

**SUSTAINABILITY  
REPORT  
2022**



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The Sustainability Report is a part of novobanco Annual Report, for this reason this document starts at page 109.

Achilles (series "Ulysses"), 1981 - Jorge Pinheiro

Acrylic on canvas, 120 cm x 187 cm

Painting inspired by the Iliad and the Odyssey. It is part of a vast series, entitled Ulysses. For Jorge Pinheiro, "the fact that each work in the Ulysses series stems from a reflection on a narrative, of a literary nature, obviously contaminates the pictorial work with that same semantic message". At the time, one of the roots of his work was "the organisation of the arts according to number, proportion, and rhythm, based on the beauty of the Greek concept of art". This research path towards a reflection centred on the countless possibilities of geometry and mathematical calculations, such as the Fibonacci sequence, integrates in the inspiration process areas as diverse as philosophy, literature, or classical mythology and history. In 1982 the series "Ulysses" was part of the Portuguese representation at the São Paulo Biennial.

FUNCHAL. MUDAS - Madeira Contemporary Art Museum



# 1 ESG PERFORMANCE IN 2022

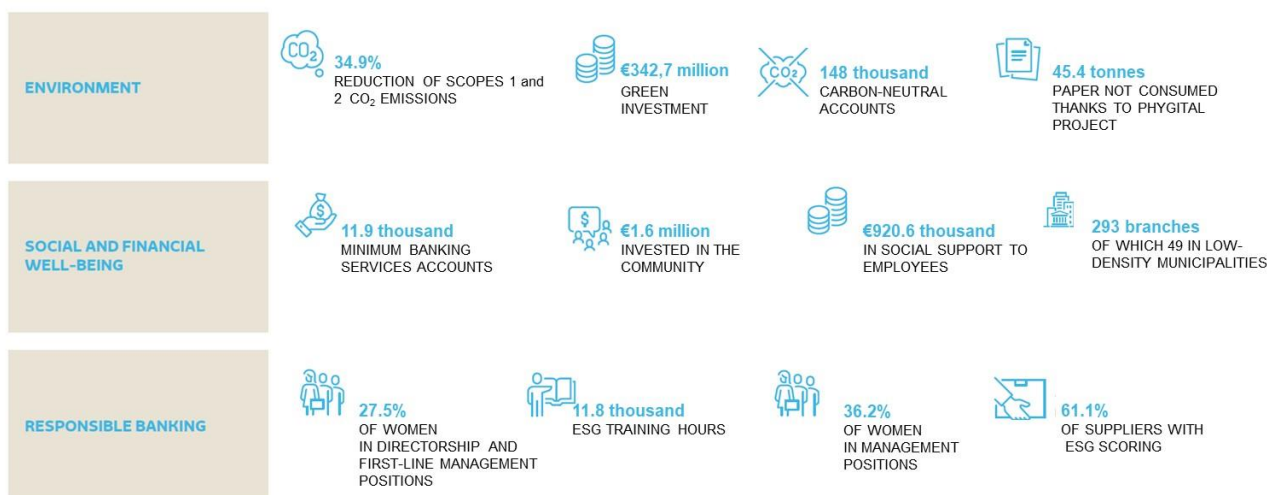
In 2022 novobanco continued to implement its sustainability strategy, further integrating environmental, social and governance issues into the way it runs its business, with the ambition of reducing the direct and indirect impact of its activity on the environment, supporting its clients in their transition to a carbon-neutral economy and contributing to the financial and social well-being of its clients, employees and the communities it serves.

Particular attention was paid to including products that support the clients on their ESG journey (both in the corporate and retail finance offering), and to evolving the models for assessing, quantifying and managing ESG risks, with a particular focus on climate and environmental risks.

In its own operations, novobanco Group continued to align its activity with the objectives set out in the Paris Climate Agreement, reducing consumption and emissions of greenhouse gases (GHG).

The Group supported social entrepreneurship, promoted financial, digital and sustainability literacy in the communities it serves, and developed initiatives to foster greater diversity in its team and equal opportunities, both internally and externally.

novobanco incorporates sustainability and ESG criteria across the whole business.



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

Seas (6), 2003 - Ricardo da Cruz-Filipe

Acrylic on digital print on canvas, 117 cm x 177 cm

In 1970, Cruz-Filipe used photosensitive canvas for the first time. This was the starting point for a body of work that confronts painting and photography as a way of seeing and expressing reality and the imaginary. On the canvas, simultaneously pictorial and photographic support, timeless spaces and atmospheres emerge, scenarios that project us to various thematic and spatial planes, like successive screens, articulated in multiple imaginaries. "Seas (6)" develops a dialogue of images which, having reality as a reference, are removed from it by the will of the painter/photographer, who rethinks and manipulates them, in an elaborate intellectual work, creating a landscaped scenography marked by the technical ambiguity between photography and painting. This gives rise to a reflection on the place of photography and the place of painting and their numerous possibilities of confrontation and representation.

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## 2 SUSTAINABILITY STRATEGY

novobanco recognizes its important role in the current context where combating climate change is an imperative and sustainability issues dominate the world agenda. This is a defining moment, and one that calls for the adoption of a structured, ambitious and effective approach to the environmental, social and governance challenges of the transition to a sustainable and low-carbon economy and of an inclusive and fair society.

In this context, novobanco Group inscribed in its strategy the important goal of becoming a reference entity in ESG in Portugal, contributing to promote sustainable investment practices that accelerate the transition to a carbon-neutral economy and further the social and governance criteria that this transition requires.

The alignment between novobanco's sustainability strategy and its business strategy is achieved through a set of action streams aimed at transforming the business and management model to structurally incorporate ESG issues as well as internal and external communication initiatives. Such initiatives aim at gradually integrating ESG into the group's culture and promoting sustainability literacy among customers and the community.

novobanco's strategic approach addresses ESG (Environment, Social and Governance) issues not only as risks, but also as opportunities that it incorporates into the business strategy, ensuring the evolution of the governance and risk management model and a culture of transparency in the disclosure of information. Listening to the stakeholders and defining the priorities together with them.

### 2.1 Our ESG approach

The definition of the Group's business strategy is intrinsically linked to a collaborative and proactive approach to all its stakeholders.

novobanco's stakeholders are all the groups or individuals that the Group affects through its activities, products and services and that, in turn, may also affect the Group's ability to achieve its objectives. Based on this definition, novobanco recognises 7 main groups of stakeholders: customers, employees, regulators, investors, suppliers, the media and the community.

To build and nurture a seamless relationship with the stakeholders and integrate their concerns and expectations, the Group set in place a wide range of communication channels.



**EMPLOYEES**

- Request for in-person feedback via questionnaires and meetings;
- Intranet (Somos novobanco, Yammer and Human Resources Portal)
- Thematics Mailboxes Email (including CEO Office and “Ask the Chairman” address”)
- HCD manager for active and retired employees
- Human Resources Business Partner
- Executive leadership visits to the commercial network
- Whistleblower line
- Workshops and Lectures
- Annual Meeting and other thematic meetings, workshops, clarification sessions and webinars
- Workers Committee, Union Secretariat and Information and Consultation Procedure



**CLIENTS**

- Request for by phone, online and in person;
- Formal system for filing complaints;
- Branch Network, Corporate Centres and Regional Divisions;
- Social networks (novobanco Cultura, novobanco Facebook and LinkedIn)
- Events, such as novobanco Summit



**REGULATORS**

- Provision of mandatory and voluntary information
- Request for feedback by phone, online and in person.
- Investor Relations team
- Regular meetings with investors
- Quarterly results presentation Investors website



**SUPPLIERS**

Contacts established through a specific website (Grupo novobanco Supplier Portal), coordinating the exchange of information via e-mail, telephone and in person.



**MEDIA**

- Information provided in-person, by phone and online;
- Press conferences
- Quarterly results presentation
- Sharing of specialized knowledge through social networks and media (radio, newspapers, televisions).



**COMMUNITY**

- Continuous in-person, telephone and online dialogue with Associations, Private Social Solidarity Institutions, social and environmental NGOs;
- Corporate Social Responsibility Initiatives
- Participation in conferences
- Social networks (novobanco Cultura, novobanco Facebook and LinkedIn)

In addition to recurring interactions, novobanco also regularly assesses the materiality of ESG issues through a questionnaire, relying on the strong involvement of the various stakeholders to identify ESG opportunities, risks and challenges in the management of the Group’s business. This survey allows for the analysis of the main concerns and the definition of the issues with the greatest impact on management and value creation, not only in the medium term but also in the long term.

### MATERIALITY MATRIX



Recognising the ecosystem nature of novobanco’s business environment and activity, the materiality analysis incorporates not only a vision of the financial impacts that ESG risks may have on the Group's performance, but also the impacts that the Group’s activity may generate from an environmental and social point of view.

Impacts	Impacts of environmental and social risks on novobanco	novobanco's impacts on the Environment and Society
Environment and Climate	<ul style="list-style-type: none"> <li>• Direct financial impact through the materialisation of physical risks with an impact on the bank's own assets, on loan collaterals, the supply chain or its employees</li> <li>• Direct financial impact through the materialisation of transition risks with an impact on the financial capacity of customers, impacting the loan book and the capacity to develop future business</li> <li>• Direct financial impact due to the adoption of new processes and more efficient technologies in terms of consumption and energy</li> <li>• Direct financial impact from innovation opportunities in the bank’s offer and the support provided to the transition efforts of corporate and individual customers</li> </ul>	<ul style="list-style-type: none"> <li>• Direct environmental impact resulting from the bank's own operations and supply chain</li> <li>• Indirect environmental impact resulting from the bank's financing and investment activity</li> <li>• Direct economic and environmental impact through support for investment in the transition of the Portuguese business community to more sustainable business and production models</li> <li>• Indirect environmental impact from promoting, through the offering of financial services and products, more sustainable consumption and production practices that further the circular economy and the use of renewable energy sources</li> </ul>



- Direct reputational impact through the materialisation of greenwashing risks upstream on the Bank's supply chain, operations and activity, or downstream, on its customers
- Direct financial impact from the implementation of environmental and climate legislation and regulations
- Indirect environmental impact through the inclusion of ESG criteria in the selection of the bank's suppliers

Social

- Financial and reputational impact through the Bank's performance regarding labour rights, employee benefits and Human Rights in its own operations, and upstream in the supply chain
- Financial and reputational impact through the Bank's performance regarding gender equality and equal opportunities, diversity and inclusion within its own operations
- Economic impact in terms of job creation, improving families' well-being and the resilience of the productive fabric through its financing activity and the provision of other financial services and products to companies and individuals
- Direct economic impact through furthering the preponderance of national suppliers in the supply chain and thus stimulating domestic production and the national economy
- Direct social impact from fostering more socially responsible behaviours within the supply chain through the inclusion of ESG criteria in the selection of suppliers
- Direct social and economic impact from providing a straightforward financial offer and a service model that promotes financial and digital inclusion

In 2023 the Group will review its materiality matrix, incorporating its stakeholders' assessment of how sustainability issues affect the performance, positioning and development of the group's business, as well as the assessment of the impact of the group's activity on the economy, people and the environment.

The sustainability materiality assessment allowed novobanco to define the material issues and Sustainable Development Goals (SDGs) and to structure its ESG approach based on 3 strategic axes:



For each of these 3 strategic axes, novobanco defined action priorities and medium-term objectives:

## PILLAR 1: SUSTAINABLE BUSINESS INDIRECT IMPACT ON THE ENVIRONMENT AND CLIMATE

To contribute to a more sustainable economy and socio-economic development by supporting clients on their sustainability journey and integrating ESG principles into investment decisions.

- To promote "green investment", through dedicated products and services, supporting clients in taxonomy-aligned investments;
- To support investment in the Circular Economy, Climate Transition, Renewable Energies, and Low-Carbon Mobility at both corporate and individual level.



## PILLAR 1: SUSTAINABLE BUSINESS DIRECT IMPACT ON THE ENVIRONMENT AND CLIMATE

To act within an operational model that minimises the direct impact on the environment, reducing consumptions and CO2 emissions.

- To promote the continuous reduction of paper consumption, becoming an increasingly digital bank;
- To reduce electricity consumption and use of renewable energy sources;
- To promote green and sustainable mobility, both through fleet vehicles and available infrastructures, and through travel policies.



Aware of the important role of the financial sector in sustainability, the need for its alignment with the Paris Agreement objectives, as well as of the new European directives, and in particular the Taxonomy regulation, the Bank defined as one of its strategic priorities the integration of ESG risks in its business model, with a special focus on climate and environmental risks.

novobanco adopted a structured and effective approach to face the challenges arising from the transition to a sustainable and low-carbon economy. This approach responds not only to the European Union's initiatives under its action plan on sustainable finance, but also to the expectations and recommendations of regulators, supervisors and sector associations, as well as to the needs and expectations of clients and the market.

In order to steer cash flows towards financing the transition and sustainable activities, in 2022 novobanco devoted particular efforts to developing methodologies for assessing and quantifying the materiality of ESG risks in its operations, from upstream to downstream, as well as methodologies for assessing ESG risks in its counterparties. These developments will allow to:

- Assess the impact of the bank's portfolio and activity on the environment and climate change and define their management framework in order to reduce the environmental impact and thus contribute to the European carbon-neutrality objectives;
- Assess the impact of environmental and climate risks on the Bank's activity and portfolio and define the framework to manage these risks at portfolio and individual exposure levels.

The holistic and integrated incorporation of these two visions will be instrumental for:

- The innovation and development of product and service offerings that better support customers, particularly corporate customers, in formulating a robust plan and making the necessary investment for energy transition and the transformation of business models;
- The integration of ESG criteria in the credit decision and pricing processes;
- The definition of portfolio alignment targets and the revision of risk appetite.

**With this positioning we want the bank's activity to be steered by the goal of limiting the planet's temperature increase to below 2 degrees centigrade, reducing scope 1, 2 and 3 CO<sub>2</sub> emissions.**

+ see how in the chapter [ESG Risk and Sustainable Business \(ESG products in Retail, Corporates and Asset Management\)](#)

## PILLAR 2: SOCIAL AND FINANCIAL WELL-BEING

We run our business based on social criteria, promoting the social and financial well-being of our employees while also contributing to the social and financial well-being of our customers and the community we serve

- To promote the development and fulfilment of our employees' potential and their physical and mental well-being;
- To contribute to increasing the digital skills of the population in the day-to-day management of financial services;
- To provide our customers with skills on how to deal with finances in our daily lives and a range of products suited to each family budget.



Bearing in mind that the well-being and prosperity of the community in which we operate depends on access to simple, safe and transparent financial services that enables customers to manage their financial resources appropriately, the Bank, under the second pillar of its ESG strategy, has set to develop an intervention plan aimed at improving the population's financial literacy skills. In this context, it provides financial products and services tailored to the profile and needs of each customer, based on a fair value exchange, both for financing and savings solutions, consequently furthering social well-being.

Also under the second axis of its strategic plan and integrated into its operations, the Bank wants to provide the best experience to its employees so that they can develop and fulfil their potential. To this end, it has reinforced its programmes to promote holistic well-being (physical, mental, social and financial) and to attract, develop and retain talent.

novobanco also supports the most vulnerable both internally and externally, contributing to minimise the vulnerabilities that may compromise their social well-being.

**With this positioning and being aware that financial concerns play an important role in mental health and stress levels, novobanco aims to contribute to the health and financial well-being of its employees and customers, thus precluding significant risks in the future.**

+ see how in the chapter Sustainable Business (employees) and Sustainable Attitude

## PILLAR 3: RESPONSIBLE BANKING

To do banking in a responsible, ethical and transparent manner that maximises long-term financial sustainability and promotes a culture of diversity and inclusion.

- To promote gender equality;
- To respect ESG conduct principles and demand respect for them from suppliers and partners;
- To select our suppliers with a responsible attitude and based on ESG criteria;
- To ensure the integration of ESG risks in the bank's management and performance assessment models.



Responsible Banking involves the voluntary adoption of a business model based on environmental, social and governance (ESG) factors. Accordingly, novobanco has focused its activity under a responsible business model based on values of equity, equal opportunities and gender equality, while also furthering its sustainable performance through the inclusion of ESG criteria in the relationship with its suppliers. To ensure sustainability across its value chain - downstream and upstream - it provides specialised ESG training to all its employees.

**With this positioning novobanco intend to align its culture and commercial strategy by increasing sustainable practices, favouring economic activities that create prosperity and a positive impact, with the proactive collaboration of all stakeholders, thus implementing a culture of responsible banking.**

+ see how in the chapter Sustainable Business (Sustainability Governance, employees and suppliers)

## 2.2 Our commitments

As part of its ESG strategy, in 2022 both the Group and the Bank made commitments anchored in the Paris Agreement targets and the priority SDGs for the Group.

### novobanco Group commitments

Carbon Footprint			Gender Equality
To reduce the Greenhouse Gasemissions in our own operations (scopes 1 and 2) by 50% by 2030	To increase the weight of low emission vehicles (electric and hybrid) in the group's fleet to 20% by 2024 and 100% by 2030	To consume 100% of electricity from renewable sources by 2024**.	To increase the representation of women in senior leadership positions by 4.5 p.p. by 2024
		** In all locations where this is possible, and the contract is signed by the group	

\*In 2022, due to contingencies in the automotive market, highly conditioned by disruptions in the production chain, it was necessary to revise the objective of low-emission vehicles (electric and hybrid) in the Group's fleet downwards.

### novobanco's Social Dividend 2024 commitments

The second edition of the Social Dividend model was developed to substantiate novobanco's sustainability strategy. This model, which integrates the three dimensions of sustainability - **environmental, social and corporate governance** -, both in the business model and in the social responsibility framework, is a commitment made by novobanco to giving back to society and its employees. It comprises 3 programmes, namely i) Environment, ii) Financial and Social Well-Being and iii) Responsible Banking, defined on the basis of the material issues identified by the Bank's stakeholders, with concrete objectives for 2024 and different initiatives for their achievement, allowing the monitoring of the Bank's ESG performance.

ENVIRONMENT	FINANCIAL AND SOCIAL WELL-BEING	RESPONSIBLE BANKING
<b>Focused on reducing the direct negative impact on the environment and promoting a more sustainable economy, supporting our clients in their journey towards a carbon-neutral economy.</b>	<b>Focused on managing the business with social criteria, promoting the well-being of employees and contributing to the financial well-being not only of clients but also of the communities we serve.</b>	<b>Focused on a responsible business model, based on values of transparency, equity, inclusion and diversity, further positioning ESG criteria in our value chain.</b>
See how in the chapters Sustainable Business (Environmental Footprint and Clients - products with ESG impact)	See how in the chapters Sustainable Business (Employees and Clients - products with ESG impact) and Sustainable Attitude	See how in the chapters Sustainable Business (Sustainability Governance, Suppliers and Employees)

### 2024 novobanco standalone commitments

<b>ENVIRONMENT</b>	<b>+ €600 mn</b> of Green Investment <sup>1</sup> (vs. 2021)	<b>€0 mn</b> of financing to excluded sectors <sup>2</sup>	<b>30%</b> of investment products with ESG <sup>3</sup> characteristics	<b>- 30%</b> of Paper consumption <sup>4</sup> (tonnes, vs. 2021)	<b>-28%</b> Of CO <sub>2</sub> emissions from own operations <sup>5</sup> (tonnes, vs. 2020)
<b>SOCIAL AND FINANCIAL WELL-BEING</b>	<b>40%</b> of the employees benefiting from the social Well-being programme <sup>6</sup>	<b>+ 3 p.p.</b> of employees with psychosocial risk assessment of "Healthy" <sup>7</sup>	<b>+ 8 p.p.</b> in employee engagement level <sup>8</sup> (vs. 2021)	<b>+ 11.8 points</b> in clients NPS indicator <sup>9</sup> (vs. 2021)	<b>+ 9.594</b> hours of employees' voluntary service hours <sup>10</sup> (vs. 2021)
<b>RESPONSIBLE BANKING</b>	<b>+ 2.5 p.p.</b> of Women in senior leadership positions <sup>11</sup>	<b>- 0.9 p.p.</b> in gender pay gap <sup>12</sup>	<b>+ 3</b> Partnerships with organisations to promote the employment of people with disabilities <sup>13</sup>	<b>90%</b> of suppliers with sustainability score <sup>14</sup>	<b>+ 39.160</b> ESG training hours to the employees

1. Origination of financing or own portfolio investments in companies whose main economic activity is eligible to the EU Taxonomy and origination of financing or own portfolio investments where the use of funds by the borrower or the projects are directed to economic activities eligible to the EU Taxonomy or are aimed at investments in energy transition or the transition

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

## SDGS ON WHICH OUR ACTIVITY HAS AN IMPACT:



### TO ENSURE ACCESS TO INCLUSIVE, QUALITY AND EQUITABLE EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

We want to contribute to an inclusive and quality education for all and promote lifelong learning with a special focus on financial and digital literacy

**Course of Action** - To promote financial, digital and ESG literacy initiatives for customers and the community in general; To promote the continuous empowerment of employees to achieve professional and personal fulfilment.

**Commitment** - +39,160 hours of ESG training to employees by 2024 (vs. 2021).



### TO ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

We promote gender equality in our activity as a strategic lever to create value for the business. We want our acts to set an example for our stakeholders and the communities we serve.

**Course of Action** - To promote a balanced gender representation in the employee base at all functional levels; Participation in initiatives and support for social causes that promote gender equality in society.

**Commitment** - 30% of women in senior leadership positions (Executive BoD and 1st line Managers) by 2024.



### TO PROMOTE INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

We are focused on serving Portugal's economic growth through relationship and proximity banking in a digital world, for individuals, families and companies of all sizes.

**Course of Action** - Financing for families and businesses; Inclusive banking offer.

**Commitment** - To promote job creation in the national economy and improve the well-being of families through lending activity with socially and environmentally responsible criteria.



### TO ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

We are committed to ensuring sustainable consumption and production patterns, providing our customers with products and services with ESG criteria while reducing our environmental footprint.

**Course of Action** - Innovation in financial products that leverage the circular economy; Financing and investment products with sustainability concerns; Inclusion of ESG criteria in the selection of suppliers.

**Commitment** - Commitment - 30% of investment products with ESG criteria by 2024; 90% of suppliers with sustainability assessment in 2024.



### URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

We are committed to reducing direct and indirect impacts on the environment. We will continue to reduce our scope 1, 2 and 3 CO2 emissions and support our customers in the transition to a carbon-neutral economy.

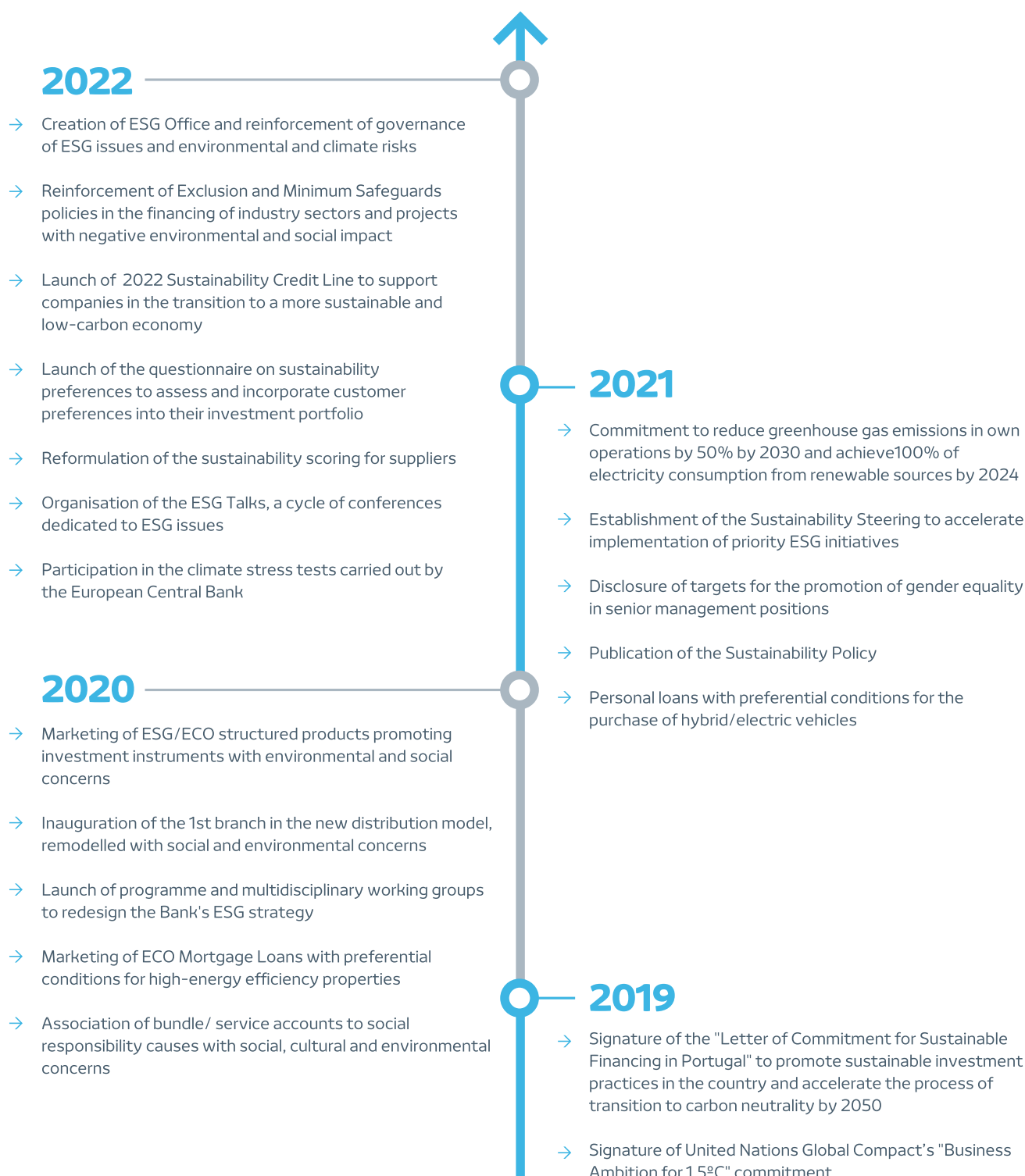
**Course of Action** - To reduce energy, paper and water consumption and opt for less carbon-intensive solutions; To ensure efficient waste management; To support our customers in the energy transition to low-carbon production models.

**Commitment** - Commitment - €600 million of green investment by 2024 (vs. 2021); -28% of CO2 emissions in own operations (vs. 2021).

+ information in the chapter Separate Financial Statements



## 2.3 novobanco's ESG journey



## 2.4 novobanco's partners

The ESG path cannot be travelled alone, and therefore in this journey collaboration with relevant partners is a priority for the execution of the sustainability strategy:

Signatory



Corporate citizenship initiative which had its origin, in 2000, in a proposal by the then UN Secretary-General, Kofi Annan. It is based on ten fundamental Principles, in the areas of human rights, labour practices, environmental protection and anti-corruption, and aims to promote businesses' public and voluntary commitment to endorse these principles.

Members



Non-profit association that brings together and represents more than 90 leading companies in Portugal, which are actively committed to the transition to sustainability.



Organisations for Equality Forum, created in 2013, comprises 69 organisations committed to reinforcing and highlighting their organisational culture of social responsibility, incorporating, in their strategies and management models, the principles of equality between women and men at work.



Global Compact accelerator programme, which supports companies in setting ambitious targets for women's representation and leadership in senior management.



The Inclusive Community Forum (ICF) is a Nova SBE initiative dedicated to the lives of people with disabilities and the promotion of a more inclusive community.



Non-profit business association, which works in the areas of Social Responsibility and Sustainability. It is part of the European network of CSR Europe, a leader in sustainability and corporate responsibility, supporting industrial sectors and companies at a global level in the transformation and search for solutions for sustainable growth.

Associate



Main entity representing the Portuguese banking sector, it was created in 1984 to strengthen the financial system and contribute to the development of a more solid banking sector.



Portuguese Association of Investment and Pension Funds and Asset Management Firms, which represents the interests of Mutual Funds management, Real Estate Funds management, Pension Funds Management and Asset Management, viewing a more efficient defence of these activities.



The Portuguese Quality Association is a non-profit organisation, founded in 1969, that aims to promote and disseminate theoretical and practical knowledge in the field of Quality and Excellence in Portugal.



National Customer Satisfaction Index is a system for measuring the quality of goods and services available in the national market, through customer satisfaction surveys.



Subscriber

Document presented by the United Nations Global Compact, which has as its main objective to achieve the transition to a low-carbon economy and to avoid the overheating of the atmosphere.



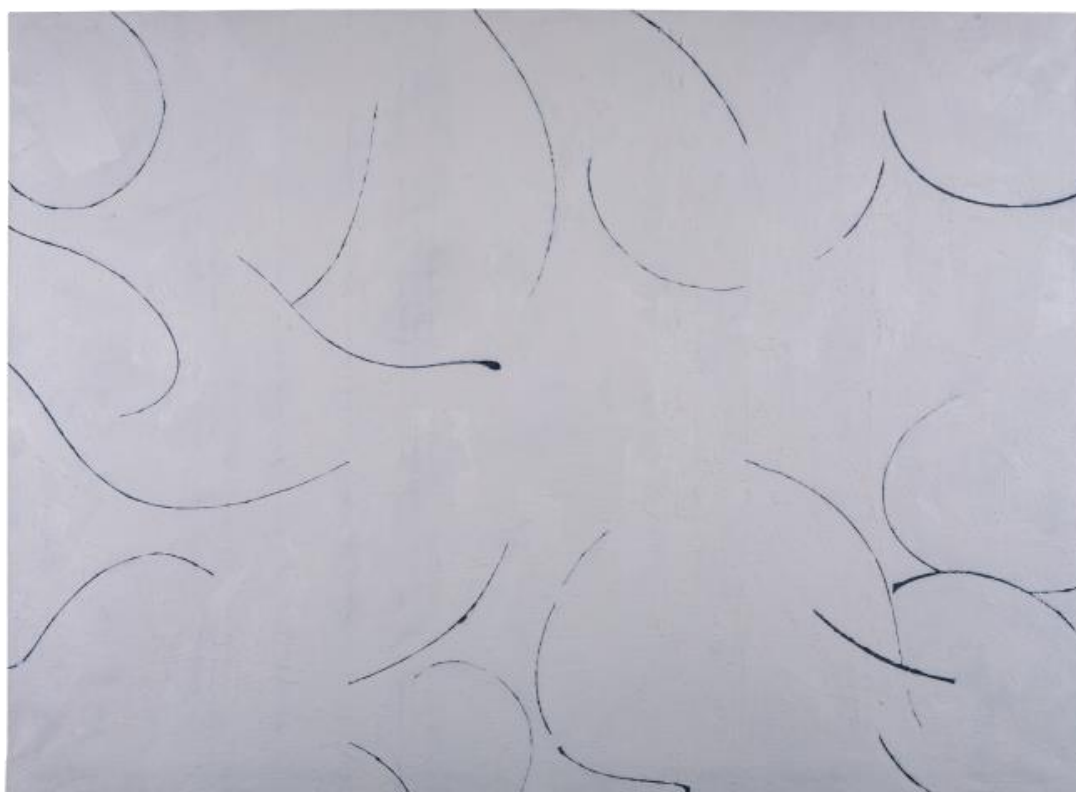
Letter of Commitment to Sustainable Finance in Portugal, which aims to contribute to the promotion of sustainable investment practices.

Abstract 2, 2003 - Paulo Quintas

Influenced by the diverse plastic experiences that marked the 20th century, Paulo Quintas explored aesthetic and technical possibilities, in experimental registers with references to abstract expressionism, abstraction, or geometry and signage. "Abstract 2" is essentially experimental, with an interest for the exercise of matter and the countless technical possibilities surrounding painting and its relationship with the space of the canvas. The painter himself says: "My paintings are always unfinished objects. I prefer art that sets me off wandering rather than depicting."

Oil on canvas, 120 cm x 180 cm

CHAVES. Nadir Afonso Museum of Contemporary Art





## 3 SUSTAINABLE BUSINESS

Based on the Sustainability Policy novobanco assumed a clear position and defined priorities to develop a sustainable business based on the following objectives and guiding principles:

- Contribute to the transition to a low carbon economy;
- Support and promote financial well-being;
- Promote equity, diversity and equal opportunities;
- Perform according to the highest standards of ethics, responsibility and transparency.

### 3.1 Sustainability governance

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

novobanco Group recognises that progress in terms of sustainability requires solid governance and an organisational model that guarantees the success of its implementation, ensuring accountability, mobilisation and alignment at all levels of the organisation. Under this premise, and to ensure adequate coordination of this issue, in 2022 the Group revised its sustainability governance structure, as reflected in the following bodies:

- **Executive Board of Directors and front-line management** - To appoint a director responsible for ESG and ensure that the Executive Board of Directors (EBD) and remaining elements of the management team have specialised knowledge on this topic, through the implementation, since 2021, of training courses adapted to the Group's strategic priorities. In 2022, a total of 875 hours of ESG training was provided to these executives. The EBD is in charge of defining and implementing the ESG strategy.
- **Sustainability Steering Committee** - To strengthen the Steering Committee that leads the ESG and Climate and Environmental Risk discussions and initiatives, supported by a specialised team responsible for coordinating novobanco Group's ESG approach and for assigning specific duties and responsibilities to relevant departments so that these ensure the integration of ESG in the Group's various activities. This Steering Committee meets on a monthly basis and includes the four executive directors responsible for the ESG, Risk, Credit and Corporate Segment areas. The CEO and a member of the General Supervisory Board also attend the meetings on a quarterly basis.
- **ESG Office** - To create a structure within novobanco Group that is exclusively dedicated to ESG issues and whose mission is to promote the integration of sustainability principles in the organisation, strategy and activity of the Group, also assuming responsibility for supporting and driving the activity of the business and commercial units, as well as for supporting the ESG performance of the support, risk and internal control central units.

#### SUSTAINABILITY STEERING

Given the high pace of transformation in all matters of Sustainability, ESG and Climate and Environmental Risks, this monthly forum promotes efficient decision-making and the preparation of management and supervisory decisions on all sustainability-related issues, thus adding the environmental, social and governance element to the traditional economic dimension, to ensure:

- The definition of the strategy, positioning and action plans related to sustainability issues and their alignment with the action plans of the group's different operations and business areas;
- The integration of ESG issues in all business lines and activities, with delegated decision-making and approval powers on matters included in the ESG and Climate and Environmental risk implementation plans;
- The monitoring of the development and implementation of the action plan and initiatives defined;
- The coordination of the teams appointed to support the implementation of the ESG action plan;
- The assessment of the initiatives' impact and main indicators' performance against the defined ambition;
- The coordination of the liaison with all relevant stakeholders and the reporting on performance through the different internal and external communication channels.

The Sustainability Target Operational model, which applies to the whole Bank and involves various structures that support the execution of the Bank's ESG action plan, is essentially based on the Steering Committee which, in 2022, met 11 times to ensure the integration of ESG issues in all business lines and activities.

A governance and organisation model, was also established in 2022 for the integration of the ESG topics and the management of climate and environmental, social and governance risks into the business across the whole Group, which is based on 2 principles:

- To identify all existing activities that are affected or changed by the ESG programme, as well as additional activities that are expected to be created;
- To formally establish an operating model leveraged on the existing structures, with roles and responsibilities allocated to the different Group structures throughout their ESG journey.



### 3.1.1 Our ESG policies

The fulfilment of the ESG strategy and objectives defined by novobanco Group can only be achieved if the management of the business is grounded on behaviours that everyone values and believes in. Therefore, the ESG commitments are underpinned by various policies and principles that define the Group's culture and describe the principles and actions to achieve the defined purposes.

novobanco Group's Sustainability Policy, published in 2022, aims to establish and develop the following commitments:

- The mapping of the main ESG topics, including climate change and other topics considered relevant after scenario and materiality analysis;
- The integration of sustainability and ESG issues, along with risk factors, in the Group's strategy, namely in its business model and risk management;

- The implementation of a culture and actions that foster the transition to a sustainable economic and social development model, which promotes responsible growth, job creation, valuing people and respect for the environment, including the promotion of sustainable financing and the incorporation of environmental concerns in the supply of products and services.

<p><b>SUSTAINABILITY POLICY</b></p> <p>Guiding principles of the Group's ESG actions and commitments to integrate sustainability into the business model.</p>	<p><b>CODE OF CONDUCT</b></p> <p>Principles that steer the Group's activity, promoting ethical conduct, respect for and compliance with all applicable laws and regulations, supported by transparent relationships with all stakeholders.</p>	<p><b>HUMAN RIGHTS POLICY</b></p> <p>Principles of respect for human rights and procedures to deal with any transgression of these rights.</p>	<p><b>ENVIRONMENTAL STATEMENT</b></p> <p><b>STATEMENT OF POSITIVE SOCIAL IMPACT</b></p> <p>Commitments to environmental and social sustainability, which go beyond legal obligations and embody the positive impact sought by the Group in its relationship with all stakeholders.</p>
<p><b>NON-DISCRIMINATION AND GENDER EQUALITY POLICY</b></p> <p>Principles of non-discrimination and promotion of equality, namely prohibiting discriminatory practices on the grounds of gender, race, colour, creed, socio-economic conditions or sexual orientation.</p>	<p><b>SUPPLIER RELATIONSHIP PRINCIPLES</b></p> <p>Establish the minimum requirements, set not only to suppliers but also to the Group, with regard to business practices, health and safety at work, ethics and environmental management.</p>	<p><b>GUIDING PRINCIPLES OF THE VOLUNTEER PROGRAMME</b></p> <p>Establish preferential areas for action aligned with the sustainability strategy, with conditions to stimulate participation in the programme.</p>	<p><b>WHISTLEBLOWING POLICY</b></p>
<p><b>REMUNERATION POLICY OF NOVOBANCO EMPLOYEES</b></p>	<p><b>REMUNERATION POLICY OF THE MANAGEMENT AND SUPERVISORY BODIES</b></p>	<p><b>ANTI-BRIBERY AND ANTI-CORRUPTION POLICY</b></p> <p><b>CONFLICTS OF INTEREST POLICY</b></p>	<p><b>RELATED-PARTY TRANSACTIONS POLICY</b></p>

+ Policies in the Management Report - Governance chapter and the novobanco institutional website.

## 3.2 ESG Risks

### 3.2.1 Approach to ESG risks

ESG risk management is integrated in novobanco Group's global sustainability framework, which comprises the following elements:

- The group-wide sustainability strategy, which sets the objectives, targets, and actions for the business areas, the internal governance, the internal control and risk management of internal activities (e.g., own operations) and for internal and external reporting.
- A public positioning, materialised by the ESG policies and principles that guide the bank's activity, but also by the commitments undertaken, in which novobanco discloses its sustainability objectives and main practices, and in particular: a) reduction of direct of financed GHG emissions, in line with the global objectives of the Paris agreement; b) increased use of sustainable finance instruments, namely through the commercial offer and its own investment policies, channelling direct financial support to the

transition of the Portuguese economy; and c) adequate management of climate transition risks, systematically identifying and controlling their main factors;

- A governance and operational structure specifically adapted to this strategy, ensuring that the internal teams have the necessary expertise and approaches/work plans to ensure the fulfilment of novobanco's objectives.

Developments in the ESG risk component of the risk management system address three primary objectives:

- Compliance with the regulatory requirements, namely those concerning the disclosure of non-financial information on the sustainability strategy and ESG risk management, with a special focus on climate and environmental risks;
- Effective alignment with regulatory and supervisory expectations in this area, and in particular, implementation of the European Central Bank (ECB)'s Guide on climate-related and environmental risks (C&A);
- Implementation of enhanced procedures for ESG risk management, adjusted to the activity of the novobanco Group, in particular: a) assessment and quantification of the materiality of these risks; b) routines for global monitoring of ESG risk exposure; c) integration in the business of specific controls for ESG risk factors that guide the origination and monitoring of risk exposures - including the necessary procedures to implement the European Taxonomy for sustainable activities; and d) implementation of risk assessment practices, considering sensitivity analysis or scenarisation methodologies.

### 3.2.2 ESG risk profile

The definition of ESG risks focuses on the potential negative impacts deriving from the current or future effects of risk factors in clients and counterparties or in the Bank's assets and liabilities. Since 2020, these risks have been part of the novobanco Group's internal taxonomy, focusing on the climate change component (and respective impacts on the traditional risk categories).

The Group is currently in the process of reviewing and updating its risk taxonomy - as part of the internal risk identification and assessment exercise - with the objective of recognising and assessing the impacts of each of the following components:

- A climate and environment component (C&E risk): relating to the quality and functioning of the environment and natural systems, including elements relating to climate change, biodiversity, pollution, and waste management, to the extent that these elements may affect the performance or financial value of novobanco Group's counterparties, clients and assets.
- A social component: relating to social rights, well-being and the general interest of society and communities, including factors such as equality, health, inclusion, labour relations, health and safety at work, human capital and the development of communities.
- A governance component: relating to aspects of internal governance, including the management and supervisory bodies, internal organisation, remuneration policies, internal control, tax practices, conduct and transparency.

Each of these components is individually recognised and assessed for its impact on the other risk categories, with the main focus being on factors with an external origin, as much as internal factors are currently recognised and controlled by established processes (examples: internal factors relating to social aspects are managed and controlled by the reputational risk management policy; internal factors relating to governance aspects are controlled by the compliance policy; and internal factors relating to physical risk are recognised and controlled by business continuity policies and practices).

### 3.2.3 Strategy of alignment with the Paris Agreement objectives

novobanco Group recognises the business opportunities inherent to the financing of an economy with lower levels of GHG emissions while simultaneously establishing enhanced controls for the more challenging exposures in terms of transition. Accordingly, it establishes business (and risk control) objectives based on the main variables of the financing of a less carbon-intensive economy, including:

- Adoption of sectoral policies (including exclusions and minimum safeguards) for those sectors with a special impact on the fulfilment of the Paris Agreement objectives;
- Establishment of general objectives for new 'green' investment, which orient commercial and financial action, and are supported by the reinforcement of the structuring of 'green' or sustainability-related products (including the elements relating to guarantees or real estate collateral in the credit offer);
- Implementation of metrics for regular monitoring of the alignment of the Group's business portfolios, including quantification of financed GHG emissions (i.e., scope 3) and the use of estimates of alignment with the European Taxonomy for sustainable activities.

In this way, novobanco Group assumes the objective of gradually aligning its balance sheet with the general objectives of reducing carbon emissions while at the same time limiting exposure to transition risk.

### 3.2.4. Implementation of the European Taxonomy for sustainable activities

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (e.g., the European Taxonomy Regulation) establishes a regime for the promotion of sustainable financing, setting out the criteria for determining whether a given economic activity qualifies as environmentally sustainable.

Supplementing this Regulation, the Delegated Regulation (EU) 2021/2178, of 6 July 2021, of the European Parliament and of the Council, specifies the content and presentation of the information to be disclosed by institutions subject to the European Taxonomy, as well as the methodology to comply with that disclosure obligation. In this context, the clarifications provided by the European Commission (between the end of 2021 and the end of 2022 - "FAQs"), as well as the recent notice on disclosures under Article 8 of the Taxonomy Regulation (2022/C 385/01), should also be taken into account.

novobanco Group recognises the centrality of the European Taxonomy for the integration of sustainability objectives in its business and, simultaneously, for improving the assessment and management of its clients' transition risk factors. Hence the global aim of the risk management and control approaches is to ensure alignment with the Taxonomy criteria, reinforcing the alignment between internal management procedures and the prudential framework of sustainable banking activities.

novobanco has been taking steps to a) assess and control the eligibility and alignment of its operations under the Taxonomy criteria; and b) implement, until the end of 2023, the operational requirements, in terms of collection, confirmation and analysis of information - with its customers - with a view to determining whether its operations are aligned with the Taxonomy.

In line with the applicable requirements, and in particular with article 10 of the European Taxonomy Regulation, the novobanco Group complies with the following mandatory disclosures<sup>1</sup>:

- The proportion in its total assets of exposures to Taxonomy non-eligible and Taxonomy-eligible economic activities;
- The proportion in its total assets of the exposures referred to in Article 7 (1 and 2) of the Regulation;
- The proportion in its total assets of the exposures referred to in Article 7(3) of the Regulation;
- The qualitative information referred to in Annex XI of the Regulation.

<sup>1</sup> According to the European Commission's clarifications (December 2021 FAQ), eligibility estimates may only be reported on a voluntary basis. Bearing in mind the timetable for implementation of the European Taxonomy, particularly with regard to the non-financial business sector, no information is yet available (e.g., prepared by novobanco's clients) to enable eligibility reporting on a factual basis.

## Quantitative disclosures under Regulation (EU) 2020/852

Requirements of Article 10 of the European Taxonomy Regulation, paragraph 2:

Thousand Euros	Eligible	Non-eligible	% of total assets
<b>Total assets</b>	40.9%	59.1%	100.0%
Of which the proportion of the trading portfolio and on demand inter-bank loans in total assets.			0.9%
<b>Exposures to central governments, central banks and supranational issuers</b>			27.0%
<b>Exposures to derivatives</b>			1.2%
<b>Exposures to companies not subject to the Non-financial Reporting Directive</b>	13.1%	16.6%	29.7%

## Qualitative disclosures under Regulation (EU) 2020/852

### Contextual information in support of the quantitative indicators

The data reported in the previous section relate to consolidated financial information, collected directly from the systems of the novobanco Group with reference to 31 December 2022. With regard to eligibility reporting, this information considers:

- The classification of the profiles of counterparties, transactions and collateral received, based on information collected during the account opening and loan granting and monitoring processes;
- The identification of the (main) activity of each non-financial company, based on the collection of official/legal data of each company;
- An internal survey<sup>2</sup> of companies subject to non-financial reporting obligations, considering the applicable legal requirements.

In line with the principles of Notice 2022/C 385/01, novobanco has launched processes to collect and check information from its corporate customers in order to obtain data on the application of the Taxonomy, in terms of both eligibility and alignment.

The first full report on alignment with the Taxonomy is to be disclosed by non-financial companies during 2023 (with reference to 31.12.2022).

However, in 2023, the timing of reporting disclosures does not allow novobanco to have all the information (namely public information) on alignment available for this first annual reporting cycle, albeit voluntary. This situation will be enhanced in the next reporting cycles, and the information published by each company with reference to 2022 will be considered.

With regard to eligibility reporting, novobanco endeavoured to collect public information about its customers. In total, 230 of the Bank's largest customers as of 31 December 2022 were analysed, corresponding to an exposure of approximately €6.3 billion.

Despite the Bank's efforts to collect public information on the eligibility of its clients' activities, it was not possible to achieve a satisfactory share of assets covered that would allow reporting with a significant degree of reliability. Of the customers analysed, less than 15% presented complete information on the European Taxonomy in 2022 (with reference date 31 December 2021) or already in 2023 (with reference date 31 December 2022). Therefore, it can be concluded that factual information, resorting exclusively to novobanco's clients' public disclosures, is not yet available to meet the reporting requirements on eligibility.

### Description of the compliance with Regulation (EU) 2020/852 in the financial undertaking's business strategy, product design processes and engagement with clients and counterparties

<sup>2</sup>Using external databases to obtain: a) a list of companies classified as Public Interest Entities (PIE) and, as such, obliged to apply the NFRD; and b) the number of employees. In addition, the transparency reports of the main national audit firms were also analysed to confirm this information.



As described in the previous chapters, the novobanco Group has been implementing a group-wide sustainability strategy, which comprises the operational implementation of the European Taxonomy, focusing on the following elements:

- Adoption of the Taxonomy, based on estimates, to ensure regular monitoring of new production and balance sheet exposures;
- Definition of operational requirements for the implementation of the Taxonomy in lending and investment processes, including: a) establishment of principles of segmentation of clients and operations, to enhance the definition of the information to be collected; b) controls to be carried out on the information provided by the clients; and c) adaptation of the information system for the collection and maintenance of the Taxonomy indicators;
- Consideration of the objectives and criteria of the European Taxonomy in the design of new products and financing solutions
- Definition of the operational requirements for the implementation of the Taxonomy in the loan granting and investment processes, including: a) establishment of client and operation segmentation principles, aiming at the best definition of the information to be collected; b) controls to be carried out on the information provided by clients; and c) adaptation of the information system for the collection and maintenance of the Taxonomy indicators.
- Development of methodologies for the adoption of processes to assess the climate & environmental risks of the Bank's customers and counterparties, which depend on information collected from customers (in progress). This information already considers the collection of data for application of the European Taxonomy.
- Application of the European Taxonomy requirements in the characterisation of the (real estate) guarantees received on loans granted.
- Setting in place practises to keep track and pass on legal and regulatory changes to allow for the timely adoption of any expected developments regarding the European Taxonomy.

### **3.2.5 Application of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)**

In 2015, the Financial Stability Board (FSB) established the Task Force on Climate-related Financial Disclosures (TCFD) to address concerns around insufficient disclosure of climate-related risks and opportunities. In June 2017, the TCFD released its final recommendations which aim to support companies and organisations to disclose climate-related risks and opportunities effectively and clearly, promoting transparency for investors and the public.

We are aware of the importance of using this approach and believe that through application of these reporting recommendations, climate information will become clearer and easier to compare and contribute to promote more sustainable business strategies. An added benefit is that we approach climate-related issues not only as risks but also as opportunities and consider these two aspects in our business strategy.

This year, for the first time, we are reporting climate-related risks and opportunities in accordance with the disclosures recommended by the TCFD. The report will be publicly disclosed on the novobanco website, in a stand-alone document - 2022 TCFD Report.

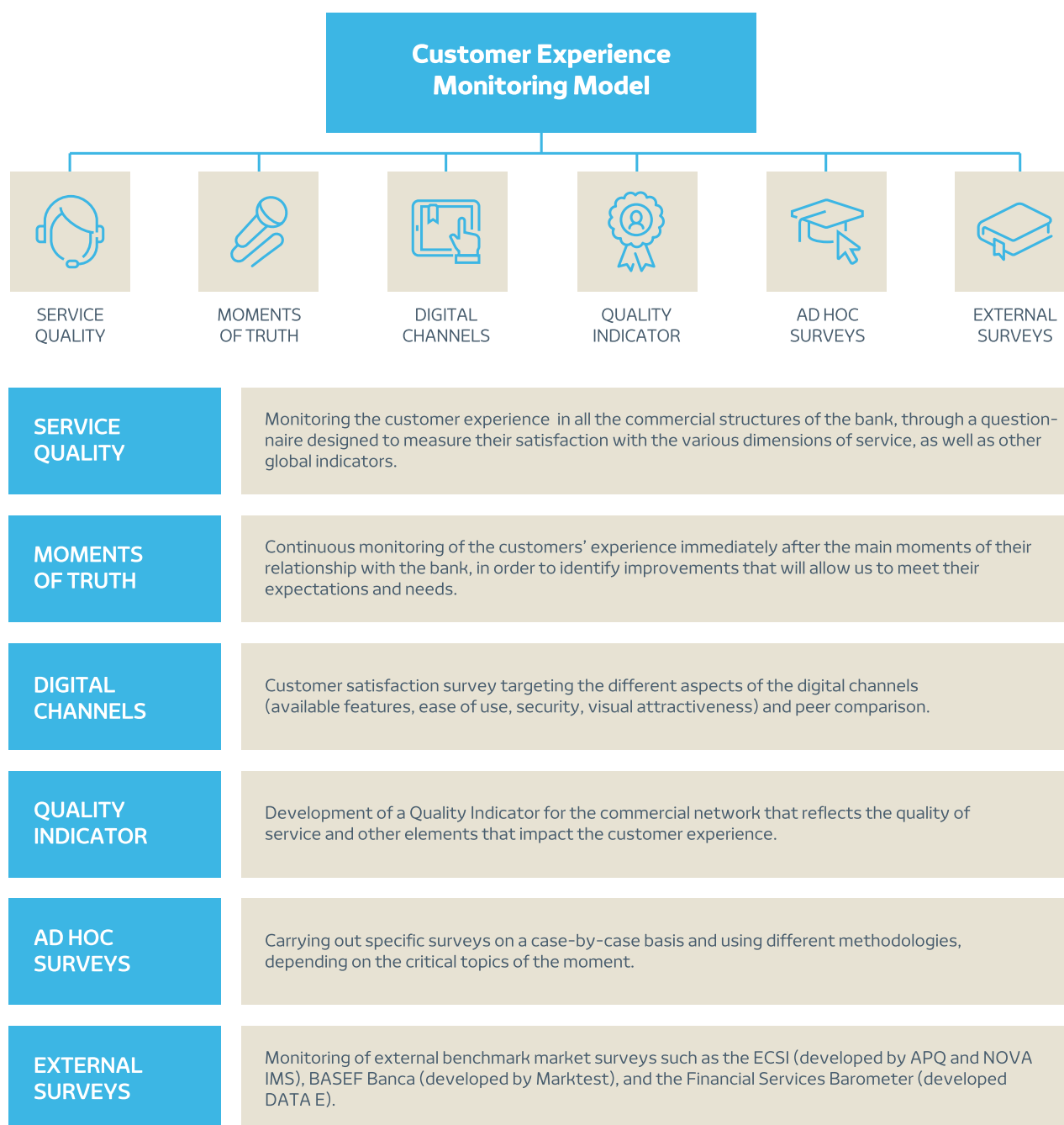
In the table below we briefly disclose our approach on the four TCFD core elements: governance, strategy, risk management, and metrics and targets.

Core Elements	Novobanco approach (summary)
<p><b>GOVERNANCE</b>  <i>Novobanco's governance around climate-related risks and opportunities</i></p>	<p>Climate-related issues are managed in accordance with its Sustainability Governance model, led directly by the Executive Board of Directors and overseen by the General and Supervisory Board. In 2021, was created the Sustainability Steering Committee, with the participation of Executive Board members and multidisciplinary teams, responsible for coordinating the ESG approach at novobanco.</p>
<p><b>STRATEGY</b>  <i>To analyse the actual and potential impacts of climate-related risks and opportunities on the business, the strategy and financial planning at novobanco</i></p>	<p>novobanco develops its activities with the firm objective of making a positive contribution to the entire ecosystem in which it operates. Based on its Sustainability Policy, we assume a clear position of developing a sustainable business that wants to contribute to the transition to a low-carbon economy. To this end, novobanco has subscribed to the "Business Ambition for 1.5°C" initiative, which aims to define scientific targets for reducing novobanco's GHG emissions. The Bank also signed the "Letter of Commitment for Sustainable Finance in Portugal", which aims to contribute to the promotion of sustainable investment practices in the country.</p> <p>The Sustainability Governance model allows novobanco to integrate physical and transitional climate risks into its risk management models, as well as to take advantage of opportunities associated with climate change</p>
<p><b>RISK MANAGEMENT</b>  <i>The processes used by novobanco to identify, assess and manage climate-related risks</i></p>	<p>Identifying, assessing and managing climate-related risks is part of the novobanco's overall risk management framework. Novobanco is progressively incorporating environmental and climate risks into its business model to effectively meet regulatory and supervisory requirements and reduce the negative impact arising from its activity. The Risk Management framework is centralised in the Risk Management Function and is composed of the Global Risk Department and the Rating Department.</p>
<p><b>METRICS &amp; TARGETS</b>  <i>Metrics and targets used to assess and manage relevant climate-related risks and opportunities</i></p>	<p>Novobanco has developed a set of metrics and targets to track the progress of its climate strategy (e.g., carbon footprint, water and paper consumption). In line with this objective, the Bank has defined a set of commitments that incorporate novobanco's ESG strategy on climate-related issues. The Bank has endorsed the Science Based Target Initiative (SBTi) with the objective of reducing its own, as well as financed GHG emissions, and contributing to a low-carbon economy in the long-term.</p> <p>These metrics and progress are reported on a semi-annual basis.</p>

### 3.3 Clients

In order to offer the best experience to its customers, novobanco Group's model to monitor its clients' satisfaction is based on several pillars. The aim is to bring the customer's voice into the organisation, allowing a better insight into their needs and satisfaction throughout their life cycle, and permitting to identify opportunities for improvement. The information obtained through this consultation and monitoring model is shared with the Group's commercial structures and with the central areas, enabling a set of actions to be taken to improve the clients' experience of the Group in its various dimensions and to design an adequate offer of products and services.





In 2022 were collected approximately 50.8 thousand replies to the satisfaction questionnaires made to novobanco individual and corporate clients.

In this consultation process, customers have several channels available to submit their complaints, which the Bank endeavours to solve upon the customer's first contact. A frank and continuous contact with this group of stakeholders requires fast and efficient replies to their comments or complaints, and helps maintain and develop a relationship of trust. At novobanco and Banco Best, the rate of complaints in 2022 was 0.39 per one thousand active clients, a significant reduction compared to 2021 that reflects the customers' satisfaction with the service provided. In recent years clients have shown increasing preference for using the digital channel to submit their complaints, especially at Banco Best where all clients have online access. At novobanco dos Açores this rate was 0.15.

## Channels for submission of complaints

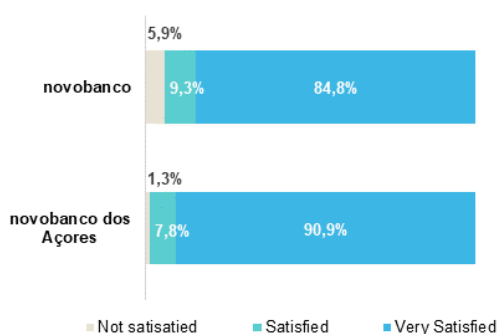


### 3.3.1 Retail Banking and products with ESG impact

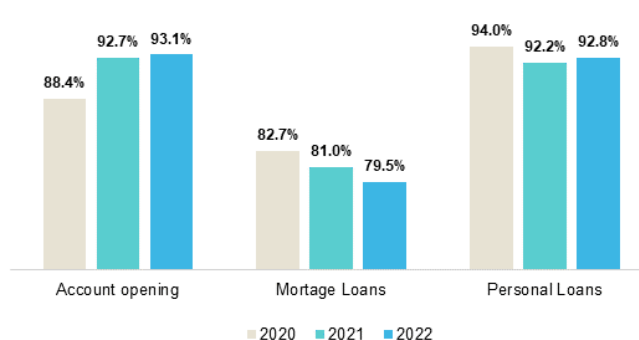
novobanco purpose is to create a value proposition that enables the Bank to give an adequate response to its clients. To this end the Bank constantly seeks to learn about their needs at every step of their lives, actively listening to what they have to say through the various channels available, so as to keep delivering the product and service offering that best suits their expectations.

In 2022, approximately 4.9 thousand replies to the questionnaires were obtained in the Retail segment. Around 84.8% of novobanco's clients and 90.9% of novobanco dos Açores' clients are very satisfied with the quality of the service provided to them, which is 2.2 p.p. and 1.7 p.p., respectively, less than in 2021. One of the essential pillars of novobanco's strategic positioning is to be, by design, a customer-centric bank determined to provide an increasingly better service. In line with this positioning, the Bank decided to create the Customer Experience and Satisfaction Office, whose mission is to work with the entire organisation to promote the improvement of customer service in its various dimensions. Retail continues its innovation effort, progressively developing and launching the omni-channel capabilities associated with its Contact Hub, largely based on digital transformation, whereby it seeks to provide customers with maximum convenience, in a context of trust and relationship whenever this is relevant.

Service Quality | Retail (%)



Moments of truth | Satisfaction with the process (%)



The opinion of more than 2.9 thousand clients about their experience in the main moments of truth in their relationship with the Bank was also collected, namely account opening, mortgage loans, and personal loans.

In 2022 the customer confidence index was 78.6% at novobanco and 86.0% at novobanco dos Açores, which compares with 77.5% and 85.9% in 2021. The Net Promoter Score (an index that measures the intention to recommend the Bank) was 31 at novobanco and 57 at novobanco dos Açores, compared to 29 and 58 in the previous year.

Always taking into account i) the adequacy of products and services to customer needs, which is a direct result of the consultation process carried out on a regular basis, ii) new market trends and iii) regulatory requirements,

the novobanco Group has been reshaping its offer in order to strengthen it and increasingly respond to environmental, social and ethical considerations.

**Action guidelines for sustainable and inclusive financing and investment**

With the firm resolve of contributing to the promotion of sustainable investment practices in the country and accelerating the path towards a carbon-neutral economy by 2050, the Group has in place a vast offering of ESG products available to its customers, with a focus on supporting the transition to a low-carbon economy and incorporating social and governance criteria.

**Bank Accounts**

The novobanco and novobanco dos Açores service accounts are bundle accounts that combine a set of products and services that meet the day-to-day needs of our customers and are associated with socially responsible causes of a social, cultural or environmental nature

**148 thousand carbon neutral accounts**

We have neutralised the CO<sub>2</sub> emissions of 148 thousand accounts, even those resulting from our clients' usage - use of computers, ATM enquiries, and cards, among others.

The emissions neutralised are equivalent to 383 return economy class flights for one passenger between Lisbon and London

**18.25 | 26.31 | 18.31 Accounts**

Fully carbon-neutral accounts, with a lower environmental impact due to their low carbon footprint, as they are online accounts; most of the day-to-day services are free of charge when used online, and the Bank neutralises the resulting emissions by supporting sustainable projects. The emissions produced are calculated according to the PAS 2050:2008 methodology, which takes into account the entire life cycle of products and services. To neutralise these emissions novobanco supports Parque Solar Tamil Nadu, in India, a photovoltaic solar park that replaces the power generation from coal-fired power stations. This project not only reduces carbon emissions but also contributes with social and economic benefits for local communities and sustainable development by creating 285 jobs for people from villages close to the solar park. The 18.25 and 26.31 Accounts have an estimated carbon impact of about 944g CO<sub>2</sub>eq/year. In 2022, they accounted for 12% of the total service accounts of individual and small business clients at novobanco and 15% at novobanco dos Açores.

**100% and 360° Accounts** - The first edition of “*Contas com Gestos que Contam*” (“Accounts with Gestures that Count”) ended in 2022. These service accounts of novobanco and novobanco dos Açores were associated with social responsibility causes of a social, cultural or environmental nature, through the support provided to the following projects:

<b>SEMEAR</b> <i>Semear (sow) project</i>	<b>Este Espaço que habito (This Space I inhabit)</b>	<b>Replay</b>
<p>Social inclusion programme for young people and adults with intellectual and developmental difficulties, organised by BIPP, Associação Inclusão para a Deficiência. The programme provides certified training and development of skills for employability and professional integration in the processing and production of components. This programme minimises the limitations of these young people and adults by encouraging them to develop their full potential and become autonomous. With this project the Group enabled the professional training and employability of 14 young people with intellectual and developmental difficulties living in socio-economic need and unable to afford the</p>	<p>Project promoted by the Photographic Expression Movement (MEF) in 5 Educational Centres hosting 77 young people in compulsory institutionalisation. The project uses photography as a technical tool and a tool for personal expression to develop, from the photographed spaces, a search and discovery of the identity of these young people. This gives these youths the freedom they have always lacked - a burden of their exclusion from society -, a freedom which, according to them, is made up of spaces they never felt were made for them. Each young person used 2 rolls of film, making a total of 154 rolls and 3,850 photos. From these, only a selected few were used in the preparation of the photo albums. This</p>	<p>Developed by ZERO WASTE LAB, the project helped address the problem of used plastic toys for which there is no adequate destination. By promoting recycling and the circulation of plastic and other toy materials for new purposes, it educated and raised awareness among citizens for the problems arising from the increase in waste production. More than 8,500 toys were collected through an initial network of 44 drop-off points in 11 cities throughout mainland Portugal and more than 120 partners from all areas of society. Around 1.2 thousand toys were donated and more than 80 thousand materials were separated and given a new life through an adequate recycling process. The Replay project was distinguished by</p>

monthly fees to attend the Semear project.

project, developed in partnership with the Ministry of Justice and the Juvenile Justice Services, drove a positive transformation in the attitude of these young people during their time of institutionalisation, working as a huge force for change. The selected photos were published in a book, displaying their images and feelings.

the European Commission with a European New Bauhaus Award, in the category "Shaping a circular industrial ecosystem and supporting life-cycle thinking".

novobanco's support allowed REPLAY to develop the foundations of a solution with potential for national expansion, which may finally be able to divert the more than 30 million toys that end up every year in landfills or are incinerated in Portugal.

### The story of Maria from the Semear project



Maria is a 26-year-old young woman and one of the persons supported by the Bank under the "Contas com Gestos que Contam" (accounts with Gestures that Count) project. Before joining the Semear Programme, she attended an occupational activities centre. Shy, with a wonderful smile and always in a good mood, she made significant progress in terms of spirit of initiative and confidence in her training skills. She showed more interest for the tasks in the vocational area of storage, but was always willing to work in contact with the public, preferring a smaller team.

In June 2022 she entered a new stage, of work experience, spending three days at the internship site (Único restaurant), and two days of training in psychosocial skills at Semear Academia. In October she started her On-the-Job Training, spending the five days of the week at the internship site.

From the start of her internship experience Maria has been making progress, increasingly showing more confidence in her skills for the tasks, coming up with solutions for minor unexpected events, and taking the initiative in her interaction with her colleagues. Her development is striking, considering her prior insecurities in doing things and relating to other people.

Maria's journey shows that the Bank's support had a positive impact on her life and that of her family members, giving her the chance of a very different life path from what could previously be expected.

Capacity-building and the opportunity to express her skills, giving wings to her potential, will drive her to become a successful professional, ensuring her social well-being and active participation in society.

In 2023, the 100% and 360° accounts will continue to support social, environmental and cultural causes, with the launch of the 2nd edition of the "Accounts with Gestures that Count" programme.

### Minimum Banking Services Account

This account provides a wider coverage of financial services provision and therefore wider social inclusion. It gives clients a current account and a debit card and the possibility to use the account through ATMs in the European Union, direct channels and the Bank's branches. Its annual maintenance fee that cannot exceed the equivalent of 1% of the social support reference rate at any given time. This product is designed for:

- Individuals who hold no other current account in any other institution, or who hold only one current account which is converted into a minimum banking services account.
- Individuals who hold other current accounts, but wish to open a minimum banking services account where one of the holders is over 65 years old or is dependent on others.

novobanco held 11,900 Minimum Banking Services Accounts.

### ESG financing

In 2022, novobanco and novobanco dos Açores reinforced the commercial offering with environmental criteria by making available a new credit line - Personal Loan for Renewable Energies - aimed at the acquisition of equipment to produce renewable energy, such as photovoltaic panels. At a more attractive interest rate, this

allows customers to become producers and consumers of energy from renewable sources. Besides reducing the impact on the environment, it also reduces energy consumption costs, thus contributing to improve families' monthly budget.

Individual customers also have the following loans with ESG criteria available to them:

Loans with ESG criteria	Description	Performance 2022
ECO residential mortgage loans	Home loans with a clear environmental focus where the client can benefit from a bonus on the spread when choosing to acquire a property with A+, A and B energy certification.	<b>€18.2 m</b> 114 Clients 1.4% of Mortgage loans production in the year
Personal Loan - Hybrid and Electric Vehicles	1% bonus in the Car Credit Line strategy for the acquisition of green mobility vehicles, new or used (plug-in, hybrid electric and non-electric hybrids)	<b>€2,9 m</b> 10,7% of Car Loans
Microcredit	This type of loan, which fosters social inclusion and self-employment, is provided in close collaboration with the entities on the ground that promote entrepreneurship, specific training and professional reorientation, access to markets and social support.	<b>€130.1 th</b>

We closed the year 2022 with €151,2 million in loans with ESG criteria.

### ESG Factors in the Investment Advisory Service

novobanco's advisory service model has been enriched with new ESG and sustainability dimensions. This means that ESG and sustainability are taken into account in the identification of the financial products that best meet the preferences of each client, as expressed through the **Sustainability Preferences Questionnaire**.

In the current state of the industry, it is already possible to find investment funds with ESG features or sustainability objectives. Therefore, customers who express their preferences in terms of standards to classify financial products that have sustainability objectives or promote environmental or social characteristics (**SFDR**), will always find a proposal from novobanco that suits such preferences.

### ECO or ESG structured products

Products whose remuneration is linked to the share performance of companies that stand out for their capacity to lead social and governance change subject to environmental and social criteria. In 2022, novobanco and novobanco dos Açores made another nine ESG and ECO structured products available to their clients. The selection of companies to integrate these products is subject to a rigorous assessment process and criteria, which was further strengthened in 2021. These not only are aligned with the Bank's risk policy, but also follow industry-sector exclusion criteria (companies producing or selling tobacco, or engaged in coal mining and nuclear energy are not eligible), and criteria that dictate the exclusion of companies engaging in practices involving violations of human and labour rights, including child and/or forced labour. When manufacturing, construction, transport, tourism, agriculture and forestry, electricity, gas and oil companies are at stake, the Bank undertakes to assess their environmental and social performance, and will not include companies with:

- Air pollutant activity: > 50% of turnover, or
- Reduction of the share of their air polluting activity in the last 5 years by: < 5%, or
- No defined environmental objectives



Performance 2022 – novobanco	Performance 2022 – novobanco dos Açores
<ul style="list-style-type: none"> <li>• €32.7 million in ESG/ ECO products subscribed in 2022, out of a cumulative total of <b>€193.2 m</b> on the customers' portfolio at the end of 2022</li> <li>• 58.8% of the total portfolio of structured products</li> </ul>	<ul style="list-style-type: none"> <li>• €627 thousand in ESG/ ECO products subscribed in 2022, out of a cumulative total of <b>€2.7 m</b> on the customers' portfolio at the end of 2022</li> <li>• 55.9% of the total portfolio of structured products</li> </ul>

**ESG Funds** - Funds that invest in companies committed to the environment and society, and to high standards of governance. In 2022 the Group offered more than 1,100 ESG funds with investment made by its clients. The Group classifies these funds into two categories:

- [Article 8 SFDR](#) (Sustainable Finance Disclosure Regulation) - funds that invest in companies that have environmental, social and governance concerns;
- [Article 9 SFDR](#) - Funds that have sustainable investment as their objective, and have environmental, social and governance concerns.
- 

Performance 2022	Article 8	Article 9
<b>novobanco</b>	43 funds with an investment of <b>€399.5 m</b> 1% of the total portfolio of distributed funds	5 funds with an investment of <b>€11.7 m</b> 31.0% of the total portfolio of distributed funds
<b>Banco Best</b>	1160 funds with an investment of <b>€257.8 m</b> 39.0% of the total portfolio	132 funds with an investment of <b>€18.1 m</b> 3.0% of the total portfolio  27 ETF with an investment of <b>€1.7 m</b>
<b>novobanco dos Açores</b>	1 fund with an investment of <b>€61.8 th</b> 6.0% of the total portfolio of distributed funds	-

At Banco Best, the share of funds and ETFs that follow ESG criteria increased by **28%** compared to the previous year (from 30.5% to 39.2% of total client investments). This was essentially due to the restructuring of the *Margem Plus* Account, for which the permitted collaterals are financial assets classified by the management company under articles 8 and 9.

The adaptation of products to the needs of customers also involves the integration of social concerns. novobanco intends to increasingly adapt its products to the new realities of its clients. Accordingly, its saving products permit to build up a nest according to each family's budget. This positioning was at the basis of a package of Micro Saving solutions, comprising three products:

Savings	Description	Performance 2022
Planned Saving	Permits to build up savings from as low as 10 euros per month through the subscription of a monthly plan in which the clients set the amount and the time of month of deposits, thus adjusting savings to the family budget.	<b>€364.1 m</b> in savings 61.8 th subscriber clients
Micro Saving	Allows any client to start saving money by small amounts through the rounding up of debits of day-to-	<b>€8.1 m</b>

	day expenses (such as residential mortgage loan instalments or personal loan repayments, insurance premiums, or direct debits), which are transferred to a saving account.	39.8 th subscriber clients
novobanco App Targeted savings	Exclusive products for clients who have installed the novobanco or Banco Best apps: once the client has defined his/her saving objectives (how much and for how long he/she wants to save) the app traces the path to reach this objective.	<b>€31.9 m</b> 19.1 th subscriber clients
Best Bank App Targeted Savings		<b>€286.5 th</b> 186 clients

At novobanco, these savings products make up a total of €404.1 m and represent 2% of the total in term deposits and saving accounts (excludes saving accounts linked to service accounts).

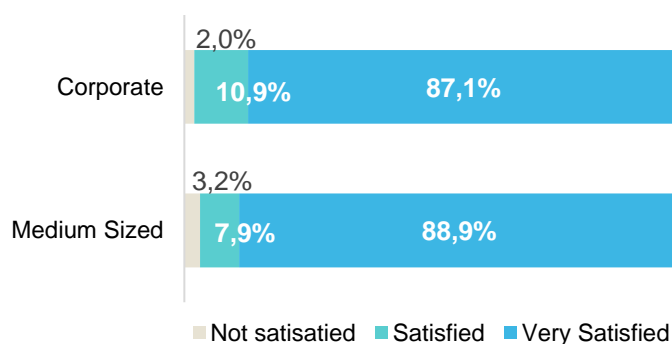
### Branch network and accessibility

Accessibility may be one of the main factors of social exclusion within people with motor disabilities. In our new distribution model (NDM) we restructured our branch network and installed ramps and stair lifts, whenever and as much as possible. This was undertaken under our Social Well-being Programme, to develop a set of practices aimed at building a more inclusive society. Most of our NDM branches are thus accessible to people with reduced mobility for whom digital is not an alternative or a preference.

### 3.3.2 Corporate Banking and products with ESG impact

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

#### Service Quality | Commercial Banking (%)



In 2022, corporate banking collected approximately 1.4 thousand replies to customer service satisfaction surveys. The results show that 88.9% of medium-sized corporate customers and 87.1% of large companies are very satisfied with the service, with the same value for medium-sized companies and an increase of 2.2 p.p. in large companies compared to 2021.

In 2022 the customer confidence index was 78.1% for Medium-sized Companies and 76.1% for Large Companies, which compares with 77.0% and 76.1%, respectively, in 2021. The Net Promoter Score was 32.4% in 2022, which compares with 32.2% for Medium-sized Companies and 31% for Large Companies in 2021.

The positive evolution of the Corporate segment's indicators shows that the Bank's performance has been meeting its needs.

### Action guidelines for sustainable and inclusive financing and investment

To create a proposition with sectoral-specific value for companies, focusing on European funds programmes, that drives more investment, more innovation, more digitalisation and more sustainability, and drives an increase in productivity and competitiveness in the business community. To continue to strengthen proximity and partnership with Portuguese companies, providing investment and working capital support solutions tailored to customers' needs, continues to be our mandate.



novobanco also offers the **Credit Line for Decarbonisation and the Circular Economy**, which aims to facilitate access to finance for the implementation of sustainable projects. This credit line is available for, among many others, investment in the replacement of existing equipment for more innovative, modern and efficient equipment, investment in renewable energy sources for self-consumption in the production process or in circular strategies for any stage of the product/service life cycle, and for the implementation of monitoring, control and action devices that optimise the conditions of use, energy consumption and raw material consumption.

We were also coordinators of issuances linked to sustainability, such as the Mota-Engil Sustainability-Linked Bonds, in which novobanco acted as Joint Global Coordinator of the Mota-Engil Sustainability-Linked Bonds 2022-2027, in the amount of 70 million euros and maturity of 5 years. This was the Company's 2nd issue in the sustainable format placed in the Portuguese market, the previous one having occurred in 2021, also with novobanco acting as Joint Global Coordinator. Also in 2022, we formalised two Sonae Group Sustainability-Linked Commercial Paper Programmes totalling up to 175 million euros and maturing in 2028.

novobanco has set a Green Investment target of €600 million for financing companies or investing in its own portfolio from 2022 until the end of 2024. This target is integrated in its Social Dividend model, under the Sustainable Business programme, and the objective is to promote projects that support energy transition and are aligned with the main goals of the European taxonomy.

**Taxonomy six environmental objectives**

- **Climate change mitigation**
- **Climate change adaptation**
- **The sustainable use and protection of water and marine resources**
- **The transition to a circular economy**
- **Pollution prevention and control**
- **The protection and restoration of biodiversity and ecosystems**

In 2022 the Bank committed €342.7 million to this target. The criteria for classification as "Green Investment" are very strict. We check if the purpose of the funding or the activities are included in the EU Taxonomy (taxonomy eligible activities), to which objectives they contribute substantially, and which criteria they have to meet, tapering more than just taxonomy eligibility. We consider for "Green Investment":

- A very restricted selection of companies in 8 CAE codes, which, due to the characteristics of their main activity the bank considers to be aligned with the Taxonomy;
- In cases of Green Project Finance operations, or Sustainability Bonds/ Loans, the purpose of the funds should be aligned with the Taxonomy;
- In the case of Commercial Paper and Sustainability-Linked Bonds/Loans, the bank checks if the activity is eligible, and if the loan contributes to the client's energy transition according to the taxonomy criteria;
- In the case of real estate financing, the property must have, or be expected to have, a level A or BREEAM excellent energy certificate, or LEED gold.

### 3.3.3 Asset Management and investments with ESG impact

Through GNBGA, novobanco Group offers two funds with ESG criteria:

- *Fundo NB Momentum Sustentável*, which gives unit holders access to a diversified portfolio of assets of companies that adopt the best practices in terms of ESG criteria with the purpose of achieving a consistent long-term value increase based on the three pillars of Sustainability. A minimum of 75% of the direct investment component of the Fund is invested in companies with an ESG rating from Eikon above 50 points. The Fund will invest at least 85% of its net asset value in shares and other securities



which are convertible into shares or give the right to subscribe shares. The fund had €161.4 million in 2022.

- *Fundo de Pensões Aberto Multireforma Ações* - Pension fund that as of December began to consider ESG criteria, having closed the year with €11.0 million.

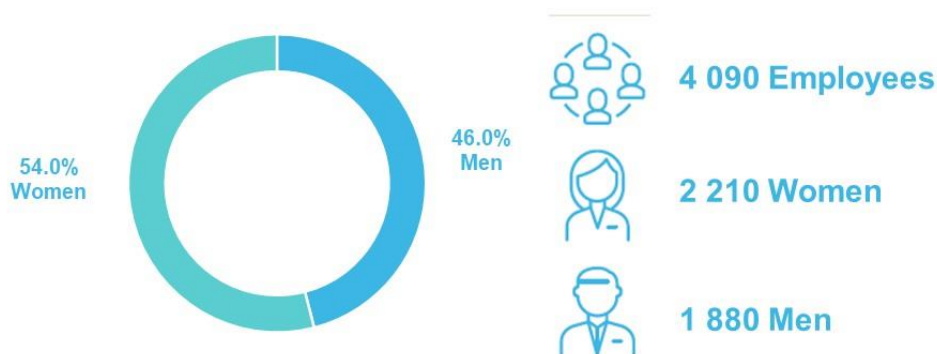
Both funds promote sustainability characteristics and are classified under Article 8 of the SFDR Regulation.

On 30 December 2022, the *Fundo de Investimento Mobiliário NB Momentum Sustentável* represented 21.8% of all the Securities Funds domiciled in Portugal managed by GNB Gestão de Ativos.

On the same date the *Multireforma Equities Pension Fund* accounted for 2.5% of the stock of open pension funds managed by this company.




### 3.4 Employees

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



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

#### FIVE MAJOR CHALLENGES

 <p>Attracting and retaining talent</p>	 <p>Caring for safety, health and well-being at work</p>	 <p>Addressing internal social responsibility needs</p>	 <p>Promoting gender equality, equal opportunities and respect for diversity</p>	 <p>Promoting the conciliation of professional, personal and family life</p>
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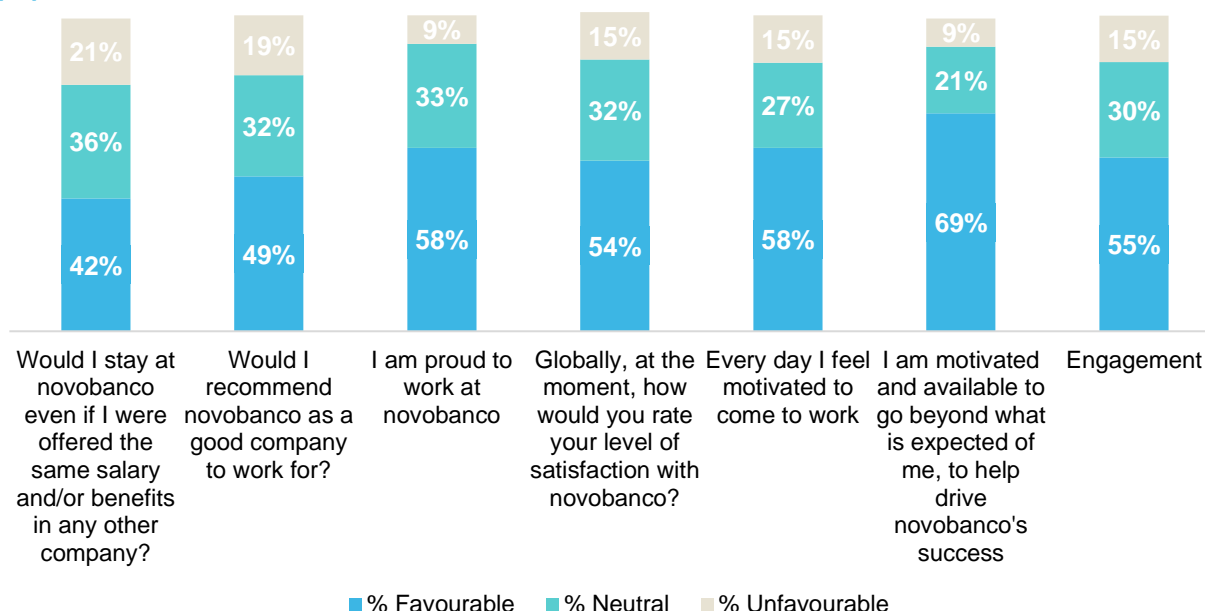
To implement its human capital strategy, novobanco strives to follow the best fair-process practices in decision-making, focusing not only on results, but also deploying a fair and reasoned process with strong engagement of the employees, in order to deliver results. novobanco thus endeavour to be aware of the needs and difficulties

experienced by employees throughout their life cycle and to meet their expectations, so as to contribute to their full development, and allow them to fully unlock their potential and maintain their motivation.

During 2022, novobanco continued to invest in its communication through live broadcast events via Teams, thus reaching a large part of the employees, at the same time and anywhere in the country. Live events provide a broad base to reach the bank's employees and communicate issues such as the bank's strategy, the presentation of periodic results, and relevant projects, where the employees have the opportunity to ask and have their questions clarified. This reinforces transparency, clarity and the bilateral nature of communication, bringing the leadership closer to all employees.

Every six months novobanco conducts an Engagement Survey - one of the main tools to evaluate the organisational climate of the Bank, which had a participation rate of around 80% and a favourability rate of 55% -, as well as an Internal Customer Satisfaction Survey and a Psychosocial Risk Questionnaire.

### Engagement survey (%)



At novobanco dos Açores, the employee favourability rate stood at 37% in 2022, down by 16 p.p. on the results of the survey conducted in October 2021. Notwithstanding the large investment made and still being made in this area, the results of the various initiatives that have been developed in various dimensions and will allow the employees to feel novobanco dos Açores as their second home are not yet fully visible.

At Banco Best the employee favourability rate was 61%, down by 16 p.p. on the results of the survey conducted in October 2021.

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

- 1. Attracting talent** - The following programmes respond to the bank's staff recruitment and rejuvenation needs while at the same time enabling young students to acquire new skills that will enrich their curriculum and expand their network of contacts:
  - Talent Attracts Talent - in 2022 novobanco hosted 21 young graduates, who were distributed by several departments for a 12-month professional internship. In January 2023, 8 of these 21 young people were integrated into the bank's staff.
  - novobanco UP Programme - a programme for young university students with the duration of one month. In the 2022 edition, between July and September, a total of 85 participants attended

this programme, taking the opportunity to have an approach to active life and paid professional experience during the summer holidays.

2. **Internal Mobility** - novobanco encourages the career development of each employee throughout his or her professional path. One of the instruments to achieve this is a programme that enhances the Group's human capital and enables its employees to embrace new challenges and opportunities for individual development and progress. In 2022, 140 employees decided to take their professional path in hand and apply to new internal challenges. Of these, 12 were given the opportunity to change their jobs. This contributed to the development of a more motivating work environment as well as to retain talent.

3. **Performance Assessment** - all employees' performance is assessed through the Employee Portal (called "My Portal"), which includes a personal development programme where each employee can define their objectives in terms of continuous improvement in the performance of their functions.

Performance Assessment, carried out annually, focuses on two aspects:

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

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

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

4. **Training** – novobanco is attentive to the employees' knowledge requirements at any given time and promote their continuous development, to ensure they have the necessary skill to achieve the objectives that the Group has set out to reach. The bank provides training solutions that enhance the contribution of the employees, continuing to invest consistently in the design and adoption of distinctive and motivating training, enabling the improvement of performances and the development and evolution of novobanco's employees.

### 3.4.1 Training

The development of its employees justifies the bank's increased investment in their continuous training. This ensures the acquisition and updating of the necessary skills to achieve the best professional performance. To ensure adequate training, in 2022 the Group invested approximately €880 thousand and provided a total of 164 thousand hours of training (40.1 hours per employee), in 4 main areas of knowledge:

- **Leadership Training Programme** - within the scope of its Leadership Academy, novobanco invested in the development and implementation of a Leadership Programme with the duration of 50 hours, for all its 1st and 2nd Lines. This programme, designed in partnership with Nova SBE, makes a precursory approach to the reality of the Bank and its current challenges. In its construction, there was a concern to promote the alignment of key skills for a modern leadership, which integrates the knowledge and tools necessary to manage new work models, to lead diverse teams and to deal in the best way with the new challenges facing the banking sector.

Through the implementation of this programme, novobanco aims to strengthen a collaborative spirit among leaders, as well as to foster the continuous development of an agile, cooperative and effective organisational culture that provides a positive work space for all. The programme combines different methodologies and practical approaches, promoting curiosity, innovation and a synergic vision of the topics discussed.

- **New Distribution Model** - novobanco continued to invest in the transformation of its branch network, which involves not only the physical transformation of the spaces, but above all the transformation of the way we serve our customers and deliver innovative solutions for a better customer experience. In 2022, novobanco continued to train its employees on the new distribution model.
- **Mandatory Training** - Provides the indispensable knowledge that all our professionals, each in their different jobs, must have in order to perform their functions correctly. These training initiatives mainly focused on the Markets and Financial Instruments Directive, the Insurance and Reinsurance Distribution Law, the Mortgage Credit Marketing Directive, the Prevention of Money Laundering and Terrorist Financing, Conflicts of Interest and Related Parties, the Code of Conduct, Pari & Persi (Action

Plan for Default Risk & Out-of-Court Procedure for the Regularisation of Defaults) and Information Security.

- **ESG Training** - In 2022, due to the strategic importance of the topic, it was decided to invest in training on ESG-related contents for all the Group's employees. This training initiative focused on the importance of this issue in the transformation of and integration of ESG criteria into business models throughout the economy, and in particular in the financial sector, which is subject to a strong regulatory framework.

### 3.4.2 Gender equality, equal opportunities and inclusion

The topic of gender equality, equal opportunities and inclusion remains on novobanco Group's agenda as a strategic priority. We continue to consolidate the bases for long-term sustainability, taking measures to promote inclusion and equality, with a particular focus on decision-making and management positions.

Gender parity is a reality at novobanco Group, with women representing 54.0% of the workforce. However, the need to reinforce the gender balance in top management remains.

In 2022, the following initiatives stand out:

- Maintenance of subscription of the Target Gender Equality programme – with the aim of strengthening and accelerating our journey towards gender equality in leadership.
- Gender equality integrated in the Responsible Banking pillar - quarterly monitoring of gender equality indicators with quarterly reporting to the bank's CEO.
- Internal Report on Gender Equality - gender-sensitive monitoring of several human capital management processes (admissions, departures, performance assessment, distribution of each functional group, professional training, promotion and career progression process, and use of benefits for reconciling personal and professional life, among others).
- Active participation in the iGen Forum for Gender Equality – with the objective of promoting gender balance, this is a forum for sharing successful practices that catalyse performance in order to achieve the established goals.

As an integral part of its strategy, the novobanco Group set the target of increasing the share of the under-represented gender in directorship and first-line management positions to 30% in 2024. At the end of 2022 this share was 27.5%. The share of women in management positions is 36.6%, which represents a slight increase compared to 2021.

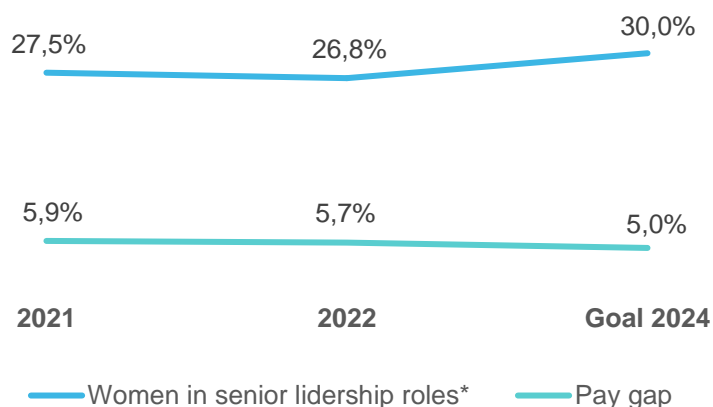
Gender Equality novobanco Group (Under-represented gender %)	2022	2021
Under-represented gender in directorship and first-line management positions*	27.5%	25.5%
Management staff	36.7%	36.2%

\*Scope Novobanco Group includes: Board of directors of novobanco and Group companies (novobanco + novobanco dos Açores Banco Best + GNBGA) + First line managers of novobanco.

The novobanco Group's pay gap, adjusted for function, stands at 5.7%. The absolute pay gap is 18.6%.

As part of the bank's strategy, novobanco monitors two gender equality indicators under the social dividend model (novobanco standalone scope).

**Social Dividend I Gender Equality (%)**



\* Scope novobanco includes: Executive Board of Directors +First line managers

novobanco Group's positioning in terms of Responsible Banking does not target gender equality only, but also equal opportunities, diversity, equity, respect for freedom of association, Human Rights and repudiation of forced and child labour and discrimination. The Bank complies with the legislation, rules and regulations in force and develops its activity in full compliance with its Equality and Non-Discrimination Policy and Human Rights Policy, defined based on:

- the United Nations Global Compact Principles;
- The Universal Declaration of Human Rights;
- The Guidelines of the Organization for Economic Cooperation and Development (OECD) for Multinational Enterprises;
- The Core Conventions of the International Labour Organization (ILO).

The Group also includes in its staff people with a certified disability or incapacity, who account for 2.7% of the Bank/Group's workforce, corresponding to 111 employees. This is more than required under Law no. 4/2019, which establishes the employment quota system for people with disabilities.

In 2022 novobanco participated in NOVA SBE's Inclusive Community Forum, which addressed the lives of people with disabilities and aimed to promote a more inclusive community, and we endorsed a commitment to Inclusion.

**3.4.3 Work-life balance and internal social responsibility**

novobanco believes that the balance between employees' professional, personal and family life is crucial for their holistic well-being, and consequently to foster motivation, productivity, satisfaction, and a relationship of commitment to the Bank. On this basis, the management of our human capital is supported by instruments that aim to enhance the employees' well-being at all levels.

The Bank offers a set of measures that, by promoting flexibility at work, improve the conciliation between employees' work and their personal and family life. These measures are included in the Social Dividend Model, under the Social Well-being pillar. This programme is also an instrument to attract and retain talent. The

**Measures to reconcile work with personal life**

- **Leave on special dates**  
(employee's birthday; children's birthday; 1st day of school of children in compulsory school years)
- **Purchase of vacation days**
- **Home Office**
- **Early Friday or Late Monday**
- **Takeaway meals**

measures for reconciling personal and professional life, initially implemented with the main focus on novobanco, have been extended to the Group's companies.

The Bank supplements these initiatives with support initiatives that strengthen the employees' sense of belonging and pride in the Group and their personal satisfaction, and allow them to save on their monthly budget. These benefits are included in the internal social responsibility programme.

<b>Education support for children of active employees</b>	<b>Special conditions on the commercial offer</b>
<b>Christmas presents for employees and their children and dependent stepchildren</b>	<b>Specific pandemic-related support</b>
<b>Support to Retirees</b>	<b>Additional employee support measures</b>

By the end of 2022 920.6 thousand euros were allocated to support 3,160 employees.

2022 was a particularly challenging year for families. The general rise in the prices of essential goods, and the increase in interest rates and inflation to levels not seen for a long time, affected everyone's lives. In this context and in line with novobanco's Social Well-being program, a set of support measures were made available to the employees aimed at mitigating the impacts on their family budget.

- one-off €500 support for employees with gross annual income below €30,000, and €250 for employees with income above this amount (not applicable to corporate bodies and first-line management);
- possibility of interested employees to:
  - increase the repayment period to 75 years of age for mortgage loans under the CHPP-ACT (permanent home loan under the collective wage agreement) scheme, limited to a maximum of 45 years;
  - transfer the permanent home loan (HPP) from the general scheme to the CHPP-ACT scheme up to a maximum of €50,000.

In 2022 the criteria for the allocation of social support in 2023 was revised to allow for a fairer and more efficient allocation. In 2023, the amount of support for children and young people with disabilities or special needs will be increased; the calculation of per capita income will be redefined; and three per capita income scales will be introduced for scholarship purposes.

To further its work-family conciliation goal and in line with its tradition of giving employees one day off during the Christmas season, in 2022 novobanco gave its employees 2 days off.

Employees, both active and retired, also have three canteens at their disposal where they can have lunch. These canteens serve low-cost nutritionally balanced meals, with 3 to 4 options to choose from each day, each coming with a nutrient information sheet (nutrition traffic light). In addition to providing meals at a low cost, the aim is also to encourage the employees to make responsible choices in terms of healthy eating. Awareness-raising initiatives sometimes also take place in the canteen areas.

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



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

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

As part of the management of its business, novobanco also undertakes to strengthen a culture of safety and health in the workplace so as to minimise the risks of accidents and illnesses among its employees.

All employees have access to free-of-charge health services, provided in three clinical centres: in Lisbon, Porto and Oeiras. These offer a set of privileged support services and conditions to employees, at preventive and curative level.

Because the Safety, Health and Well-Being of novobanco's employees is at all times one of the Bank's management priorities, the area dedicated to the topic of "Employee Well-Being and Experience", deserved special attention, with the following main initiatives having been taken:

- Launch of the new E-Learning on Safety and Health at Work (having as main improvements: the introduction of Well-being moments throughout the course and the reconciliation of SHW concepts with the good practices and well-being programmes in place in novobanco);
- Inclusion of nutrition consultations in the Porto Clinical Services (3 hours per week);
- Increase in the number of hours of psychology consultations in all novobanco Clinical Services (to a total of 7 hours per week);
- Increase in the number of Employees supported with the allowance "Sickness Benefit Supplement", applicable in cases of prolonged illness;
- Implementation of the 5+ programme.

## 5+ program



+ physical health



+ mental health



+ well-being



+ balance



+ happiness

The 5+ programme, launched in 2022, has 5 objectives: +physical health, +mental health, +well-being, +balance, and +happiness. Its aim is to look after and promote the well-being of the employees by providing, through a set of initiatives, well-being experiences in various dimensions: health, nutrition, physical exercise, emotional management, family and home, interpersonal relationships, personal image, culture and leisure. In

this context, a series of initiatives such as workshops, webinars, ateliers, conversations with experts and lectures are carried out, in virtual and face-to-face format.

Every month a theme and respective timetable are defined, including: 5+ measures, 5+ Talk, 5+ Experiences and commemorative dates. In this context, a series of initiatives such as workshops, webinars, ateliers, conversations with experts and lectures are carried out in virtual and face-to-face format. Training, assessments, diagnoses and screenings may also be included in the initiatives, depending on the theme of the month.

Within the scope of the 5+ programme, mental health deserved special attention in 2022. Talking about mental health and sharing experiences and testimonies was the first step towards combating the stigma and prejudice that still exists in society on this subject. At the end of the year, the Bank became a founding member of Mind Alliance Portugal, a non-profit global network of leading companies in their sectors committed to putting mental health at the top of their organisations' priorities, and making the mental health of their employees a strategic priority, by raising awareness and training their leaders.

Still within the scope of mental health and to guarantee an adequate response to the real needs of the employees, an assessment of Psychosocial Risks is carried out on an annual basis. The global results of this survey are subject to a careful and rigorous analysis, being used as the rationale for the definition of an action plan of measures to be implemented in this area. A summary of the overall results is shared with the heads of all the Bank's Departments, who can also contribute with mitigation proposals. The employees are at the heart of our business strategy. We are aware that they are our most valuable asset. That is why developing a robust talent and merit programme is one of our priorities, as a means of retaining and attracting the best and fostering an inclusive culture that allows employees to realise their full potential.

### 5+ Measures developed

- "Leadership and Mental Health" training (pilot project for 1st line officers and Regional Managers);
- Mental Health Base Kit
- First-Person Testimonies
- Visits by Occupational Doctors to the branch network's employees

## 3.5 Suppliers

novobanco Group is aware that the management of a sustainable business covers the entire value chain, with suppliers playing an essential role in its ESG journey. The Group has therefore established a set of tools that allow the relationship with this group of stakeholders to be based on environmental, social and governance criteria.

As a relevant buyer of products and services in the market, the Group has put in place a relationship model with its suppliers based on a commitment to good practices and principles established at international level and on the recognition of the importance of the economic, environmental and social impacts produced by this group of stakeholders. The model is structured along two axes:

- **Code of conduct**, which determines that the process of supplier evaluation and selection is strict and carried out in accordance with the highest standards of transparency and ethics;
- The **Supplier Relationship Principles**, which are aligned with the OECD guidelines for multinational companies, the United Nations Global Compact, the Universal Declaration of Human Rights and the Fundamental Principles and Rights at Work of the International Labour Organisation. These principles set the minimum requirements, not only for suppliers but also for the Bank, with regard to business practices, health and safety at work, ethics and environmental management. Supplier selection principles are based on:
  - Fairness - equal treatment, without privileges or cronyism, and always seeking to avoid conflicts of interest;
  - Transparency - with adequate disclosure of information;
  - Quality and Efficiency as criteria for selecting the best suppliers.



novobanco Group's suppliers are invited to subscribe to these principles, which imply the adoption of strict conduct, namely with regard to the environment, employment conditions and ethics. In this context, in 2022, the Supplier Relationship Principles were revisited and reinforced with the introduction of the novobanco Group's Sustainability Policy, in the expectation that all suppliers will follow and act in accordance with what is established in both documents.

A responsible, coherent, and consistent attitude towards the selection of suppliers starts with total availability to receive all presentations from the most varied entities that intend to provide services or supply goods to the Group. To this end, the Supplier Portal (<https://fornecedores.novobanco.pt/>) is the place where any supplier, actual or potential, may introduce itself and register. In 2022 there were 2.9 thousand suppliers registered in the portal. In addition to providing the prime sourcing basis for market consultation processes, the database of registered entities also allows for an easier and more effective detection, assessment and comparison of the suppliers' characteristics, technical skills and commercial propositions.

The quality of this information permits to select the best propositions, i.e., the suppliers best capable of meeting the Group's needs and requirements in terms of the acquisition of goods and services. The percentage of suppliers with billing above €10 thousand that had completed their registration or were in the process of registering (pre-registered) in the Portal was 95% at 31 December 2022.

For a more rigorous selection of this group of Stakeholders and based on the information provided, novobanco Group calculates the "sustainability scoring", which takes into account ethical, labour, hygiene and safety at work, and environmental aspects.

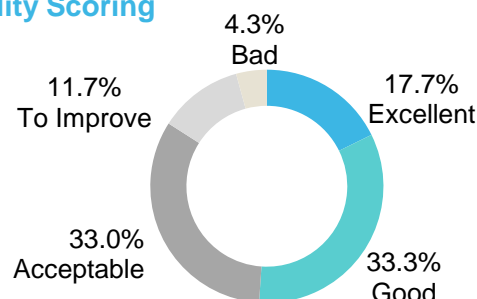
In 2022, new criteria were introduced in the calculation of the "sustainability scoring", such as new certifications (ISO 45001, ISO 2700, ISO 50001) and aspects related to suppliers' Sustainability and Environmental Policies. Additionally, this scoring is now included in the technical assessment of suppliers carried out by the Group's procurement structures, and is one of the criteria/elements considered and weighted in the overall rating.

On 31 December 2022, suppliers with completed registration in the Suppliers' Portal represented approximately €163 million of invoicing to novobanco Group, with the following industry sectors standing out:

novobanco Group suppliers - main sectors of activity (%)	2022
IT Services	27.1%
Consulting and auditing	17.3%
Electronic payment system	7.6%
Communications and dispatch	7.2%
Conservation and repair	5.1%
Judicial, litigation and notary services	4.2%
Advertising and publications	3.4%
Others	28.1%

17.7% of the Group's registered suppliers have a score of Excellent. The decrease compared to the previous year is explained by the introduction of new criteria in the calculation of the "sustainability score", which made the assessment stricter and more robust. However, cumulatively, around 84% of suppliers have a positive score, maintaining their score of 2021.

**Sustainability Scoring (%)**



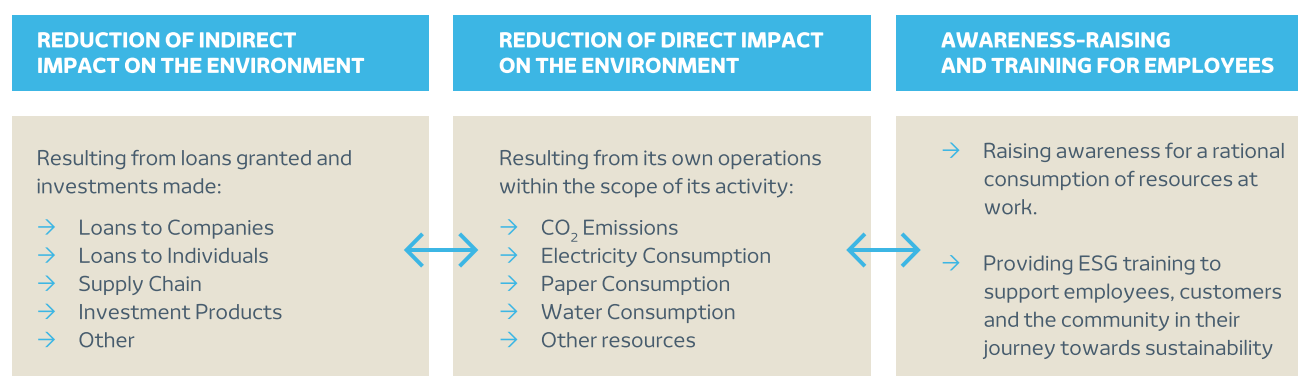
In 2022, the Bank continued the roll out of the New Distribution Model project. The aim was to change and innovate, offering clients a totally differentiating and unique experience in the financial sector, and transforming our branch network into spaces where the financial experience is not limited to a simple visit to the bank. novobanco ended the year with 247 totally revamped branches, in which:

- National products were clearly promoted, and the projects were executed with national suppliers - a large majority of the suppliers were Portuguese companies with 100% national capital;
- Supplier selection took into consideration if the entities could attest that they developed their business based on sustainability criteria, proven by environmental certifications, and presented sustainability scores of good and excellent.

Maintaining a professional relationship with suppliers also implies responsible action, namely guaranteeing payment periods of 30 days, in line and in compliance with good market practices. This includes giving suppliers access to their current account, free of charge and at all times, simply by logging into the supplier's account on the Portal. In 2022, the payment period was 29 days compared to 22 days in 2021.

### 3.6 Environmental Footprint

Climate change is one of the greatest world challenges, giving rise to a huge variety of potential risks, such as floods, forest fires, storms and other extreme events. In this context, the Bank gives prime focus in all its activity to the minimisation of its environmental impact, structuring its climate pathway around 3 axes:



The National Roadmap for Carbon Neutrality and compliance with the Paris objectives call for a profound transformation of business models.

Aware that its largest impact on the climate arises from its lending activity, novobanco's ESG strategic programme mainly focuses on:

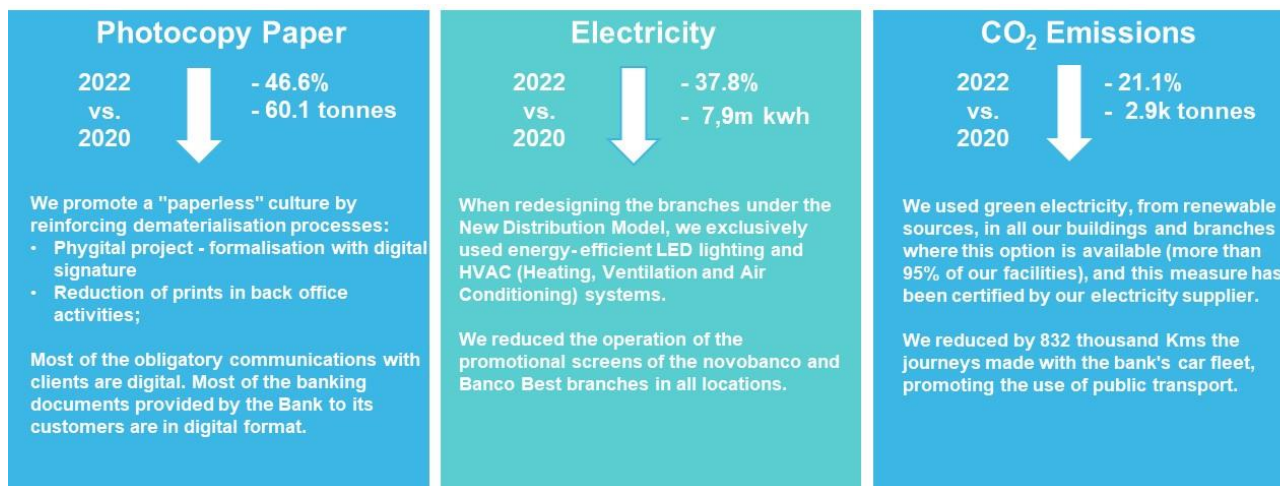
- Assessing environmental and climate risks when granting loans to companies;
- Defining "Green Investment" objectives as key indicators of its ESG performance;
- Incorporating environmental criteria in the products and services made available to customers.

These priorities clearly reflect the importance given by the Bank not only to the indirect impact on the environment and to accompanying clients on their journey towards a carbon-neutral economy, but also to meeting the expectations of the Bank's other stakeholders, including regulators and supervisors.

[+ information in chapter 3.2 ESG Risks and in TCDF Report.](#)

But novobanco Group's operations also have a direct impact on the environment. For this reason, one of the strategic concerns of its environmental management is to find solutions that allow an adequate and rational use of the resources required to develop its activity.

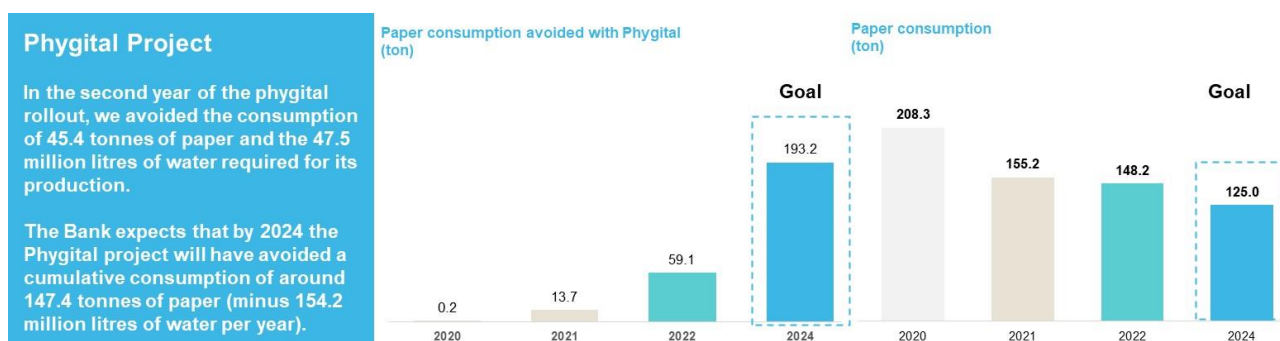
The pandemic showed that it is possible to carry on the business while reducing the consumption of some resources. Hence, although the return of the employees to the premises after two years in home office may increase consumption, the Group has prepared this return by creating scenarios focused on strengthening dematerialisation initiatives at the business level and in terms of raising employee awareness, thus seeking to maintain or reduce consumption, mainly of paper and electricity.



### Paper

As a result of the measures implemented, including the digitalisation of processes, the Group has been reducing its paper consumption from one year to the next. In 2022 paper consumption decreased by 4.5%, or 6.9 tonnes, compared to 2021.

In 2020, novobanco started its Phygital project, whereby, through the dematerialisation of business processes and their formalisation through a digital signature, it contributes to a paperless organisation and fosters a paperless culture. 95% of the reduction in paper consumption was due to the Phygital project.



### Electricity

In line with the measure implemented in November 2021, the Group's electricity consumption (novobanco, GNBGA and Banco Best) is fully green, i.e., from renewable sources, in all its buildings and branches in Portugal where this option is available (more than 95% of its premises). This measure, certified by the electricity supplier, had a strong contribution towards reducing CO<sub>2</sub> emissions.

This is one of the initiatives under the commitment to reduce scope 2 CO<sub>2</sub> emissions, attesting to the Bank's transition to a low-carbon economy and to its full alignment with SDG 13 - Climate Action, one of its 5 priority SDGs.

The teleworking scheme adopted since the beginning of the pandemic gave a key contribution to the reduction in electricity consumption. Among other factors, the reduction in space resulting from the move of Banco Best's premises to one of novobanco's buildings, which represented around 50% in office occupation in Lisbon, contributed to reduce this company's electricity consumption by around 30.1%.

As a result of the war in Ukraine and the need to restrict energy consumption, all external lighting at Best's Investment Centres and Best Offices was completely switched off. In novobanco's branch network, the screens' working hours were reduced, and they are now mostly switched off at midnight and switched on again at 8:00. In the branches located in rural regions or small villages, these communication channels are now switched off at 22:30.

## CO<sub>2</sub> Emissions

novobanco Group set the goal of reducing our Scope 1 and 2 CO<sub>2</sub> emissions by 50% by 2030. This is a bold claim, but one that we intend to fulfil, and so we will continue to reduce the CO<sub>2</sub> emissions that result from our various consumptions.

To this end, in 2022, novobanco Group defined a new Vehicle Policy to regulate and homogenise fleet management, clarifying the rules of eligibility and responsibility in the use of this benefit. The ESG commitments assumed by the Group were reflected in the policy, promoting and boosting the choice of vehicles with green motorisation (electric or plug-in hybrid), through the following measures:

- Price caps for electric or plug-in hybrid vehicles 10% higher than for combustion vehicles;
- Predominance of electric and plug-in hybrid options in the list of protocolled vehicles.

The teleworking scheme adopted from the beginning of the pandemic contributed decisively to a reduction of the environmental footprint, due to the reduction in commuting and the experience gained in the adaptation to digital of internal work processes and commercial relations with customers.

Environmental Indicators - Emissions (tCO <sub>2</sub> e)*	2022	2021	2020	22 vs 21
Direct emissions (Scope 1)	4 158.1	4 696.1	4 888.3	-5.4%
Indirect emissions (Scope 2)**	811.3	2 937.5	4 490.3	-86.5%
Indirect emissions (Scope 3)***	6 102.6	4 184.2	4 663.2	45.9%
<b>Total (Scope 1, 2 e 3)</b>	<b>11 072.0</b>	<b>11 817.8</b>	<b>14 033.8</b>	<b>-3.2%</b>

\*See methodological notes.

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

\*\*\* Includes the following categories of emissions: air travel, employees' commuting, waste, life cycle of paper consumed, paper recycling process, water consumption and wastewater treatment.

The increase in scope 3 CO<sub>2</sub> emissions is essentially due to the return of the employees to their offices and the increase in air travel after the end of the lockdowns, but the Group is making every effort to ensure that this increase is limited only to the year of return to normality.

With regard to scope 3 emissions - category 15 (investments), novobanco is aware that accounting for emissions in this category is crucial for financial institutions to assess the climate and environmental risks to which they are exposed and define objectives and strategies to reduce these emissions. Therefore, these are reported in the TCFD Report, published this year for the first time.

## Recycling

The Group maintains an efficient management of waste, namely by recycling paper and printer toners. In 2022, the amount of paper sent for recycling dropped by 15.7%, which was due to lower paper consumption.

In 2022, the Bank started the process of recycling its bank cards. The card treatment process involves the collection and destruction of customers' expired bank cards, which are sent to Extruplás for recycling. Extruplás uses them to manufacture street furniture, significantly reducing the environmental impact of this waste if it were treated differently. In the second half of 2022 the Bank sent to Extruplás approximately 1.4 tonnes of bank cards for recycling, thus giving a new life to plastic.

As another measure to reduce its direct impact on the environment, the Group stopped using single-use plastic, providing its employees with paper coffee and water cups and recyclable wooden straws. At Banco Best, all employees were given ceramic coffee cups and glass water bottles.

It should also be noted that due to the move of Banco Best's head office to new premises, located in a building belonging to novobanco, all furniture intended for scrapping was offered to the employees, thus reducing the environmental impact that would result from its destruction and encouraging its reuse for private purposes.



### Plastic

We send expired bank cards for recycling to be used in the production of urban furniture.

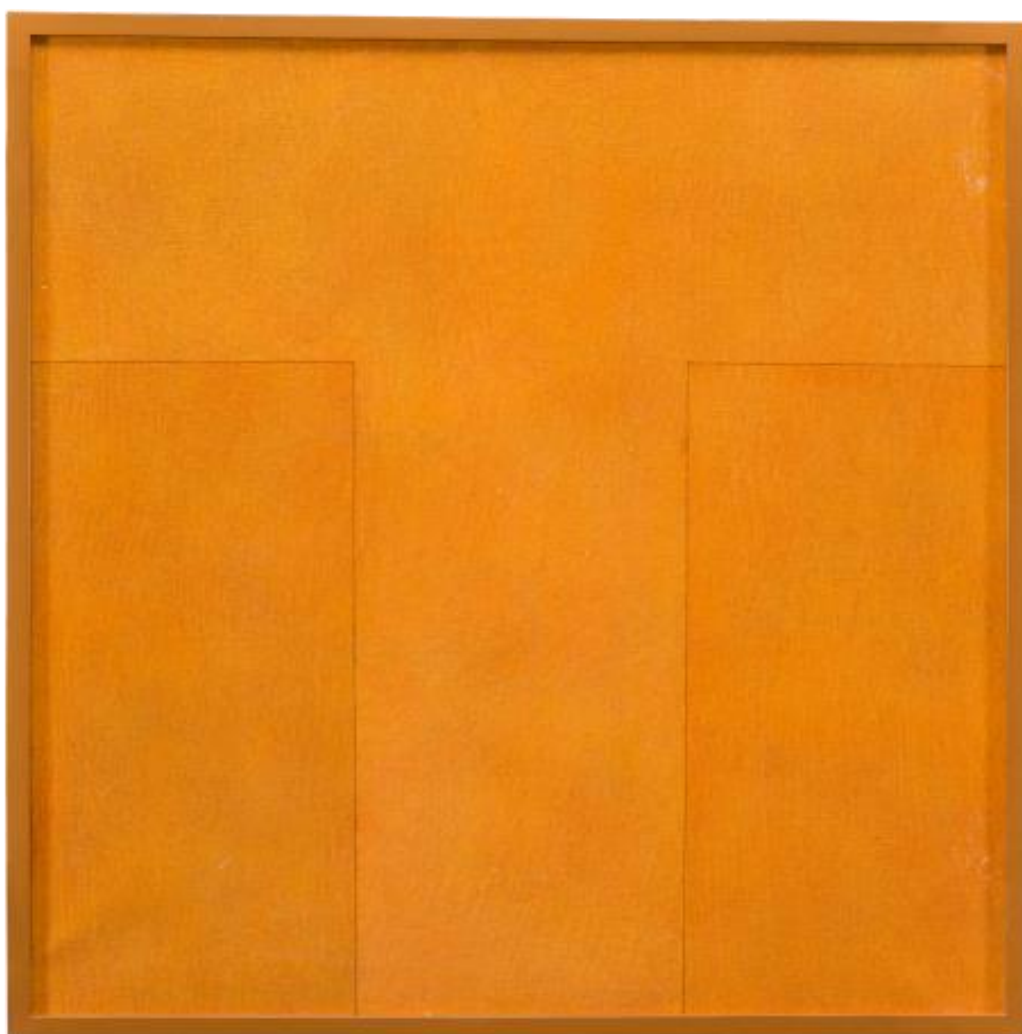
We stopped providing single-use disposable plastic cups, packaging, cutlery and straws, using instead paper cups and cutlery made from recycled and/or biodegradable materials.

Summer of 83, 1983 - Ângelo de Sousa

Oil on canvas, 80 cm x 80 cm

A multifaceted artist, Ângelo de Sousa works in painting, sculpture, serigraphy, ceramics and photography. In the 1970s his painting focused mainly on abstraction, on surfaces that, while appearing monochrome, resulted from rigorous colour work that brought together, opposed, and overlaid minute chromatic particles that built up a surface that is depurated and simultaneously vibrant with light and colour. "Summer of 83" is part of a series of pictorial experiments in which the painter was engaged in the early 1980s. They are minute combinations of colour, diluted in a very simple geometry of fine lines, in an abstraction of absolute depuration.

CHAVES. Nadir Afonso Museum of Contemporary Art





## 4 SUSTAINABLE ATTITUDE

One of the challenges taken on by the novobanco Group is the financial and social well-being of the community in which it carries out its activity. Therefore, its concern with initiatives of an environmental, social and cultural nature with a positive impact on the community is reflected in its corporate social responsibility architecture, which consists of three pillars.

In 2022, novobanco Group continued to develop internal and external actions that allow meeting the needs of its employees and the community, seeking to respond to new opportunities and assuming an active role in a society which it wants be sustainable and fairer.

The bank's Corporate Social Responsibility framework was developed based on its ESG strategy and Social Dividend Model. With this positioning the Bank aims to continue to integrate the dialogue with and the expectations of stakeholders in the construction of the business strategy and give back to the community, thus reinforcing the trust they place in novobanco.



### Social Responsibility Architecture

novobanco developed a Corporate Social Responsibility (CSR) action plan focused on community service and integrated in its strategic plan:

1. Not exclusively based on financial support.
2. Integrates CSR in business model.
3. Establishes partnerships that serve the Bank's strategy.
4. Mobilises the employees

### CSR ARCHITECTURE

ENVIRONMENT	WELL-BEING - SOCIAL AND FINANCIAL	RESPONSIBLE BANKING
<p><b>ENVIRONMENTAL LITERACY</b></p> <p><b>Employees</b></p> <ul style="list-style-type: none"> <li>→ Awareness-raising campaigns to reduce the Bank's direct impact</li> <li>→ Training sessions on the bank's direct impact</li> </ul> <p><b>Clients and the Community</b></p> <p>Organisation and participation in conferences and training sessions</p> <ul style="list-style-type: none"> <li>→ Awareness-raising</li> <li>→ Knowledge sharing</li> <li>→ Sustainable finance</li> </ul>	<p><b>FINANCIAL AND DIGITAL LITERACY</b></p> <p>Financial and ESG literacy for</p> <ul style="list-style-type: none"> <li>→ Corporate clients and the community</li> <li>→ Individual clients and the Community</li> </ul> <p><b>SOCIAL INCLUSION</b></p> <ul style="list-style-type: none"> <li>→ Support for people and families in need</li> <li>→ Children and families with oncological diseases</li> <li>→ Support and organisation of Christmas charity initiatives in close cooperation with the bank's employees</li> </ul>	<p><b>WELL-BEING AND MENTAL HEALTH</b></p> <ul style="list-style-type: none"> <li>→ Employees</li> <li>→ Partnerships promoting mental health in organisations</li> <li>→ Financial and social support to employees</li> </ul> <p><b>TRAINING AND R&amp;D</b></p> <ul style="list-style-type: none"> <li>→ Training and internships programmes</li> <li>→ Partnerships with academia for knowledge development</li> </ul>
		<p><b>DIVERSITY, EQUITY AND INCLUSION</b></p> <ul style="list-style-type: none"> <li>→ Gender equality programmes</li> <li>→ Integration of disabled people in the labour market</li> </ul>

#### CSR ACCOUNTS

**Contas com Gestos que Contam** - (Accounts with Gestures that Count) novobanco service accounts linked to social responsibility causes (social, cultural and environmental)

#### NOVOBANCO VOLUNTEER PROGRAMME

Environmental initiatives

Social initiatives

Inclusion initiatives



## 4.1 Shaping the future together

novobanco is an active agent in the ecosystem to which it belongs, where it puts a particular focus on reviving the economy and supporting the communities it serves. In this context, it annually organises and participates in various initiatives to promote sustainability, including sectoral and/or regional initiatives, in a joint search for solutions or strategies that further social and financial well-being, responsible growth, job creation, capacity-building in people and respect for the environment.

Among these there stands out in 2022 the first edition of the ESG Talks, a cycle of novobanco conferences dedicated to sustainability, held with the strategic partners Nova SBE and PwC Portugal and the media partners VISÃO and EXAME. This cycle, comprising a full-day major conference, **ESG Talks - Rebuilding the Future**, and 3 deep dives, addressed, through lectures, reflections and coffee table talks, the most important issues of the ESG universe, including the Future of Work, Diversity and Gender Equality in Companies, the Challenges of Sustainable Transition in a Low Carbon Economy, Sustainable Financing, and Circular Economy and Oceans, always within the context of the national economy. All the conferences were attended by renowned entrepreneurs, political decision-makers and academics.



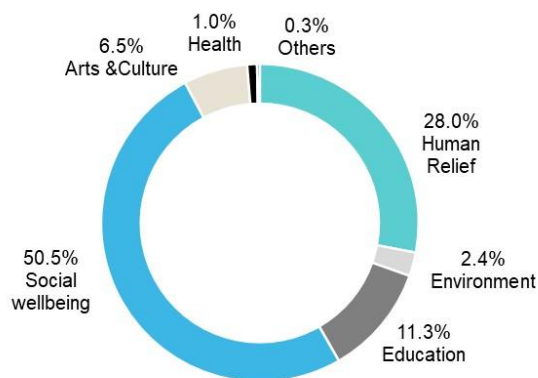
In order to recognise excellence and promote the sharing of best practices and experiences of companies with their peers and with society, the Bank also organises annual events such as the Portugal Exportador and the Export & Internationalisation Awards, and actions to promote the PME Líder and PME Excelência statuses, sponsoring the Publituris Portugal Awards and the Portuguese-French Trophies.

The integration of environmental concerns in events that stimulate the national economy is one of the Bank's intervention streams, including the sponsorship of the Plastics Summit Global Event, one of the most important conferences on recycling and the circular economy in the plastics sector, and also events such as Ovibeja and the National Agricultural Fair, in which organic farming received special attention.

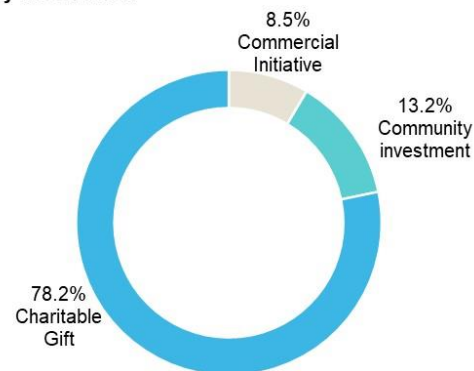
novobanco once again placed its experience and knowledge at the service of the players and decision-makers of the country's economic future and shared specialised and technical information with its customers and society in general.

Based on a sustainable attitude that aims to support the creation of solutions for important issues in the community where it carries out its activity, in 2022 the novobanco Group donated €1.6 million, distributed as follows:

Donations by area



Donation by motivation



## 4.2 Well-being – Financial and Social

One of the challenges facing the banking sector is how to contribute to increasing the levels of financial knowledge and fostering the adoption of adequate behaviours that promote the well-being of the population and the stability of the financial system. With the creation of the Financial Literacy Programme, novobanco assumes its role as an institution that bases its positioning and management on principles of sustainability and corporate citizenship, contributing to train a new generation of consumers of financial services that is increasingly informed and has greater power of analysis and decision. In this context, the architecture of the Bank's financial literacy intervention is based on 2 pillars: Digital Literacy and Financial Literacy.

### 4.2.1 Financial well-being

#### Digital Literacy Programme

To address the fast pace of digitalisation of society and services in general and the need to develop financial literacy, it is a priority of novobanco not only to ensure a complete and innovative digital financial services offer, but also to promote and educate for the safe use of these channels in everyday financial management. With a special focus on the consumer and the people who everyday use digital channels to interact with the bank, novobanco has developed different initiatives:

**Everything you need to know about online banking** - Digital Financial Education Project of the Portuguese Banking Association (APB) and its associates, consisting of 12 informative sessions on the basics of using banks' digital channels for the execution of essential daily operations. Aimed at the general public and the senior population, this programme, which is also articulated with Parish Councils and Senior Universities nationwide, and with Lisbon's network of Municipal Libraries, enabled 600 participants to acquire basic digital skills from the user's perspective, contributing to the safe use of the digital channels.

**Restructuring of the digital literacy website** - An initiative that showcases the advantages of online banking and explains to customers everything they need to know about the digital channels. Online banking is an essential tool in the customer experience, as it ensures that the bank is always available, with all convenience and security, for a better management of customers' financial and daily life.

[+ information digital channels and information security](#)

#### Financial Literacy Programme

The social and financial well-being of its customers is one of the Bank's main challenges. Therefore, one of its main priorities is to provide a range of saving and credit products suited to each family budget and addressing the customers' new realities, for which it has developed different initiatives during 2022.

**Commercial Offer** - Savings products adjusted to customers' realities, including not only microcredit but also savings products tailored to each one's family budget. In 2022, the Bank created an additional everyday offer specifically targeting the Ukrainian population that arrived in Portugal: a bank account with no maintenance fee for 1 year, availability of cards and temporary exemption of commissions on transfers to Ukraine.

**Personal Finance and Family Budget** - Application that makes it easy to monitor and manage the monthly budget at the touch of a finger.

**Mental Right (*Direito Mental*)** - Partnership with Associação Direito Mental, an association that fosters the creation of a positive culture of support for mental health in the legal community, advocating, among others, that mental health also involves financial well-being. novobanco's contribution in this partnership involves providing tips and advice for the development of appropriate financial skills.

**#Corporate Talks** - Road Show on financial literacy for small and medium-sized companies that during the year travels the country from north to south, debating several financial topics. The aim is to contribute to increase the level of financial culture within companies and individuals. This cycle included a session dedicated to Sustainable Finance, which dealt with the main challenges faced by national companies due to the new European directives.

[+ information offer of products trade with social criteria](#)

#### **4.2.2 Social well-being**

The intervention of novobanco also involves contributing to the Social Well-being of the community in which it operates. Helping organisations that provide social support in areas such as equal opportunities and combating social exclusion and poverty with the aim of mitigating these inequalities and seeking to respond to new opportunities for progress, are part of the challenge taken on by the Bank in its corporate social responsibility strategy.

**WeHelpUkraine Platform** - As a founding member, the Bank supported the development of the [www.wehelpukraine.org](http://www.wehelpukraine.org) platform which connects those in need of help with those in Portugal and abroad who are willing to help (with accommodation, financial, medical and psychological support, refugee status, logistics, employment and local language classes), thus uniting efforts from around the world, including from Canada, the USA and the United Kingdom. Under this partnership, the Bank has proactively contributed in various ways, namely account opening, donations and volunteer work, to welcoming the Ukrainian people to Portugal.

**Care International** - Also as part of its support for the Ukrainian people, novobanco supported CARE International with a financial donation to the fund designed to help with the humanitarian crisis in Ukraine and the around 4 million people fleeing the conflict, through immediate emergency assistance in that country and in border countries.

**Play for Children | Special Edition Madeira 2022** - novobanco supported the solidarity football match between former football players and public figures, in which everyone was a winner. The ticket box income was donated to the Liga Portuguesa contra o Cancro - Núcleo Regional da Madeira (Portuguese League Against Cancer - Madeira Regional Centre).

**Quality-of-Life Action** - novobanco was once again present at the Quality-of-Life Action of the Associação Salvador, an IPSS (private social solidarity institution) that operates in the area of motor disability. This year marked the 15th edition of this Action. In 2022 there were 82 applications, and a total of approximately 130 thousand euros to be distributed, under three categories - home works, training and employment, and adapted sports equipment. 36 people with reduced mobility were supported, 13 of whom in the training and employment category, which is supported by the bank. novobanco is a patron of Associação Salvador and has been associated with this project since its first edition. Over 15 years the project has supported more than **587 people** with reduced mobility, with more than **€1.7 million**.

**Christmas hampers from novobanco's employees to AMI (International Medical Aid) users** - The Christmas festivities at novobanco Group began with the usual internal solidarity action. Following a registration process to donate, participate in the preparation and deliver the Christmas hampers, **€4.5 thousand** were collected from employees to provide a decent Christmas for about 150 families, AMI users, throughout the country, including the Azores and Madeira. novobanco and novobanco Azores also joined this initiative by making a donation.

**Acreditar** - Every year novobanco finances one of the 12 rooms of the Acreditar Association's home in Lisbon. The Acreditar Association is an IPSS whose mission is to "treat children and young people with cancer and not only the cancer in children and young people", promoting their quality of life and that of their families. The Lisbon

home is being rehabilitated and novobanco maintained its support for families who are housed in other residences in the Lisbon area. This annual support makes it possible for several children who have to leave their area of residence for oncological treatment in Lisbon to live with their families.

**Volunteering Programme** - Created in May 2022, it encourages the involvement of employees in community support actions that contribute to addressing important socio-economic and environmental issues in the community. Any employee can participate, for which he or she has one day of leave per year to dedicate to a cause. This programme also fosters a culture of empathy, generates learning opportunities through the sharing of knowledge and experiences, and the development of innovative solutions and ideas by promoting collaborative and teamwork. With the volunteering actions the Bank strengthened the sense of belonging of its employees, consequently increasing their well-being. A total of 406 hours were worked in 2022 in voluntary service, grouped into 4 actions: WeHelpUkraine, Make a Wish, Reforestation of Natural Parks and AMI's Christmas Mission - Christmas Hampers.

 <h3>WeHelp Ukraine</h3> <ul style="list-style-type: none"> <li>→ Reception support</li> <li>→ Translator</li> <li>→ Preparation of food baskets</li> <li>→ Separation of clothes</li> <li>→ Home recovery</li> <li>→ Accommodation</li> <li>→ Transport</li> <li>→ Legal and other support</li> </ul>	 <h3>Wish Challenge</h3> <p>Planning session with Make-A-Wish for one of the wishes of the solidarity project "Constellation of Christmas Employees of novobanco Group".</p>	 <h3>Reforestation of Natural Parks</h3> <ul style="list-style-type: none"> <li>→ Reforestation of the Carvalhais Biopark, in São Pedro do Sul, with 400 trees, together with the Montis Association</li> <li>→ Reforestation of the Sintra - Cascais Nature Park, with 200 trees, together with the Plant a Tree Association.</li> </ul>	 <h3>Christmas Mission AMI 2022</h3> <p>Preparation and delivery of Christmas hampers to users of AMI's Porta Amiga Centres</p>
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## VOLUNTEERING



"Volunteering is a win-win situation: it's good for us as novobanco employees and good for society"  
**Mónica Pereira**

"It was very rewarding to have participated in today's Wish Challenge. To have the notion that we contributed with ideas and suggestions for the process of preparation, anticipation and fulfilment of a child's wish is something fantastic that I will never forget."  
**Paulo Teixeira**



"It will be fun to pass by one day and find out which part of this green was made by us."  
**Nelson Bertassoni**



### 4.3 Cultural Patronage

novobanco Cultura is one of the Bank's main cultural patronage programmes. Its mission is to reflect novobanco's commitment to preserve, promote and share with Portuguese society its relevant cultural and art heritage, grouped in four collections:

#### **novobanco Photography Collection**

With around 1,000 works by more than 300 artists from 38 nationalities, it includes all the great names of the national and international art scene. It is one of the world's most important collections of photography, the only corporate collection to represent Portugal and also one of the most awarded collections and one that stands out in the global art scene, ranking among the 80 best corporate collections in the world.

The exhibition of novobanco's photography collection "Art in time of Ecological Disruption", was the first event of the ESG Talks conference cycle, held at Universidade Nova SBE, placing art at the centre of the promotion of the national and international debate on the issues and challenges facing humanity, including ecological challenges and the human condition. This exhibition was the motto for the public presentation of the international book with the same name "Art in Time of Ecological Disruption", a project developed by the IACCCA - The International Association of Corporate Collections of Contemporary Art, of which novobanco's photography collection is a founding member, and which brings together curators from more than 50 corporate collections around the world and represents more than 150,000 works of art. Once again, novobanco's photography collection is in the limelight, ranking second by number of works and texts selected to integrate this catalogue, published in 2022.

Several works from the collection were also exhibited in various national and international exhibitions, namely "*Chegar à Boca da Noite*", at the Contemporary Art Centre of Coimbra, "*Arte e Território*" at the novobanco space, and "*Horizonte Y Limite. Visiones del Paisaje*", in Spain, thus continuing to spread internationally the contemporary photography of novobanco.

The study visits for students of Photography, Technologies, Innovation and Creation, Master in Artistic Photography, and Degree in Photography and Culture, among others, proved an important tool and resource to complement learning with the direct viewing and understanding of the works, awakening critical thinking, broadening horizons, promoting the sharing of knowledge and experiences, and thus providing a pedagogical service to society.

The novobanco photography collection thus acts as a catalyst in filling up cultural gaps and contributing to the well-being of society.

#### **novobanco Painting Collection**

Comprising Portuguese and European paintings from the 16th to the 20th century, this collection is available to the public through the permanent exhibition circuit of museums from the north to the south of the country, under a protocol with the Ministry of Culture. At the end of 2022, 94 works were on permanent display in 37 museums throughout the country. The Bank provides in its platform the itinerary of the various regions and respective museums in the country where the works of its Painting Collection can be visited.

#### **Numismatics Collection**

The collection comprises approximately 13 thousand coins, all minted in territory that is or was Portuguese, from the period before Portugal was a nation up to the establishment of the Republic. Through this collection, it is possible to travel the entire history of Portugal. It portrays, through money, our formation as a people and a nation, and our culture, over a time span of more than 2000 years.

#### **Library of Humanistic Studies**

With about 1,100 Old Books, including 8 incunabula, around 90 works printed by the humanist Aldo Manuzio and his successors, and 600 titles printed in the 16th century. The remaining bibliography of about 8,600 titles serves as support to the study of the classical texts and their themes. The library is on deposit at the Faculty of Humanities of the University of Lisbon (FLUL).

The partnership with Cais in **REFLEX - CAIS photography Award | novobanco** remained active in 2022. This award, which combines photography with socially relevant themes, is dedicated to the enhancement of

photography in Portugal and strengthens and amplifies the positive impacts of a national initiative of artistic scope. The 15th edition of this award portrays and celebrates the diversity (ethnic, social, racial, gender, religious, political, among others) that surrounds us, through a multiplicity of images representing a world that one wants to be increasingly heterogeneous, promoting a sense of belonging and reducing exclusion. This edition was once again aligned with the Bank's positioning, more precisely with its Responsible Banking programme.



Solitude, 1968 - Manuel D'Assumpção

Oil on canvas, 128 cm x 190 cm

D'Assumpção made this painting during his last stay in Berlin. In full artistic maturity, he works rigorously with forms and their fragmentation, in a structure between abstraction and cubist reminiscences, inseparable from a palette of dark hues - blacks, browns, greys - that contrast with the blues and reds of the central composition, achieving a dense composition of intense plastic force. A painter constantly questioning himself, disillusioned with the world and with life, D'Assumpção lived for several years in France, travelled throughout Europe, and absorbed new plastic languages such as expressionism, cubism and geometric abstraction. Moved by a strong mysticism, which he projects onto his painting, from the late 1950s he found in abstraction a field of transcendence and escape from reality.

CRATO. Crato Municipal Museum



## 5 ESG PERFORMANCE INDICATORS

### 5.1 Environmental Indicators

Environmental Indicators - Materials consumed	2022	2021	2020	22 vs 21
<b>White paper</b>				
Internal use (tonnes)	148.2	155.2	208.3	-4.5%
Paper for Internal use (Kg/employee)	36.2	37.0	45.0	-2.1%
Forms - printing and finishing area (tonnes) 1	114.9	100.1	112.9	14.8%
<b>IT and electronic consumables</b>				
Toner cartridges and Ink cartridges(units)2	45	41	67	9.8%
Batteries	2 695.0	2 144.0	2 496.0	25.7%
<b>Environmental Indicators - Energy</b>				
<b>Electricity</b>				
Electricity consumption (kWh)	13 183 802.0	16 296 473.1	21 181 218.0	-19.1%
Total electricity consumption (GJ)	47 461.7	58 667.3	76 252.4	-19.1%
Electricity consumption (kWh/employee)	3 223.4	3 886.6	4 622.7	-17.1%
<b>Diesel</b>				
Generator diesel consumption (litres) 2	3 610.8	504.2	400.0	616.1%
Generator diesel consumption (GJ)2	130.2	18.2	14.4	616.5%
Vehicles diesel consumption (litres)	1 563 746.0	1 620 056.6	1 680 495.6	-3.5%
Vehicles diesel consumption (GJ)	56219.8	58 244.3	60 417.2	-3.5%
<b>Gasoline</b>				
Vehicles gasoline consumption (litres)	1 680.0	840.0	840.0	100.0%
Vehicles gasoline consumption (GJ)	55.1	27.5	27.5	100.0%
<b>Total energy consumption (GJ)</b>	<b>103 867,0</b>	<b>116 957.3</b>	<b>136 711.5</b>	<b>-11.2%</b>
<b>Total energy consumption per employee (GJ)</b>	<b>25.4</b>	<b>27.9</b>	<b>29.8</b>	<b>-9.0%</b>
<b>Trips</b>				
Number of vehicles	922	957	987	-3.7%
Number of flights	783	517	463	51.5%

1 novobanco

2 Diesel consumption is an estimate based on the number of hours generators were operating novobanco, Banco Best and GNBSA

Environmental Indicators - Emissions (tCO2e)*	2022	2021	2020	22 vs 21
<b>Direct emissions (Scope 1)</b>	<b>4 158.1</b>	<b>4 696.1</b>	<b>4 888.3</b>	<b>-11.5%</b>
Emissions from trips in company cars	3 999.2	4 311.8	4 472.6	-7.3%
Emissions from emergency generators	10.2	1.3	1.1	759.6%
Emissions from leaks of fluorinated gases	148.7	382.9	406.6	-61.2%
<b>Indirect emissions (Scope 2)**</b>	<b>811.3</b>	<b>2 937.5</b>	<b>4 490.3</b>	<b>-72.4%</b>
Emissions from the production of electricity purchased (market-based method)	811.3	2 937.5	4 490.3	-72.4%
Emissions from the production of electricity purchased (Location based method)	2 013.3	2 386.5	3 757.9	-15.6%
<b>Total (Scopes 1 and 2)</b>	<b>4 969.4</b>	<b>7 633.6</b>	<b>9 370,5</b>	<b>-34.9%</b>
<b>Indirect emissions (Scope 3)</b>	<b>6 102.6</b>	<b>4 184.2</b>	<b>4 663.2</b>	<b>45.8%</b>
Emissions from Employees' business trips, including flights	357.4	149.4	186.6	139.2%
Emissions from employees' home/ work daily trips***	5 649.5	3 909.8	4 323.1	44.5%
Emissions from wastewater treatment	71	76.6	96.4	-7.3%
Emissions over the life cycle of the paper consumed	3.21	3.9	3.6	-17.6%
Emissions from the paper recycling process	10.6	11.0	12.4	-3.6%
Emissions from water consumption	10.8	-	-	-
<b>Total (Scopes 1, 2 and 3)</b>	<b>11 072.0</b>	<b>11 817.8</b>	<b>14 041.8</b>	<b>-6.3%</b>

\*See methodological notes in GRI table\*\*Scope 2 calculation by location-based method since 2018 only. The Total (S1+S2) was calculated using the Market-Based approach

\*\*\* Scope novobanco.

Environmental Indicators - Water consumption	2022	2021	2020	22 vs 21
Water consumption from public supply network (m3)	39 870.2	41 355.10	46 772.60	-3.6%
Water consumption per employee (m3/employee)	9.7	9.9	10.2	-1.5%

Environmental Indicators - Waste management	2022	2021	2020	22 vs 21
Paper sent for recycling (tonnes)	99.0	117.4	106.1	-15.7%
Cardboard sent for recycling (tonnes)	51.9	66.3	61.3	-21.7%
Plastic Bank Cards sent for recycling (tons)	1.4	0	0	
Toner cartridges and Ink cartridges sent for recycling (units)	2 988	5 944	8 344	-49,7%
Pilhas	108	na	na	-

## 5.2 Social Indicators

Employees	2022	2021	2020	22 vs 21
<b>Total</b>	<b>4 090</b>	<b>4 193</b>	<b>4 582</b>	<b>-2.5%</b>
Men (#)	1 880	1 944	2 159	-3.3%
Men (%)	46.0%	46.4%	47.10%	-0,4 p.p.
Women (#)	2 210	2 249	2 423	-1.7%
Women (%)	54.0%	53.6%	52.90%	0,4 p.p.

Employment contract	2022	2021	2020	22 vs 21
<b>Total permanent workforce</b>	<b>4 026</b>	<b>4 153</b>	<b>4 417</b>	<b>-3.1%</b>
Men (#)	1 857	1 929	2 088	-3.7%
Men (%)	46.1%	46.4%	47.3%	-0,3 p.p.
Women (#)	2 169	2 224	2 329	-2.5%
Women (%)	53.9%	53.6%	52.7%	0,3 p.p.
<b>Total Fixed-term Employees</b>	<b>64</b>	<b>40</b>	<b>165</b>	<b>60.0%</b>
Men (#)	23	15	71	53.3%
Men (%)	35.9%	37.5%	43.0%	1.6 p.p.
Women (#)	41	25	94	64.0%
Women (%)	64.1%	62.5%	57.0%	1.6 p.p.

Trainees and independent professionals*	2022	2021	2020	22 vs 21
<b>Estagiários</b>	<b>10</b>	<b>14</b>	<b>54</b>	<b>-28.6%</b>
Men (#)	4	5	19	-20.0%
Women (#)	6	9	35	-33.3%
<b>Temporary work</b>	<b>42</b>	<b>30</b>	<b>34</b>	<b>40.0%</b>
Men(#)	10	7	11	42.9%
Women (#)	32	23	23	39.1%
<b>Provision of service</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>-50.0%</b>
Men(#)	0	2	2	-
Women (#)	2	2	3	-
<b>Total(#)</b>	<b>54</b>	<b>48</b>	<b>93</b>	<b>12.5%</b>

\* Not included in the total number of the Grupo novobanco employees. These are self-employed professionals who carry out their activity on the premises of Group companies, to whom the companies are responsible for their general safety in the work environment.

Employee distribution by gender and professional category	2022	2021	2020	22 vs 21
<b>Management</b>				
<b>Total</b>	<b>481</b>	<b>472</b>	<b>472</b>	<b>1.9%</b>
Men (#)	307	301	299	2.0%
Men (%)	7.5%	7.2%	6.5%	0,3 p.p.
Women (#)	174	171	173	1.8%
Women (%)	4.3%	4.1%	3.8%	0,2 p.p.
< 30 years old	1	2	2	-50.0%
30 a 50 years old	265	292	322	-9.2%
> 50 anos years old	215	178	148	20.8%
<b>Leadership</b>				
<b>Total</b>	<b>388</b>	<b>461</b>	<b>513</b>	<b>-15.8%</b>
Men (#)	218	257	291	-15.2%
Men (%)	5.3%	6.1%	6.4%	-0,8 p.p.
Women (#)	170	204	222	-16.7%
Women (%)	4.2%	4.9%	4.8%	-0,7 p.p.
< 30 years old	0	0	0	-
30 a 50 years old	272	346	387	-21.4%
> 50 anos years old	116	115	126	-0.9%
<b>Specific</b>				
<b>Total</b>	<b>2 170</b>	<b>1 973</b>	<b>2 176</b>	<b>10.0%</b>
Men (#)	955	891	985	7.2%
Men (%)	23.3%	21.2%	21.5%	2,2 p.p.
Women (#)	1 215	1 082	1 191	12.3%
Women (%)	29.7%	25.8%	26.0%	3,9 p.p.
< 30 years old	101	111	122	-9.0%
30 a 50 years old	1 524	1 459	1 658	4.5%
> 50 anos years old	545	403	396	35.2%
<b>Administrative</b>				
<b>Total</b>	<b>1 044</b>	<b>1 279</b>	<b>1 413</b>	<b>-18.4%</b>
Men (#)	393	487	576	-19.3%
Men (%)	9.6%	11.6%	12.6%	-2 p.p.
Women (#)	651	792	837	-17.8%
Women (%)	15.9%	18.9%	18%	-3 p.p.
< 30 years old	84	61	115	37.7%
30 a 50 years old	639	831	865	-23.1%
> 50 anos years old	321	387	433	-17.1%
<b>Auxiliary</b>				
<b>Total</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>-12.5%</b>
Men(#)	7	8	8	-12.5%
Men (%)	0.2%	0.2%	0.2%	-
Women (#)	0	0	0	-
Women (%)	-	-	-	-
< 30 years old	0	0	0	-
30 a 50 years old	4	4	4	0.00%
> 50 anos years old	3	4	4	-25.0%

Employees Academic Qualifications	2022	2021	2020	22 vs 21
<b>University Education</b>	<b>3 117</b>	<b>3 100</b>	<b>3 313</b>	<b>0.5%</b>
Men (#)	1 356	1357	1 461	-0.1%
Men (%)	33.2%	32.4%	31.9%	0,9 p.p.
Women (#)	1 761	1 743	1 852	1.0%
Women (%)	43.1%	41.6%	40.4%	1,5 p.p.
<b>High school/Basic Education</b>	<b>973</b>	<b>1 093</b>	<b>1 269</b>	<b>-11.0%</b>
Men (#)	524	587	698	-10.7%
Men (%)	12.8%	14.0%	14.4%	-1,2 p.p.
Women (#)	449	506	571	-11.3%
Women (%)	11.0%	12.1%	11.8%	-1,1p.p.

Admissions and departures	2022		2021		2020		22 vs 21	
	A	D	A	D	A	D	A	D
<b>Total</b>	<b>159</b>	<b>262</b>	<b>66</b>	<b>455</b>	<b>192</b>	<b>479</b>	<b>140.9%</b>	<b>-42.4%</b>
Gender								
Men	77	141	39	254	98	276	97.4%	-44.5%
Wowen	82	121	27	201	94	203	203.7%	-39.8%
<b>Age bracket</b>								
< 30 anos	83	49	27	68	135	28	207.4%	-27.9%
30 a 50 anos	68	85	34	156	53	202	100.0%	-45.5%
> 50 anos	8	128	5	231	4	249	60.0%	-44.6%

A - Admissions;D- Departures

Staff Turnover (%)	2022	2021	2020	22 vs 21
<b>Total</b>	<b>5.0%</b>	<b>6.2%</b>	<b>7.3%</b>	<b>-1,2 p.p.</b>
Men (%)	2.6%	3.5%	4.1%	-0,9 p.p.
Women (%)	2.4%	2.7%	3.2%	-0,3 p.p.
<b>Age bracket</b>				
< 30 years old	1.6%	1.1%	1.8%	0,5 p.p.
30 a 50 years old	1.8%	2.3%	3.2%	-0,5 p.p.
> 50 anos years old	1.6%	2.8%	2.8%	-1,2 p.p.

Staff turnover including trainees, Temporary work and Provision of Services (%)	2022			2021	2020
	A	D	Rate		
<b>Total</b>	<b>218</b>	<b>314</b>	<b>6.3%</b>	-	-
Gender					
Men	92	155	3.0%	-	-
Women	126	159	3.5%	-	-
<b>Age bracket</b>					
< 30 years old	124	88	2.5%	-	-
30 a 50 years old	84	97	2.2%	-	-
> 50 anos years old	10	129	1.7%	-	-

Performance Evaluation	2022			2021			2020			22 vs 21		
	M	F	T	M	F	T	M	F	T	M	F	T
<b>Employees (#)</b>	<b>1 884</b>	<b>2 173</b>	<b>4 057</b>	<b>2 074</b>	<b>2 318</b>	<b>4 392</b>	<b>2 089</b>	<b>2 237</b>	<b>4 326</b>	<b>-9.2%</b>	<b>-6.3%</b>	<b>-7.6%</b>
Management (#)	286	166	<b>452</b>	294	168	<b>462</b>	260	132	<b>392</b>	-2.7%	-1.2%	<b>-2.2%</b>
Leadership (#)	254	199	<b>453</b>	285	220	<b>505</b>	307	226	<b>533</b>	-10.9%	-9.5%	<b>-10.3%</b>
Specific (#)	860	1 041	<b>1 901</b>	951	1 152	<b>2 103</b>	976	1 156	<b>2 132</b>	-9.6%	-9.6%	<b>-9.6%</b>
Administrative (#)	476	767	<b>1 243</b>	536	778	<b>1 314</b>	538	723	<b>1 261</b>	-11.2%	-1.4%	<b>-5.4%</b>
Auxiliary (#)	8	0	<b>8</b>	8	0	<b>8</b>	8	0	<b>8</b>	0.0%	-	<b>0.0%</b>

The performance evaluation ends in May of each year. The values presented refer to the evaluation received in the year, but referring to year n-1

M - Male; F – Female

Promotion	2022	2021	2020	22 vs 21
Function change (#)	283	251	337	12.7%
Merit (#)	1 002	811	1 081	23.6%
Seniority (#)	0.00	53	65	-100.0%
Total (#)	1 285	1 115	1 483	15.2%

Training hours / employee	2022		2021		2020		22 vs21	
	T	A	T	A	T	A	T	A
<b>Total</b>	<b>164 052.3</b>	<b>40.1</b>	<b>179 294.0</b>	<b>42.8</b>	<b>196 958.0</b>	<b>43.0</b>	<b>-8.5%</b>	<b>-6.3%</b>
Gender								
Men	75 368.4	40.1	79 999.0	41.2	89 359.0	41.4	-5.8%	-5.9%
Women	88 683.9	40.1	99 295.0	44.2	107 600.0	44.4	-10.7%	-9.2%
<b>Professional Category</b>								
<b>Management</b>	<b>18 270.2</b>	<b>38.0</b>	<b>9 372.0</b>	<b>19.9</b>	<b>9 297.0</b>	<b>19.7</b>	<b>94.9%</b>	<b>90.9%</b>
Men	12 021.8	39.2	5 838.0	19.4	5 690.0	19.0	105.9%	101.9%
Women	6 248.3	35.9	3 534.0	20.7	3 607.0	20.8	76.8%	73.5%
<b>Leadership</b>	<b>18 287.6</b>	<b>47.1</b>	<b>9 914.0</b>	<b>21.5</b>	<b>8 217.0</b>	<b>16.0</b>	<b>84.5%</b>	<b>119.2%</b>
Men	10 288.9	47.2	5 436.0	21.2	4 758.0	16.4	89.3%	122.6%
Women	7 998.7	47.1	4 478.0	22.0	3 460.0	15.6	78.6%	113.9%
<b>Specific</b>	<b>79 284.4</b>	<b>36.5</b>	<b>94 958.0</b>	<b>48.1</b>	<b>99 218.0</b>	<b>45.6</b>	<b>-16.5%</b>	<b>-24.0%</b>
Men	34 207.6	35.8	43 078.0	48.3	46 210.0	46.9	-20.6%	-25.8%
Women	45 076.9	37.1	51 880.0	47.9	53 008.0	44.5	-13.1%	-22.5%
<b>Administrative</b>	<b>48 191.1</b>	<b>46.2</b>	<b>65 049.0</b>	<b>50.9</b>	<b>80 226.0</b>	<b>56.8</b>	<b>-25.9%</b>	<b>-9.3%</b>
Men	18 831.1	47.9	25 647.0	52.7	32 701.0	56.8	-26.6%	-9.1%
Women	29 360.0	45.1	39 403.0	49.8	47 525.0	56.8	-25.5%	-9.4%
<b>Auxiliary</b>	<b>19.0</b>	<b>2.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-</b>
Men	19.0	2.7	0.0	0.0	0.0	0.0	-	-
Women	0.0	0.0	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-</b>

T-Total

A-Average



Parental Leave	2022		2021		2020		22 vs 21	
	M	F	M	F	M	F	M	F
Employees who took parental leave	58.0	107.0	39	88	82	130	48.7%	21.6%
Employees who returned to work after parental leave ended	58.0	58.0	39	50	82	85	48.7%	16.0%
Employees who returned to work after parental leave ended and remained in service after 12 months	-	-	36	80	74	116	-	-
Return to work rate	100%	54.2%	100.00%	56.8%	100%	65.4%	-	-2,6 p.p.
Retention rate after 12 months of work			93.2%	90.0%	90.2%	89.2%	-	-

M-Male; F- Female

Health Services	2022	2021	2020	22 vs 21
<b>Occupational Health - Occupational Medicine</b>				
Medical Exams	2 493	3 007	1 508	-17.1%
<b>General Practice Consultations</b>	7 038	7 597	8 345	-7.4%
Curative Medicine consultations and prescriptions	583	11 952	9 444	-95.1%
<b>Consultations in other medical specialities</b>				
Mental health consultations (psychology and psychiatry)	1057	928	751	13.9%
Nutrition Consultations	457	383	348	19.3%
<b>Nursing</b>				
Total procedures (treatments, vaccination, medication, ECG)	4 337	6 772	5 760	-36.0%
<b>Risk Prevention and Control Programmes</b>				
Cardiovascular screening	2 091	2 408	1 100	-13.2%
Cancer screening	659	724	354	9.0%
Vision screening	1 875	2 674	1 212	-29.9%
Executive Check-up (for senior executives)	510	186	86	174.2%

Health and Safety Indicators	2022	2021	2020	22 vs 21
<b>Work related accidents</b>	29	27	29	7.41%
Men	11	10	11	10.00%
Women	18	17	18	5.88%
<b>Occupational diseases</b>	-	-	-	-
Men	-	-	-	-
Women	-	-	-	-
<b>Deaths</b>	0	0	0	-
Men	0	0	0	-
Women	0	0	0	-
<b>Accident rate</b>	3.9%	3.8%	3.5%	0,1p.p.
Men	3.2%	3.0%	3.5%	0,2 p.p.
Women	4.6%	4.6%	4.3%	-
<b>Lost days rate</b>	0.06%	0.05%	0.05%	0.01 p.p.
Men	0.06%	0.04%	0.03%	0.02 p.p.
Women	0.06%	0.04%	0.07%	0.01 p.p.
<b>Absenteeism rate</b>	2.7%	3.2%	4.5%	-0,5 p.p.
Men	1.9%	2.3%	2.7%	-0.4 p.p.
Women	3.4%	3.9%	6.1%	-0.5 p.p.
<b>Health and Safety Training</b>				
Health training hours (#)	3 844.0	29.0	50.0	13 155.2%

Safety training hours (#)	4 409.0	520.5	1 292.1	747.1%
Hours of health awareness promotion(#)	6 013.0	2 938.0	1 085.0	104.7%
Total (#)	14 266.0	3 487.5	2 127.1	309.1%
Safety audits to the premises (#)	178	107	155	66.4%
Ergonomic assessments (#)	16	2	2	700.0%
Expert identifications and risk assessment of activities (IPAR) (#)	168	150	110	12.0%
Thermal environment assessments (#)	2	1	1	100.0%
Indoor air quality assessments (#)	0	0	1	-
Lighting assessments (#)	0	0	6	-100.0%
Investigation of Causes of Work Injuries (#)	11	6	13	83.3%
Evaluation of conformity with COVID-19 requirements (#)	3	-	-	-
Investigation of Causes of Occupational Illnesses (#)	15	-	-	-
Elaboration/Follow-up of Integrated Action Plan (#)	184	-	-	-
Risk Assessment and List of Work Equipment (#)	164	-	-	-

Employee Benefits	2022	2021	2020	22 vs 21
<b>Education support (thousand €)</b>	<b>833</b>	<b>833</b>	<b>905</b>	<b>0.0%</b>
Early childhood benefits (#)	367	398	436	-7.8%
Early childhood benefits (thousand€)	423.4	454.4	511.6	-6.8%
School grants (#)	268	224	262	19.6%
School grants(thousand €)	196.5	164.1	192.8	19.7%
Support to children and youths with special needs (#)	94	91	81	3.3%
Support to children and youths with special needs (thousand €)	86.6	87.4	79.9	-1.0%
Christmas gift (#)	3 160	3 340	3024	-5.4%
Christmas gift (thousand€)	126.4	126.8	121.0	-0.3%
<b>Support to retired employees (thousand€)</b>	<b>87,7</b>	<b>124,7</b>	<b>108,6</b>	<b>29.7%</b>
Expenses with senior residences, day-care centres, home support, medicines and other basic necessities. (#)	67	68	60	-1.5%
<b>Under the ACT (Collective wage agreement) (thousand €)</b>	<b>18 455.9</b>	<b>17 833.2</b>	<b>18 409.8</b>	<b>3.5%</b>
Residential mortgage loans (thousand€)	16 896.3	15 799.8	15 812.0	-6.9%
Acquisition of consumer goods (thousand€)	1 559.6	2 033.4	2 597.8	-23.3%
<b>In portfolio:</b>	<b>289 699.1</b>	<b>271 856.0</b>	<b>289 632.6</b>	<b>6.6%</b>
Residential mortgage loans (thousand€)	280 142.4	260 419.1	276 094.4	7.6%
Individual loans (thousand€)	9 556.6	11 436.9	13 538.2	-16.4%

Associativism	2022	2021	2020	22 vs 21
Employees covered by Collective Bargaining Agreements (#)	3 964	4 032	4 392	-2.1%
Employees covered by Collective Bargaining Agreements (%)	96.5%	96.2%	95.9%	0,3 p.p.
Unionized employees (#)	3 786	3901	4239	-3%
Unionized employees (%)	92.6%	93.0%	92.5%	-0,3 p.p.

Employees with disability more than 60% (Law No. 4/2019)	2022		
	M	F	T
Diretores (#)	3	5	8
Chefias (#)	4	4	8
Specific (#)	16	42	58
Administrativos (#)	14	22	36
Auxiliares (#)	1	0	1
<b>Total (#)</b>	<b>38</b>	<b>73</b>	<b>111</b>

### 5.3 Governance Indicators

Gender Equality (under-represented gender (Género sub-representado %)	2022	2021	2020	22 vs 21
Board of Directors and 1st line managers (under-represented gender)	27.5%	25.5%	-	2.0 p.p.
Management staff	36.7%	36.2%	36.7%	0,5 p.p.
Pay gap	5.7%	5.9%	9.4%	-0,2 p.p.
Ratio of women's total remuneration to men's total remuneration per employee category				
Management staff	0.90	0.88	0.87	0.02 p.p.
Leadership	0.97	0.97	0.95	0.0 p.p.
Specific	0.90	0.90	0.89	0.00 p.p.
Administrative	0.91	0.90	0.89	0.01 p.p.
Auxiliary	-	0.00	0.00	-
<b>Total</b>	<b>0.81</b>	<b>0.78</b>	<b>0.76</b>	<b>0.03 p.p.</b>

Sustainability scoring (%)	2022	2021	2020	22vs 21
<b>Suppliers that endorsed novobanco Group's relationship principles and have a sustainability scoring (%)</b>	61.1%	52.0%	41%	9.1 p.p.

### 5.4 About this report

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

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

Ernst & Young, Audit & Associados, SROC, SA has provided independent assurance to this sustainability performance, considering that the relevant indicators were reported in accordance with the GRI sustainability reporting standards and with Decree-Law no. 89/2017, as can be seen on pages 190 and 191.

The 2022 Sustainability Report complements and details the information contained in the 2022 Annual Report, providing evidence that sustainability is an integral part of the Bank's strategy.

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

### 5.5 Methodological Notes

#### Social

<b>Staff Turnover</b>	$((\text{Number of admissions} + \text{departures})/2) / \text{total employees}$
<b>New hires rate</b>	$\text{New hires in 2022} / \text{total number of employees in 2022}$
<b>Accident Rate</b>	$\text{Number of accidents at work} / \text{Hours worked} * 1000000$
<b>Absenteeism Rate</b>	$\text{Number of absences (without maternity / paternity leave)} / \text{Possible working hours} * 100$
<b>Return to Work Rat</b>	$\text{Ratio between the number of employees who remain employed 12 months after returning to work from maternity/paternity leave and the number of employees who returned from maternity/paternity leave in the previous year.}$

<b>Average training hours per gender</b>	Total number of training hours per gender/Total number of employees in each gender
<b>Average training hours per professional category</b>	Total number of training hours per professional category/Total number of employees in each category
<b>Remuneration ratio</b>	Ratio of average base remuneration and average total remuneration of women to men by employee category - (women remuneration / men remuneration)*100

## Environment

<b>Water</b>	Estimate based on real water consumption in 100% of the central buildings and 48% of the branches.
<b>Electricity</b>	Amount calculated directly from EDP records and billing
<b>Generators diesel</b>	Diesel consumption in 2021 is an estimate based on the number of hours generators were operating.
<b>Energy</b>	To calculate direct energy consumption (fuel consumption) in GJ, the following formula was used: Fuel consumption (l) * PCIX * Density X / 1000, using the following conversion factors: PCI diesel (road) 42.8 GJ/t (Source: Order No. 17313/2008 (SGCIE) PCI petrol (road) 0.84 kg/l (Source: DGEG 2017, data on 9/21/2019) 44.3 GJ/t (Source: Order No. 17313/2008 (SGCIE) 0.74 kg/l (Source: DGEG 2017, data on 09/21/2019) 43.07 GJ/ (Source: APA - Density values of fuels to be used under the CELE regime) Density of diesel (generators) 0.837 kg/l (Source: APA - Density values of fuels to be used under the CELE regime) Electricity 1 kWh = 0.0036 GJ (Source: International Energy Agency and GRI)
<b>CO<sub>2</sub> Emissions Scope 1</b>	To calculate emissions from energy consumption, the following formula was used: • PCI diesel (generators) - 0,078 ton CO <sub>2</sub> eq/GJ/ (Source: APA - Fuel density values to be used under the EU ETS) • Density of diesel (generators) - 0.837 kg/l Source: APA - Fuel density values to be used under the EU ETS) • It also takes into account the following emission factors and parameters used to calculate Greenhouse Gases (GHG) emissions: • Light vehicle, petrol, engine cubic capacity < 1 400 cm <sup>3</sup> 0.173 kg CO <sub>2</sub> e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools, 2017) • Light vehicle, petrol, engine cubic capacity 1 400 and < 2000 cm <sup>3</sup> - 0.215 kg CO <sub>2</sub> e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools, 2017) • Light vehicle, petrol, engine cubic capacity ≥ 2000 cm <sup>3</sup> - 0.299 kg CO <sub>2</sub> e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools, 2017) • Light vehicle, diesel, engine cubic capacity < 2 000 cm <sup>3</sup> - 0.181 kg CO <sub>2</sub> e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools, 2017) • Light vehicle, diesel, engine cubic capacity ≥ 2 000 cm <sup>3</sup> - 0.245 kg CO <sub>2</sub> e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools, 2017) • Hybrid vehicle - 0.144 kg CO <sub>2</sub> e/km (Source: APA - NIR 2020) • Electric vehicle - 0.018 kg CO <sub>2</sub> e/km (consumption - 13.3 kW/100 km) (Source: APREN, 2020)
<b>CO<sub>2</sub> Emissions Scope 2</b>	To calculate emissions from energy consumption, the following formula was used: = Consumption X * Emission factor (EF)X It also takes into account the following emission factors and parameters used to calculate GHG emissions: • Electricity production mainland - market based method - 0.251 kg CO <sub>2</sub> e/kWh (Source: 2022 offer mix – EDP Business Customers) • Electricity production mainland - location based method - 0.137 kg CO <sub>2</sub> e/kWh (Source: APREN, 2022 energy mix) • Electricity production on the island of Madeira – location and market method - 0.487 kg CO <sub>2</sub> e/kWh (Source: EE Madeira 2022) • Electricity production on the Azores island – location and market method - 0.487 kg CO <sub>2</sub> e/kWh (Source: EDA, 2020 Report and Accounts)

**CO<sub>2</sub> Emissions Scope 3**

The calculation includes the emissions resulting from employees' business trips and home/work/home (HWH) trips, using the following formula: Emission = Trip (km) X \* EFX

It also takes into account the following emission factors and parameters used to calculate GHG emissions:

- Diesel vehicle - 0.210 kg CO<sub>2</sub>e/km (Source: APA - NIR 2021)
- Petrol vehicle - 0.208 kg CO<sub>2</sub>e/km (Source: APA - NIR 2021)
- LPG vehicle - 0.193 kg CO<sub>2</sub>e/km (Source: APA - NIR 2021)
- Hybrid vehicle - 0.144 kg CO<sub>2</sub>e/km (Source: APA - NIR 2021)
- Electric vehicle - 0.018 kg CO<sub>2</sub>e/km (consumption of 13.3 kW/100 km) (Source: APREN 2021)
- Bus - 0.131 kg CO<sub>2</sub>e/km (Source: DEFRA 2020); 1.420 kg CO<sub>2</sub>e/km (Source: STCP 2011) and 0.189 kg CO<sub>2</sub>e/km (Source: Carris 2020)
- Subway - 0.06 kg CO<sub>2</sub>e (Source: Metro Lisboa 2016) and km, 0.040 kg CO<sub>2</sub>e/km (Source: Metro do Porto 2018)
- Train - 0.024 kg CO<sub>2</sub>e/km (Source: CP 2019) and 0.021 kg CO<sub>2</sub>e/km (Source: Fertagus 2013/2014)
- Boat - 0.190 CO<sub>2</sub>e/km (Source: Transtejo+Soflusa, 2014)
- Motorcycle (petrol) - 0.133 kg CO<sub>2</sub>e/km (Source: APA - NIR 2021)
- Motorcycle (electric) - 0.012 kg CO<sub>2</sub>e/km (Consumption of 9 kW/100 km) (Source: APREN 2021)

• Plane emission = Trip (Km) X \* EFX \* Takeoff factor \* RFI2

• It also takes into account the following emission factors and parameters used to calculate GHG emissions:

- Plane, Domestic flight FE CO<sub>2</sub> - 0.17147 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools 2017)
- Plane, short-distance flight FE CO<sub>2</sub> - 0.09700 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools 2017)
- Plane, long-distance flight FE CO<sub>2</sub> - 0.11319 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools 2017)
- Plane, domestic flight FE CH<sub>4</sub> - 0.0001 kg CO<sub>2</sub>e/km (Source: DEFRA 2020)
- Plane, short-distance flight FE CH<sub>4</sub> - 0.00001 kg CO<sub>2</sub>e/km (Source: DEFRA 2020)
- Plane, long-distance flight FE CH<sub>4</sub> - 0.00001 kg CO<sub>2</sub>e/km (Source: DEFRA 2020)
- Plane, domestic flight FE N<sub>2</sub>O - 0.00002 kg CO<sub>2</sub>e/km (Source: DEFRA 2020)
- Plane, short-distance flight FE N<sub>2</sub>O - 0.00076 kg CO<sub>2</sub>e/km (Source: DEFRA 2020)
- Plane, long-distance flight FE N<sub>2</sub>O - 0.00095 kg CO<sub>2</sub>e/km (Source: DEFRA 2020)

**CO<sub>2</sub> Emissions Scope 3**

• Takeoff factor - 109% (Source: DEFRA/IPCC 1999)

• RFI - 1.9% (Source: DEFRA/IPCC 1999)

• The calculation of GHG emissions from wastewater treatment also takes into account the following emission factors and parameters: 0.0019 kgCH<sub>4</sub>/per day (8-hour working day; employees in-office workdays in 2020), with the following factors:

- Global Warming Potential (GWP) CO<sub>2</sub> – 1
- GWP CH<sub>4</sub> – 28
- GWP N<sub>2</sub>O- 265

• The calculation of emissions associated with paper consumption, treatment of paper sent for recycling and water consumption also considers the following emission factors:

- Paper life cycle - 0.3 t CO<sub>2</sub>e/t paper consumed (Source: CEPI - Key Statistics 2019)
- Paper recycling: - 0.0213 kg CO<sub>2</sub>e/ kg of paper sent for recycling (Source: DEFRA 2021)
- Water consumption - 0.265 kg CO<sub>2</sub>e/m<sup>3</sup> of water collected (Source: EPAL 2017)
- Water treatment - 0.272 kg CO<sub>2</sub>e/m<sup>3</sup> of treated water

**Governance**

<b>Remuneration Ratio</b>	Ratio of average base pay and average total pay between women and men, by function category - (women pay / men pay)*100
<b>Sustainability Scoring</b>	Calculated based on information collected through the registration form completed by suppliers on the Novobanco Group's Supplier Portal, based on a set of criteria in the following dimensions and with the respective weighting: Labour and Governance – 40%; Occupational health and safety– 30% and Environment – 30%

## Clients

<b>Customer service</b>	The weight of customers very satisfied with the service is measured by the % of responses of 8 to 10 on a scale of 1 to 10
<b>Global satisfaction</b>	The weight of very satisfied customers with the Bank corresponds to the % of responses from 8 to 10 on a scale of 1 to 10.
<b>Confidence</b>	The confidence index corresponds to the average of responses on a scale of 0 to 10, with the average being converted into an index of 0 to 100
<b>Net Promoter Score</b>	The Net Promoter Score is calculated based on the recommendation intention, as the difference between the % of promoters and the % of detractors The % of promoters corresponds to the % of responses of 9 to 10 on a scale of 0 to 10 The % of detractors corresponds to the % of responses of 0 to 6 on a scale of 0 to 10
<b>Very Satisfied Clients</b>	The weight of very satisfied clients is measured by the % of responses of 8 to 10 on a scale of 1 to 10
<b>Complaint rate per 1000 active clients</b>	Number of existing complaints divided by the number of active clients, with active clients considered as those that used the Bank's service in the last 3 months.
<b>Branches located in low density areas.</b>	Number of branches located in the 165 low-density municipalities identified by Deliberation 55/2015 of the Interministerial Commission for Coordination, Portugal 2020

## 5.6. GRI Table

<b>Declaration of use</b>	novobanco reported in accordance with the GRI Standards for the period from January 1 to December 31, 2022
<b>Version</b>	GRI: Foundation 2021
<b>GRI Standards Applicable Sectors</b>	N.A. on the date of publication of this Report

	Page in the Report	SDG	GC Principles	Omissions	Scope
<b>GRI 2: GENERAL DISCLOSURES 2021</b>					
<b>ORGANISATIONAL PROFILE</b>					
<b>2-1 Organizational details</b>	AR- Novo Banco, S.A. MR – Av. da Liberdade, nº 195, 1250-142 Lisboa SR – page 113 The 2022 Sustainability Report covers the novobanco Group – novobanco, novobanco dos Açores, Banco Best and GNBGA. MR – pages 17- 23; 58-65 FS– page 209, note 1				
<b>2-2 Entities included in the organization's sustainability reporting</b>	The 2022 Sustainability Report covers the novobanco Group – novobanco, novobanco dos Açores, Banco Best and GNBGA. The information on employees reported in this report has the same scope as the Annual Report, i.e., it covers permanent employees, fixed-term contracts and employees on loan. <b>Reporting period:</b> 1 January to 31 December 2022				
<b>2-3 Reporting period, frequency and contact point</b>	Frequency: yearly  Sustainability points of contacts: <a href="mailto:sustentabilidade@novobanco.pt">sustentabilidade@novobanco.pt</a>				
<b>2-4 Restatements of information</b>	The 2022 Sustainability Report covers the novobanco Group scope (novobanco, novobanco dos Açores, Banco Best and novobanco Gestão				



	Page in the Report	SDG	GC Principles	Omissions	Scope
	de Ativos Group), and the figures for the 2020 Sustainability Report were recalculated based on this scope. Appointment of new CEO and CFO Creation of the Sustainability Office Increase in the Bank's share capital to the amount of 6,054,907,314.00 Euros. Nani Holdings S.G.P.S., S.A – 75.00% Fundo de Resolução (Resolution Fund) – 19.31% Directorate General for the Treasury and Finance – 5.69% MR- page74 SR – pages 190-191				
<b>2-5 External assurance</b>					
<b>ACTIVITIES, VALUE CHAIN AND OTHER BUSINESS RELATIONSHIPS</b>					
	SR – pages 113; 124-125; 127-130; 135-153;159-166				
	MR – pages 17- 23, 24-25; 36-42; 58-65.				
	FS – page 209, note 1				
	Institucional website				
<b>2-6 Activities, value chain and other business relationships</b>	The 2022 Sustainability Report covers the novobanco Group scope (novobanco, novobanco dos Açores, Banco Best and novobanco Gestão de Ativos Group), and the figures for the 2020 Sustainability Report were recalculated based on this scope. The information on employees reported in this report has the same scope as the Annual Report, i.e., it covers permanent employees, fixed-term contracts and employees on loan. The employees with the remaining employment contracts - interns, temporary workers and service providers - totalling 54 (14 men and 40 women) in 202e- represent 1.3 % of the group's total workforce. SR – pages144-152;168-173.				
<b>2-7 Employees</b>	MR – pages 37, 40-41. SR – pages144-152;168-173.	8	6		
<b>2-8 Workers who are not employees</b>	MR – pages 37, 40-41.	8	6		
<b>Governance of the organization</b>					
	SR – pages 127-130.				
<b>2-9 Governance structure and composition</b>	MR – pages 17- 23, 24-25; 36-42; 58-65, 75-96.	5, 16			
	Institucional website SR – pages 127-130.				
<b>2-10 Nomination and selection of the highest governance body</b>	MR – pages 27- 30, 75-96 Institucional website	5, 16			

	Page in the Report	SDG	GC Principles	Omissions	Scope
	SR – pages 127-130.				
2-11 Chair of the highest governance body	MR – pages 27- 30, 75-96  Institucional website  The Chairman of the Executive Board of Directors and remaining members of the Executive Board of Directors and General and Supervisory Board who are part of the Sustainability Steering Committee, control and approve sustainability management on a monthly basis, based on the objectives defined for 2024,2030 and 20250. These objectives are monitored through an action plan and the coordination of teams appointed to implement both the E - pillar (ESG pillar) of the bank's strategy, and the Social Dividend model, with objectives defined for 2021, quarterly assessed. The social dividend aims to give back to the bank's employees and the community in general what the bank generates with its activity. These models and respective procedures ensure the alignment of sustainability performance across the Bank's various operations, through coordination of the initiatives with the officers appointed in each operation	16			
2-12 Role of the highest governance body in overseeing the management of impacts	SR – pages 127-130.  MR – pages 27- 30, 75-96.  Institucional website  Board Of Directors, Committees Sustainability Steering.	16			
2-13 Delegation of responsibility for managing impacts	SR – pages 127-130.  MR – pages 27- 30, 75-96.  Institucional website				
2-14 Role of the highest governance body in sustainability reporting	The Annual Report and the Sustainability Report are approved by the Executive Board of Directors and the General and Supervisory Board. SR – pages 127-130.				
2-15 Conflicts of interest	MR – pages 27- 30, 84-85.  Institucional website, Policy Conflict of Interest SR – pages 127-130.	16			
2-16 Communication of critical concerns	MR – pages 27- 30, 86.  Institucional website - supervision committees and Irregularities Reporting policy Institutional website				

	Page in the Report	SDG	GC Principles	Omissions	Scope
2-17	<p><b>Collective knowledge of the highest governance body</b></p> <p>- supervision committees and Whistle-blowing Policy SR – pages 127-130. MR – pages 27- 30, 75-96.</p>	4			
2-18	<p><b>Evaluation of the performance of the highest governance body</b></p> <p>Institutional website The performance assessment processes, with regard to the identification of risks and opportunities in economic, social and environmental issues, are identified and managed by the Executive Board of Directors, Committees, Departments and subsequently submitted to the highest governance body and to the Chairman of the Executive Board of Directors. For more information see  SR – pages 127-130.  MR – pages 27- 30, 75-96.  SR – pages 127-130.</p>				
2-19	<p><b>Remuneration policies</b></p> <p>MR – pages 27- 30, 89-92.</p>				
2-20	<p><b>Process to determine remuneration</b></p> <p>Institutional website, Remuneration Policies SR – pages 127-130.</p>				
2-21	<p><b>Annual total compensation ratio</b></p> <p>Median annual total compensation for all employees (excluding the highest-paid individual); €39 986,53 CEO total annual remuneration: €387 117,78 .0 Change in CEO remuneration: 4.1% Ratio of the CEO total annual compensation to the median annual total compensation for all employees (excluding the highest-paid individual) 9.68%</p> <p>In 2022 and within the scope of the Collective Bargaining Agreement, there was a salary increase of 1.10%.</p> <p>Average Remuneration: 3.9%</p>				
<b>STRATEGY, POLICIES AND PRACTICES</b>					
2-22	<p><b>Statement on sustainable development strategy</b></p> <p>AR- CEO Talk com Mark Bourke pages 9-13. SR – pages 115- 124;127-135; 149;152-153;159-166.</p>				
2-23	<p><b>Policy commitments</b></p> <p>MR – 84-93;43-50 84-93.  Institutional website</p>	16	10		

	Page in the Report	SDG	GC Principles	Omissions	Scope
2-24	<b>Embedding policy commitments</b> SR – pages 115- 124;127-135; 149;152-153;159-166. MR – 84-93;43-50 84-93. Institucional website	16	10		
2-25	<b>Processes to remediate negative impacts</b> SR – pages 115-121; 127-130; 130-135;159-164. MR – pages 33-49.	16	10		
2-26	<b>Mechanisms for seeking advice and raising concerns</b> SR – pages 115-121;127-130;135-138;144-154. MR – pages 17-32; 84-93.	16	10		
2-27	<b>Compliance with laws and regulations</b> In 2022, the novobanco Group was considered responsible for 9 infractions that resulted in sanctions in the amount of €743.6m to the following entities: <ul style="list-style-type: none"> <li>• Central Banks / Regulatory Entities</li> <li>• Town Halls</li> </ul>	16	8		
2-28	<b>Membership associations</b> SR – pages 124-125; 154-166. Institucional website				
<b>STAKEHOLDER ENGAGEMENT</b>					
2-29	<b>Approach to stakeholder engagement</b> SR – pages 115-124;130-135;135-144;144-152;152-154;159-166.				
2-30	<b>Collective bargaining agreements</b> SR – page 173.	8	3		
<b>GRI 3: DISCLOSURES ON MATERIAL TOPICS 2021</b>					
3-1	<b>Process to determine material topics</b> SR – pages 115-124.				
3-2	<b>List of material topics</b> SR - pages 115-124.				
<b>ECONOMIC INDICATORS</b>					
<b>TOPIC: ECONOMIC PERFORMANCE</b>					
3-3	<b>Explanation of the material topic and its Boundary</b>				
					<p>The Strategic Plan defined for the 2021-2024 three-year period, on which the management approach has been based, was designed to put in place the necessary conditions for the novobanco Group to transition from a restructuring bank into a growth bank prepared for the future. To this end, the Bank is defining a new distribution model, streamlining its technological and process infrastructure, rejuvenating and enhancing its human capital, and fine-tuning its risk model, electing as cross-cutting priorities optimisation, digitisation and differentiation</p> <p>The novobanco Group has over the years promoted several initiatives with economic impacts. The group's activity has been shaped by and developed in accordance with the objectives established in the Strategic Plan, which resulted in the growth of the recurrent credit portfolio, with a reduction in the cost of risk, in significant improvements in commercial banking income, and in the continuous reduction of operating costs, despite the strong increase in investment. The Bank monitors the indicators defined for this topic on a monthly basis.</p> <p>Banking Income: €: 918.8. million</p>
201-1					

	Page in the Report	SDG	GC Principles	Omissions	Scope
	MR – chapter 3.1. 1 novobanco group (consolidated) Banking Income: €: 918.8 million MR – chapter 3.1. 1 novobanco group (consolidated) General and administrative expenses: €162.2 million chapter 3.1. 1 novobanco group (consolidated) Staff Costs: €233.7 million MR- chapter 3.1. 1 novobanco group (consolidated) Payments to providers of Capital - Shareholders - There was no distribution of dividends Taxes: €12,7M million FS – page 265, note 30 Community Investments: €1.6 million in donations SR - chapter 4 Sustainable Attitude Economic Value Distributed: €407.5.7M million Economic Value Retained €511.3million	2, 5, 8, 9			
Direct economic value generated and distributed					
201-2	Financial implications and other risks and opportunities due to climate change	SR – pages 130-135. MR – pages 43-50.	13		
201-3	Defined benefit plan obligations and other retirement plans	SR – pages 146-147;149-152;172-173.			
201-4	Financial assistance received from governance	FS – page 420, note 34			
<b>TOPIC: MARKET PRESENCE</b>					
	novobanco's strategy is centered on being a bank focused on each of its customers, providing them with a simple and efficient experience, supported by an experienced and close team, thus contributing to an organization with robust and sustainable results. Novobanco's strategic plan comprises 4 pillars: i) Customer-centric bank; ii) Simple and efficient operations; iii) Developing people and cultures and iv) Achieving sustainable performance.				
3-3	Explanation of the material topic and its Boundary	The novobanco Group has over the years promoted several initiatives with economic impacts. The group's activity has been shaped by and developed in accordance with the objectives established in the Strategic Plan, which resulted in the growth of the recurrent credit portfolio, with a reduction in the cost of risk, in significant improvements in commercial banking income, and in the continuous reduction of operating costs, despite the strong increase in investment. The Bank monitors the indicators defined for this topic on a monthly basis.			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	For the professional categories that are representative of its workforce, novobanco pays a minimum salary that is higher than the national minimum wage (the lowest salary paid by novobanco is 1.27 times higher than the national minimum wage).	5, 7, 8	6	
202-2	Proportion of senior management hired from the local community	The group develops most of its activity in Portugal. Local hiring is an integral part of the Bank's hiring practices. Priority is always given to	8	6	

		Page in the Report	SDG	GC Principles	Omissions	Scope
		local employees, so as to build a sustained and competent workforce, with possibilities for career advancement, moving on to leadership positions. Consequently, management positions are mostly held by local employees and non-local employees are few. For positions on the Executive Board of Directors, please see: MR - chapter 1.2.2 Organizational Structure				
<b>TOPIC: INDIRECT ECONOMIC IMPACTS</b>						
3-3	Explanation of the material topic and its Boundary	The novobanco Group has promoted several initiatives with indirect economic impacts over the years. The novobanco Group monitors indicators associated with this topic and reports them both in the Annual Report, on the website and in the Sustainability Report.				
203-1	The management approach and its components	SR – pages 135-144. MR – pages 58-65.	2, 5, 7, 9, 11			
203-2	Evaluation of the management approach	SR – pages 117-119; 135-144. MR – pages 33-36; 58-65.	1, 2, 3, 8, 10, 17			
<b>TOPIC: PROCUREMENT PRACTICES</b>						
3-3	Explanation of the material topic and its Boundary	The novobanco Group has promoted several initiatives in this area over the years by creating a sustainability score in the process of registering its suppliers on the Suppliers portal. The novobanco Group monitors indicators associated with this topic and reports them both in the Annual Report, on the website and in the Sustainability Report.				
204-1	Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation	SR – pages152-154;174. The novobanco Group acquires its regular consumption products, such as stationery, equipment and specialised services for mainland Portugal and the Islands, from national companies. Around 91.9% of the expenses refer to national suppliers vs 8.1% of international suppliers. SR – pages152-154,174.	12			
<b>TOPICS: ANTI-CORRUPTION</b>						
3-3	Explanation of the material topic and its Boundary	The novobanco Group focuses on the prevention, detection, reporting and management of situations involving risks of conduct or irregular conducts, based on principles of integrity, honesty, diligence, competence, transparency and fairness. The novobanco Group monitors indicators pertaining to this topic and reports the results in its Annual Report, institutional website and Sustainability Report..				
205-1	Total number and percentage of operations assessed for risks related to corruption	MR – page 87.	16	10		
205-2	Total number and percentage of employees trained in the organization's anti-corruption policies and practices	MR – page 87.	16	10		
205-3	Confirmed incidents of corruption and actions taken	Please see indicator 2-27.	16	10		



		Page in the Report	SDG	GC Principles	Omissions	Scope
<b>TOPICS: ANTI COMPETITIVE BEHAVIOUR</b>						
3-3	Explanation of the material topic and its Boundary					
		Novobanco has participated over the years in various initiatives in terms of sustainable financing in partnership with its competitors. In 2019, it signed the "Commitment Letter for Sustainable Financing in Portugal", which aims to contribute to the promotion of sustainable investment practices in the country, with the purpose of accelerating the process of a carbon neutral economy by 2050 in full partnership with its peers. It also participates in two more working groups underlying the theme of Sustainable Financing, namely the Portuguese Association of Banks and the Portuguese Association of Investment Funds, Pensions and Assets-. As part of its new strategic plan, one of the priorities is the pillar of partnerships that try to find added value and new relevant partners for the development of value propositions in the financial sector, trying to provide a global ecosystem response to customers by finding value in partners. The Group integrates several working groups whose objective is to create methodologies and tools to respond to the challenges of sustainability, both for individuals and companies. The Bank monitors indicators associated with this topic and reports them in the Annual Report, on the institutional website and in the Sustainability Report.				
206-1	Number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which the organisation has been identified as a participant	There is no record of any legal action regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation involving the Bank in 2022.	16			
<b>ENVIRONMENTAL INDICATORS</b>						
<b>TOPIC: MATERIAL</b>						
3-3	Explanation of the material topic and its Boundary	The novobanco Group has over the years promoted several initiatives aimed at reducing its direct environmental impact. Some of these measures are included in its Environmental programme, which is integrated in its Social Dividend model. The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.				
301-1	Materials used by weight or volume	SR - chapters 3.6 - Environmental footprint; 5.1 Environmental performance indicators. SR – pages154-155;167-168.	8,12	7,8		
<b>TOPIC: ENERGY WATER AND CO<sub>2</sub> EMISSIONS</b>						
3-3	Explanation of the material topic and its Boundary	Over the years, the novobanco Group has promoted various initiatives aimed at reducing its direct environmental impact, some of which are included in its Environment programme, which is integrated into its Social Dividend model. novobanco has promoted several initiatives that allow the reduction of energy consumption, mainly in terms of electricity consumption. In most of its buildings, energy consumption comes from renewable sources. It carries out its annual inventory of CO2 emissions, in 2021 for the first time carried out within the scope of the novobanco Group. In 2019, and within the scope of the commitment to reduce CO2 emissions, the bank signed the letter "Business Ambition for 1.5°C", a document recently presented by the United Nations				

	Page in the Report	SDG	GC Principles	Omissions	Scope
	Global Compact, with this signature, the bank assumes the commitment to preserve the planet and limiting temperature increases to 1.5°C by 2050, committing to present a scientific project to reduce CO2 emissions resulting from its activity. The Group has also promoted initiatives that aim to reduce its direct environmental impact in terms of its water consumption in view of the scarcity of this resource. The novobanco Group monitors indicators associated with this topic and reports them in the Sustainability Report and on the institutional website.				
302-1	Energy consumption within the organisation	SR – pages154-155;167-168.	7,8,1 2,13	7,8	
302-3	Energy intensity	SR – pages154-155;167-168.	7,8,1 2,13	8	
302-4	Reduction of energy consumption	SR – pages154-155;167-168.	7,8,1 2,13	8,9	
302-5	Reductions in energy requirements of products and services	SR –pages154-155;167-168.	7,8,1 2,13	8,9	
305-1	Direct (Scope 1) GHG emissions	SR –pages 156;167.	3,12, 13,14 ,15	7, 8	
305-2	Energy indirect (Scope 2) GHG emissions	SR –pages 156;167.	3,12, 13,14 ,15	7, 8	
305-3	Energy indirect (Scope 3) GHG emissions	SR –pages 156;167.	3,12, 13,14 ,15	7, 8	
305-4	GHG emissions intensity	SR –pages 156;167.	13,14 ,15	8	
305-5	Reduction of GHG emissions	SR –pages156;167.	13,14 ,15	8, 9	
305-6	Emissions of ozone-depleting substances (ODS)	There have been no recharges of gases with the potential to destroy the ozone layer since 2015, as these are prohibited under Regulation (EC) No. 1005/2009, on substances that deplete the ozone layer. Moreover, novobanco had been gradually replacing equipment that emit ozone-depleting gases, when such still exist.	3,12	7, 8	
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	SOx and NOx emissions linked to the group's activity result from combustion associated with transportation, emergency generators and boilers. However, due to the reduced expression of these activities within the group's typical activity, these emissions are immaterial and therefore are not accounted for.	3,12, 14,15	7, 8	
307-1	Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations	In 2022 there were no instances of non-compliance with environmental laws and/or regulations, nor were any fines paid in connection therewith.	16	8	

**TOPIC: SUPPLIERS ENVIRONMENTAL ASSESSMENT**

3-3	Explanation of the material topic and its Boundary	The novobanco Group has over the years promoted several initiatives to ensure a judicious selection of its suppliers, based on the information provided. The group calculates the suppliers' 'sustainability scoring', which takes into account environmental, ethical,			
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	Page in the Report	SDG	GC Principles	Omissions	Scope
	labour, hygiene and safety in the workplace aspects of its suppliers.				
	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.				
308-1	New suppliers that were screened using environmental criteria	SR – pages 144-152;174.	8		
308-2	Negative environmental impacts in the supply chain and actions taken	SR – pages 144-152;174.	8		

**TOPIC: EMPLOYMENT**

3-3	Explanation of the material topic and its Boundary	<p>The novobanco Group has over the years promoted several initiatives concerning the development of programmes that ensure human capital management focused on talent acquisition and retention, the rejuvenation of teams and the unlocking of the potential of the more experienced employees, using methodologies and programmes aimed at individual development, a balance between professional and personal life, and the creation of a circle of knowledge and sharing. The information on employees reported in this report has the same scope as the Annual Report, i.e., it covers permanent employees, fixed-term contracts and employees on loan. The employees with the remaining types of employment contracts, totalling 54 (14 men and 40 women) in 2022, represent 1.3 of the group's total workforce.</p> <p>The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.</p>			
401-1	Total number and rate of new employee hires during the reporting period, by age group, gender and region.	SR – page 170.	5, 8	6	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>The novobanco Group does not usually hire part-time employees, or only on an exceptional basis. In this context, benefits are granted under equal circumstances to all the group's employees and subsidies are attributed based on the employee's income. Trainees and temporary workers are not entitled to these benefits and are not covered by the scope of this report. Their representativeness within the group is very small: it covers permanent employees, fixed-term contracts and employees on loan. The employees with the remaining types of employment contracts, totalling 54 (14 men and 40 women) in 2022, represent 1.3 of the group's total workforce.</p>	8		
401-3	Total number of employees that were entitled to parental leave, by gender and return to work and retention rates of employees that took parental leave, by gender	SR – page 171.	8	6	

		Page in the Report	SDG	GC Principles	Omissions	Scope
<b>TOPIC: LABOUR/MANAGEMENT RELATIONS</b>						
3-3	Explanation of the material topic and its Boundary	The novobanco Group has over the years promoted several initiatives concerning the development of programmes that ensure human capital management focused on talent acquisition and retention, the rejuvenation of teams and the unlocking of the potential of the more experienced employees, using methodologies and programmes aimed at individual development, a balance between professional and personal life, and the creation of a circle of knowledge and sharing.				
402-1	Minimum notice periods regarding operational changes and whether the notice period and provisions for consultation and negotiation are specified in collective agreements	The Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website. The novobanco Group informs its employees of any relevant facts pertaining to their career management in accordance with the established notice periods, seeking compliance with clause 27 of the Collective Wage Agreement, which stipulates that workplace transfers are subject to an advance notice of at least 30 days.	5	3		
<b>TOPIC: OCCUPATIONAL HEALTH AND SAFETY</b>						
3-3	Explanation of the material topic and its Boundary	The physical, psychological and social wellbeing of its employees is essential for the group, which to this end has in place a health and wellbeing policy based on five lines of action: 1. Communicate and raise awareness; 2. Diagnose and prevent; 3. Encourage and promote; 4. Offer and provide; 5. Reconcile and flexibilise: practices for a balance between professional, personal and family life. The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website. novobanco group has no formal safety committees, however it engages its employees in the definition and implementation of safety practices and the prevention of occupational hazards. The national legislation requires a minimum guarantee of hygiene, health and safety conditions. The group goes beyond the requirements of the law, annually reporting its practices and results in the management of hygiene, health and safety of all its employees.				
403-1	Percentage of workers whose work, or workplace, is controlled by the organisation, that are represented by formal joint management-worker health and safety committees.		8			
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by gender	SR – page 172.	8			
403-3	Workers with high incidence or high risk of diseases related to their occupation	The novobanco Group is not aware of a high incidence or high risk of work-related diseases amongst its employees. SR - pages 150-152;172.	8			

	Page in the Report	SDG	GC Principles	Omissions	Scope
403-4	Health and safety topics covered in formal agreements with trade unions	8			
	novobanco has entered into Company-level Agreements with all the trade unions represented in the institution, which enshrine the obligations of Occupational Medicine and hygiene and safety in the workplace. In addition to the legally mandatory consultations and exams, the Bank has in place other measures. SR – page 173.				

**TOPIC: TRAINING AND EDUCATION**

3-3	Explanation of the material topic and its Boundary				
	The Group has over the years promoted several initiatives and programmes to ensure that human capital management is focused on talent attraction and retention.				
	The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report.				
404-1	Average hours of training that the organisation's employees have undertaken during the reporting period, by gender and employee category	4, 5, 8	6		
	SR – pages 147;171				
404-2	Programmes for upgrading employee skills and transition assistance programmes	8			
	SR – pages 147;171				
404-3	Percentage of employees receiving regular performance and career development reviews	5, 8	6		
	SR –pages 146-147; 170-171.				

**TOPIC: DIVERSITY AND EQUAL OPPORTUNITIES**

3-3	Explanation of the material topic and its Boundary				
	Novobanco Group has over the years promoted several initiatives within its Responsible Banking programme, which monitors three indicators and aims to develop a fair and gender-equal model, having for the purpose defined specific objectives for 2024.				
	The group monitors indicators pertaining to this topic and annually reports the results in its website and Sustainability Report.				
	SR - pages 147-149;189.				
405-1	Percentage of individuals within the organisation's governance bodies in each of the following diversity categories: Gender, Age group, Other indicators of diversity where relevant (such as minority or vulnerable groups).	5, 8	6		
	SR – page 29.				
	SR –page 174.				
405-2	Ratio of basic salary and remuneration of women to men for each employee category	5, 8, 10	6		
	The novobanco Group calculates the ratio based on total rather than base remuneration as the latter is linked to a level defined by the collective labour agreement (ACT).				

**TOPIC: NON-DISCRIMINATION**

3-3	Explanation of the material topic and its Boundary				
	Novobanco has promoted several initiatives over the years with the aim of reducing negative impacts in				

		Page in the Report	SDG	GC Principles	Omissions	Scope
		terms of discrimination through its Responsible Banking pillar, which is integrated into its Social Dividend model. Over the years, novobanco has promoted various initiatives in its Responsible Banking program aimed at monitoring and creating a more fair and gender-equal Bank, having, for this purpose, defined concrete objectives for 2024. In 2022 no incidents or lawsuits came to the attention of the novobanco Group concerning discrimination on grounds of race, colour, gender, religion, public opinion or social background.	5, 8, 16	6		
<b>406-1</b>	Total number of incidents of discrimination and corrective actions taken,					
<b>TOPIC: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>						
<b>3-3</b>	Explanation of the material topic and its Boundary	The group has over the years promoted several initiatives viewing non-discrimination, and in this context often meets with the Workers' Committee and the Trade Unions. The Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report SR - page 163				
<b>407-1</b>	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	In 2022, the group was not aware of any instances of non-compliance with laws or regulations for breaches of the right to freedom of association and collective bargaining, or of the payment of fines in connection thereof, within its value chain.		3		
<b>TOPIC: CHILD LABOUR AND FORCED OR COMPULSORY LABOUR</b>						
<b>3-3</b>	Explanation of the material topic and its Boundary	The novobanco group complies with the legislation, rules and regulations in force and develops its activity in full compliance with its Equality and Non-Discrimination Policy and Human Rights Policy, defined based on: <ul style="list-style-type: none"> <li>the United Nations Global Compact Principles;</li> <li>the Universal Declaration of Human Rights;</li> <li>The Guidelines of the Organization for Economic Cooperation and Development (OECD) for Multinational Enterprises;</li> <li>the Core Conventions of the International Labour Organization (ILO).</li> </ul> novobanco's Human Rights Policy reflects its endorsement of and commitment to the Global Compact Principles. The compliance and audit functions and the mechanisms in place for the anonymous reporting of irregularities minimise the risk of any such occurrences within the Group's operations and in connection to its employees. The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional.				
<b>408-1</b> <b>409-1</b>	Operations and suppliers at significant risk for incidents of child labour	During 2022 no instances came to the attention of novobanco Group concerning operations and suppliers where the risk of child labour or forced or compulsory labour had been identified.	8, 16	5		



		Page in the Report	SDG	GC Principles	Omissions	Scope
<b>TOPIC: SECURITY PRACTICES</b>						
3-3	Explanation of the material topic and its Boundary					
410-1	Security personnel trained in human rights policies or procedures		16	1		
<b>TOPIC: RIGHTS OF INDIGENOUS PEOPLES</b>						
3-3	Explanation of the material topic and its Boundary					
411-1	Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period and remediation action taken		2	1		
<b>TOPIC: HUMAN RIGHTS ASSESSMENT</b>						
3-3	Explanation of the material topic and its Boundary					
412-1	Total number and percentage of operations that have been subject to human rights reviews or impact assessments			1		
412-2	Employee training on human rights policies or procedures			1		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening			2		

		Page in the Report	SDG	GC Principles	Omissions	Scope
		compliance with these principles by its material Suppliers, namely through its regular visits to their facilities. Should any cases of violation of human rights occur, the group undertakes to investigate them and reserves the right to terminate the agreement with the Supplier in question if it finds evidence of non-compliance with Human Rights obligations.				
<b>TOPIC: LOCAL COMMUNITIES</b>						
3-3	Explanation of the material topic and its Boundary	novobanco Group has over the years promoted several initiatives under its Corporate Social Responsibility programme, which aims to help devise solutions for important issues within the community in which the Bank operates. This programme is deployed based on three pillars, namely: culture, financial literacy and solidarity. Some of the initiatives under these pillars are an integral part of the Financial and social wellbeing programme, included within novobanco's Social Dividend Model.				
		The novobanco Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.				
413-1	Operations with local community engagement, impact assessments, and development programmes	Operações com impactes	SR – pages 159-166.	1		
413-2	Operations with significant actual and potential negative impacts on local communities		The novobanco Group is not aware of any operations having negative impacts on local communities.	1, 2	1	
<b>TOPIC: SUPPLIERS SOCIAL ASSESSMENT</b>						
3-3	Explanation of the material topic and its Boundary	novobanco Group has over the years promoted several initiatives addressing its value chain, namely endorsing the Principles of Relationship with Suppliers, and calculating the “sustainability scoring”, which takes into account environmental, ethical, labour, hygiene and safety in the workplace aspects of its suppliers. The Group monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.				
414-1	New suppliers that were screened using social criteria		SR – pages 152-154;174.	5, 16	2	
414-2	Negative social impacts in the supply chain and actions taken		In 2022 novobanco was not aware of any negative impacts at this level.	5, 16	2	
<b>TOPIC: PUBLIC POLICY</b>						
3-3	Explanation of the material topic and its Boundary	The novobanco Group manages its activity in full compliance with the legislation in force. Novobanco monitors indicators pertaining to this topic and reports the results in its Sustainability Report. Political contributions by companies are not permitted under Decree Law No. 19/2003, of 20 June, and novobanco Group complies with these provisions.				
415-1	Political contributions			16	10	
<b>TOPIC: CUSTOMER HEALTH AND SAFETY</b>						
3-3	Explanation of the material topic and its Boundary	The group has over the years promoted several initiatives across all client security activities, namely				

	Page in the Report	SDG	GC Principles	Omissions	Scope
416-1	Assessment of the health and safety impacts of product and service categories				
416-2	Total number of incidents of non-compliance concerning the health and safety impacts of products and services	16			
<b>TOPIC: LABELLING OF PRODUCTS AND SERVICES</b>					
3-3	Explanation of the material topic and its Boundary				
417-1	Requirements for product and service information and labelling and percentage of significant product or service categories covered by and assessed for compliance with such procedures.	12, 16			
417-2	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling, by type of result	16			
417-3	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of result				
<b>TOPIC: CUSTOMER PRIVACY</b>			<b>TOPIC: CUSTOMER PRIVACY</b>		
3-3	Explanation of the material topic and its Boundary				



	Page in the Report	SDG	GC Principles	Omissions	Scope
business line broken down by purpose					
<b>TOPIC: AUDIT</b>					
<b>FS9</b>	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	No audits strictly dedicated to the implementation of environmental and social policies are carried out. The group annually assesses the practices implemented and the quantitative data through an external independent verification of its AR and Sustainability Report.	10		
<b>ASPECTO: PROPRIEDADE ATIVA</b>					
<b>FS10</b>	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	SR – pages 174; 177-196.	10		
<b>FS11</b>	Percentage of assets subject to positive and negative environmental or social screening	This year, for the first time, the bank will report climate-related risks and opportunities in accordance with the disclosures recommended by the TCFD. The report will be publicly disclosed on the novobanco website, in a separate document - TCFD Report 2022	10		
<b>FS12</b>	Voting policy(ies) applied to environmental or social issues for shares over which the reporting organisation holds the right to vote shares or advises on voting	SR -131-134. novobanco Group's equity holdings in other companies are always aimed at obtaining profitability in the long term. Having said that, the Bank's stance as a shareholder takes into account the relevant principles to ensure consistent ethical, social and environmental management.			
<b>TOPIC: LOCAL COMMUNITIES</b>					
<b>FS13</b>	Access points in low-populated or economically disadvantaged areas by type	Despite the downsizing carried out, the group still has a large network of branches across the country. The group has been investing in the digitisation of its services, which has permitted greater coverage and easier contact with its clients, wherever they may be. SR – page113.	1, 10		
<b>FS14</b>	Initiatives to improve access to financial services for disadvantaged people	Under its new distribution model, the group has been increasing the number of access ramps and lifting platforms in its branch network. It also provides lowered ATMs with Braille keyboards. his equipment is being installed if and when necessary, as the branch network is refurbished. The aim is to gradually extend these access improvements to all novobanco's branches and services. SR – pages 113; 139,142,161-162.	1, 10		
<b>TOPIC: LABELLING OF PRODUCTS AND SERVICES</b>					

	Page in the Report	SDG	GC Principles	Omissions	Scope
<b>FS15</b>	Policies for the fair design and sale of financial products and services	10			
<b>FS16</b>	Initiatives to enhance financial literacy by type of beneficiary	1, 8, 10			

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

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



## 5.7 Independent Limited Assurance Report



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### Independent Limited Assurance Report

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

#### Introduction

We have been engaged by Novo Banco, S.A. ("Novo Banco") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, to report on the disclosures identified in the chapter "5.6 GRI Table" of the Sustainability Report, which include the sustainability information included in the Annual Report 2022 (the "Sustainability Information"), for the year ended 31 December 2022.

#### Criteria applied

Novo Banco prepared the Sustainability Information in accordance with the sustainability reporting standards of the Global Reporting Initiative - GRI Standards and with the provisions of article 508.º-G of the Portuguese Companies Act (*Código das Sociedades Comerciais*) (disclosure of non-financial information) (together the "Criteria").

#### Responsibilities of the Management

Novo Banco's management is responsible for selecting the Criteria, and for preparing the Sustainability Information in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining an appropriate internal control system, maintaining adequate records and making estimates that are relevant to the preparation of the Sustainability Information, such that it is free from material misstatement, whether due to fraud or error.

#### Responsibilities of the Auditor

Our responsibility is to examine the Sustainability Information prepared by Novo Banco and to issue a limited assurance report based on the evidence obtained.

Our engagement was conducted in accordance with the International Standards for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information - ISAE 3000 (Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and other technical standards and recommendations issued by the Portuguese Institute of Statutory Auditors (*Ordem dos Revisores Oficiais de Contas*). These standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Sustainability Information is prepared in accordance with the Criteria.

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. In these circumstances, our independent review procedures comprised the following:

- ▶ Inquiries to management with the objective to understand the business context and the sustainability reporting process;
- ▶ Conducting interviews with personnel responsible for preparing the information in order to understand the processes for collecting, collating, reporting and validating of the Sustainability Information for the reporting period;
- ▶ Conducting analytical review procedures to support the reasonableness of the data;
- ▶ Execution, on a sample basis, of tests to the calculations carried out, as well as tests to prove the quantitative and qualitative information included in the report;

Sociedade Anónima - Capital Social 3.340.000 euros - Inscrição n.º 178 na Ordem dos Revisores Oficiais de Contas - Inscrição N.º 20161480 na Comissão do Mercado de Valores Mobiliários  
Contribuinte N.º 505 988 283 - C. R. Comercial de Lisboa sob o mesmo número  
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Novo Banco, S.A.  
Independent Limited Assurance Report  
(Translation from the original Portuguese language.  
In case of doubt, the Portuguese version prevails)  
31 December 2022

- Verification of the conformity of the Sustainability Information with the results of our work and with the Criteria applied.

We consider that the evidence obtained is sufficient and appropriate to provide the basis for our conclusion.

### Quality and Independence

We apply the International Standard on Quality Control 1 and, accordingly, maintain a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the *Ordem dos Revisores Oficiais de Contas* Code of ethics and of the International Code of Ethics for Professional Accountants (including international independence standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentially and professional behavior.

### Conclusion

Based on our work and evidence obtained, nothing has come to our attention that cause us to believe that the Sustainability Information, for the year ended 31 December 2022, has not been prepared, in all material respects, in accordance with the Criteria.

Lisbon, 03 March 2023

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

(signed)

Manuel Ladeiro de Carvalho Coelho da Mota - ROC nº 1410  
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