
of the Commercial Registry of Porto  
with the Unique Registration Number  
and Tax Identification 501 525 882

DESC - Sustainability Area  
Av Prof Dr Cavaco Silva (Tagus Park )  
Building 1, No. 32 - Floor 0 B  
2740-256 PORTO SAVED  
Phone: (+351) 211 135 250  
[sempermelhor@millenniumbcp.pt](mailto:sempermelhor@millenniumbcp.pt)  
[paulo.neves@millenniumbcp.pt](mailto:paulo.neves@millenniumbcp.pt)



All mentions in this document of the application of any regulations refer to the version currently in force.

This report was prepared in accordance with the GRI Standards: Core option.

This report is included in the scope of verification of Millennium bcp's Sustainability information, carried out by PricewaterhouseCoopers & Associados, SROC, Lda. in Portugal for the 2020 financial year.

For more details, see the Verification Report, included in the 2020 Annual Report and Accounts.



Millennium  

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