

# Sustainability Report 2020



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The NOVO BANCO Sustainability Report is a part of NOVO BANCO Annual Report, for this reason this document starts at page 107.



**Sustainability  
at NOVO BANCO**

1.0

Title: I can see clearly know  
Author: Nair Domingues

# 1.1 Key indicators

|   | 2019    | 2020    | 2020 vs 2021 |
|---|---------|---------|--------------|
| <b>Social Indicators</b>  |         |         |              |
| Employees   | 4 326   | 4 321   | -0.1%        |
| Training (no. of hours)   | 200 545 | 194 925 | -2.8%        |
| Staff Turnover  | 6.7     | 7.4     | 0.7 p.p.     |
| Total of Women (%)  | 52.5%   | 53.5%   | 1.0 p.p.     |
| Women in management positions (%)                                       | 34.7    | 38.2    | 3.5 p.p.     |
| Women in first line positions (%)                                       | 31.3    | 31.3    | -            |
| Gender pay gap (%)  | 9.6     | 10.2    | 0.6%         |
| <b>Environmental Indicators</b>   |         |         |              |
| ESG Structured Products launched in the period (#)                      | 12      | 9       | - 25.0%      |
| Subscription of ESG Structured Products in the period (#)               | 5 339   | 5 120   | -5.2%        |
| Cumulative subscription of ESG Structured Products (#)                  | 6 735   | 11 855  | 76.0%        |
| Clients that subscribed ESG Structured Products in the period (#)       | 4 870   | 4 911   | 0.8%         |
| Cumulative Clients that subscribed ESG Structured Products (#)          | 5 973   | 9 540   | 59.7%        |
| Total ESG Structured Products subscribed in the period (€mn)            | 121     | 117     | -3.3%        |
| Total cumulative ESG Structured Products subscribed in the period (€mn) | 151     | 268     | 77.5%        |
| CO <sub>2</sub> emissions from electricity consumption (ton)            | 5 828   | 4 241   | -27.2%       |
| Active Digital Clients (# thousand)                                     | 566     | 600     | 6.0%         |
| <b>Corporate Governance Indicators</b>                                  |         |         |              |
| Entries of analysed accounts (# warnings)                               | 11 457  | 11 422  | -0.3%        |
| Notifications to the authorities (#)                                    | 1 035   | 843     | -18.6%       |
| Account openings investigated (#)                                       | 3 705   | 3 101   | -16.3%       |
| Insertion of investigated participations                                | 1 138   | 901     | -20.8%       |
| Account openings refused after investigation                            | 63      | 93      | 47.6%        |
| <b>Economic Indicators: Community and Society</b>                       |         |         |              |
| Planned saving/"Poupança programada" (# clients)                        | 277 495 | 225 935 | - 18.6%      |
| Planned saving/"Poupança programada" (€mn)                              | 1 090   | 1 039   | -4.7%        |
| Minimum banking services account (#)                                    | 8 491   | 9 740   | 14.7%        |
| No of suppliers with sustainability scoring                             | 496     | 569     | 14.7%        |
| Clients Very Satisfied and Satisfied with customer service - Retail (%) | 97.0    | 96.3    | -0.7 p.p.    |
| Clients Very Satisfied and Satisfied with customer service - SMEs (%)   | 95.1    | 94.0    | -1.2 p.p.    |
| Donations (€mn)   | 0.58    | 0.50    | -13.8%       |
| Direct economic value generated (€mn)                                   | 841     | 812     | -3.4%        |
| Economic value distributed (€mn)  | 412     | 381     | -7.5%        |
| Economic value retained (€mn)   | 429     | 431     | 0.5%         |



|  |  |   |
|--|--|---|
| <p><b>10   NB ESG MAIS NUTRIÇÃO</b></p> <p>NOVO BANCO launches new structured deposit - NB ESG Mais Nutrição (more nutrition), with interest rate pegged to the share performance of companies included in the MSCI World ESG Leaders Index, which stand out for compliance with the environmental, social and internal governance criteria established in global sustainable investment requirements.</p> <p><b>13   NOVO BANCO CULTURA</b></p> <p>NOVO BANCO lends the works of Frederico Ayres to the Viana do Castelo museums.</p> <p><b>14   NOVO BANCO CULTURA</b></p> <p>NOVO BANCO lends a set of works by Nikias Skapinakis, Maluda and Noronha da Costa to the Mirandela Municipal Museum.</p> | <p><b>17   NOVO BANCO INDUSTRY SUMMIT</b></p> <p>In partnership with SIC Notícias and the Expresso newspaper, NOVO BANCO holds another industry-specific summit in webinar format, this time addressing the industrial sector.</p> <p><b>26   NEW DISTRIBUTION MODEL</b></p> <p>NOVO BANCO opens its first branch in the New Distribution Model, with social and environmental criteria.</p> <p><b>15   NB MAIS ELÉTRICO</b></p> <p>NOVO BANCO launches new structured deposit with interest rate pegged to the share performance of electrical car makers included in the STOXX® Global ESG Impact Index, which stand out for compliance with the environmental, social and internal governance criteria established in global sustainable investment requirements.</p>   | <p><b>9   NOVO BANCO Digital</b></p> <p>NOVO BANCO launches the first app of a new generation of smarter, more personalised applications that revolutionises the way clients interact with the bank in their everyday life.</p>   |
| <p><b>JUL</b></p>  | <p><b>SEP</b></p>  | <p><b>NOV</b></p>   |
| <p><b>AUG</b></p>  | <p><b>OCT</b></p>  | <p><b>DEC</b></p>   |
| <p><b>3   NBnetwork +</b></p> <p>NOVO BANCO earns award for "Best Integrated Corporate Banking Site in Western Europe".</p> <p><b>10   TALENT ATTRACTS TALENT</b></p> <p>NOVO BANCO opens applications for the 3rd edition of the 6-month or 1-year traineeships programme for young graduates.</p>  | <p><b>1   NOVO BANCO CULTURA</b></p> <p>Opening of "REFLEX: World with a Future Exhibition", an initiative of Cais, which the Bank is a sponsor. The exhibition enhances positive and sustainable initiatives.</p> <p><b>3   NOVO BANCO EDUCATION PATRONAGE</b></p> <p>Closing Ceremony of the 38th edition of the Portuguese Mathematics Olympics.</p> <p><b>22   NOVO BANCO</b></p> <p>NOVO BANCO appoints Andrés Baltar as new member of Executive committee and approves corporate bodies.</p> <p><b>23   NOVO BANCO CULTURA</b></p> <p>NOVO BANCO Photo Collection exhibits works by Vik Muniz at Universidade NOVA SBE.</p> <p><b>26   INSTITUTIONAL CAMPAIGN</b></p> <p>NOVO BANCO launches new campaign praising the country's production capacity, under the motto "Portugal que faz" (Portugal that does).</p> <p><b>31   SOCIAL DIVIDEND MODEL</b></p> <p>End of the 1st edition of the Social Dividend Model, surpassing the target points for 2020.</p> | <p><b>3   NBnetwork +</b></p> <p>NOVO BANCO earns award for "Best Banking Project" at this year's Portugal Digital Awards.</p> <p><b>10   NOVO BANCO CULTURA</b></p> <p>NOVO BANCO lends two paintings by Thomas Buttersworth to the Olhão Municipal Museum.</p> <p><b>10   NOVO BANCO CULTURA</b></p> <p>NOVO BANCO Photo Collection opens "Território Solar" exhibition at Faro museum.</p> <p><b>10   EPIM AWARD</b></p> <p>NOVO BANCO earns the EIPM (European Institute of Purchasing Management), award in the 'Business Continuity' Master category.</p> <p><b>15   NB ESG INFRASTRUCTURES STRUCTURED DEPOSIT</b></p> <p>NOVO BANCO launches new structured deposit, with interest rate pegged to the share performance of 3 companies included in the STOXX® Global ESG Impact index, which stand out for compliance with sustainable investment global requirements.</p> <p><b>18   NOVO BANCO CULTURA</b></p> <p>NOVO BANCO lends a set of works by Júlio Resende, Manuel Amado, Francisco Relógio, Roberto Chichorro and Noronha da Costa to the Barrancos Municipal Museum.</p> |

# 1.3 Partnerships



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

## 1.4 Approach to sustainability

NOVO BANCO steers its activity based on sustainability principles and with the firm resolve to give a positive contribution to the entire ecosystem within which it operates. With the aim of managing its business in a fair and responsible manner, the Bank has been implementing a culture that involves permanent monitoring of its impact on the community, training and raising the awareness of its employees, business partners and clients, and adherence to the principles and policies that govern its activity.

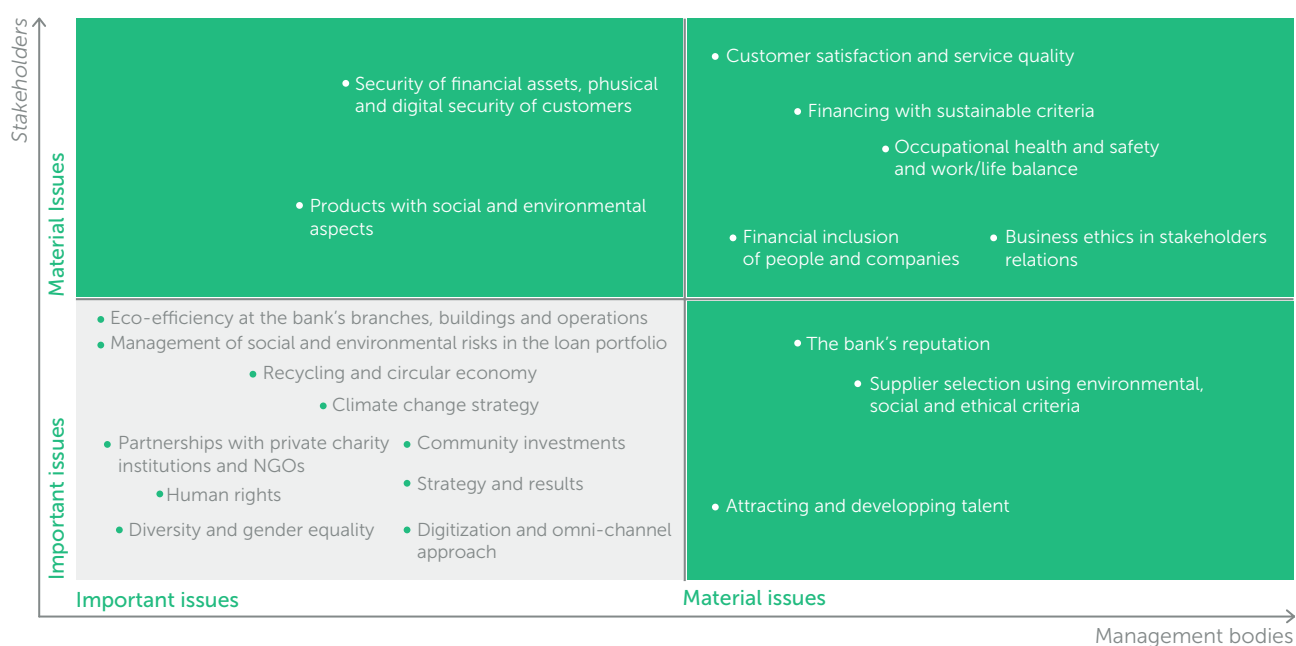
Business ethics and social and environmental responsibility criteria are incorporated in NOVO BANCO's management model. By integrating these criteria, the Bank commits itself to managing the business with a view to creating value for clients, employees, shareholder(s), people, the environment and the communities where it develops its activity. NOVO BANCO's management model thus aims to ensure sustainable development both within its line of activity and in terms of the dimension that links sustainability to the community, i.e., Corporate Social Responsibility (CSR).

To this end and to strengthen its sustainability governance model, in 2020 NOVO BANCO started up a multidisciplinary working group which, after sounding the various stakeholders, will review the Bank's sustainability strategy, in an integrated approach with its business plan and economic and financial objectives. This working group will assist and strengthen the Bank's governance and management in carrying out their activities by reconciling economic development issues with social, environmental and ethical responsibility issues to ensure that the Bank's operations are aligned to its sustainability strategy.

To implement its sustainability strategy in 2020, several studies and trend analyses were carried out to validate the materiality of the issues to be considered. In light of the constraints caused by the pandemic, the Bank immediately decided to take a more proactive social stance, acting based on the following themes of first materiality matrix, published in 2020:

- Physical and digital security of the Client and security of its financial assets
- Financial inclusion of people and companies
- Health and safety in the workplace and reconciling the personal and professional lives of employees

### Materiality Matrix





Despite the commitments made in 2019, where environmental commitments were very relevant, in 2020 the social area was paramount in the Bank's ESG (Governance, Social Environment) activities. Striving to provide a quick and prompt response to issues arising from the pandemic, NOVO BANCO focused its activity in favour of the community, and sought to give its best contribution to its individual and corporate clients, its employees and society in general, in an attempt to mitigate the adverse context.

NOVO BANCO is aware of the challenge that sustainable financing poses to the financial sector, faced with the need to classify and redirect private financial resources towards more sustainable investments, and therefore assumes the commitment to gradually transition its business model to fit a more sustainable economy, in compliance with the provisions of the Community directives deriving from the European Ecological Pact and the commitment made by the European Union in the framework of the Paris Agreement. In its social dimension, in 2020 the Bank will continue to support its individual and corporate clients in their transition towards a more sustainable and carbon-neutral economy. The new climate change financing framework will provide the Bank with the opportunity to take effective measures to mitigate climate change and risks that are already present, and to address their causes.

To this end, the Bank pays and will continue to pay particular attention to the two-way relationship maintained with its various stakeholders through the existing communication channels.

### Canais de comunicação de stakeholders



A couple is sitting on a sandy cliff overlooking the ocean at sunset. The water is a vibrant green, and the sky is a warm orange. The couple is seen from behind, looking out at the waves. The foreground is filled with dark green bushes.

# Our Clients 2.0

Title: Namoro ao pôr do sol  
Author: Isabel Chapert

NOVO BANCO shapes its business strategy according to the specific needs and preferences of its clients, with the aim of providing an offer of products and services with value and appropriate to each of the segments, supported by a commercial network and the various business channels available to the client. In this extremely challenging year, marked by the constraints and limitations arising from the Covid-19 pandemic, NOVO BANCO sought to protect its community of clients, by keeping its branches open (following the appropriate protection rules), and taking several initiatives, including financial support through credit lines and moratorium, encouraging the use of remote channels, creating more flexible ways of subscribing to products, and promoting the secure use of digital channels, NOVO BANCO positioned itself from the outset as a strategic partner for its clients.

More information is provided in chapter 1.1.1 - Business Model, of the Annual Report.

## 2.1 Listening to the clients

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



|                                |  |
|--------------------------------|--|
| <p><b>Service quality</b></p>  | <p>Monitoring the clients' experience of the service provided in all the commercial structures of the Bank, through a questionnaire designed to measure their satisfaction with the various dimensions of service, as well as other global indicators.</p> |
| <p><b>Moments of Truth</b></p> | <p>Continuous monitoring of the clients' experience immediately after the main moments of their relationship with the Bank, in order to identify improvements that will allow them to meet their expectations and needs.</p>                               |
| <p><b>Digital channels</b></p> | <p>Customer satisfaction survey targeting the different aspects of the digital channels (available features, ease of use, security, visual attractiveness) and comparison with the competition.</p>  |

|                          |  |
|--------------------------|--|
| <b>Mystery Client</b>    | Development of a customised Mystery Client programme with the main objective of assessing compliance with the quality principles defined by the Bank, and identifying any service weaknesses as well as training needs.                |
| <b>Quality Indicator</b> | Development of a Quality indicator for the commercial areas that reflects the quality of service and other elements that impact the customer experience.   |
| <b>Ad hoc surveys</b>    | Carrying out specific surveys on a case-by-case basis and using different methodologies, depending on the critical themes of the moment.   |
| <b>External Surveys</b>  | Monitoring of external benchmark market surveys such as the ECSI (National Customer Satisfaction Index), developed by APQ and NOVA IMS, BASEF Banca, developed by Marktest, and the Financial Services Barometer, developed by DATA E. |

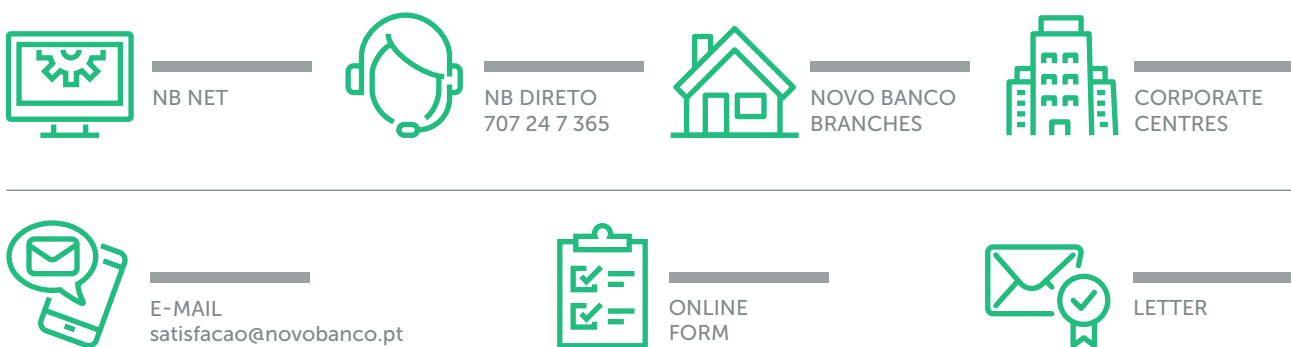
The information obtained through this monitoring model is shared with the Bank's commercial structures and with the central areas, enabling a set of actions to be taken that aim to improve this group of stakeholders' experience of the Bank in its various dimensions.

In order to correct the reasons of dissatisfaction conveyed by clients through satisfaction surveys, the Restart programme sends a lead to the commercial network's workstations, allowing it to assess the grounds for dissatisfaction and mitigate them whenever possible.

The management of complaints also has a significant impact on the clients' relationship with the bank, providing an opportunity to win back unhappy clients. For each complaint received, the underlying causes are analysed, the ensuing losses are quantified and corrective and preventive measures are implemented to avoid the recurrence of failures.

In 2020, the Bank received 0.35 complaints for every thousand active customers, which compares with 0.30 in 2019.

Clients may lodge complaints through several channels, and an effort is made to solve problems at the first contact with the client.



A frank and continuous contact with the clients requires fast and efficient replies to their comments or complaints, and helps to develop a relationship of trust.

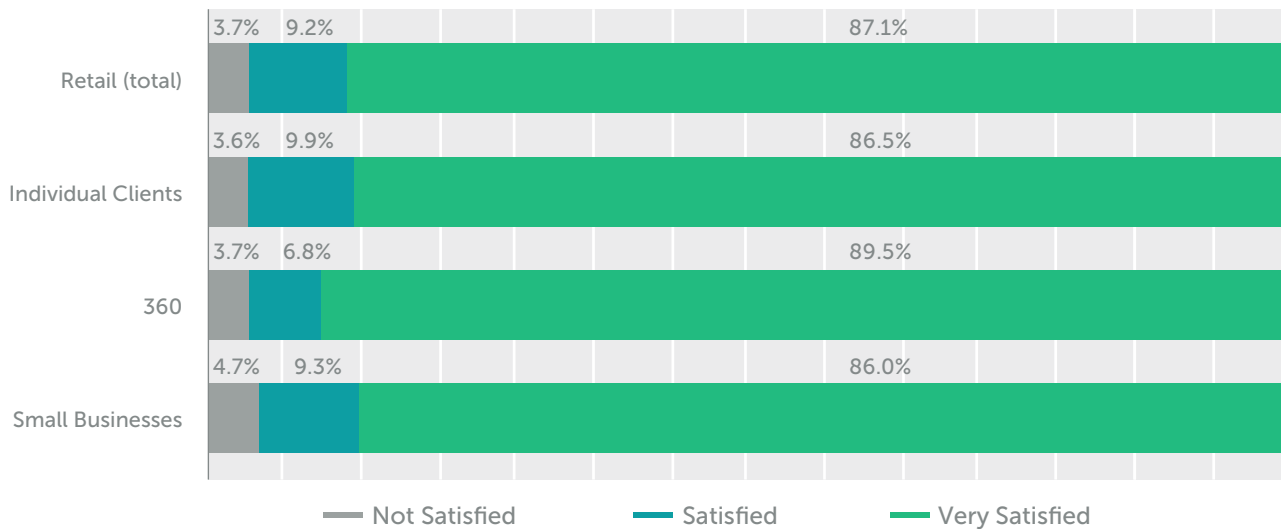
The Bank maintains its ambition to be recommended as a reliable, straightforward, and fast-response bank, with easy physical and digital access, viewing the strengthening of customer confidence and the development of a sustainable business.

## 2.2 Retail Banking

The Bank seeks to learn about the needs of its clients at every step of their lives, listening carefully to what they have to say through the various channels available, so as to keep developing and implementing offers and products that best suit the clients' needs.

In 2020, approximately 54 thousand replies to the satisfaction questionnaires were collected, covering the three segments of Retail: individual clients, 360<sup>º</sup> and Small Businesses.

### Customer Service - Retail (%)

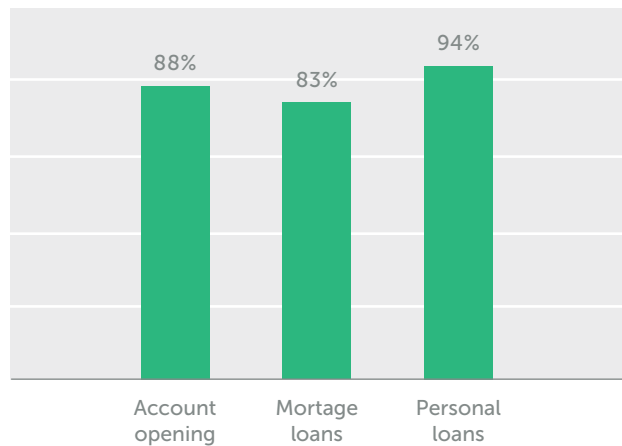


In 2020 the confidence index<sup>1</sup> is 75%. Global satisfaction (very satisfied clients) stands at 75%, up from 70% in 2019. The Net Promoter Score (which indicates the intention to recommend the Bank) is currently 25.

In 2020, a survey was once again conducted to sound the opinion of clients (around 15.8 thousand) concerning their experience in the main moments of truth in their relationship with the Bank, and in particular with regards to: personal loans, mortgage loans and account opening.

The Bank also promotes a Mystery Client programme that covers all the commercial structures of Retail. However, in 2020, due to the Covid-19 restrictions imposed, there were no Mystery Client visits.

### Moments of Truth Very satisfied clients (%)



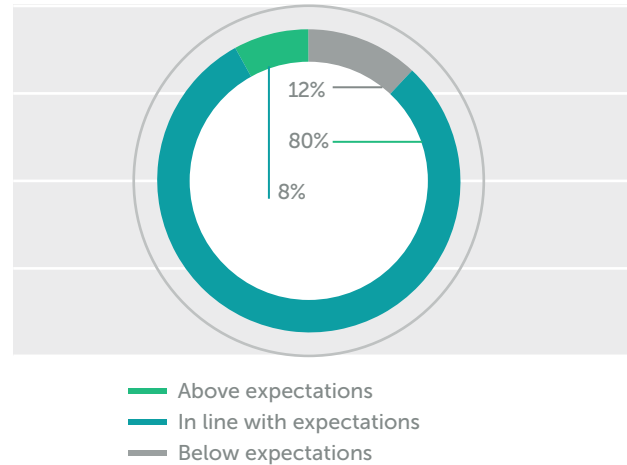
1. See methodological notes

A survey was carried out in April to the individual clients and businesses segments to assess their opinion on some of the measures implemented by the bank to address the Covid-19 pandemic.

For 88% of the clients surveyed, the measures implemented by NOVO BANCO were in line with or above their expectations. The level of satisfaction with the manner in which NOVO BANCO informs on the measures taken to respond to the Covid-19 outbreak is worth noting, with 84% of the respondents saying they were satisfied or very satisfied.

In terms of the offering, NOVO BANCO developed a large set of initiatives aimed at supporting individual and small business clients, by setting in motion and making available credit lines of support to companies affected by the crisis, and taking part in the financial sector's global solution to support families in financial difficulties due to the pandemic (moratoria for Residential Mortgage Loans and Personal Loans), thus encouraging and promoting a digital relationship with the Client. Moreover, the Bank offered temporary exemptions from payment on certain commissions (such as on digital transfers and cash advances), and made available free-of-charge debit cards, as well as insurance products with special Covid-19 related coverage.

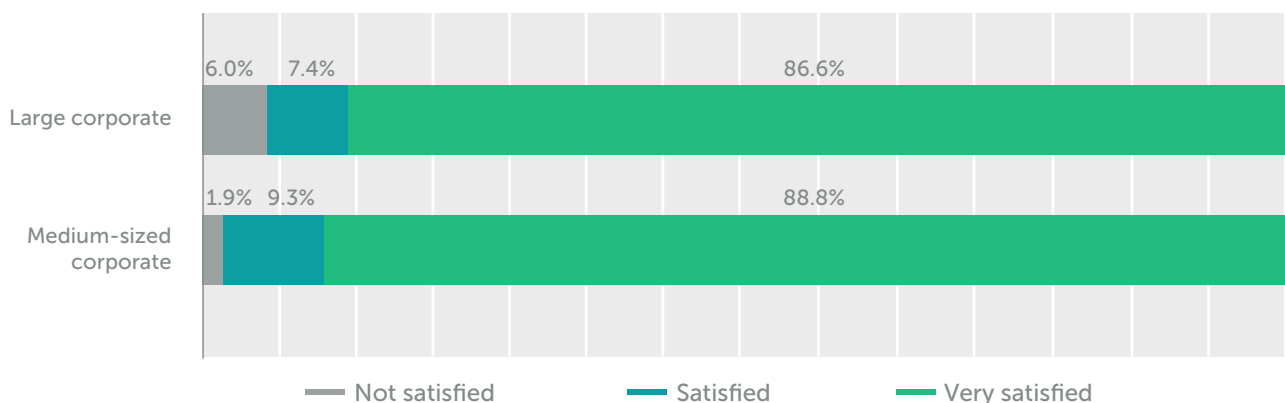
### Do the measures taken by the NB to respond to the Covid-19 outbreak meet your needs/ expectations? (%)



## 2.3 Corporate Banking

In terms of support to companies, NOVO BANCO positioned itself from the outset as a strategic partner, providing financial support to small and medium-sized enterprises through the available lines (*Capitalizar 2018-Covid-19 Credit Line* and industry-specific lines of Support to the Economy), responding to requests for loan moratoria, and developing the 'NB Empresas – Antecipação Fundos Lay-off' (to receive in advance the funds provided by the Social Security Institute for the payment of salaries by companies using the simplified lay-off scheme). The Bank also strongly focused on the digital transformation of processes, investing in remote relationship and signature tools so as to continue to address the needs of its clients quickly but in compliance with the social distancing restrictions imposed in the COVID context.

### Customer Service - Corporate (%)



Trade Finance is another business area where the Bank stands out, providing a wide range of products and specialised advice designed to support international trade. In January 2020 NOVO BANCO was once again elected the 'Best trade finance bank' in Portugal by the Global Finance international magazine, based on its activity in 2019. In June 2020, NOVO BANCO was also elected "Best Sub-custodian Bank 2020" in Portugal by Global Finance".

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

In 2020, Corporate Banking obtained approximately 2,400 replies to customer service satisfaction surveys. The results show that 89% of the Medium-sized corporate clients and 87% of the Large corporate clients are very satisfied with the Bank's service, which proves that the Bank's activity matches the needs and expectations of its clients.

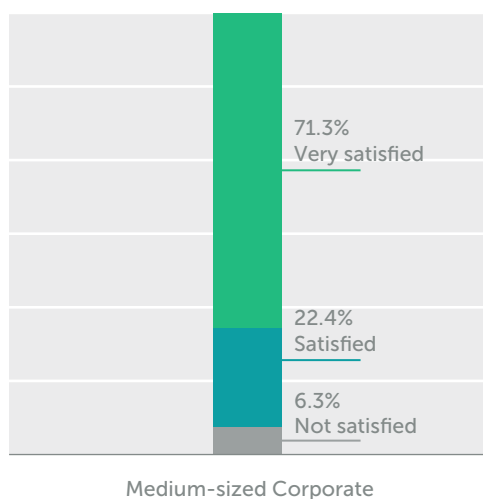
### 2.3.1 Medium-sized companies

In 2020 the confidence index was 75%. Global satisfaction continued to improve, with the percentage of very satisfied clients standing at 75% in 2020, which compares with 69% in 2019. The Net Promoter Score is currently 24.

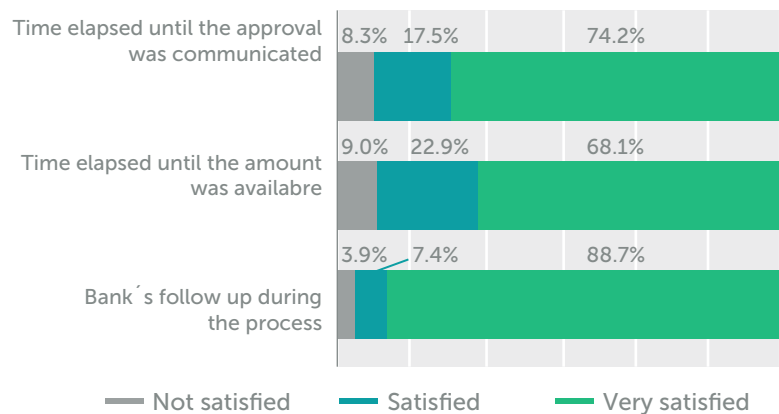
Also, in the Medium-sized Companies segment, the Bank evaluates the customers' experience after taking out a loan. The resulting data is shared not only with the commercial areas, but also with the marketing areas, and are used to support the introduction of innovations and the launch of new products and services.

In June and July, the Bank conducted surveys to assess how the measures and solutions adopted in the context of Covid-19 measured up to the clients' needs and expectations, where 93% of the corporate clients responded that they were in line or above their expectations. It should be noted that 71% of these clients were very satisfied with the support provided by NOVO BANCO in this period. Of those surveyed, about 37% had resorted to a specific Credit Line, or a Moratorium, or both, and of these, 89% were very satisfied with the Bank's follow-up during the process.

#### How do you rank your satisfaction with the support provided by NOVO BANCO during this period in which we are living? (%)



#### How do you rank your satisfaction with each of the following aspects of the Covid-19 Lines to which you resorted? (%)



## 2.3.2 Large companies

In the Large Companies segment, clients answer a very detailed annual questionnaire that aims to assess the various items that count towards their choice of NOVO BANCO as their Bank.

In 2020, the confidence index of these clients was 74%, which compares with 64% in 2019. As to global satisfaction, 64% of the clients are very satisfied with the Bank. Additionally, 67% of the clients are very satisfied with customer service and 87% are very satisfied with the service provided by their Account Manager.

## 2.4 New technological experiences

Its digital transformation is one of NOVO BANCO's top priorities, emerging this year in an even more demanding context in terms of speed in response to the clients' new needs and expectations. The aim is to have an agile organisation, focused on the client and its needs.

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

For retail customers, NOVO BANCO offers the NB smart app and the NB smarter mobile solutions (the latter is the new mobile app launched at the end of 2020), the NBnet homebanking service and the NB app tablet.

To its corporate clients, NOVO BANCO offers the NBnetwork internet banking service, this year further reinforced with the NBnetwork+, a digital financial management solution for companies, pioneering in Portugal and allowing a combined view of all their bank accounts, which permits to initiate payments and has functionalities such as a Financial Calendar, the categorisation of account entries, as well as alerts and notifications, contributing to improve the operational efficiency of NOVO BANCO's clients and their digital transformation.

**In 2020 we launched NB smarter, the new mobile app.**

**NBnetwork + solution won the prize for "Best Banking Project."**

The NBnetwork + solution won Portugal Digital Awards 2020' prize for "Best Banking Project", which recognised NOVO BANCO's effort to deliver excellence in value creation for its clients.

As part of NOVO BANCO's digital transformation strategy, and with a view to widening the scope of this strategy, improving efficiency, and addressing environmental and social positive impacts, the following solutions stand out:

- New account opening remote solutions, using the Digital Mobile Key or by Video Call, offering a new onboarding experience that is complete, fast, intelligent, efficient, and entirely digital;
- Launch of a new app for Individual Clients (NB smarter) with a completely renewed design and customer experience, adaptable and customisable, inclusive and predictive (based on data science) and offering a wide range of services and solutions, including the aggregation of accounts with other banks;
- Reinvention of the home buying experience, from simulation to title deed. Now with a new branch platform that completes the omnichannel experience. A simpler, faster and more transparent process;




- Development of Phygital solutions aimed at i) improving the customer experience through mobility and sharing, also allowing a remote but close relationship with the bank; ii) streamlining processes through digital signatures with validation code and handwritten electronic signature, reinforcing transparency in relationships, and iii) adoption of digital processes that foster a paperless culture;
- Digital solution for loans to small businesses: automated and integrated access to credit through the NBnetwork digital channel. A totally secure process, with no need to deliver any documentation or go to the branch, with funds made available in less than 48 hours.

Throughout the year, the Bank also continued to renew its digital channels and to leverage on new data science skills:

- A new Non-Financial Offering was made available online;
- The approval circuit for personal loans requested through the digital channels was streamlined;
- The offer of more 60 Investment Funds available for subscription through the Digital Channels was expanded (Morning Star offer);
- Alternative signature solution via NBnetwork, with no need for Digital Certificates / PKI (public key infrastructure) Signatures;
- Batch payments, payments to the Social Security and sending of payment files now available through the Open Banking channel;
- Introduction of new functionalities in the app to enhance convenience for the client: new Mbway functionalities (Account division and credit card request);
- Machine Learning models introduced in money laundering prevention methods;
- Contributions to the customer days through the development of customisation models and functionalities in the channels;
- Support to business using propensity models, to activate or deactivate clients, or identify better offers.

Faced with the adverse scenario resulting from the Covid-19 pandemic, NOVO BANCO used digital transformation to support its clients:

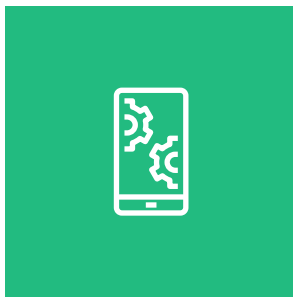
- Launch of a regional Marketplace hosted on the novobanco.pt website to support clients in the small businesses segment implement or reinforce their digital presence;
- Improvements in applications for loans under the protocol credit;
- lines, as well as for moratoria (individual and corporate clients): the process is now more automated and access can be made directly through NOVO BANCO's website;
- The process of activating the Digital Channels on NOVO BANCO's website (individual and corporate clients) was streamlined and made easier, and client/bank communication tools were promoted on the app (mail messaging, appointment of meetings and contact request);
- Development of several use cases using Artificial Intelligence to predict and model Covid-19 impacts on the national economy.



**In 2020 we launched the Marketplace to boost local commerce.**

With a view to promoting digital education, in 2020, NOVO BANCO made a commitment to Lar Escola António Luis de Oliveira to support both the Foundation itself and the young people which it supports, by providing equipment and digital know-how, together with its partners.

In order to assess the impact of technological innovations on the customer experience, in 2020 approximately 42 thousand people were surveyed to assess the global satisfaction with the Bank's channels - NBSmart app, NB net, and Nbnetwork. In addition, another 3.5 thousand people were surveyed to assess the use of these channels' functionalities, to analyse the competition and to detect opportunities for improvement. In terms of customer satisfaction, the channel with the best score is NBnet, followed by NBSmart and Nbnetwork.



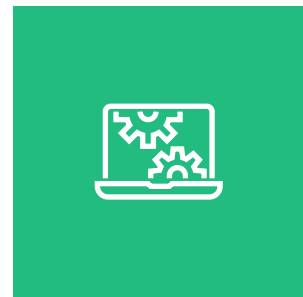
**61**

Net Promoter Score  
NB smart app



**54**

Net Promoter Score  
NBnet



**37**

Net Promoter Score  
Nbnetwork

As regards the intention to recommend, the NB smart app was the channel with the highest Net Promoter Score.

The year 2020 closed with 600 thousand active clients in the digital channels and more than 415 thousand active mobile clients. The goal for 2021 is therefore to continue to grow and to innovate.

The result of the ongoing digital transformation is clearly visible in customer interactions with the bank. Most of the interactions between NOVO BANCO and its individual clients already take place through the Bank's mobile channel (in December the figure was 55%, far outstripping the points of contact made through ATMs). Currently 70% of the contact points with the bank are made through the digital channels.



**600 thousand**

DIGITAL ACTIVE CLIENTS



**415 thousand**

MOBILE CLIENTS

Mobile clients' interaction has seen exponential growth over the last five years, having in 2017 surpassed online interactions. In 2015, only 7% of NOVO BANCO's clients used this channel, with 2018, 2019 and, of course, 2020 being the years of strongest growth.

## 2.5 Customer protection

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

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

To prevent, detect and react to the new cyber threats arising from digitisation, leading to increased attention and stronger technical control.

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

During 2020, in the context of the pandemic, NOVO BANCO also stepped up information security, including in its annual plan different communication activities to raise awareness among the employees to topics such as cyber security and social engineering.

Given the key role played by all the employees in the prevention of cyber risks, the Bank provided tips on security that may come useful both in the professional context and in the personal and family context, thus contributing to enhance security and resilience in the global cyberspace.

The digital channels, which permit to view all contents very quickly and practically, at any time and from anywhere, were also much focused in the communication campaign. The digital channels are indeed essential to ensure confidence in the ecosystem in the context of teleworking.

In 2020 the Bank received no complaints originating from the National Data Protection Commission (CNPD). The only complaint, received in 2019, has been solved with no consequences for the Bank.

NOVO BANCO seeks to satisfy the needs of its clients, allowing them to fulfil their dreams, build up and strengthen their business, always aiming for a long-term relationship, based on trust, the security of their assets and the privacy of their data.



**In 2020 we reinforce the digital protection of our customers**

A romantic couple is shown in profile, kissing on a sandy beach. The woman is wearing a long, flowing blue dress and a wide-brimmed straw hat adorned with flowers. The man is wearing a white button-down shirt and blue jeans. In the background, there are several balloons, including a pink one and a white one with the words 'IT'S A GIRL' written on it. The scene is set against a backdrop of the ocean and a clear blue sky.

# Our Employees 3.0

Title: **Projetos futuros**  
Author: **Jorge Esteves da Costa**

Being aware that good results stem from a diversified, and inclusive human capital, bringing different life experiences, NOVO BANCO bases its relationship with all its employees on the Talent & Merit pillar of its strategic plan, as well as on other sound governance policies and general principles, which aim to respond to five challenges:

- Attract and Retain talent;
- Promote gender equality, equal opportunities and respect for diversity;
- Promote the conciliation of professional, personal and family life;
- Address social work / internal social responsibility needs; and
- Watch over health, well-being and safety at work.

| Total staff                                   | 2018         | 2019         | 2020         | 2020 vs 2019  |
|---|--------------|--------------|--------------|---------------|
| <b>Total NOVO BANCO Employees in Portugal</b> | <b>4 382</b> | <b>4 326</b> | <b>4 321</b> | <b>- 0.1%</b> |
| Women   | 2 274        | 2 272        | 2 313        | 1.8%          |
| Men   | 2 108        | 2 054        | 2 008        | -2.2%         |



**94%**

UNIONISED  
EMPLOYEES



**98%**

EMPLOYEES COVERED BY  
COLLECTIVE WAGE AGREEMENT



**53.5%**

WOMEN



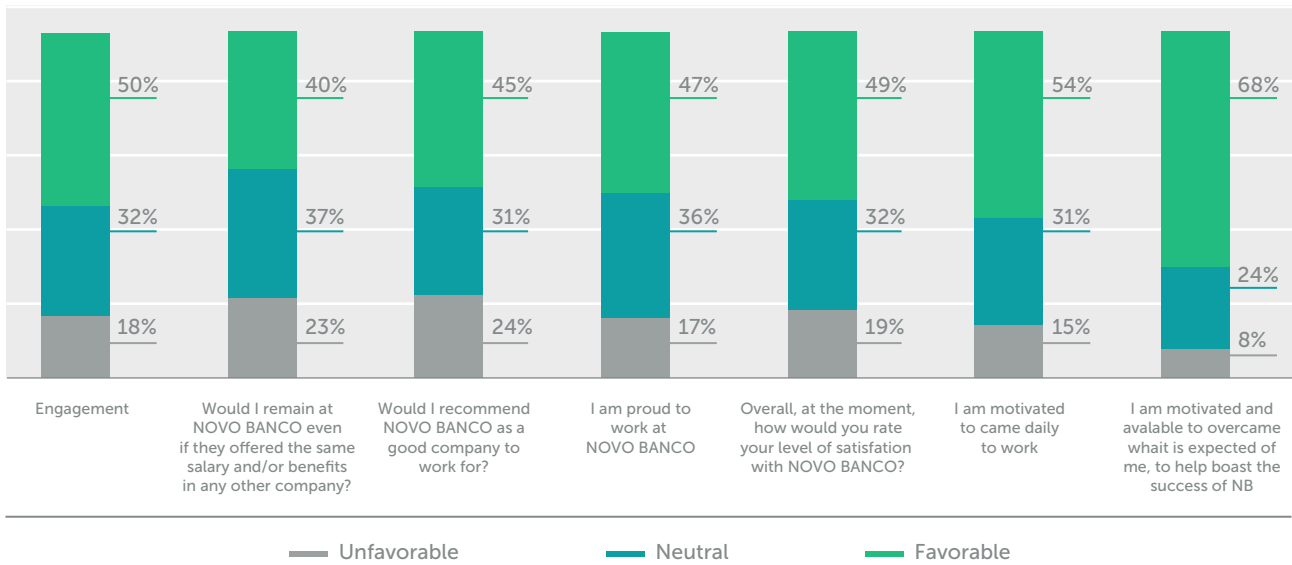
**46.5%**

MEN

## 3.1 Listening to the employees

To implement its human capital strategy, NOVO BANCO seeks to follow the best fair-process practices in decision-making, focusing not only on results, but deploying a fair and reasoned process with strong engagement of the employees, in order to deliver results. The Bank thus endeavours to be aware of the needs and difficulties experienced by employees throughout their life cycle and to meet their expectations, so as to contribute to their full development, and allow them to fully unlock their potential and maintain their motivation. In 2020 NOVO BANCO once again conducted the half-yearly Engagement Survey, one of its main tools to sound the organisational climate of the Bank - which had a participation rate of around 79%, as well as the Internal Customer Satisfaction Survey and the Psychosocial Risk Questionnaire.

## Engagement Results (%)



Sounding and keeping in touch with the employees became even more important in 2020, especially when teleworking took on a prominent role in the performance of each employee's duties. In this context, the Bank made available new communication channels, such as the "We are NOVO BANCO" platform, based on SharePoint technology, to bring news to the employees and ensure that all relevant information was disclosed in real time, and the Yammer social network, which put everyone in contact with each other in a new form of communication marked by greater proximity, participation and collaboration. These new communication channels proved to be an essential factor in an adverse scenario, by promoting integration, union and motivation within the NOVO BANCO team.

## 3.2 Attracting Talent and Merit

NOVO BANCO uses a set of means and initiatives to capture new talent and retain existing talent from within the personal and professional development of all its employees. This model is deployed in four stages:

### 3.2.1 Capturing talent to NOVO BANCO

In 2020 there were two internship programmes aimed at attracting young talent at the beginning of their professional careers, seeking not only to address the Banks' staff recruitment and rejuvenation needs, but also to give young professionals career opportunities and the possibility to establish themselves in regions where labour supply is scarcer:

- Talent Attracts Talent Programme** – annual programme of paid internships lasting 6 or 12 months for young graduates or with a master's degree, to be carried out not only in the central departments but also in the commercial areas. In 2020, 58 young people were integrated into the Bank's staff, of whom 33 came from the second edition of this programme and 25 from the NB Retail Banking Programme (an exclusive programme for the Commercial Network of the North Commercial Department). The third edition of the Talent Attracts Talent Programme received a further 49 young graduates.

- **NB UP Programme-** programme with the duration of one month for young people attending national higher education institutions. The programme allows these students to have working experience during the summer holidays and is also paid. In 2020, 117 young people participated in this internship.

## 3.2.2 Internal mobility

NOVO BANCO encourages the career development of each employee throughout his or her professional career. To this end the Bank has in place, among other tools, an internal mobility programme that enhances the Bank's human capital, enabling its employees to embrace new challenges and opportunities for individual development and progress. In 2020, 19 employees were given the opportunity to change their jobs. By enabling and contributing to the development of a more motivating working environment, the Bank contributes to the retention of talent.

## 3.2.3 Performance Assessment

The Performance Management Process, which covers all employees and is included in the Employee Portal (called "My Portal"), offers a personal development programme where each employee can define his or her own objectives in terms of continuous improvement in the performance of their functions. Performance Evaluation, carried out annually, is based 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.

We launched the AppRH, a new mobile for employees

Download Transforming Our World - Sustainable Development Goals - Full Size PNG Image - PNGkitIn line with the new operating models and evolution of NOVO BANCO, which are based on modernisation and

digitisation, AppRH was launched in 2020. AppRH is a new mobile tool for fast and intuitive access to "My Portal", the Bank's Employees Portal, from the employees' private smartphones, which allows executing the task involved in the Performance Assessment process. Employees can also access other personal data through this app, such as details of their holidays and absences, as well as general data of the Bank, search other employees' professional contacts, and view and browse through the Bank's organisational chart.



**We launched the AppRH,  
a new mobile for employees**

## 3.2.4 Valuing employee development

By continually reinforcing the knowledge of its employees, NOVO BANCO promotes their retention, also contributing to the recognition of the diverse talent possessed by its staff and guaranteeing they have the decisive skills required to attain the challenging objectives it proposes to achieve.

Aware of the current environment of deep changes and huge challenges faced by the financial sector, the Bank seeks innovative solutions that enhance the contribution of its employees, continuing to invest consistently in the design and implementation of distinctive and motivating training, enabling the improvement of performance, and the development and evolution of NOVO BANCO's employees.



To ensure that employees had access to adequate training, approximately 288.5 thousand euros were invested in training, averaging 45.1 hours per employee, with a special focus on:

- Regulatory Training | Markets and Financial Instruments Directive (MiFID II), IDD - New Insurance and Reinsurance Distribution Law, Mortgage Credit Marketing Directive; Prevention of Money Laundering and Financing of Terrorism and Information Security;
- Continuous professional training|: New Investment Advisory Platform (provided to 425 employees working in NB360 segment);
- Training designed for the New Distribution Model: the implementation of this new Model, which is included in one of NOVO BANCO's strategic transformation pillars, entails a set of initiatives intended to give the Clients a new experience, both inside and outside the branch, and using all the forms and channels( digitals, remotes and in person) with which the Bank relates to its clients.

Because the practical learning at NOVO BANCO is highly valued the on-the-job training is also provided at the 20 School branches all over the country, although this year it is being provided remotely due to the pandemic. Based on the concept of learning by doing, this is a pioneering project in Portuguese banking, which over the years has broadened its scope of action and is now responsible for:

- the initial training framework for new employees;
- the reinforcement of skills of current employees;
- the development of appropriate skills to support functional mobility;
- the monitoring of current employees returned from extended leaves;
- support in the implementation of strategic projects.

During 2020, 210 employees attended school branch training, 53 of whom were part of the group of employees who joined the Bank via the "Talent attracts Talent" programme.

Included in the various tools to attract and retain talent, in 2020 the Bank made 712 promotions on merit, 16 promotions due to change of job and 66 promotions on the basis of seniority, making a total of 794 promotions.



**We provide more than 194 thousand hours of training to our employees**



## 3.3 Promoting gender equality, equal opportunities and respect for diversity



NOVO BANCO's relationship with all its employees is based on two fundamental policies: the Human Rights Policy and the Policy of Non-Discrimination and Equal Opportunities. These policies tackle issues such as equal opportunities, diversity, respect for freedom of association, rejection of forced and child labour, discrimination, any form of harassment and, in general, respect for the Employee as a Person. NOVO BANCO 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;
- European and National Legislation on Gender Equality and Harassment prevention.

Diversity and gender equality are an integral part of human capital management, with gender parity already a reality in NOVO BANCO, where women account for 53.5% of the workforce. However, the Bank is strongly committed to further

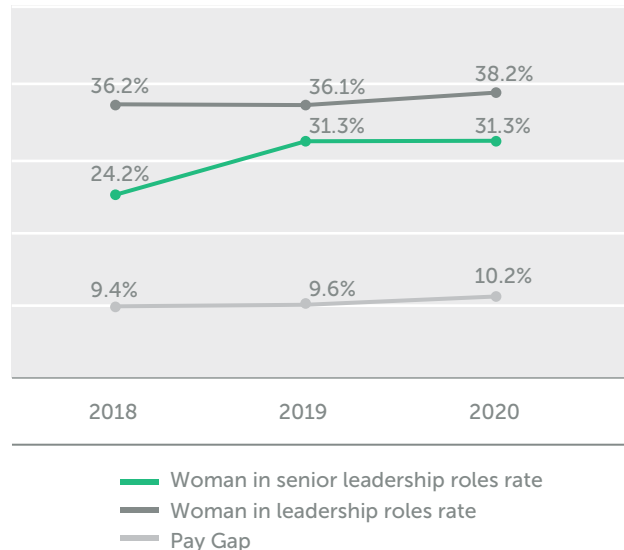
reinforcing women representation at top management level. Although there has clearly been a positive evolution, there is still a way to go (namely in terms of closing the wage gap).

Gender equality is part of the NOVO BANCO Social Dividend model, a model created in 2017 of commitment to give back to the community and the employees. The model comprises four programmes, one of which, #NB Equal Gender, measures and sets targets for three indicators: percentage of women in top jobs, percentage of women in management positions and gender pay gap.

The DCH (Human Capital Department) produces an internal Gender Equality report where various Human Capital Management processes are monitored by gender (e.g., admissions, exits, performance evaluation, distribution of each functional group, vocational training, use of work and life benefits, etc).

The Bank actively participates in the iGen Forum for Gender Equality, and in 2020 the working group of which it is part produced a book (to be launched in the first half of 2021) aimed at raising awareness among children and young people to the need for a fairer world in terms of gender equality.

#NB Equal Gender



We actively participate in iGen working group producing a book that aims to raise awareness among young people about a more equal world

In 2020, the representation of the female gender increased in management and administrative functions.

| Employees by Gender Professional Category | 2018                 | 2019                 | 2020                 | 2020 vs 2019  |
|---|----------------------|----------------------|----------------------|---------------|
| <b>Total</b>                              | <b>4 382</b>         | <b>4 326</b>         | <b>4 321</b>         | <b>-0.1%</b>  |
| Men                                       | 2 108 (48.1%)        | 2 054 (47.5%)        | 2 008 (46.5%)        | - 2.2%        |
| Women                                     | 2 274 (51.9%)        | 2 272 (52.5%)        | 2 313 (53.5%)        | 1.8%          |
| <b>Management</b>                         | <b>435 (9.9%)</b>    | <b>375 (8.7%)</b>    | <b>382 (8.8%)</b>    | <b>1.9%</b>   |
| Men                                       | 278 (63.9%)          | 245 (65.3%)          | 236 (61.8%)          | -3.7%         |
| Women                                     | 157 (36.1%)          | 130 (34.7%)          | 146 (38.2%)          | 12.3%         |
| <b>Heads of Department</b>                | <b>441 (10.1%)</b>   | <b>546 (12.6%)</b>   | <b>484 (11.2%)</b>   | <b>-11.4%</b> |
| Men                                       | 261 (59.2%)          | 314 (57.5%)          | 271 (56.0%)          | -13.7%        |
| Women                                     | 180 (40.8%)          | 232 (42.5%)          | 213 (44.0%)          | -8.2%         |
| <b>Specific</b>                           | <b>1 889 (43.1%)</b> | <b>2 070 (47.9%)</b> | <b>2078 (48.1%)</b>  | <b>-0.4%</b>  |
| Men                                       | 882 (46.7%)          | 925 (44.7%)          | 931 (44.8%)          | -0.6%         |
| Women                                     | 1 007 (53.3%)        | 1 145 (55.3%)        | 1 147 (55.2%)        | 0.2%          |
| <b>Administrative</b>                     | <b>1 598 (36.5%)</b> | <b>1 322 (30.6%)</b> | <b>1 366 (31.6%)</b> | <b>3.3%</b>   |
| Men                                       | 672 (42.1%)          | 559 (42.3%)          | 559 (40.9%)          | 0             |
| Women                                     | 926 (57.9%)          | 763 (57.7%)          | 807 (59.1%)          | 5.8%          |
| <b>Auxiliary</b>                          | <b>19 (0.4%)</b>     | <b>13 (0.3%)</b>     | <b>11 (0.3%)</b>     | <b>-15.4%</b> |
| Men                                       | 15 (78.9%)           | 11 (84.6%)           | 11 (100%)            | 0             |
| Women                                     | 4 (21.1%)            | 2 (15.4%)            | 0 (0%)               | -100%         |

## 3.4 Promoting the reconciliation of professional, personal and family life

The balance between the professional, personal and family life of its employees deserves a special attention from NOVO BANCO and it is also a talent acquisition and retention tool. The Bank therefore integrated the “# NB Work & Life” programme, a set of initiatives that promote conciliation and flexibility at work, into the Social Dividend Model. Under this programme, the employees may enjoy the following benefits:

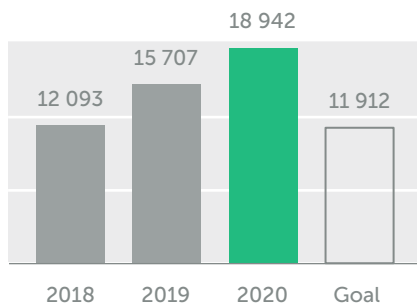
- **Holiday purchase** - possibility to purchase up to 5 additional holiday days per year;
- **Leave on special days** - the employee's birthday; afternoon on the birthday of dependent children and/or stepchildren up to the age of 18, first day of classes for the 1st to 5th school year of dependent children and/or dependent stepchildren;
- **Early Friday / Late Monday** - Half-day leave (Friday afternoon or Monday morning), compensated by additional work during the week;
- **Home Office** - remote work, for greater flexibility in terms of workplace and working hours;
- **Take Away** - the employees can buy and take home low-cost and nutritionally balanced meals.

In 2020, Home Office/Telework took on a particular importance due to the pandemic situation. The fact that the Bank had created this benefit and established the rules and instruments on its use prior to the outbreak of Covid-19 was crucial for the success of Telework in this context.

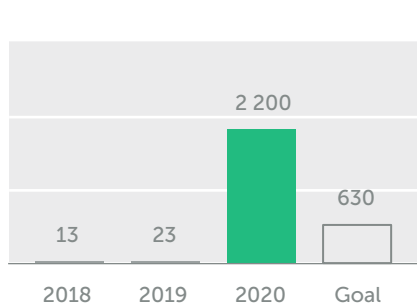
The results obtained in each of these initiatives show their importance for the employees and justify their maintenance.

### NB Work& Life

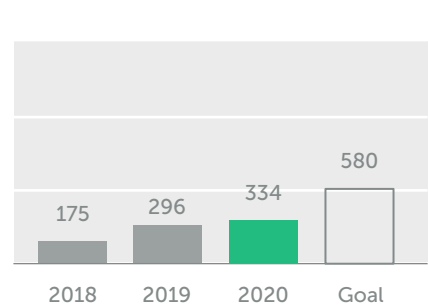
# Employees Leave on Special Days



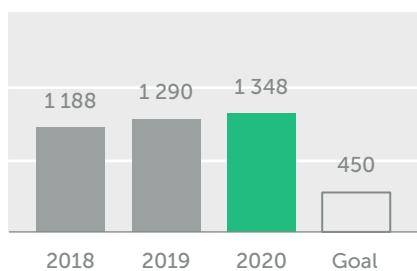
# Employees in Home Office



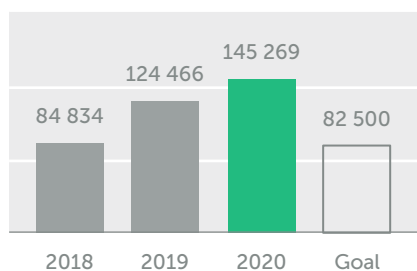
# Employees Purchase of Holidays



# Employees Early Friday/Late Monday



# Takeaway Meals



## 3.5 Addressing social work needs - internal social responsibility

NOVO BANCO has a strong concern for the social well-being of its employees. Therefore, it offers a set of benefits that go beyond monetary retribution and aim to strengthen employees' relationship with NOVO BANCO, personal satisfaction and savings. These benefits, attributed within the scope of the internal social responsibility programme, take the form of:

- Education support for children of employees in active service;
- Support to retired employees;
- Christmas presents for employees and their children and dependent stepchildren;
- Special conditions in NOVO BANCO's commercial offer.

In 2020, due to the impossibility of holding the traditional employee Christmas dinner and in order to keep the Christmas spirit alive, the Bank instead gave each of its employees a basket composed exclusively of Portuguese products produced by NOVO BANCO's client companies, in line with its positioning in support of the national economy, as featured in its external communication: "This is the Portugal that does and this is the Bank that helps doing".

In addition to the benefits enjoyed under the Banking Sector Collective Bargaining Agreement, namely birth support allowance, child allowance and study allowance, NOVO BANCO also provides a series of social supports aimed at the education of its employees' children, as well as providing for the basic necessities for its retired employees, such as charges for internment in homes, day centres, home support, among others.

**In 2020 we gave 2,990 Christmas presents to the children of the employees.**

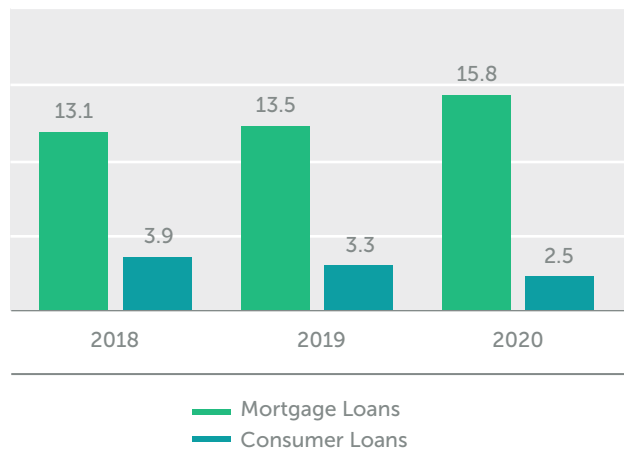
| Employee Benefits   | 2018             | 2019             | 2020            | 2020 vs 2019    |
|---|------------------|------------------|-----------------|-----------------|
| <b>Education support</b>  |                  |                  |                 |                 |
| Early childhood benefits  | 391<br>506 000 € | 435<br>532 000 € | 434<br>509 440  | 0.2%<br>-4.2%   |
| School grants   | 208<br>164 800 € | 210<br>164 100 € | 262<br>192 835€ | 24.8%<br>17.5%  |
| Support to children and youths with special needs   | 78<br>90 000 €   | 73<br>90 000 €   | 81<br>79 940€   | 11.0%<br>-11.2% |
| <b>Support to retired employees</b>   |                  |                  |                 |                 |
| Expenses with senior residences, day-care centres, home support, medicines and other basic necessities. | 66<br>126 900 €  | 66<br>126 900 €  | 60<br>108 640€  | -9.1%<br>-14.4% |

In 2020, approximately 92.6% of the employees who applied for the social support provided by the Bank were granted that support.

NOVO BANCO also has four canteens where working and retired employees can have lunch and order take away meals. These canteens serve low-cost nutritionally balanced meals, with 3 to 4 options to choose from every day, each coming with the respective nutrient information sheet (nutrition traffic light). In addition to providing free meals, the aim is also to encourage each employee to make responsible choices in terms of healthy eating. Awareness-raising initiatives sometimes also take place in the canteen areas. In 2020, despite the significant increase in teleworking the Bank maintained its canteens and bars in full operation, and increased the take-away component, all in full compliance with the social distancing and hygiene rules imposed under COVID 19.

The employees, including retired employees up to 65 years old, also benefit from special conditions in mortgage and consumer loans. In 2020, new loans to employees totalled €18.3 million, from a total loan portfolio of circa €75.5 million. Aware of the difficulties caused by the pandemic, the Bank granted moratoria on mortgage loan payments (Purchase, Works or Construction of Own Permanent Housing) and Consumer Loan payments to its employees experiencing a fall in income.

### Loans to employees (€mn)



## 3.6 Looking after health, well-being and safety at work



The physical, psychological and social well-being of its employees is essential for the Bank, which to this end has in place a health and well-being policy based on five lines of action:

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

Due to the pandemic, the challenge of "Looking after health, well-being and safety at work" became a paramount issue for NOVO BANCO's Human Capital. In a first step, resources focused on emergency response, where the priority was to protect people and implement measures aimed at providing a sense of security. As many employees as possible were put in telework, while safeguarding the activity and safety of the organisation.

Since banking activity has a social and society support component, a set of operational services had to be kept running, even during the State of Emergency, and therefore the Branches were always open to the public. Hence the Bank always kept a significant part of its staff working In Office. In the Commercial Network, about two thirds of the workforce was always present (commercial functions do not allow for full teleworking) and in the Central Departments this figure was around 25%. The Employees were therefore in one of three working contexts:

- Always in Office;
- Always in Telework (priority for risk groups and pregnant women);
- Rotation between thus Office and Telework.

For those who remained in Office, ensuring their protection and comfort was the priority, thus they were provided with all the personal protection equipment items (masks, disinfectant gel, acrylics, etc). The canteens and takeaway service were kept in operation, parking spaces were available, and remote communication tools were ensured. An effective communication plan was deployed to ensure greater proximity as well as information on how to manage the natural anxiety and fears caused by the situation at hand.

In addition, the employees impacted by Covid (infected or in isolation) were accompanied by the Bank's occupational physicians, as a complement to the NHS.

After the first months of the pandemic and once the response to the emergency had been ensured, an everyday approach to this context that was set to continue for an indefinite period of time was sought. The activities that had been suspended - namely, General and Family Medicine, Psychology, Psychiatry and Nutrition consultations, and the so-called "Meu Lado B"(My W Side- W of Well-Being) programme - were resumed, with adjustments to the situation. The purpose of the "Meu lado B" programme is to provide a holistic wellbeing to the Employees, through a set of initiatives - the Wellbeing experiences - deployed at 8 levels: Health, Food, Physical Exercise, Emotional Management, Family and Home, Interpersonal Relations, Personal Image, Culture and Leisure. A series of workshops, Conversations with Experts, and Lectures on these themes were made available in virtual format.

In addition to access to loan moratoria, a package of benefits was also made available to address possible financial needs experienced by Employees' families, including the possibility of prepaying 50% of the Christmas allowance, access to loans under special conditions to purchase IT equipment or pay for other education needs, access to Family Coaching sessions and psychological support. It should also be noted that during the initial state of emergency the Bank took care to minimise the impact of confinement on Employees and, among others, complemented the salary of Employees at home to care for children under 12.

At the end of the year, the Bank rewarded the employees who had been at the forefront of the emergency response by granting them two days of leave to be taken during 2021.

In terms of occupational health, the Bank also has clinical posts that offer a range of services in privileged support conditions to employees, both in preventive and curative terms.



**As part of our Covid-19 Prevention effort, we provided our employees around 1 494 hours of health and safety training.**

| Health Services   | 2018   | 2019   | 2020  | 2020 vs 2019 |
|---|--------|--------|-------|--------------|
| <b>Occupational Health - Occupational Medicine</b>          |        |        |       |              |
| Medical Exams   | 2 808  | 2 731  | 1 437 | - 47.4%      |
| <b>General Practice Consultations</b>                       |        |        |       |              |
| Curative Medicine consultations and prescriptions           | 18 966 | 10 296 | 9 444 | - 8.3%       |
| <b>Consultations in other medical specialities</b>          |        |        |       |              |
| Psychology Consultations and Psychiatric Consultations      | 1 043  | 1 061  | 751   | -29.2%       |
| Nutrition Consultations                                     | 820    | 945    | 348   | -63.2%       |
| <b>Nursing</b>  |        |        |       |              |
| Total procedures (treatments, vaccination, medication, ECG) | 7 373  | 8 984  | 5 760 | -35.9%       |
| <b>Risk Prevention and Control Programmes</b>               |        |        |       |              |
| Cardiovascular screening                                    | 2 319  | 2 314  | 1 064 | -55.4%       |
| Cancer screening  | 739    | 727    | 338   | -53.5%       |
| Vision screening  | 2 696  | 2 601  | 1 161 | - 55.4%      |
| Executive Check-up (senior executives)                      | 286    | 306    | 82    | -73.2%       |

In 2020 the number of occupational health examinations was significantly lower than in previous years. This is explained by the suspension of regular medical examinations between the end of March and the beginning of September due to the pandemic. During this period only onboarding and one-off examinations were performed.

In 2020 the absenteeism rate was 4.9%, which compares with 2.6% in 2019.

To provide the best response to the pandemic and maintain adequate working conditions, in 2020 NOVO BANCO provided appropriate and useful information to all its employees through different channels and took measures adjusted to both the commercial network and the central departments in order to minimise the transmission of the new coronavirus, namely the setting of conduct and social etiquette rules and the provision of personal protection of equipment.

For employees in telework, NOVO BANCO designed a set of tips and good practices for easier adaptation to this new working environment, not only in terms of individual good practices, but also covering team management and security, in order to ensure healthy working conditions and protect the physical and mental health of everyone.

In the area of occupational safety in the specific context of the pandemic, in 2020 NOVO BANCO conducted audits of the Central Buildings, where the larger number of employees is concentrated, the canteens and some branches, in order to check that the procedures and practices put in place in the context of the pandemic were being followed. In terms of safety and security at work, NOVO BANCO continues to assess the risks inherent to conditions in the workplace and the functions performed.



# Our Sustainable Business 4.0

Title: O Momento  
Author: Ana Ferreira



Sustainability is present in the manner in which NOVO BANCO manages its activity. The incorporation of environmental and social criteria in business expansion viewing the progressive transition to a low carbon economy, recognising the duty to support the community in which it operates, is an objective which NOVO BANCO proposes to achieve.

## 4.1 Listening to the stakeholders

Adjusting products and services to customer needs, new market trends and regulatory requirements has been the basis for the redefinition of NOVO BANCO's offer, which is increasingly more attuned to environmental, social and ethical concerns. The results obtained through the materiality matrix questionnaire and other channels at the disposal of the various stakeholders permitted to assess the concerns considered as material concerning the approach in which the Bank carries out its activity, including its value chain.

## 4.2 Sustainable products and services



The Bank is aware that the manner in which it carries out its business has an impact, not only on the community where it operates, but also at a wider level, i.e., on the Planet. For this reason, it always seeks to take into account not only the economic perspective, but also environmental and social ones, contributing to the construction of more ecological society based on equal opportunities.

The Bank's strategic plan designate a sustainable purpose, concerned with developing a business that promotes sustainability. New technologies contribute to reducing the direct impact of banking on the environment, but the indirect impact will also have to be reduced. Therefore, and in order to build a strong and lasting relationship with the clients and respond to their concerns about climate change, which were further increased by the Covid-19 pandemic, in 2019 the Bank signed the "Letter of Commitment for Sustainable Financing in Portugal", and in 2020 pursued its strategy of increasing the offer of products with environmental, social and social responsibility considerations.

In 2020, NOVO BANCO thus restructured its service accounts aimed at the day-to-day financial management of its clients and adjusted them to their new needs, while linking the 100% NB Account and 360º NB Account to social responsibility causes reflecting social, cultural and environmental concerns. When opening a NB 100% or NB 360º account, clients can choose which of the projects supported by NOVO BANCO they wish to follow:

### SEMEAR (Sow) Project

Social inclusion programme for young people and adults with intellectual and developmental difficulties organised by the BIPP Association. The programme provides certified training, and development of skills for employability and professional integration, in the processing and production of components from organic farming. This programme minimises the limitations of these young people and adults by encouraging them to develop their full potential and become autonomous.

### Este Espaço Que Habito (This space I Inhabit) Project

This project is promoted by the PHOTOGRAPHIC EXPRESSION MOVEMENT (MEF) in 5 Educational Centres hosting young people in compulsory internment, and uses photography as a technical and personal expression means to search for and develop one's own identity based on the spaces photographed. The project is developed in partnership with the Ministry of Justice and the Youth Justice Services.

### Recreational Toys Recycling Project

Developed by ZERO WASTE LAB, the project aims to help with the problem of what to make with discarded plastic toys. It promotes the recycling and circulation of plastic and other toy materials for new purposes and raises the awareness of and educates citizens about the problems arising from the increase in waste production.

More information at <https://www.novobanco.pt/site/cms.aspx?labelid=causas>

## 4.2.1 NB 18.25 Account and NB26.31 Account

In the context of transition to a low-carbon economy, the Bank aims to contribute to the promotion of sustainable investment practices in Portugal, and in so doing help accelerate the process of transition to a carbon neutral

economy by 2050. In this context and also to build a strong and lasting relationship with its clients, the Bank restructured the NB 18.31 account by adapting it to the needs of younger age groups and providing for the neutralisation of its carbon emissions. These accounts, designed to have a low environmental impact, are totally carbon neutral. This is due to the fact that they are online accounts and therefore have very low emissions, and because these emissions are neutralised in accordance with the PAS 2050:2008 methodology, which analyses the entire life cycle of products and services, to calculate the emissions produced. These accounts neutralise unavoidable emissions by supporting the Soil & More project, a green waste composting project in South Africa that not only reduces carbon emissions but also contributes social and economic benefits for local communities and sustainable development and Kamuthi project, a photovoltaic solar park project to replace the production of energy from coal plants. The NB 18.31, NB 18.25 and NB 26.31 accounts have an estimated carbon impact of about 944g CO<sub>2</sub>eq/year. At 31 December 2020, NOVO BANCO had 138,862 NB 18.31, NB 18.25 and NB26.31 Accounts with offset emissions, which corresponds to the neutralisation of 1 498 tonnes of CO<sub>2</sub>, of which 152 in 2020. These accounts have already permitted to neutralise the equivalent of emissions from 2,290 single return flights between Lisbon and London.

**We have already neutralized the equivalent to 2 290 round-trip single flights between Lisbon and London.**

## 4.2.2 ESG and NOVO BANCO ECO Structured Products

The Bank continued to strengthen its commitment to the marketing of structured products whose remuneration is indexed to the share performance of companies that stand out for leading social and governance changes towards environmental goals. The selection of companies to integrate these products is subject to a rigorous assessment process and criteria, which was further strengthened in 2020 not only in line with the Bank's risk policy, but also with industry-sector exclusion criteria (companies producing or selling tobacco, or engaged in coal mining and nuclear energy are not eligible), and criteria governing the exclusion of companies engaging in practices 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
- **Reduced the weight of their air polluting activity in the last 5 years by:** < 5%, or
- **Have no defined environmental objectives.**

The nine ESG structured savings products subscribed in 2020 represent an investment of €116.8 million, making up a cumulative investment of €268 million in subscriptions as at 31 December.

The ESG and NOVO BANCO ECO Structured Products account for 77.39% of the total structured product portfolio that NOVO BANCO makes available to its clients.

NOVO BANCO received the "Best Performance Distributor, Portugal" award, given by SRP (Structured Retail Products), of the Euromoney Group, seeing internationally recognized its Structured Products offer.

## 4.2.3 Credit products

The mortgage loans offer also has an environmental component whereby the client may benefit from a spread reduction when buying a property with A+, A or B certification. In 2020, there were 39 loans granted based on this criterion.

The 'Casa Eficiente' 2020 line (Efficient Home line) continues to be part of the offering, providing favourable conditions in transactions that promote the improvement of the environmental performance of private residential buildings.

NOVO BANCO also offers its small and medium company's customers the Credit Line for Decarbonization and Circular Economy, a credit line to finance the implementation of sustainable projects. This line of financing allows the investment in existing equipment by other more innovative, modern and efficient ones, investment in renewable sources for self-consumption in the production process or in circular strategies for any stage of the product / service life cycle, the implementation of monitoring, control and performance devices that allow optimizing the conditions of use, energy consumption and consumption of raw materials, among many others projects.

## 4.3 Financial Inclusion

The adaptation of products to the needs of customers also involves the progressive integration of social concerns. NOVO BANCO 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. In line with this positioning, the Bank has designed a package of Micro Savings solutions comprising three products, namely Planned Savings, Micro Savings and the Targeted Savings Smart app, under which a cumulative amount of €1 059 million in savings were reached in 2020.

This encouraged clients to adopt saving behaviours, through the regular deposit of small amounts, the rounding up of bills, or similar practices.

|  |  |  |
|--|--|--|
| <b>Planned Saving</b>                  | 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.   | 226 thousand subscriber clients<br>€1,039 million in savings |
| <b>Micro Saving</b>                    | This solution allows any client to start saving money by small amounts through the rounding up of debits of day-to-day expenses (such as residential mortgage loan instalments or personal loan repayments, insurance premiums, or direct debits), which are transferred to a savings account. | Used by ca. 42 thousand clients<br>€8.2 million in savings   |
| <b>NB smart app (Targeted savings)</b> | Launched in 2017, this is an exclusive product for Clients who have installed the NB smart app: once the Client has defined his/her saving objectives (how much and for how long he/she wants to save) the NB smart app traces the path to reach this objective.                               | 8.3 thousand subscriber clients<br>€11.2 million in savings  |

These products account for 4.7% of NOVO BANCO's total portfolio of saving products.

To expand the reach of financial services and consequently achieve wider social inclusion, the Bank offers the Minimum Banking Services Account, a current account providing a debit and a credit card, with an annual maintenance fee of €4.12. This account is intended 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;
- persons who hold other current accounts, but wish to open a minimum banking services account in which one of the holders is over 65 years old or is dependent on others.

In 2020 the Bank had 9.7 thousand Minimum Banking Services accounts.

Given the increasing digitisation of services and the difficulties experienced by older people in using digital channels, during the pandemic NOVO BANCO launched digital and financial literacy actions to teach people a clear and simple way of going to the Bank without actually having to go to a branch.

## 4.4 Suppliers

The management of a sustainable business extends to the Bank's entire value chain, including its suppliers. As a relevant buyer of products and services in the market, NOVO BANCO has set up a supplier relationship model (around €268 million invoiced to NOVO BANCO in 2020), which is based on a commitment to follow good international practices and principles. This model, which is based on the recognition of the importance of the economic, environmental and social impacts produced by this group of stakeholders, is based on two main pillars:

- **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;
- **Supplier Relationship Principles** - these principles aligned with the OECD guidelines for multinational companies and the United Nations Global Compact, setting the minimum requirements, not only for suppliers but also for the Bank, with regard to business practices, health and safety at work, ethics and environmental management. Supplier selection principles are based on:
  - Fairness - equal treatment, without privileges or cronyism, and always seeking to avoid conflicts of interest;
  - Transparency and Ethics - adequate disclosure of information;
  - Quality and Efficiency as criteria for selecting the best suppliers.

The signature of the Global Compact ten principles, issued by the United Nations as a result of a corporate citizenship initiative launched by Secretary-General Kofi Annan, and announced on 31 January 1999 at the World Economic Forum, were the basis for the design of the set of Supplier Relationship Principles residential buildings and the integration of sustainability in the Bank's value chain.

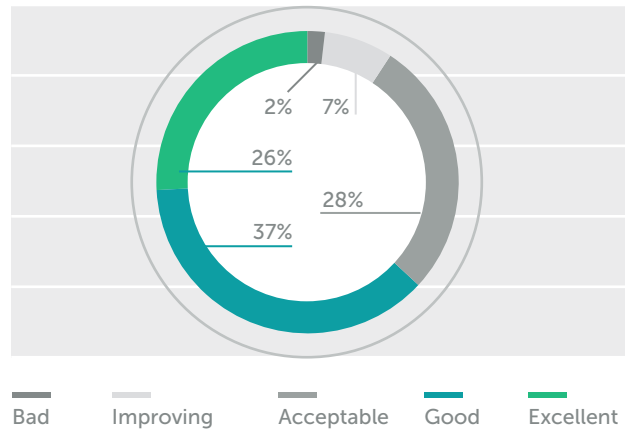
Group NOVO BANCO's suppliers are invited to subscribe to these principles, which imply the adoption of consistent conduct, namely with regards to the environment, employment conditions and ethics.

A responsible and consistent attitude in the selection of suppliers starts with the total availability with which all presentations and proposals from the most varied entities that intend to provide services or supply goods are received. 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 addition to providing the prime sourcing basis for market consultation processes, the database of registered entities allows for an easier and faster detection, assessment and comparison of the suppliers' characteristics, technical skills and commercial propositions.

The quality of this information permits to select the best propositions, i.e., the suppliers best capable of meeting the Group's needs and service requirements. The degree of suppliers' coverage, in terms of billing, that had completed their registration or were in the process of registering (pre-registered) in the Portal was 92% at 31 December 2020.

For a more rigorous selection of this group of Stakeholders and based on the information provided, NOVO BANCO calculates the "sustainability scoring", which takes into account ethical, labour, hygiene and safety at work, and environmental aspects. Around 26% of NOVO BANCO's suppliers registered in the Portal have a score of excellent and 91% have a positive score cumulatively, which compares with 83% in 2019.

### Sustainability Score (%)



**In 2020 we increased by 15% the number of suppliers with sustainability scoring; of these, 63% have an excellent or good scoring.**

domestic suppliers, which represented 88.2% of the total.

In 2020 the Bank's supplier management model earned the EIPM (European Institute of Purchasing Management) award in the 'Master of Business Continuity' category, an independent recognition that attests to the Bank's good performance in terms of organisation, innovation and respect for the environment and society.

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 Supplier Portal.

In line with its stance of support to the Portuguese economy, in 2020 the Bank increased its preference for

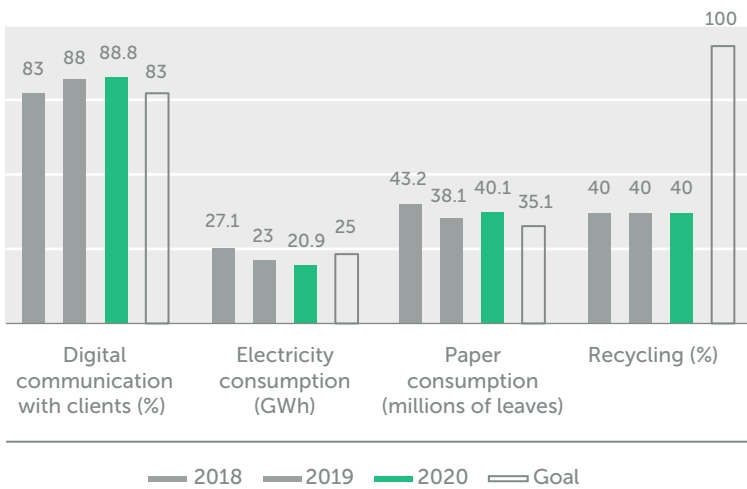
## 4.5 Environmental impact

The reduction of the direct environmental impact resulting from NOVO BANCO's activities, achieved through the implementation of various measures that promote the reduction of consumption, including the consumption of electricity and paper, among others, is part of the Bank's environmental responsibility.

Given its importance, the NOVO BANCO Social Dividend model comprises a commitment to give back to society and the Bank's employees (see pages 148 and 149), is included. Comprising 4 programmes, one of which is #NB Environment, it sets goals and monitors 5 indicators, viewing the consolidation of environmentally responsible management.

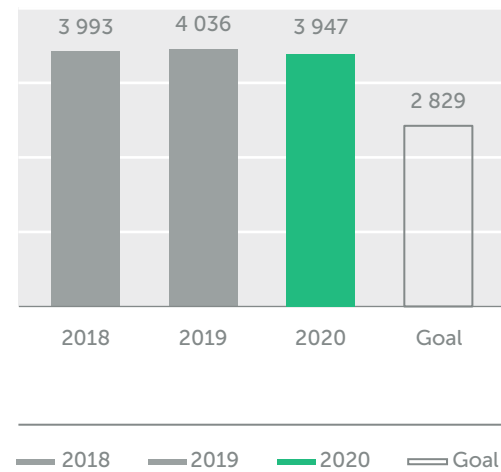
**In 2020 electricity consumption was reduced by around -8.6% compared to 2019.**

## #NB Environment



## #NB Environment

Cars CO<sub>2</sub> emissions (ton)



Of the five objectives, two have already been achieved – 88.8% of communications with clients is digital and electricity consumption has decreased to 21 GWh.

## 4.5.1 Environmental performance

NOVO BANCO has promoted different initiatives to improve its environmental performance, investing heavily in raising the awareness of its employees to the need to promote and integrate in their daily routines, an ethical and responsible management of the resources provided by the Bank.

Paper, in particular, has been under focus, as one of the most widely used consumables in the financial sector, whose rationalisation, both internally and externally, remains a must for the Bank. To this end, dematerialisation operations involving digitisation of processes have been carried out and will be further stepped up, while at the same time the Bank promotes actions to raise awareness among its employees, and to change their habits, both in the central departments and in the branch network.

In 2020, the Bank started its Phygital project, currently in a pilot phase, which involves the digitalisation of some processes and their formalisation through a digital signature and will help promote a paperless organisation with a paperless culture. The Bank expects that once the project has been rolled out to the entire commercial network and all the use cases have been completed, it will permit to reduce printing by approximately 8,5 million sheets of paper, the equivalent of 41 tons of paper.

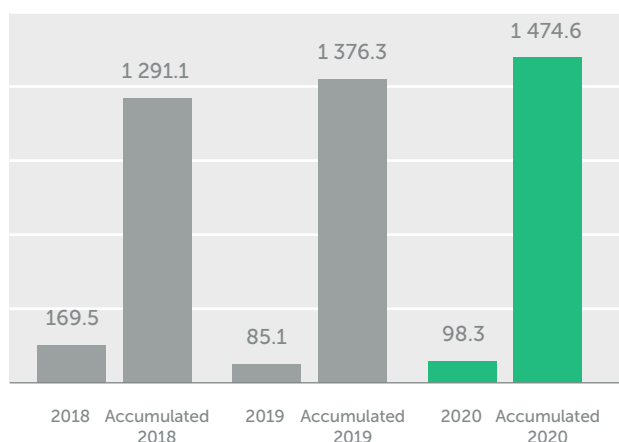
**46kg**  
PAPER/EMPLOYEE

**Through the Phygital project we will continue to reduce paper**

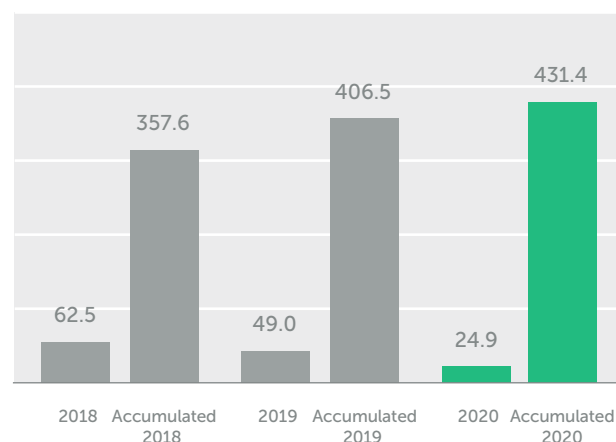
In 2020 the Bank used 199.6 tonnes of white paper and 109.8 tonnes of finishing forms and account statements, a year-on-year increase of 6% and 16% respectively.

As regards its external communication, and in addition to the account statements, NOVO BANCO also sends most other banking documents to its clients in digital format (credit card statements, deposit certificates, account entry notices, statements of securities and investment funds' portfolio movements and position, entry notices, integrated billing notices, and sundry notices). 88.8% of client communications are now digital, surpassing the 83% target set for 2020.

### # Accounts with digital statement (Million)



### # Credit card accounts with digital statements (Million)



In 2020, new measures for waste collection were implemented. For easy and adequate waste management, new containers were placed in all the Bank's central buildings, cafeterias and bars, differentiated according to the type of waste:

- Yellow container placed near the pantries, for packages;
- Green Covid-19 container, placed at the entrance to buildings, canteens and bars, for masks, gloves and tissues;
- Black container next to pantries and coffee machines, for undifferentiated rubbish.

The Bank continued to separate waste and promote its reuse and recycling, namely:

- paper and cardboard are separated, safely destroyed and sent for recycling;
- toner cartridges are recycled through Lexmark;
- waste separation in the clinical units.

| Environmental performance                                      | 2018       | 2019       | 2020       | 2020 vs 2019 |
|--|------------|------------|------------|--------------|
| <b>White paper</b>   |            |            |            |              |
| Internal use (tonnes)  | 215.3      | 188.8      | 199.6      | 5.8%         |
| Internal use (tonne/employee)                                  | 0.049      | 0.043      | 0.046      | 7.0%         |
| <b>Energy</b>  |            |            |            |              |
| <b>Total electricity</b>                                       |            |            |            |              |
| Total electricity consumption (GJ)                             | 97 456     | 82 138     | 75 098     | -8.6%        |
| Electricity consumption (kWh)                                  | 27 071 205 | 22 816 220 | 20 860 668 | -8.6%        |
| Total electricity consumption (kWh/employee)                   | 6 178      | 5 274      | 4 828      | -8.5%        |
| <b>Water</b>   |            |            |            |              |
| Water consumption from public supply network (m <sup>3</sup> ) | 56 552     | 56 145     | 45 394     | -19.1%       |
| Water consumption per employee (m <sup>3</sup> /employee)      | 12.9       | 13.0       | 10.5       | -19.1%       |

| Environmental performance              | 2018      | 2019      | 2020      | 2020 vs 2019 |
|--|-----------|-----------|-----------|--------------|
| <b>Trips</b>                           |           |           |           |              |
| Vehicles gasoline consumption (litres) | 840       | 21 140.4  | 840       | - 96.0%      |
| Vehicles gasoline consumption (GJ)     | 28        | 693       | 28        | -96.0%       |
| Vehicles diesel consumption (litres)   | 1 520 591 | 1 506 128 | 1 484 134 | - 3.4%       |
| Vehicles diesel consumption (GJ)       | 54 668    | 54 148    | 53 358    | - 3.4%       |
| Number of vehicles                     | 832       | 866       | 868       | 0.2%         |
| Number of flights                      | 615       | 762       | 331       | -56.6%       |
| <b>CO<sub>2</sub> Emissions</b>        |           |           |           |              |
| Direct emissions (Scope 1)             | 4 012.8   | 4 039     | 3 948.4   | -2.2%        |
| Indirect emissions (Scope 2)           | 9 089.0   | 5 828     | 4 240.6   | -27.2%       |
| Indirect emissions (Scope 3)           | 6 183.5   | 6 430.0   | 4 609.7   | -28.3%       |
| Total (Scopes 1, 2 and 3)              | 19 285.0  | 16 297.1  | 12 798.7  | -21.5%       |
| Total (Scopes 1, 2 and 3/employee)     | 4.4       | 3.7       | 3.0       | -18.9%       |

Being aware that there is a direct relationship between energy consumption and CO<sub>2</sub> emissions, NOVO BANCO monitors and calculates its direct and indirect emissions (Scope 1, 2 and 3) according to the guidelines of the Intergovernmental Panel on Climate Change (IPCC), and the WRI/WBCSD Greenhouse Gas Protocol. In 2020, the total CO<sub>2</sub> emissions decreased by 22% compared to 2019.

## 4.5.2 New Distribution Model

In 2020, the Bank rolled out a new distribution model, which included the redefinition of two branches and paid special attention to environmental responsibility, not only under the Phyigital project but also involving the dematerialisation of promotional communication to the clients. The branches' redesign was based on a choice of environmentally certified materials and companies, namely wood furniture with PEFC certification, which attests that the wood is sourced from sustainably managed forests.

Digital and lighting equipment were also chosen with a focus on energy efficiency. Through its New Distribution Model, the Bank makes available, in its Master and / or Full Service branches, bicycle parking supports produced exclusively with 30 kg of recycled plastic, promoting ecological mobility to its customers and employees.



**The New Distribution Model has environmental concerns**





# Our Responsible Conduct 5.0

Title: **Transparência**  
Author: **Joao Diogo Ribeiro**

For NOVO BANCO it is essential to conduct its activity with the firm resolve to give a positive contribution to the entire ecosystem within which it operates. This performance requires not only correctness in financial performance, but also a responsible performance that integrates social, environmental and ethical concerns in the interaction with all stakeholders. NOVO BANCO manages its business based on a governance model steered by integrity and policies and principles that ensure an effective and prudent management and the commitment to give back to society the fruit of its activity.

## 5.1 Governance Model

NOVO BANCO's entire activity is based on a strong and solid governance structure that enables effective, responsible and transparent decision making, in accordance with the provisions of the law and NOVO BANCO's corporate documents and regulations, which are published on the Bank's corporate governance website.

The Bank's statutory governing bodies - General Meeting, General and Supervisory Board, Executive Board of Directors, Monitoring Committee, Statutory Auditor and Company Secretary - are appointed for 4-year terms and may be re-elected once or more than once. Decision-making may be monitored by the different Committees of the General and Supervisory Board and Executive Board of Directors.

More information on NOVO BANCO's governance model is provided in chapter 6 CORPORATE GOVERNANCE of the Management Report.

## 5.2 Giving back to the community



In the Covid-19 pandemic context, NOVO BANCO considered that it had to reinforce its role as an active agent in the ecosystem to which it belongs, with a particular focus on "reviving the economy" and supporting the community. Under the slogan "The economy is all of us", the Bank put its experience and knowledge at the service of the players and decision-makers of the economic future of the country and shared with its clients and society in general, specialised and technical information, which it considered could support decision-making in the pandemic context and in the preparation for the post-Covid.

This led to the development of several initiatives, such as:

### NB Marketplace

A free-of-charge online shopping platform where the products and services of some of the Bank's small business clients are made available to the population at large. Under this concept, NOVO BANCO helps its small business clients to open a new sales channel, and in turn to buy products from local suppliers, thus supporting the local community and economy.

### GPS

Publication featuring macroeconomic updates, trends in consumer behaviour patterns, financial markets outlook, among others.

### Open to Information and the economy

"Open to Information", a cycle of daily conversations at TSF, a Portuguese radio station in 3 editions where employees of the Bank shared forecasts and economic scenarios, among others, for different sectors of activity, and for consumption and new habits, thus placing their knowledge at the service of society.  
 "Open to the economy", a cycle of twelve webtalks in partnership with ECO, a Portuguese newspaper where the various dimensions and effects of Covid-19 in different economic contexts were reviewed.

### Summits

During the pandemic, the Bank continued its unprecedented project to highlight regional entrepreneurs, businesses and other relevant entities, through Regional and Sector-specific Summits. During 2020, it held 4 Summits, 3 in webinar format, supporting companies that persevere and reinvent themselves, despite the adversities, setting an example to the rest of the business community.

## 5.2.1 Social Dividend

In 2020, the first edition Corporate Social Responsibility (CSR) programme - a commitment to give back made by NOVO BANCO to society and its employees -, created in 2017 and known as the Social Dividend model, came to an end. Composed of 4 programmes - #NB Equal Gender/#NB Work & Life/#NB Environment/#NB Social Responsibility -, with specific goals to be achieved by 2020, for four years it had a reference role in the Bank's CSR structure.

In 2020, the goal of 200 points for 2020 were surpassed in 2 points. Several initiatives achieved very good results, namely: leaves on special days, Home Office, Early Friday/Late Monday, take away meals, percentage of digital communication to customers, electricity consumption, and cultural patronage.

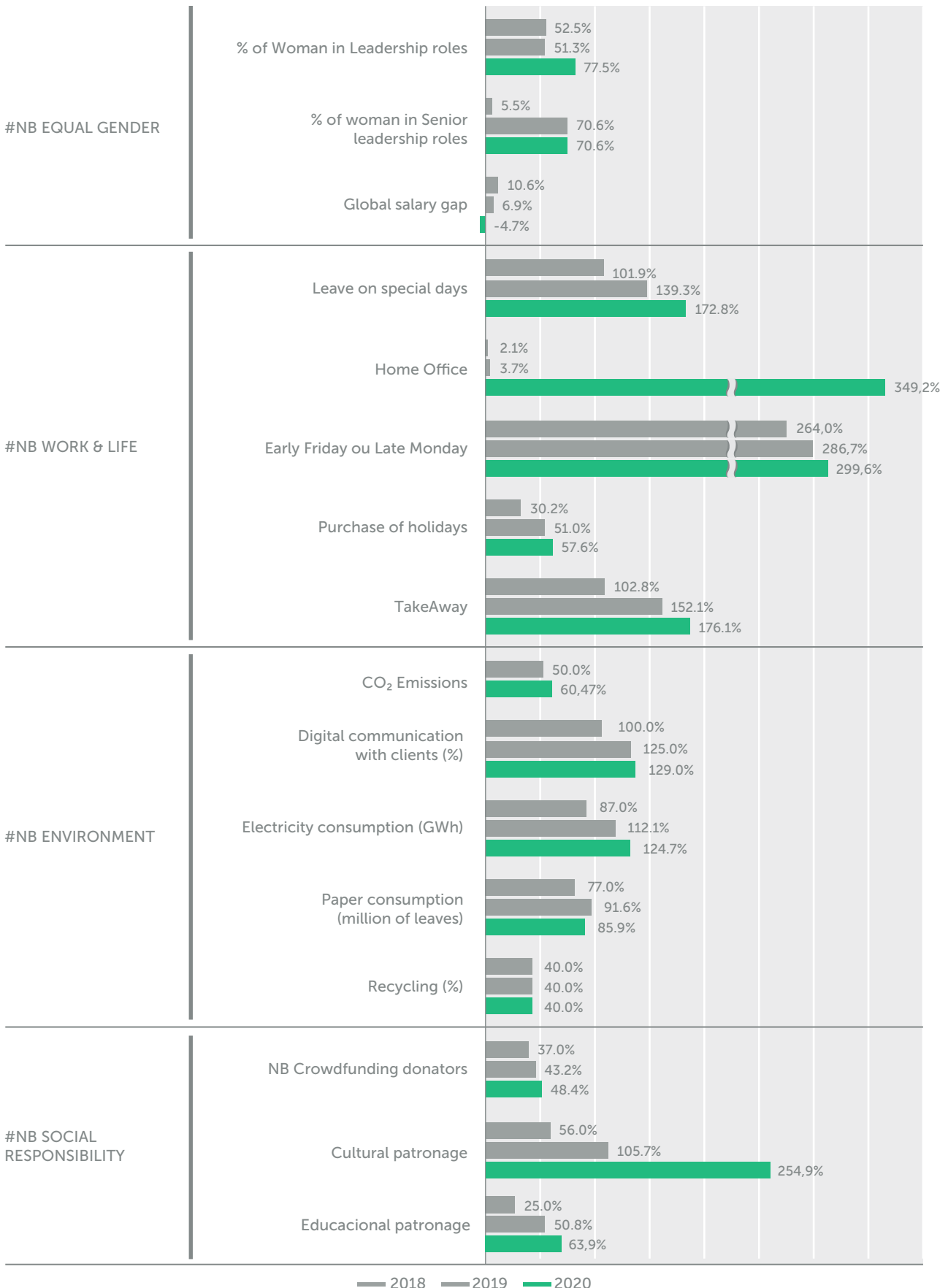
The Social Dividend model includes the #NB Social Responsibility programme, which monitors 3 indicators, and under which the NOVO BANCO Revelação initiative had a very good performance. Participation in the other initiatives was reduced, given the current context. In the case of the Mathematics Olympics, this involved postponing the final phase of its 38th edition to September, holding just one test instead of the usual two, and holding it in five different locations due to social distancing requirements.

The #NB Social Responsibility programme gave continuity to the Corporate Social Responsibility architecture, with the aim of helping devise solutions for important issues within the community in which the Bank operates. This programme is deployed in three areas, namely:

- Cultural patronage, to promote and spread culture throughout the country;
- Solidarity, promoting solidarity initiatives or under partnerships with a diverse range of private social solidarity institutions ("IPSS") and NGOs;
- Financial Inclusion, in close collaboration with the Portuguese Mathematics Society.

In 2020, given the adverse context created by the pandemic, the Bank focused its activity on helping the community and showing the utmost sense of social responsibility through a number of different initiatives.

**Social Dividend**  
(% of objective reached)



— 2018 — 2019 — 2020

## 5.2.2 NOVO BANCO Solidary

The NOVO BANCO Solidary programme, through which the Bank aims to help overcome financial, social and emotional needs, on its own or in partnership with IPSS and/or NGOs, saw its scope of action enlarged in 2020 due to the social, health and financial fragility of the community and their needs arising from the Covid-19 situation, which the Bank sought to respond to by joining efforts in various incentives:

### “Amigos são para as ocasiões” (A friend in need is a friend indeed) Project

NOVO BANCO has joined AMI, a long-standing partner, in its “A friend in need is a friend indeed” project, a fund-raising initiative calling on voluntary work to help the beneficiaries of this association, namely elderly people living alone, single-parent families with minor children and people at risk or with chronic diseases, which in the Covid-19 context became even more vulnerable, suffering from social exclusion and having no family support network. In this campaign the Bank helped around 390 beneficiaries of the AMI association during two months, in seven Portuguese cities, through the delivery of approximately 920 baskets containing food, hygiene and health items to meet the needs of each beneficiary for 15 days. 170 volunteers cooperated in this initiative. The results of this campaign were positive, and none of the AMI’s beneficiaries at risk was contaminated by COVID 19.

### SOS COVID-19 Account

NOVO BANCO has joined a fund-raising initiative of Associação Empresarial de Portugal (AEP) in partnership with the Ordem dos Médicos (Portuguese Medical Association) to assist health professionals and to build an infectious disease unit at S. João Hospital, in Porto. To this end, an account was opened at NOVO BANCO to collect the donations, to which the Bank contributed with €30 thousand. In addition, given the increase in requests for food support from users of the National Health Service, part of the money raised with this campaign was donated to the Food Bank against Hunger.

### Acquisition of Ventilators

NOVO BANCO joined the Portuguese Association of Banks and its member banks in an effort to reinforce the means at the disposal of health professionals to treat citizens infected by Covid-19. The funds raised were donated to the National Health Service for the acquisition of 100 fans and 100 monitors.

### Global Response to Covid-19

NOVO BANCO joined the “Global Response to Covid-19” initiative, through which Portugal will contribute €10 million to accelerate the development, production and equitable access to Covid-19 vaccines, diagnostics and treatments. Launched in April 2020, this campaign, which brought together European and global organisations and foundations from the health, retail, banking and other industry sectors, committed to the development of solutions to combat Covid-19, raised to €7.5 billion to finance diagnosis, therapies, treatment and vaccine development activities aimed at finding solutions to fight Covid-19.

Despite the context, the bank maintained some of its solidarity initiatives, such as the NOVO BANCO Christmas campaign, which this year had a new focus, namely helping the national economy.

At the Bank, Christmas began with the usual solidarity initiative which every year gathers the employees around a common cause. In 2020, the Bank selected the "Barrete de Natal Solidário" (Christmas Solidarity Bonnet) campaign, of the Salvador Association, a fund-raising campaign aimed at supporting people with reduced mobility. In exchange for a donation of 2 euros, each employee received a Christmas Bonnet. Around 1,100 employees participated in the initiative, raising among them approximately €4,500.

The novelty of NOVO BANCO's 2020 Christmas campaign was the Christmas basket offered to its employees, made up entirely of Portuguese products produced by NOVO BANCO's client companies, in line with its positioning of support to the national economy, under the motto "This is Portugal that does, and This is the Bank that helps you to do", in which the Bank assumes a clear positioning of support and encouragement of the national businesses that contribute to the country's development. In this manner the Bank enhanced its support to the community by helping small businesses to further their capacity to innovate, reinvent and turn difficulties into opportunities.

In 2020, the Bank launched a page in its website aimed at its clients, employees and society where it publishes advice, recommendations and the initiatives taken in the context of Covid-19, all with the intent of being of help in the present situation.

## 5.2.3 Cultural Patronage

Even in the context of a pandemic, NOVO BANCO pursued its strategy of cultural patronage, namely focusing on its NOVO BANCO Cultura programme, under which it lent works from its collection to various Museums. In 2020, the Bank lent 24 works, increasing to 75 the number of its works now on permanent exhibition in 33 Museums around the country. The Bank also published a platform with a road map to various regions and museums in the country, where the works of the NOVO BANCO Painting Collection can be visited.

In terms of photography, the NOVO BANCO Photography Collection was included in the study group of the International Association of Corporate Collections (IACCCA), affording recognition to the techniques and practises used in the Bank's collection. Comprising approximately 1,000 works by more than 300 artists of 38 nationalities from all over the world, NOVO BANCO's Contemporary Photography Collection is one of the corporate collections in Europe that has won more awards.

Two exhibitions featuring works from the Photography Collection were opened this year, namely Vick Muniz's show at the Nova School of Business and Economics and the "Solar Territory" Exhibition at the Faro Museum.

In 2020, the exhibition of the 2019 edition of the REFLEX photo competition, of the Cais Association - an initiative supported by the Bank since its first edition - was inaugurated at the Estufa Fria, Lisbon. The competition, under the theme 'World with Future Exhibition' received more than 150 applications, and around 370 photographs, which aimed to portray positive and sustainable initiatives aimed at counteracting the uncertain future arising from climate change and the scarcity of resources, translating into photography the small and big actions that can make a difference at the environmental level and that prove that change is possible if we expand our gestures.



# Our Performance 6.0

Title: Plantar o Futuro  
Author: Marta Vieira Pereira

NOVO BANCO manages its business by constant monitoring financial and non-financial data, which allows it to gauge its performance, not only financial, but also at social, environmental and corporate governance level. Monitoring social, environmental and corporate governance indicators over time is essential for the Bank to assess its progress and adjust its action plan in order to achieve the best results.

## 6.1 Social Indicators

| Total staff                                   | 2018         | 2019         | 2020        | 2020 vs 2019 |
|---|--------------|--------------|-------------|--------------|
| <b>Total NOVO BANCO Employees in Portugal</b> | <b>4 382</b> | <b>4 326</b> | <b>4321</b> | <b>-0.1%</b> |

| Employment contract | 2018         | 2019         | 2020         | 2020 vs 2019  |
|---------------------|--------------|--------------|--------------|---------------|
| <b>Permanent</b>    | <b>4 268</b> | <b>4 130</b> | <b>4 093</b> | <b>-0.9%</b>  |
| Women               | 2 210        | 2 153        | 2 176        | 1.1%          |
| Men                 | 2 058        | 1 977        | 1 917        | -3.0%         |
| <b>Fixed-term</b>   | <b>49</b>    | <b>84</b>    | <b>146</b>   | <b>-73.8%</b> |
| Women               | 30           | 54           | 85           | 57.4%         |
| Men                 | 19           | 30           | 61           | 103.3%        |
| <b>Temporary</b>    | <b>49</b>    | <b>59</b>    | <b>34</b>    | <b>-42.4%</b> |
| Women               | 27           | 39           | 23           | -41.0%        |
| Men                 | 22           | 20           | 11           | -45.0%        |
| <b>Internships</b>  | <b>14</b>    | <b>51</b>    | <b>47</b>    | <b>-7.8%</b>  |
| Women               | 7            | 26           | 29           | 11.5%         |
| Men                 | 7            | 25           | 18           | -28.0%        |
| <b>Other</b>        | <b>2</b>     | <b>2</b>     | <b>1</b>     | <b>-50.0%</b> |
| Women               | 0            | 0            | 0            | 0             |
| Men                 | 2            | 2            | 1            | -50.0%        |

Approximately 95% of NOVO BANCO's employees work on permanent employment contracts, which gives them greater professional stability, and only 3.4% work on fixed-term contracts.



| Staff Turnover (%) | 2018       | 2019       | 2020       | 2020 vs 2019    |
|--------------------|------------|------------|------------|-----------------|
| <b>Total</b>       | <b>3.9</b> | <b>5.8</b> | <b>7.4</b> | <b>1.6 p.p.</b> |
| <b>Gender</b>      |            |            |            |                 |
| Women              | 4.0        | 6.2        | 6.8        | 0.6 p.p.        |
| Men                | 3.8        | 5.2        | 8.0        | 2.8 p.p.        |
| <b>Age bracket</b> |            |            |            |                 |
| < 30 years old     | 36.4       | 63.0       | 45.3       | -17.7 p.p.      |
| 30 to 50 years old | 2.8        | 3.0        | 3.0        | -               |
| > 50 years old     | 2.8        | 5.6        | 9.6        | 4 p.p.          |

| New hires and new hires rate (%) | 2018       | 2019       | 2020       | 2020 Absolute values | 2020 vs 2019    |
|----------------------------------|------------|------------|------------|----------------------|-----------------|
| <b>Total</b>                     | <b>2.7</b> | <b>6.7</b> | <b>7.3</b> | <b>317</b>           | <b>0.6 p.p.</b> |
| <b>Gender</b>                    |            |            |            |                      |                 |
| Women                            | 2.7        | 7.6        | 6.8        | 138                  | -0.5 p.p.       |
| Men                              | 2.7        | 5.7        | 8.0        | 179                  | 2.3 p.p.        |
| <b>Age bracket</b>               |            |            |            |                      |                 |
| < 30 years old                   | 50.3       | 94.1       | 45.3       | 178                  | -48.4 p.p.      |
| 30 to 50 years old               | 1.2        | 2.5        | 3.0        | 114                  | 0.5%            |
| > 50 years old                   | 0.3        | 0.6        | 9.6        | 24                   | 9.0 p.p.        |

| Admissions and resignations | 2018       |              | 2019       |              | 2020       |              | 2020 vs 2019 |              |
|-----------------------------|------------|--------------|------------|--------------|------------|--------------|--------------|--------------|
|                             | Admissions | Resignations | Admissions | Resignations | Admissions | Resignations | Admissions   | Resignations |
| <b>Gender</b>               | <b>130</b> | <b>469</b>   | <b>267</b> | <b>323</b>   | <b>317</b> | <b>322</b>   | <b>18.7%</b> | <b>-0.3%</b> |
| <b>Women</b>                |            |              |            |              |            |              |              |              |
| Women                       | 70         | 259          | 113        | 164          | 138        | 185          | 22.1%        | 12.8%        |
| Men                         | 60         | 210          | 154        | 159          | 179        | 137          | 16.2%        | -13.8%       |
| <b>Age bracket</b>          |            |              |            |              |            |              |              |              |
| < 30 years old              | 81         | 43           | 163        | 71           | 178        | 82           | 9.2%         | 15.5%        |
| 30 to 50 years old          | 45         | 180          | 95         | 137          | 114        | 65           | 20.0%        | -52.6%       |
| > 50 years old              | 4          | 246          | 9          | 115          | 25         | 175          | 117.8%       | -52.2%       |

| Training hours / employee    | 2018           |                      | 2019           |                      | 2020           |                      | 2020 vs 2019 |                      |
|------------------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|--------------|----------------------|
|                              | Total          | Average per employee | Total          | Average per employee | Total          | Average per employee | Total        | Average per employee |
| <b>Total</b>                 | <b>275 183</b> | <b>62.7</b>          | <b>200 545</b> | <b>46.4</b>          | <b>194 924</b> | <b>45.1</b>          | <b>-2.8%</b> | <b>-10.6%</b>        |
| <b>Gender</b>                |                |                      |                |                      |                |                      |              |                      |
| Women                        | 135 039        | 61.6                 | 109 365        | 48.1                 | 107 522        | 46.5                 | -1.7%        | -3.3%                |
| Men                          | 140 143        | 64.1                 | 91 181         | 44.4                 | 87 403         | 43.5                 | -4.1%        | -2.0%                |
| <b>Professional Category</b> |                |                      |                |                      |                |                      |              |                      |
| Management                   | 25 377         | 58.3                 | 16 807         | 44.8                 | 7 822          | 20.5                 | -53.5%       | -54.2%               |
| Heads of Department          | 38 697         | 87.7                 | 17 107         | 31.3                 | 22 048         | 45.6                 | 28.9%        | 45.7%                |
| Specific                     | 120 150        | 63.6                 | 77 811         | 37.6                 | 86 432         | 41.6                 | 11.1%        | 10.6%                |
| Administrative               | 90 916         | 56.9                 | 88 820         | 67.2                 | 78 622         | 57.6                 | -11.5%       | -14.3%               |
| Auxiliary                    | 42             | 2.2                  | 0              | 0                    | 0              | 0                    | -            | -                    |

| Employee distribution by gender and professional categories | 2018               | 2019               | 2020               | 2020 vs 2019  |
|---|--------------------|--------------------|--------------------|---------------|
| <b>Total</b>  | <b>4 382</b>       | <b>4 326</b>       | <b>4 321</b>       | <b>- 0.1%</b> |
| Men   | 2 108 (48.1%)      | 2 054 (47.5%)      | 2 008 (46.5%)      | -2.2%         |
| Women   | 2 274 (51.9%)      | 2 272 (52.5%)      | 2 312 (53.5%)      | 1.8%          |
| <b>Management</b>   | <b>435 (9.9%)</b>  | <b>375 (8.7%)</b>  | <b>382 (8.8%)</b>  | <b>1.9%</b>   |
| Men   | 278 (63.9%)        | 245 (65.3%)        | 236 (61.8%)        | -3.7%         |
| Women   | 157 (36.1%)        | 130 (34.7%)        | 146 (38.2%)        | 12.7%         |
| < 30 years old  | 0 (0.0%)           | 3 (0.8%)           | 1 (0.3%)           | 0.3%          |
| 30 to 50 years old  | 287 (66.0%)        | 249 (66.4%)        | 261 (68.3%)        | 68.3%         |
| > 50 years old  | 148 (34.0%)        | 123 (32.8%)        | 120(31.4%)         | 31.4%         |
| <b>Heads of Department</b>                                  | <b>441 (10.1%)</b> | <b>546 (12.6%)</b> | <b>484 (11.2%)</b> | <b>-11.4%</b> |
| Men   | 261 (59.2%)        | 314 (57.5%)        | 271 (56.0%)        | -13.7%        |
| Women   | 180 (40.8%)        | 232 (42.5%)        | 213 (44%)          | -8.2%         |
| < 30 years old  | 0 (0.0%)           | 0 (0.0%)           | 0 (0.0%)           | -             |
| 30 to 50 years old  | 357 (81.0%)        | 424 (77.7%)        | 362 (74.8%)        | -17.1%        |
| > 50 years old  | 84 (19.0%)         | 122 (22.3%)        | 122 (25.2%)        | 0.0%          |

| Employee distribution by gender and professional categories | 2018                 | 2019                 | 2020                 | 2020 vs 2019  |
|---|----------------------|----------------------|----------------------|---------------|
| <b>Specific</b>   | <b>1 889 (43.1%)</b> | <b>2 070 (47.9%)</b> | <b>2 078 (48.1%)</b> | <b>0.4%</b>   |
| Men   | 882 (46.7%)          | 925 (44.7%)          | 931 (44.8%)          | 0.6%          |
| Women   | 1 007 (53.3%)        | 1 145 (55.3%)        | 1 147 (55.2%)        | 0.2%          |
| < 30 years old  | 60 (3.2%)            | 112 (5.4%)           | 152 (7.3%)           | 35.7%         |
| 30 to 50 years old  | 1 551 (82.1%)        | 1 601 (77.3%)        | 1 550 (74.6%)        | -3.2%         |
| > 50 years old  | 278 (14.7%)          | 357 (17.2%)          | 376 (18.1%)          | 5.3%          |
| <b>Administrative</b>                                       | <b>1 598 (36.5%)</b> | <b>1 322 (30.6%)</b> | <b>1 366 (31.6%)</b> | <b>1.1%</b>   |
| Men   | 672 (42.1%)          | 559 (42.3%)          | 559 (40.9%)          | 0.0%          |
| Women   | 926 (57.9%)          | 763 (57.7%)          | 807 (59.1%)          | 5.8%          |
| < 30 years old  | 86 (5.4%)            | 104 (7.9%)           | 134 (9.8%)           | 28.8%         |
| 30 to 50 years old  | 1 093 (68.4%)        | 812 (61.4%)          | 820 (60%)            | 1.0%          |
| > 50 years old  | 419 (26.2%)          | 406 (30.7%)          | 413 (30.2%)          | 1.7%          |
| <b>Auxiliary</b>  | <b>19 (0.4%)</b>     | <b>13 (0.3%)</b>     | <b>11 (0.3%)</b>     | <b>-15.4%</b> |
| Men   | 15 (78.9%)           | 11 (84.6%)           | 11 (100%)            | 0.0%          |
| Women   | 4 (21.1%)            | 2 (15.4%)            | 0 (0.0%)             | -100%         |
| < 30 years old  | 1 (5.3%)             | 1 (7.7%)             | 0 (0.0%)             | -100%         |
| 30 to 50 years old  | 9 (47.4%)            | 5 (38.5%)            | 4 (40.0%)            | -20%          |
| > 50 years old  | 9 (47.7%)            | 7(53.8%)             | 6 (60.0%)            | 16.7%         |

| Health in the workplace   | 2018  | 2019  | 2020  | 2020 vs 2019 |
|---------------------------|-------|-------|-------|--------------|
| Cardiovascular screenings | 2 319 | 2 314 | 1 064 | -55.4%       |
| Cancer screening          |       |       |       |              |
| Mammography               | 151   | 140   | 70    | - 50.0%      |
| PSA screenings            | 588   | 587   | 268   | -54.3%       |
| Vision screening          | 2 696 | 2 601 | 1 161 | 55.4%        |
| Executive Check-ups       | 286   | 306   | 82    | 73.2%        |

| Parental Leave  | 2018  |       | 2019  |       | 2020  |       | 2020 vs 2019 |          |
|---|-------|-------|-------|-------|-------|-------|--------------|----------|
|   | Men   | Woman | Men   | Woman | Men   | Woman | Men          | Woman    |
| Employees entitled to parental leave                      | 4 382 |       | 4 326 |       | 4 321 |       | -0.1%        |          |
| Employees who took parental leave                         | 84    | 138   | 81    | 124   | 72    | 122   | -11.1%       | -1.6%    |
| Employees who returned to work after parental leave ended | 84    | 88    | 80    | 83    | 71    | 92    | -11.3%       | .10.8%   |
| Return to work rate                                       | 100%  | 63.8% | 98.8% | 66.9% | 98.6% | 75.4% | -0.2 p.p.    | 5.5 p.p. |

| Health and Safety Indicators  | 2018        | 2019        | 2020        | 2020 vs 2019     |
|-------------------------------|-------------|-------------|-------------|------------------|
| <b>Work related accidents</b> | <b>22</b>   | <b>54</b>   | <b>29</b>   | <b>-26.3%</b>    |
| Men                           | 7           | 37          | 17          | -35.3%           |
| Women                         | 15          | 17          | 37          | -46.3%           |
| <b>Occupational diseases</b>  | <b>0</b>    | <b>0</b>    | <b>0</b>    | <b>-</b>         |
| Men                           | 0           | 0           | 0           | -                |
| Women                         | 0           | 0           | 0           | -                |
| <b>Deaths</b>                 | <b>0</b>    | <b>0</b>    | <b>0</b>    | <b>-</b>         |
| Men                           | 0           | 0           | 0           | -                |
| Women                         | 0           | 0           | 0           | -                |
| <b>Accident rate</b>          | <b>3.0%</b> | <b>7.7%</b> | <b>4.1%</b> | <b>- 3.7p.p.</b> |
| Men                           | 1.9%        | 5.0%        | 3.2%        | - 1.8 p.p.       |
| Women                         | 4.0%        | 10.2%       | 4.9%        | - 3.9 p.p.       |
| <b>Lost days rate</b>         | <b>0.1%</b> | <b>0.1%</b> | <b>0.0%</b> |                  |
| Men                           | 0.03%       | 0.06%       | 0.03%       | 0.03 p.p.        |
| Women                         | 0.19%       | 0.11%       | 0.09%       | 0.02 p.p.        |
| <b>Absenteeism rate</b>       | <b>2.3%</b> | <b>2.6%</b> | <b>4.9%</b> | <b>2.3 p.p.</b>  |
| Men                           | 1.8%        | 2.0%        | 3.2%        | 1.2 p.p.         |
| Women                         | 2.7%        | 3.2%        | 6.3%        | 3.1 p.p.         |

| Health and safety training         | 2018  | 2019 | 2020  | 2020 vs 2019 |
|------------------------------------|-------|------|-------|--------------|
| Number of hours of health training | 181   | 81   | 113   | 39.5%        |
| Number of hours of safety training | 1 257 | 81   | 1 381 | 1 650.2%     |

## 6.2 Environmental Indicators

| Environmental Indicators - Materials consumed       | 2018         | 2019         | 2020         | 2020 vs 2019 |
|---|--------------|--------------|--------------|--------------|
| <b>White paper</b>                                  |              |              |              |              |
| Internal use (tonnes)                               | 215.3        | 188.8        | 199.6        | 5.76%        |
| Internal use (tonne/employee)                       | 0.049        | 0.043        | 0.046        | 7.0%         |
| <b>Forms - printing and finishing area (tonnes)</b> | <b>116.4</b> | <b>94.6</b>  | <b>109.7</b> | <b>16.0%</b> |
| <b>IT and electronic consumables</b>                |              |              |              |              |
| Toner cartridges (units)                            | 41           | 13           | 3            | -82.1%       |
| Ink cartridges (units)                              | 245          | 23           | 36           | 52.6%        |
| Bands (units)                                       | 4 237        | 484          | 1 061        | 119.0%       |
| DVD/CDRom (units)                                   | 2 340        | 735          | 1 630        | 121.7%       |
| Batteries   | 2 742        | 1 499        | 2 402        | 60.2%        |
| <b>Total IT and electronic consumables</b>          | <b>5 641</b> | <b>2 754</b> | <b>5 218</b> | <b>86.3%</b> |

| Environmental Indicators - Energy           | 2018       | 2019       | 2020       | 2020 vs 2019 |
|---|------------|------------|------------|--------------|
| <b>Total electricity</b>                    |            |            |            |              |
| Total electricity consumption (GJ)          | 97 456     | 82 138     | 75 098     | -8.6%        |
| Electricity consumption (kWh)               | 27 071 205 | 22 816 220 | 20 860 668 | -8.6%        |
| <b>Data Centre</b>                          |            |            |            |              |
| Electricity consumption (GJ)                | 27 495     | 5 076*     | na         | -            |
| Electricity consumption (kWh)*              | 7 637 400  | 1 409 929* | na         | -            |
| Electricity consumption (kWh/employee)      | 6 178      | 5 274*     | 4 828      | -8.5%        |
| <b>Natural gas**</b>                        |            |            |            |              |
| Natural gas consumption (GJ)                | 256        | na         | na         | -            |
| Natural gas consumption (N.m <sup>3</sup> ) | 6 663      | na         | na         | -            |
| <b>Propane gas**</b>                        |            |            |            |              |
| Propane gas consumption (GJ)                | 70         | na         | na         | -            |
| Propane gas consumption (kg)                | 1 485      | na         | na         | -            |
| <b>Diesel***</b>                            |            |            |            |              |
| Generator diesel consumption (litres)       | 400        | 1 135      | 400        | -65%         |
| Generator diesel consumption (GJ)           | 14         | 41         | 14         | -66%         |
| Vehicles diesel consumption (litres)        | 1 520 591  | 1 506 128  | 1 484 134  | - 3.4%       |
| Vehicles diesel consumption (GJ)            | 54 668     | 54 148     | 53 358     | -1.5%        |
| <b>Gasoline</b>                             |            |            |            |              |
| Vehicles gasoline consumption (litres)      | 840        | 21 140.4   | 840        | 96.0%        |
| Vehicles gasoline consumption (GJ)          | 28         | 693        | 28         | 96.0%        |
| Total energy consumption (GJ)               | 152 493    | 137 021    | 128 498    | -6.2%        |
| <b>Trips</b>                                |            |            |            |              |
| Number of vehicles                          | 832        | 866        | 868        | 0.2%         |
| Number of flights                           | 615        | 762        | 331        | -56.6%       |

Na - non applicable

\*Includes Data Centre up to July 2019

\*\* In 2019 NOVO BANCO decommissioned its canteen at Carnaxide and therefore ceased to consume propane gas.

\*\*\* Diesel consumption in 2019 is an estimate based on the number of hours generators were operating. In 2018 only the consumption of two generators had been reported, which explains the increase in 2019.

| Environmental Indicators - Emissions (tCO <sub>2</sub> e)*                     | 2018            | 2019            | 2020            | 2020 vs 2019  |
|--|-----------------|-----------------|-----------------|---------------|
| <b>Direct emissions (Scope 1)</b>  | <b>4 012.8</b>  | <b>4 039.0</b>  | 3 948.4         | -2.3%         |
| Emissions from trips in company cars   | 3 993           | 4 036.0         | 3 947.3         | -0.6%         |
| Emissions from natural gas and butane gas kitchen equipment                    | 18.7            | 0               | 0               | 0.00%         |
| Emissions from emergency generators  | 1.1             | 3.0             | 1.1             | -64.6%        |
| <b>Indirect emissions (Scope 2)**</b>  | <b>9 089.0</b>  | <b>5 828</b>    | <b>4 240.6</b>  | <b>-4.8%</b>  |
| Emissions from the production of electricity purchased (market-based method)   | 9 089.0         | 5 828           | 4 240.6         | -4.8%         |
| Emissions from the production of electricity purchased (Location based method) | 9 800           | 5 336           | 3 524.9         | -36.6%        |
| <b>Total (Scopes 1 and 2)</b>  | <b>13 101.8</b> | <b>9 867.1</b>  | <b>8 189.0</b>  | <b>-17.1%</b> |
| <b>Indirect emissions (Scope 3)</b>  | <b>6 183.5</b>  | <b>6 430.0</b>  | 4 609.7         | -28.3%        |
| Emissions from Employees' business trips, including flights                    | 323.8           | 405.3           | 139.2           | -65.7%        |
| Emissions from employees' home/ work daily trips***                            | 5 696.0         | 5 973.0         | 4 323.1         | -27.6%        |
| Emissions from wastewater treatment***   | 52.4            | 51.7            | 38.9            | -24.8%        |
| Emissions in the life cycle of paper consumed ***                              |                 |                 | 93.9            | -             |
| Emissions in the paper recycling process ***                                   |                 |                 | 3.6             | -             |
| Emissions from water consumption ***   |                 |                 | 12.0            | -             |
| <b>Total (Scopes 1, 2 and 3)</b>   | <b>19 285.0</b> | <b>16 297.1</b> | <b>12 798.7</b> | <b>-21.5%</b> |

\*See methodological notes in GRI table.

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

\*\*\* Activities whose emissions started to be calculated in 2020

| Environmental Indicators - Water consumption                   | 2018   | 2019   | 2020   | 2020 vs 2019 |
|--|--------|--------|--------|--------------|
| Water consumption from public supply network (m <sup>3</sup> ) | 56 552 | 56 145 | 45 394 | -19.1%       |
| Water consumption per employee (m <sup>3</sup> /employee)      | 12.9   | 13.0   | 10.5   | -19.1%       |

| Environmental Indicators - Waste management                  | 2018         | 2019         | 2020      | 2020 vs 2019 |
|--|--------------|--------------|-----------|--------------|
| Paper sent for recycling (tonnes)                            | 434.2        | 265.6        | 106.1     | -60.1%       |
| Cardboard sent for recycling (tonnes)                        | 60.3         | 10.6         | 61.3      | 476.0%       |
| Toner cartridges (units)                                     | 41           | 13           | 8 300     | -            |
| Ink cartridges (units)                                       | 245          | 23           | na        | -            |
| Bands (units)  | 4 273        | 484          | na        | -            |
| DVD/CDRom (units)  | 2 340        | 735          | na        | -            |
| Batteries  | 2 742        | 1499         | na        | -            |
| <b>Total IT and electronic consumables collected (units)</b> | <b>9 641</b> | <b>2 754</b> | <b>na</b> | <b>-</b>     |

The background of the entire page is a photograph of a sandy beach. In the foreground, there are several animal tracks in the sand, including a large paw print and a smaller one. A vertical green bar covers the left side of the image, extending from the top to the bottom. The text is overlaid on this green bar.

# About this Report 7.0

Title: Complementariedade  
Author: Paulo Gil

This report describes the manner in which NOVO BANCO 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 sustainability performance over the last three years, therefore the data presented concern only to the NOVO BANCO scope.

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 NOVO BANCO, 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 carried out an independent review for a limited level of assurance of reliability, non-financial and sustainability information contained in the 2020 Sustainability Report, regarding its sustainability performance, considering that the acceptable indicators were reported in accordance with the GRI sustainability reporting standards and Decree-Law No. 89/2017, as can see on pages 197 and 198.

The 2020 Sustainability Report complements and details the information contained in the 2020 Annual Report, providing evidence that sustainability is an integral part of the Bank's strategy.

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

[sustentabilidade@novobanco.pt](mailto:sustentabilidade@novobanco.pt)



## 7.1 Methodological Notes

| SOCIAL INDICATORS   |  |
|---|--|
| <b>Staff Turnover</b>   | $((\text{Number of admissions} + \text{resignations} / \text{total employees})^2)$   |
| <b>New hires rate</b>   | New hires in 2020/total number of employees in 2020  |
| <b>Accident Rate</b>  | Number of accidents at work/Hours worked*1000000   |
| <b>Absenteeism Rate</b>   | Number of absences (without maternity / paternity leave)/Possible working hours*100  |
| <b>Return to Work Rate</b>  | * Employees who returned to work after parental leave ended and remained in service after 12 months, based on the number of returns in 2020  |
| <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 total average remuneration between women and men, by function category - (remuneration for women / remuneration for men) * 100  |
| <b>Pay gap</b>  | Sum of the gap weighted by functional group) / (Average value of male salary).   |
| <b>Social Dividend<br/>#NB Equal Gender and #NB Work &amp; Life</b> | Amount reached in December 2020 - baseline value 2016/target set for 2020 - baseline value 2016<br>The methodology for the Home office, Early Friday/ Late Monday and purchase of holidays initiatives was changed in 2109. In the previous methodology, no account was taken of the employees who used the initiatives, regardless of the year in which the benefit was used. From 2020 and with the new methodology only repetitions within the same year are excluded. This new calculation formula is justified by the extended monitoring period of the indicators. |
| <b>Branches located in low density areas.</b>                       | Number of branches located in the 165 low-density municipalities identified by Deliberation 55/2015 of the Interministerial Commission for Coordination, Portugal 2020   |
| ENVIRONMENTAL INDICATORS  |  |
| <b>Electricity</b>  | Amount calculated directly from EDP records and billing  |
| <b>Generators diesel</b>  | *** Diesel consumption in 2020 is an estimate based on the number of hours generators were operating.  |
| <b>Natural gas</b>  | The amount calculated corresponds to the total invoices for the year 2018 and 2017. In 2019 the Bank ceased to consume natural gas.  |
| <b>Propane gas</b>  | The amount calculated corresponds to the total invoices for the year 2018 and 2017. In 2019 the Bank ceased to consume natural gas.  |
| <b>Water</b>  | Estimate based on real water consumption in 100% of the central buildings and 48% of the branches.   |
| <b>Social Dividend   NB Environment</b>                             | Amount reached in December 2020 - baseline value 2016/target set for 2020 - baseline value 2016  |

|   |  |
|---|--|
| <b>Energy</b>   | The following formula was used to calculate direct energy consumption (fuel consumption) in GJ: Fuel consumption (l) * PCI X * Density X/1000, using the following conversion factors:   |
| <b>PCI diesel (road)<br/>Density of diesel (generators)<br/>PCI Propane gas (LPG) and Natural gas<br/>Electricity</b> | 42.8 GJ/t (Source: Order No. 17313/2008 (SGCIE)<br>0.84 (Source: DGEG 2017, data for 21-09-2019)<br>46.65 GJ/t (Source: APA 2013 - <a href="https://apambiente.pt/_zdata/DPAAC/CELE/tabela_PCI_FE_FO_2013.pdf">https://apambiente.pt/_zdata/DPAAC/CELE/tabela_PCI_FE_FO_2013.pdf</a> )<br>conversion:1 kWh = 0.0036 GJ (Source: International Energy Agency and GRI)   |
| <b>CO<sub>2</sub> Emissions Scope 1</b>   | <p>The following formula was used to calculate direct energy consumption (fuel consumption) in GJ: Fuel consumption (l) * PCI X * Density X/1000, using the following conversion factors:</p> <ul style="list-style-type: none"> <li>- PCI diesel (generators) - 43.07 GJ/ (Source: APA - Fuel density values to be used under the EU ETS)</li> <li>- Diesel density (generators) - 0.837 kg/l (Source: APA - Fuel density values to be used under the EU ETS)</li> </ul> <p>It also includes the following emission factors and parameters used to calculate Greenhouse Gas (GHG) emissions:</p> <ul style="list-style-type: none"> <li>- Passenger car, petrol, engine capacity &lt; 1 400 cm<sup>3</sup> - 0.173 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools, 2017)</li> <li>- Passenger car, petrol, engine capacity ≥ 1 400 and &lt; 2 000 cm<sup>3</sup> - 0.215 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools, 2017)</li> <li>- Passenger car, petrol, engine capacity ≥ 2 000 cm<sup>3</sup> - 0.299 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools, 2017)</li> <li>- Passenger car, diesel, engine capacity &lt; 2 000 cm<sup>3</sup> - 0.181 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools, 2017)</li> <li>- Passenger car, diesel, engine capacity ≥ 2 000 cm<sup>3</sup> - 0.245 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools, 2017)</li> <li>- Hybrid Car - 0.143 kg CO<sub>2</sub>e/km (Source: APA - NIR 2020)</li> <li>- Electric car - 0.022 kg CO<sub>2</sub>e/km (consumption of 13.3 kW/100 km) (Source: APREN, 2020)</li> </ul> |
| <b>CO<sub>2</sub> Emissions Scope 2</b>   | <p>In calculating the transformation of indirect electricity consumption to GJ the following conversion factor was used: 1 kWh= 0.0036 GJ.</p> <p>The following formula was used to calculate electricity consumption: Emission = Consumption X * Emission factor (EF)X</p> <p>It also includes the following emission factors and parameters used to calculate GHG emissions:</p> <ul style="list-style-type: none"> <li>- Mainland electricity production - market based method - 0.266 kg CO<sub>2</sub>e/kWh (Source: EDP Sustainability Report 2019)</li> <li>- Mainland electricity production - location-based method - 0.162 kg CO<sub>2</sub>e/kWh (Source: APREN, energy mix 2020)</li> <li>- Electricity production in Madeira - location and market method - 0.510 kg CO<sub>2</sub>e/kWh (Source: EE Madeira 2019)</li> </ul>   |
| <b>CO<sub>2</sub> Emissions Scope 3</b>   | <p>The calculation includes emissions from employee commuting, from home/work/home (HWH) commuting, using the following formula: Emission = Journey (km) X * FEX</p> <p>It also includes the following emission factors and parameters used to calculate GHG emissions:</p> <ul style="list-style-type: none"> <li>- Diesel Car - 0.200 kg CO<sub>2</sub>e/km (Source: APA - NIR 2020)</li> <li>- Petrol Car - 0.205 kg CO<sub>2</sub>e/km (Source: APA - NIR 2020)</li> <li>- LPG Car - 0.195 kg CO<sub>2</sub>e/km (Source: APA - NIR 2020)</li> <li>- Hybrid Car - 0.143 kg CO<sub>2</sub>e/km (Source: APA - NIR 2020)</li> <li>- Electric car - 0.022 kg CO<sub>2</sub>e/km (consumption of 13.3 kW/100 km) (Source: APREN 2020)</li> <li>- Bus - 0.103 kg CO<sub>2</sub>e/km (Source: DEFRA 2020); 1.420 kg CO<sub>2</sub>e/km (Source: STCP 2011) and 0.115 kg CO<sub>2</sub>e/km (Source: Carris 2019)</li> <li>- Underground - 0.0467 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)</li> </ul>   |

|  |  |
|--|--|
| <p><b>CO<sub>2</sub> Emissions Scope 3</b></p>       | <ul style="list-style-type: none"> <li>- Train - 0.0157 kg CO<sub>2</sub>e/km (Source: CP 2019) and 0.021 kg CO<sub>2</sub>e/km (Source: Fertagus 2013/2014)</li> <li>- Ferry - 0.190 CO<sub>2</sub>e/km (Source: Transtejo+Soflusa, 2014)</li> <li>- Motorbike (petrol) - 0.129 kg CO<sub>2</sub>e/km (Source: APA - NIR 2020)</li> <li>- Motorbike (electric) - 0.015 kg CO<sub>2</sub>e/km (Consumption of 9 kW/100 km) (Source: APREN 2020)</li> <li>- Aircraft Emission = Trip (Km) X * FEX * Take-off Factor * RFI2</li> <li>- It also includes the following emission factors and parameters used to calculate GHG emissions:             <ul style="list-style-type: none"> <li>- Aircraft, Domestic Flight FE CO<sub>2</sub> - 0.17147 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools 2017)</li> <li>- Aircraft, Short Haul Flight FE CO<sub>2</sub> - 0.09700 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools 2017)</li> <li>- Aircraft, Long Haul FE CO<sub>2</sub> - 0.11319 kg CO<sub>2</sub>e/km (Source: GHG Protocol: Emission Factors from Cross-Sector Tools 2017)</li> </ul> </li> </ul> |
| <p><b>CLIENT INDICATORS</b></p>                      |  |
| <p><b>Customer service</b></p>                       | <p>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</p>  |
| <p><b>Global satisfaction</b></p>                    | <p>The weight of customers very satisfied with the Bank is measured by the % of responses of 8 to 10 on a scale of 1 to 10</p>   |
| <p><b>Confidence</b></p>                             | <p>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</p>  |
| <p><b>Net Promoter Score</b></p>                     | <p>The Net Promoter Score is calculated based on the recommendation intention, as the difference between the % of promoters and the % of detractors<br/>             The % of promoters corresponds to the % of responses of 9 to 10 on a scale of 0 to 10<br/>             The % of detractors corresponds to the % of responses of 0 to 6 on a scale of 0 to 10</p>  |
| <p><b>Very Satisfied Clients</b></p>                 | <p>The weight of very satisfied clients is measured by the % of responses of 8 to 10 on a scale of 1 to 10</p>   |
| <p><b>Complaint rate per 1000 active clients</b></p> | <p>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.</p>   |

## 7.2 Global Reporting Initiative (GRI) Table

| GENERAL DISCLOSURES           |  | Page in the Report  | SDG | GC Principles | Omissions | Scope |
|-------------------------------|--|---|-----|---------------|-----------|-------|
| <b>ORGANISATIONAL PROFILE</b> |  |   |     |               |           |       |
| <b>102-1</b>                  | Name of the organisation   | AR - page 2   |     |               |           |       |
| <b>102-2</b>                  | Main brands, products, and services  | SR - pages 120-123; 138-141<br>MR - pages 13-14; 45-51<br>Institutional website, product and corporate          |     |               |           |       |
| <b>102-3</b>                  | Location of headquarters   | AR - page 2   |     |               |           |       |
| <b>102-4</b>                  | Number of countries where the organisation operates, and the names of countries where it has significant operations and/ or that are relevant to the topics covered in the report.   | MR - pages 13-14; 45-51<br>The 2020 Sustainability Reports covers only the scope of NOVO BANCO in Portugal.     |     |               |           |       |
| <b>102-5</b>                  | Ownership and legal form   | FS- page 205  |     |               |           |       |
| <b>102-6</b>                  | Markets served: <ul style="list-style-type: none"> <li>- geographic locations where products and services are offered;</li> <li>- sectors served;</li> <li>- types of customers and beneficiaries</li> </ul>   | MR - 13-14; 45-51<br>The 2020 Sustainability Reports covers only the scope of NOVO BANCO in Portugal.           |     |               |           |       |
| <b>102-7</b>                  | Scale of the organisation: <ul style="list-style-type: none"> <li>- total number of employees;</li> <li>- total number of operations;</li> <li>- net sales;</li> <li>- total capitalisation broken down in terms of debt and equity;</li> <li>- quantity of products or services provided</li> </ul> | SR - pages 109; 126; 131; 154<br>MR - pages 11-14; 20; 34-45; 45-51<br>Notes to the financial statements- pages |     |               |           |       |
| <b>102-8</b>                  | Total number of employees by employment contract (permanent and temporary), by gender and region   | SR - pages 131; 153-156<br>MR - pages 12; 20  | 8   | 6             |           |       |
| <b>102-9</b>                  | A description of the organisation's supply chain, including its main elements as they relate to the organisation's activities, primary brands, products, and services  | SR - pages 141-142  |     |               |           |       |
| <b>102-10</b>                 | Significant changes to the organisation's size, structure, ownership, or supply chain during reporting period  | MR - pages 54-55  |     |               |           |       |

| GENERAL DISCLOSURES         |   | Page in the Report   | SDG | GC Principles | Omissions | Scope |
|-----------------------------|---|--|-----|---------------|-----------|-------|
| 102-11                      | Precautionary Principle or approach   | RM - pages 57-61   |     |               |           |       |
| 102-12                      | A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes, or which it endorses.  | SR - page 112  |     |               |           |       |
| 102-13                      | A list of the main memberships of industry or other associations, and national or international advocacy organizations  | SR - page 112  |     |               |           |       |
| <b>STRATEGY</b>             |   |  |     |               |           |       |
| 102-14                      | A statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and its strategy for addressing sustainability. | AR- pages 6-7  |     |               |           |       |
| 102-15                      | A description of key impacts, risks, and opportunities  | SR - pages 113-114<br>MR - pages 30-32; 57-69  |     |               |           |       |
| <b>ETHICS AND INTEGRITY</b> |   |  |     |               |           |       |
| 102-16                      | Values, principles, standards, and norms of behaviour.  | SR – page 147<br>MR- pages 18-19; 71-81  | 16  | 10            |           |       |
| 102-17                      | A description of internal and external mechanisms for: seeking advice about ethical and lawful behaviour, and organisational integrity; reporting concerns about unethical or unlawful behaviour, and organisational integrity.   | SR - pages 147-149<br>MR - pages 81-93<br>Institutional website                                | 16  | 10            |           |       |
| <b>CORPORATE GOVERNANCE</b> |   |  |     |               |           |       |
| 102-18                      | Governance structure of the organization, including committees of the highest governance body. Committees responsible for decision making on economic, environmental, and social topics.  | SR - pages 147-149<br>MR-pages 18-19; 71-81<br>Institutional website                           |     |               |           |       |
| 102-19                      | Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.  | SR - pages 147-149   |     |               |           |       |
| 102-20                      | Executive-level responsibility for economic, environmental, and social topics.  | Chairman of the Executive Board of Directors<br>SR - pages 147-149<br>AR Institutional website |     |               |           |       |
| 102-21                      | Consulting stakeholders on economic, environmental, and social topics   | SR - pages 113-114; 116-117; 119-123<br>Institutional website                                  | 16  |               |           |       |

| GENERAL DISCLOSURES |   | Page in the Report  | SDG   | GC Principles | Omissions | Scope |
|---------------------|---|---|-------|---------------|-----------|-------|
| 102-22              | Composition of the highest governance body and its committees   | MR - pages 18-19<br>Institutional website   | 5, 16 |               |           |       |
| 102-23              | Whether the chair of the highest governance body is also an executive officer in the organisation. If the chair is also an executive officer, describe his or her function within the organisation's management and the reasons for this arrangement. | MR - pages 18-19<br>Institutional website   | 16    |               |           |       |
| 102-24              | Nomination and selection processes for the highest governance body and its committees and criteria used for nominating and selecting highest governance body members-   | MR - pages 71-81<br>Institutional website - NOVO BANCO Articles of Association  | 5, 16 |               |           |       |
| 102-25              | Processes for the highest governance body to ensure conflicts of interest are avoided and managed.  | MR - page 82<br>Institutional website, Conflicts of Interest Policy   | 16    |               |           |       |
| 102-26              | Highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.  | The CEO based on objectives defined for 2020 (which are monitored through an action plan and the coordination of teams appointed for the implementation of the Social Dividend model) controls this model on a quarterly basis. This model ensures the alignment of sustainability performance across the Bank's various operations, through coordination of the initiatives with the officers appointed in each operation.     |       |               |           |       |
| 102-27              | Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.   | Sustainability issues are submitted to the Chairman of the Executive Board of Directors whenever justified. The Social Dividend model is submitted quarterly. The social dividend aims to give back to the bank's employees and the community in general what the bank generates with its activity. Through quarterly monitoring, it assesses the Bank's environmental and social performance against the targets set for 2020. | 4     |               |           |       |
| 102-28              | Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics   | The performance assessment processes, with regard to the identification of risks and opportunities in economic, social and environmental issues, are identified and managed by the Executive Board of Directors, Committees, Commissions, Departments and subsequently submitted to the highest hierarchical governance body and to the Chairman of the Executive Board of Directors. For more information see MR – pages 77-89 |       |               |           |       |

| GENERAL DISCLOSURES |   | Page in the Report   | SDG | GC Principles | Omissions | Scope |
|---------------------|---|--|-----|---------------|-----------|-------|
| 102-29              | Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes.  | MR - pages 77-89   | 16  |               |           |       |
| 102-30              | Highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental, and social topics  | MR - pages 57 -65; 77-89   |     |               |           |       |
| 102-31              | Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities   | The CEO analyses the performance of the Social Dividend model on a quarterly basis; this model that assesses 17 environmental and social indicators. |     |               |           |       |
| 102-32              | The highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material aspects are covered   | The AR and the Sustainability Report are approved by the Executive Board of Directors and the General and Supervisory Board.                         |     |               |           |       |
| 102-33              | Process for communicating critical concerns to the highest governance body.   | MR - pages 77-89   |     |               |           |       |
| 102-34              | Total number and nature of critical concerns that were communicated to the highest governance body.   | SR - pages 109; 113-114<br>MR - pages 77-89<br>Institutional website - supervision committees and Whistle-blowing Policy                             |     |               |           |       |
| 102-35              | <p>a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration:</p> <ul style="list-style-type: none"> <li>• Fixed pay and variable pay, including:                             <ul style="list-style-type: none"> <li>- performance-based pay, equity-based pay, bonuses, and deferred or vested shares;</li> <li>- Sign-on bonuses or recruitment incentive payments;</li> <li>• Termination payments;</li> <li>- Clawbacks;</li> <li>- Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.</li> </ul> </li> </ul> <p>b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.</p> | MR - pages 86-89<br>Institutional website, Remuneration Policies   |     |               |           |       |

| GENERAL DISCLOSURES |   | Page in the Report  | SDG | GC Principles | Omissions | Scope |
|---------------------|---|---|-----|---------------|-----------|-------|
| 102-36              | Process for determining remuneration.   | MR - pages 86-89<br>Institutional website,<br>Remuneration Policies   |     |               |           |       |
| 102-37              | Stakeholders' opinions with regard to remuneration are requested and taken into account, including through voting on remuneration policies and proposals, when applicable.  | SR - pages 113-114; 116-117; 126-127; 132-133<br>MR- pages 86-89<br>Institutional website,<br>Remuneration Policies   |     |               |           |       |
| 102-38              | Ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country   | Median annual total compensation for all employees (excluding the highest-paid individual); 33 014.8<br>CEO total annual remuneration: €367 457<br>Ratio of the CEO total annual compensation to the median annual total compensation for all employees (excluding the highest-paid individual) 11.3% |     |               |           |       |
| 102-39              | Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country | The wage increase in 2020, as per the Collective wage agreement, was + 0.30%.<br>Change 2019/2020<br>Average remuneration – 0.5%  |     |               |           |       |

#### STAKEHOLDER INVOLVEMENT

|        |   |                    |   |   |  |  |
|--------|---|--------------------|---|---|--|--|
| 102-40 | List of stakeholder groups  | SR - pages 113-115 |   |   |  |  |
| 102-41 | Percentage of total employees covered by collective bargaining agreements | SR - pages 113-115 | 8 | 3 |  |  |
| 102-42 | Identifying and selecting stakeholders                                    | SR - pages 113-115 |   |   |  |  |
| 102-43 | Approach to stakeholder engagement  | SR - pages 113-115 |   |   |  |  |
| 102-44 | Key topics and concerns raised  | SR - pages 113-115 |   |   |  |  |

#### REPORTING PRACTICE

|        |  |  |  |  |  |  |
|--------|--|--|--|--|--|--|
| 102-45 | Entities included in the consolidated financial statements | MR- pages 45-51  |  |  |  |  |
| 102-46 | Defining report content and topic boundaries               | SR - pages 113-114   |  |  |  |  |
| 102-47 | List of material topics                                    | SR - pages 113-114   |  |  |  |  |
| 102-48 | Restatements of information                                | The 2020 Sustainability Report details the performance over the last three years for the NOVO BANCO scope, therefore the data presented in this report for 2018 and 2019 concern only NOVO BANCO and were recalculated for this scope. |  |  |  |  |



| GENERAL DISCLOSURES |   | Page in the Report  | SDG | GC Principles | Omissions | Scope |
|---------------------|---|---|-----|---------------|-----------|-------|
| 102-49              | Changes in reporting  | The 2020 Sustainability Report details the performance over the last three years for the NOVO BANCO scope, therefore the data presented in this report for 2018 and 2019 concern only the NOVO BANCO scope. |     |               |           |       |
| 102-50              | Reporting period  | 1 January to 31 December 2020   |     |               |           |       |
| 102-51              | Date of most recent report  | 2020  |     |               |           |       |
| 102-52              | Reporting cycle   | Annual  |     |               |           |       |
| 102-53              | Contact point for questions regarding the report  | sustentabilidade@novobanco.pt   |     |               |           |       |
| 102-54              | Claims of reporting in accordance with the GRI Standards  | "Core option"   |     |               |           |       |
| 102-55              | 5 GRI content index   | SR - pages 162-196  |     |               |           |       |
| 102-56              | A description of the organisation's policy and current practice with regard to seeking external assurance for the report. | SR - page 161   |     |               |           |       |

**ECONOMIC INDICATORS**  
**TOPIC: ECONOMIC PERFORMANCE**

|       |  |   |  |  |  |  |
|-------|--|---|--|--|--|--|
| 103-1 | Explanation of the material topic and its Boundary | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders and will become the basis of its Sustainability Strategy, alongside the commitments assumed and the objectives defined. NOVO BANCO is also in the process of selecting the SDGs to which its strategy and medium-term plan will be aligned.  |  |  |  |  |
| 103-2 | The management approach and its components         | The Strategic Plan defined for the 2019-2021 three-year period, on which the management approach has been based, was designed to put in place the necessary conditions for NOVO BANCO 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. |  |  |  |  |

| GENERAL DISCLOSURES | Page in the Report   | SDG  | GC Principles | Omissions | Scope |  |
|---------------------|--|--|---------------|-----------|-------|--|
| <b>103-3</b>        | Evaluation of the management approach  | NOVO BANCO has over the years promoted several initiatives with economic impacts. The Bank'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. |               |           |       |  |
| <b>201-1</b>        | Direct economic value generated and distributed                                | Banking Income: €812.2 million<br>MR - page 52<br>Economic Value Generated: €812.2 million<br>MR - page 52<br>General and administrative expenses €144.0 million<br>MR - page 96<br>Staff Costs: €223.6 million<br>MR - page 96<br>Payments to providers of Capital - Shareholders - There was no distribution of dividends<br>Taxes: €13.4 million<br>MR - page 96<br>Community Investments: €0.5 million in donations<br>Economic Value Distributed: €381.4 million<br>Economic Value Retained €430.8 million  | 2, 5, 8, 9    |           |       |  |
| <b>201-2</b>        | Financial implications and other risks and opportunities due to climate change | With regard to climate change, NOVO BANCO offers its clients a number of environmental products, namely the NB 18.31, NB 18.25 and NB 26.31 account, as well as structured products with environmental concerns. It is also concerned with dematerialising client communications and reducing the direct environmental impact of its activity. The Bank has recently signed commitments concerning the decarbonisation of the economy.<br>SR - pages 139-140   | 13            |           |       |  |
| <b>201-3</b>        | Defined benefit plan obligations and other retirement plans                    | SR - pages 132-136   |               |           |       |  |

| GENERAL DISCLOSURES           |  | Page in the Report  | SDG     | GC Principles | Omissions | Scope |
|-------------------------------|--|---|---------|---------------|-----------|-------|
| <b>201-4</b>                  | Financial assistance received from government                                | FS - pages 203; 204; 424; 440   |         |               |           |       |
| <b>TOPIC: MARKET PRESENCE</b> |  |   |         |               |           |       |
| <b>103-1</b>                  | Explanation of the material topic and its Boundary                           | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy based on this matrix, the commitments assumed and the objectives defined, and is also selecting the SDGs that will be aligned to its strategy and medium-term plan.   |         |               |           |       |
| <b>103-2</b>                  | The management approach and its components                                   | The Strategic Plan defined for the 2019-2021 three-year period, on which the management approach has been based, was designed to put in place the necessary conditions for NOVO BANCO 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. The Bank develops its activity with a strong focus on the Iberian market. |         |               |           |       |
| <b>103-3</b>                  | Evaluation of the management approach  | NOVO BANCO has over the years promoted several initiatives with economic impacts. The Bank's activity has been steered by the objectives established in the Strategic Plan, translating into the growth of the recurrent credit portfolio, with a reduction in the cost of risk, a significant improvement in commercial banking income, and the continuous reduction of operating costs, despite the strong increase in investment. The Bank monitors the indicators defined for this topic on a monthly basis.  |         |               |           |       |
| <b>202-1</b>                  | Ratios of standard entry level wage by gender compared to local minimum wage | For the professional categories that are representative of its workforce, NOVO BANCO pays a minimum salary that is higher than the national minimum wage (the lowest salary paid by NOVO BANCO is 1.39% times higher than the national minimum wage).   | 5, 7, 8 | 6             |           |       |

| GENERAL DISCLOSURES |  | Page in the Report   | SDG | GC Principles | Omissions | Scope |
|---------------------|--|--|-----|---------------|-----------|-------|
| 202-2               | Proportion of senior management hired from the local community | The Sustainability Report is restricted to NOVO BANCO and its activity in Portugal. Local hiring is an integral part of the Bank's hiring practices. Priority is always given to local employees, so as to build a sustained and competent workforce, with possibilities for career advancement, moving on to leadership positions. Consequently, management positions are mostly held by local employees and non-local employees are few. At national level and taking into account senior management - Executive Board of Directors - employees of Portuguese nationality and women employees represent 33.3% and 16.7% of the workforce | 8   | 6             |           |       |

#### TOPIC: INDIRECT ECONOMIC IMPACTS

|       |   |  |                    |  |  |  |
|-------|---|--|--------------------|--|--|--|
| 103-1 | Explanation of the material topic and its Boundary  | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Investment in the community as a material topic. |                    |  |  |  |
| 103-2 | The management approach and its components  | NOVO BANCO has over the years promoted several initiatives with indirect economic impacts.   |                    |  |  |  |
| 103-3 | Evaluation of the management approach   | The Bank monitors indicators pertaining to this topic and reports the results in its Annual Report, institutional website and Sustainability Report.   |                    |  |  |  |
| 203-1 | Infrastructure investments and services supported   | SR - pages - 118-124; 138-141<br>MR - pages 45-51  | 2, 5, 7, 9, 11     |  |  |  |
| 203-2 | Significant identified indirect economic impacts of the organisation, including positive and negative impacts | SR - pages 118-124; 138-141<br>MR - pages 45-51  | 1, 2, 3, 8, 10, 17 |  |  |  |

#### TOPIC: PROCUREMENT PRACTICES

|       |  |   |  |  |  |  |
|-------|--|---|--|--|--|--|
| 103-1 | Explanation of the material topic and its Boundary | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is building its Sustainability Strategy and considers the Selection of suppliers with environmental, social and ethical criteria as a material topic. |  |  |  |  |
| 103-2 | The management approach and its components         | NOVO BANCO has over the years promoted several initiatives in this area, having namely designed a sustainability scoring for the process of registration of suppliers in its Supplier Portal SR - pages 141-142   |  |  |  |  |

| GENERAL DISCLOSURES |   | Page in the Report  | SDG | GC Principles | Omissions | Scope |
|---------------------|---|---|-----|---------------|-----------|-------|
| 103-3               | Evaluation of the management approach   | The Bank monitors indicators pertaining to this topic and reports the results in its Annual Report, institutional website and Sustainability Report.  |     |               |           |       |
| 204-1               | Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation | NOVO BANCO Group acquires its regular consumption products, such as stationery, equipment and specialised services for mainland Portugal and Islands, from national companies. Around 82.2% of the expenses refer to national suppliers vs 11.8% from international suppliers. Taking into account the Covid-19 context, in 2020 the Bank reduced its payment period to suppliers to 22 days, from 23 days in 2019. | 12  |               |           |       |

**TOPIC: ANTI-CORRUPTION**

|       |  |  |    |    |  |  |
|-------|--|--|----|----|--|--|
| 103-1 | Explanation of the material topic and its Boundary                                 | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is building its Sustainability Strategy and considers Corporate ethics and ethics in the relationship with stakeholders as a material topic. |    |    |  |  |
| 103-2 | The management approach and its components   | NOVO BANCO focuses on the prevention, detection, reporting and management of situations involving risks of conduct or irregular conducts, based on principles of integrity, honesty, diligence, competence, transparency and fairness.   |    |    |  |  |
| 103-3 | Evaluation of the management approach  | The Bank 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 | NOVO BANCO<br>SR - page 109<br>MR - pages 81-89  | 16 | 10 |  |  |
| 205-2 | Communication and training about anti-corruption policies and procedures           | SR - page 109<br>MR - pages 84-85  | 16 | 10 |  |  |
| 205-3 | Confirmed incidents of corruption and actions taken                                | During 2020 no instances of corruption came to the attention of NOVO BANCO concerning operations.  | 16 | 10 |  |  |

| GENERAL DISCLOSURES               |   | Page in the Report  | SDG | GC Principles | Omissions | Scope |
|-----------------------------------|---|---|-----|---------------|-----------|-------|
| <b>ANTI-COMPETITIVE BEHAVIOUR</b> |   |   |     |               |           |       |
| <b>103-1</b>                      | Explanation of the material topic and its Boundary  | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Corporate ethics and ethics in the relationship with stakeholders as a material topic. The survey carried out in order to build the materiality matrix included questions to the Bank's peers. The Bank also assumed commitments in terms of Sustainable Financing in partnership with the main financial players, which involved the development of common approaches and not anti-competitive behaviour.  |     |               |           |       |
| <b>103-2</b>                      | The management approach and its components  | NOVO BANCO has over the years participated in several initiatives in the area of sustainable financing, in partnership with its peers. In 2019 the Bank signed the "Letter of Commitment for Sustainable Finance in Portugal", which aims to contribute to the promotion of sustainable investment practices in the country, with the purpose of accelerating the process of transition to a carbon neutral economy by 2050, in full partnership with its peers. The Bank also participates in another two working groups on Sustainable Finance, promoted respectively by the Portuguese Association of Banks and the Portuguese Association of Investment and Pension Funds and Asset Management Firms. |     |               |           |       |
| <b>103-3</b>                      | Evaluation of the management approach   | The Bank monitors indicators pertaining to this topic and reports the results in its Annual Report, institutional website and Sustainability Report.  |     |               |           |       |
| <b>206-1</b>                      | 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 2020.   | 16  |               |           |       |

| GENERAL DISCLOSURES             |  | Page in the Report  | SDG          | GC Principles | Omissions | Scope |
|---------------------------------|--|---|--------------|---------------|-----------|-------|
| <b>ENVIRONMENTAL INDICATORS</b> |  |   |              |               |           |       |
| <b>TOPIC: MATERIALS</b>         |  |   |              |               |           |       |
| <b>103-1</b>                    | Explanation of the material topic and its Boundary   | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Recycling and the Circular Economy as an important topic.   |              |               |           |       |
| <b>103-2</b>                    | The management approach and its components   | NOVO BANCO has over the years promoted several initiatives aimed at reducing its direct environmental impact, namely through its NB Environment programme, integrated in its Social Dividend model.   |              |               |           |       |
| <b>103-3</b>                    | Evaluation of the management approach  | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.   |              |               |           |       |
| <b>301-1</b>                    | Materials used by weight or volume   | SR - pages 109; 142-145;158-159   | 8,12         | 7,8           |           |       |
| <b>301-2</b>                    | Percentage of recycled input materials used to manufacture the organisation's primary products and services. | NOVO BANCO does not monitor this type of materials.   | 8,12         | 8             |           |       |
| <b>301-3</b>                    | Percentage of reclaimed products and their packaging materials for each product category                     | The Bank's activity does not allow reclaiming products, therefore this indicator is not reported.   | 8,12         | 8             |           |       |
| <b>TOPIC: ENERGY</b>            |  |   |              |               |           |       |
| <b>103-1</b>                    | Explanation of the material topic and its Boundary   | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Eco-efficiency in the Bank's branches, buildings and operations as a material topic. Energy, along with paper, is the resource most consumed by the Bank, and as such has deserved special attention. |              |               |           |       |
| <b>103-2</b>                    | The management approach and its components   | NOVO BANCO has over the years promoted several initiatives aimed at reducing its direct environmental impact, namely through its NB Environment programme, integrated in its Social Dividend model.   |              |               |           |       |
| <b>103-3</b>                    | Evaluation of the management approach  | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.   |              |               |           |       |
| <b>302-1</b>                    | Energy consumption within the organisation   | SR - pages 142-144; 149; 158  | 7, 8, 12, 13 | 7,8           |           |       |

| GENERAL DISCLOSURES |  | Page in the Report                            | SDG          | GC Principles | Omissions | Scope |
|---------------------|--|---|--------------|---------------|-----------|-------|
| 302-2               | Energy consumption outside of the organisation             | NOVO BANCO does not monitor this consumption. | 7, 8, 12, 13 | 8             |           |       |
| 302-3               | Energy intensity   | SR - pages 142-144; 149; 158                  | 7, 8, 12, 13 | 8             |           |       |
| 302-4               | Reduction of energy consumption                            | SR - pages 142-144; 149; 158                  | 7, 8, 12, 13 | 8,9           |           |       |
| 302-5               | Reductions in energy requirements of products and services | SR - pages 142-144; 149; 158                  | 7, 8, 12, 13 | 8,9           |           |       |

#### TOPIC: WATER

|       |   |  |          |     |  |  |
|-------|---|--|----------|-----|--|--|
| 103-1 | Explanation of the material topic and its Boundary          | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Eco-efficiency in the Bank's branches, buildings and operations as a material topic. |          |     |  |  |
| 103-2 | The management approach and its components                  | Given the scarcity of this resource, NOVO BANCO has over the years promoted several initiatives aimed at reducing its direct environmental impact in terms of water consumption.   |          |     |  |  |
| 103-3 | Evaluation of the management approach                       | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.  |          |     |  |  |
| 303-1 | Water withdrawal by source                                  | SR - pages 144; 159  | 6        | 7,8 |  |  |
| 303-2 | Water sources significantly affected by withdrawal of water | NOVO BANCO's operations are located in urban or urbanised areas, with all water consumed coming from the public supply system. Therefore, any impacts associated with water management upstream of its activity are outside NOVO BANCO's sphere of influence.                      |          | 8   |  |  |
| 303-3 | Water recycled and reused                                   | NOVO BANCO has no systems for water recycling and reuse.   | 6, 8, 12 | 8   |  |  |

#### BIODIVERSITY

|       |  |   |  |  |  |  |
|-------|--|---|--|--|--|--|
| 103-1 | Explanation of the material topic and its Boundary | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers climate change as a material topic. Climatic change affects biodiversity, however this topic is not included in the indicators monitored. |  |  |  |  |
| 103-2 | The management approach and its components         | Non applicable  |  |  |  |  |



| GENERAL DISCLOSURES |   | Page in the Report  | SDG       | GC Principles | Omissions | Scope |
|---------------------|---|---|-----------|---------------|-----------|-------|
| <b>103-3</b>        | Evaluation of the management approach   | Non applicable  |           |               |           |       |
| <b>304-1</b>        | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | NOVO BANCO's operations are located in urban or urbanised areas, therefore any environmental impacts directly linked to its activity are naturally limited. | 6, 14, 15 | 8             |           |       |
| <b>304-2</b>        | Significant impacts of activities, products, and services on biodiversity   | NOVO BANCO's operations are located in urban or urbanised areas, therefore any environmental impacts directly linked to its activity are naturally limited. | 6, 14, 15 | 8             |           |       |
| <b>304-3</b>        | Habitats protected or restored  | NOVO BANCO's operations are located in urban or urbanised areas, therefore any environmental impacts directly linked to its activity are naturally limited. | 6, 14, 15 | 8             |           |       |
| <b>304-4</b>        | IUCN Red List species and national conservation list species with habitats in areas affected by operations                                | NOVO BANCO's operations are located in urban or urbanised areas, therefore any environmental impacts directly linked to its activity are naturally limited. | 6, 14, 15 | 8             |           |       |

**TOPIC: EMISSIONS**

|              |  |  |  |  |  |  |
|--------------|--|--|--|--|--|--|
| <b>103-1</b> | Explanation of the material topic and its Boundary | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Eco-efficiency in the Bank's branches, buildings and operations as a material topic. Sustainable Financing is considered a material topic.   |  |  |  |  |
| <b>103-2</b> | The management approach and its components         | NOVO BANCO has over the years promoted several initiatives aimed at reducing its direct environmental impact, namely through its NB Environment programme, integrated in its Social Dividend model. NOVO BANCO measures and monitors the CO <sub>2</sub> indicators. In 2019, within the scope of its commitment to reduce CO <sub>2</sub> emissions, the Bank signed the 'Business Ambition for 1.5°C' letter, a document recently issued by the United Nations Global Compact. With this signature, the Bank assumes its commitment to preserve the planet and contribute to limit the temperature increase to 1.5°C by 2050, and undertakes to submit a scientific project to reduce the CO <sub>2</sub> emissions resulting from its activity. |  |  |  |  |

| GENERAL DISCLOSURES |  | Page in the Report   | SDG               | GC Principles | Omissions | Scope |
|---------------------|--|--|-------------------|---------------|-----------|-------|
| 103-3               | Evaluation of the management approach  | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.  |                   |               |           |       |
| 305-1               | Direct (Scope 1) GHG emissions   | SR - pages 143-144; 149, 159   | 3, 12, 13, 14, 15 | 7, 8          |           |       |
| 305-2               | Energy indirect (Scope 2) GHG emissions  | SR - pages 109; 143-144; 149, 159  | 3, 12, 13, 14, 15 | 7, 8          |           |       |
| 305-3               | Energy indirect (Scope 3) GHG emissions  | SR - pages 143-144; 149, 159   | 3, 12, 13, 14, 15 | 7, 8          |           |       |
| 305-4               | GHG emissions intensity  | SR - pages 143-144; 149, 159   | 13, 14, 15        | 8             |           |       |
| 305-5               | Reduction of GHG emissions   | SR - pages 109; 143-144; 149, 159  | 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, NOVO BANCO had been gradually replacing equipment that emit ozone-depleting gases, when such exist. | 3, 12             | 7, 8          |           |       |
| 305-7               | Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions | SOx and NOx emissions linked to NOVO BANCO's activity result from combustion associated with transportation, emergency generators and boilers. However, due to the reduced expression of these activities within the Bank's typical activity, these emissions are immaterial and therefore are not accounted for.      | 3, 12, 14, 15     | 7, 8          |           |       |

#### EFFLUENTS AND WASTE

|       |  |   |  |  |  |  |
|-------|--|---|--|--|--|--|
| 103-1 | Explanation of the material topic and its Boundary | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Recycling and the Circular Economy as a material topic. |  |  |  |  |
| 103-2 | The management approach and its components         | NOVO BANCO has over the years promoted several initiatives aimed at reducing its direct environmental impact, namely through its #NB Environment programme, integrated in its Social Dividend model.  |  |  |  |  |

| GENERAL DISCLOSURES |  | Page in the Report  | SDG          | GC Principles | Omissions | Scope |
|---------------------|--|---|--------------|---------------|-----------|-------|
| 103-3               | Evaluation of the management approach  | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report.   |              |               |           |       |
| 306-1               | Water discharge by quality and destination   | NOVO BANCO has implemented no regular monitoring processes for effluents produced at its facilities. Discharge is classified as a typical domestic discharge, taking into account that all the Bank's facilities are in urban areas with basic sanitation infrastructures.                      | 3, 6, 12, 14 | 8             |           |       |
| 306-2               | Waste by type and disposal method  | NOVO BANCO monitors only the disposal method for the most frequent types of waste produced, namely paper, cardboard and consumables, however it does not yet have a data systematisation system allowing it to collect data and report on the total waste produced by type and disposal method. | 3, 6, 12     | 8             |           |       |
| 306-3               | Significant spills   | Not applicable to the activity of NOVO BANCO.   | 3, 6, 12, 14 | 8             |           |       |
| 306-4               | Hazardous waste transported.<br>Hazardous waste imported.<br>Hazardous waste exported.<br>Hazardous waste treated.<br>Percentage of hazardous waste shipped internationally. | Not applicable to the activity of NOVO BANCO.   | 3, 12        | 8             |           |       |
| 306-5               | Water bodies affected by water discharges and/or runoff  | NOVO BANCO's operations are located in urban or urbanised areas, therefore any environmental impacts directly linked to its activity are naturally limited.   | 6, 14, 15    | 8             |           |       |

**ENVIRONMENTAL COMPLIANCE**

|       |  |  |  |  |  |  |
|-------|--|--|--|--|--|--|
| 103-1 | Explanation of the material topic and its Boundary | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Corporate ethics and ethics in the relationship with stakeholders as a material topic. |  |  |  |  |
| 103-2 | The management approach and its components         | NOVO BANCO has over the years promoted several initiatives aimed at reducing its direct environmental impact, namely through its #NB Environment programme, integrated in its Social Dividend model.   |  |  |  |  |
| 103-3 | Evaluation of the management approach              | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report.  |  |  |  |  |

| GENERAL DISCLOSURES  | Page in the Report   | SDG | GC Principles | Omissions | Scope |
|--|--|-----|---------------|-----------|-------|
| <b>307-1</b><br>Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations | In 2020 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**

|  |   |  |   |  |  |
|--|---|--|---|--|--|
| <b>103-1</b><br>Explanation of the material topic and its Boundary                   | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers the Selection of suppliers with environmental, social and ethical criteria as a material topic.                                       |  |   |  |  |
| <b>103-2</b><br>The management approach and its components                           | NOVO BANCO has over the years promoted several initiatives to ensure a judicious selection of its suppliers, based on the information provided. The Bank calculates the suppliers' 'sustainability scoring', which takes into account environmental, ethical, labour, hygiene and safety in the workplace aspects of its suppliers. |  |   |  |  |
| <b>103-3</b><br>Evaluation of the management approach                                | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report.   |  |   |  |  |
| <b>308-1</b><br>New suppliers that were screened using environmental criteria        | SR - pages 109; 141-142   |  | 8 |  |  |
| <b>308-2</b><br>Negative environmental impacts in the supply chain and actions taken | SR - pages 109; 141-142   |  | 8 |  |  |

**TOPIC: EMPLOYMENT**

|  |  |  |  |  |  |
|--|--|--|--|--|--|
| <b>103-1</b><br>Explanation of the material topic and its Boundary | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Attracting and developing talent as a material topic.  |  |  |  |  |
| <b>103-2</b><br>The management approach and its components         | NOVO BANCO 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. |  |  |  |  |

| GENERAL DISCLOSURES |   | Page in the Report  | SDG  | GC Principles | Omissions                      | Scope |
|---------------------|---|---|------|---------------|--------------------------------|-------|
| 103-3               | Evaluation of the management approach   | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.   |      |               |                                |       |
| 401-1               | Total number and rate of new employee hires during the reporting period, by age group, gender and region.   | SR - pages 109, 154   | 5, 8 | 6             |                                |       |
| 401-2               | Benefits provided to full-time employees that are not provided to temporary or part-time employees  | NOVO BANCO 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 Bank's employees and subsidies are attributed based on the employee's income. Trainees and temporary workers are not entitled to these benefits. SR - pages 132-136 | 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 157   | 8    | 6             | Taxa de Retenção não reportada |       |

**LABOUR/MANAGEMENT RELATIONS**

|       |  |  |  |  |  |  |
|-------|--|--|--|--|--|--|
| 103-1 | Explanation of the material topic and its Boundary | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Attracting and developing talent as a material topic.  |  |  |  |  |
| 103-2 | The management approach and its components         | NOVO BANCO has over the years promoted several initiatives concerning the development of programmes that ensure human capital management focused on talent acquisition and retention, the rejuvenation of teams and the unlocking of the potential of the more experienced employees, using methodologies and programmes aimed at individual development, a balance between professional and personal life, and the creation of a circle of knowledge and sharing. |  |  |  |  |
| 103-3 | Evaluation of the management approach              | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.  |  |  |  |  |

| GENERAL DISCLOSURES |   | Page in the Report   | SDG | GC Principles | Omissions | Scope |
|---------------------|---|--|-----|---------------|-----------|-------|
| 402-1               | Minimum notice periods regarding operational changes and whether the notice period and provisions for consultation and negotiation are specified in collective agreements | NOVO BANCO 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 advice notice of at least 30 days. | 5   | 3             |           |       |

**TOPIC: OCCUPATIONAL HEALTH AND SAFETY**

|       |   |   |   |  |  |  |
|-------|---|---|---|--|--|--|
| 103-1 | Explanation of the material topic and its Boundary  | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Health, safety in the work place and a balance between personal and professional life as a material topic. The physical, psychological and social well-being of its employees is essential for the Bank, which to this end has in place a health and well-being policy based on five lines of action. |   |  |  |  |
| 103-2 | The management approach and its components  | The physical, psychological and social well-being of its employees is essential for the Bank, which to this end has in place a health and well-being policy based on five lines of action:<br>1. Communicate and raise awareness;<br>2. Diagnose and prevent;<br>3. Encourage and promote;<br>4. Offer and provide;<br>5. Reconcile and flexibilise: practices for a balance between professional, personal and family life.  |   |  |  |  |
| 103-3 | Evaluation of the management approach   | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report.   |   |  |  |  |
| 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. | NOVO BANCO has no formal safety commissions, 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. NOVO BANCO goes beyond the requirements of the law, annually reporting its practices and results in the management of hygiene, health and safety of all its employees.   | 8 |  |  |  |

| GENERAL DISCLOSURES |   | Page in the Report  | SDG | GC Principles | Omissions | Scope |
|---------------------|---|---|-----|---------------|-----------|-------|
| <b>403-2</b>        | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by gender | SR - page 157   | 8   |               |           |       |
| <b>403-3</b>        | Workers with high incidence or high risk of diseases related to their occupation  | NOVO BANCO is not aware of a high incidence or high risk of diseases related to their occupation amongst its employees.   | 8   |               |           |       |
| <b>403-4</b>        | Health and safety topics covered in formal agreements with trade unions   | NOVO BANCO 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.<br>SR - pages 133-136 | 8   |               |           |       |

**TOPIC: TRAINING AND EDUCATION**

|              |   |  |         |   |  |  |
|--------------|---|--|---------|---|--|--|
| <b>103-1</b> | Explanation of the material topic and its Boundary  | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Attracting and developing talent as a material topic. The Bank consistently invests in the design and implementation of distinctive and motivating training, enabling the improvement of performances, and the development and evolution of its employees. |         |   |  |  |
| <b>103-2</b> | The management approach and its components  | NOVO BANCO has over the years promoted several initiatives and programmes to ensure that human capital management is focused on talent attraction and retention.   |         |   |  |  |
| <b>103-3</b> | Evaluation of the management approach   | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report.  |         |   |  |  |
| <b>404-1</b> | Average hours of training that the organisation's employees have undertaken during the reporting period, by gender and employee category                  | SR - pages 109; 128 ;155   | 4, 5, 8 | 6 |  |  |
| <b>404-2</b> | Programas para a gestão de competências e aprendizagem contínua que apoiam a continuidade da empregabilidade dos funcionários e para a gestão de carreira | SR - pages 128; 134-136  | 8       |   |  |  |

| GENERAL DISCLOSURES  | Page in the Report   | SDG  | GC Principles | Omissions | Scope |
|--|--|------|---------------|-----------|-------|
| <b>404-3</b><br>Percentage of employees receiving regular performance and career development reviews | NOVO BANCO's Performance Management Model, based on the continuous management of employee performance and development, is integrated in the Employee Portal, called "My Portal". The Performance Management Process covers all employees and includes a personal development programme where each employee can define his or her objectives in terms of continuing improvement in the performance of their functions. At the closing date of this report the 2020 performance assessment had not been concluded. | 5, 8 | 6             |           |       |

### TOPIC: DIVERSITY AND EQUAL OPPORTUNITIES

|   |   |          |   |  |  |
|---|---|----------|---|--|--|
| <b>103-1</b><br>Explanation of the material topic and its Boundary  | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Gender diversity and gender equality as a material topic. |          |   |  |  |
| <b>103-2</b><br>The management approach and its components  | NOVO BANCO has over the years promoted several initiatives within its #NB Equal Gender programme, which monitors three indicators and aims to develop a fair and gender-equal model, having for the purpose defined specific objectives for 2020.       |          |   |  |  |
| <b>103-3</b><br>Evaluation of the management approach   | NOVO BANCO monitors indicators pertaining to this topic and annually reports the results in its website and Sustainability Report.  |          |   |  |  |
| <b>405-1</b><br>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). | SR - pages 109; 130-131; 147 -149; 153-156<br>MR - page 18 - 20   | 5, 8     | 6 |  |  |
| <b>405-2</b><br>Ratio of basic salary and remuneration of women to men for each employee category   | Management:<br>- Heads of Department: 94% / 86%<br>- Technical staff: 96% / 95%<br>- Administrative: 94% /89%<br>- Total: 90% /82%  | 5, 8, 10 | 6 |  |  |



| GENERAL DISCLOSURES | Page in the Report | SDG | GC Principles | Omissions | Scope |
|---------------------|--------------------|-----|---------------|-----------|-------|
|---------------------|--------------------|-----|---------------|-----------|-------|

**TOPIC: NON-DISCRIMINATION**

|              |  |  |          |   |  |  |
|--------------|--|--|----------|---|--|--|
| <b>103-1</b> | Explanation of the material topic and its Boundary                       | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Gender equality and Human Rights as a material topic.          |          |   |  |  |
| <b>103-2</b> | The management approach and its components                               | NOVO BANCO has over the years promoted several initiatives aimed at reducing discrimination negative impacts, namely through its #NB Equal Gender programme, integrated in its Social Dividend model.  |          |   |  |  |
| <b>103-3</b> | Evaluation of the management approach                                    | NOVO BANCO has over the years promoted several initiatives within its #NB Equal Gender programme, which monitors three indicators with the aim of making the bank fairer and more gender-equal, having for the purpose defined specific objectives for 2020. |          |   |  |  |
| <b>406-1</b> | Total number of incidents of discrimination and corrective actions taken | In 2020 no incidents or lawsuits came to the attention of NOVO BANCO concerning discrimination on grounds of race, colour, gender, religion, public opinion or social class.   | 5, 8, 16 | 6 |  |  |

**TOPIC: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**

|              |  |  |  |   |  |  |
|--------------|--|--|--|---|--|--|
| <b>103-1</b> | Explanation of the material topic and its Boundary   | At NOVO BANCO, the majority of the employees is covered by collective bargaining agreements and perform their activity in accordance with the obligations established therein.   |  |   |  |  |
| <b>103-2</b> | The management approach and its components   | NOVO BANCO has over the years promoted several initiatives viewing non-discrimination, and in this context meets often with the Workers' Committee and the Trade Unions.   |  |   |  |  |
| <b>103-3</b> | Evaluation of the management approach  | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report.  |  |   |  |  |
| <b>407-1</b> | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | In 2020, NOVO BANCO was not aware of any instances of non-compliance with laws and regulations for breaches of the right to freedom of association and collective bargaining, or the payment of fines in connection thereof, within its value chain. |  | 3 |  |  |

| GENERAL DISCLOSURES | Page in the Report | SDG | GC Principles | Omissions | Scope |
|---------------------|--------------------|-----|---------------|-----------|-------|
|---------------------|--------------------|-----|---------------|-----------|-------|

**TOPIC: CHILD LABOUR**

|              |  |  |       |   |  |  |
|--------------|--|--|-------|---|--|--|
| <b>103-1</b> | Explanation of the material topic and its Boundary                         | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Human Rights as a material topic.  |       |   |  |  |
| <b>103-2</b> | The management approach and its components                                 | NOVO BANCO only employs adults (in accordance with the labour legislation). The Bank assumes unconditional respect for the United Nations Declaration of Human Rights and the requirements of the International Labour Organisation. NOVO BANCO's Human Rights Policy reflects its endorsement 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 Bank and in connection to its employees. |       |   |  |  |
| <b>103-3</b> | Evaluation of the management approach                                      | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report.  |       |   |  |  |
| <b>408-1</b> | Operations and suppliers at significant risk for incidents of child labour | During 2020 no instances came to the attention of NOVO BANCO concerning operations and suppliers at significant risk for incidents of child labour.  | 8, 16 | 5 |  |  |

**TOPIC: FORCED OR COMPULSORY LABOUR**

|              |  |   |  |  |  |  |
|--------------|--|---|--|--|--|--|
| <b>103-1</b> | Explanation of the material topic and its Boundary | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Human Rights as a material topic. |  |  |  |  |
|--------------|--|---|--|--|--|--|

| GENERAL DISCLOSURES   | Page in the Report  | SDG | GC Principles | Omissions | Scope |
|---|---|-----|---------------|-----------|-------|
| <b>103-2</b><br>The management approach and its components  | NOVO BANCO 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> |     |               |           |       |
| <b>103-3</b><br>Evaluation of the management approach   | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report.   |     |               |           |       |
| <b>409-1</b><br>Operations and suppliers at significant risk for incidents of forced or compulsory labour | During 2020 no instances came to the attention of NOVO BANCO concerning operations and suppliers at significant risk for incidents of forced or compulsory labour.  | 8   | 4             |           |       |

**TOPIC: SECURITY PRACTICES**

|   |   |    |   |  |  |
|---|---|----|---|--|--|
| <b>103-1</b><br>Explanation of the material topic and its Boundary                | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Human Rights as a material topic. |    |   |  |  |
| <b>103-2</b><br>The management approach and its components                        | NOVO BANCO has over the years promoted several initiatives in this area for compliance with the legislation in force.   |    |   |  |  |
| <b>103-3</b><br>Evaluation of the management approach                             | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report.   |    |   |  |  |
| <b>410-1</b><br>Security personnel trained in human rights policies or procedures | In 2020 NOVO BANCO did not provide training in human rights policies or procedures to its security personnel.   | 16 | 1 |  |  |

**TOPIC: RIGHTS OF INDIGENOUS PEOPLES**

|  |   |  |  |  |  |
|--|---|--|--|--|--|
| <b>103-1</b><br>Explanation of the material topic and its Boundary | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Human Rights as a material topic. |  |  |  |  |
|--|---|--|--|--|--|

| GENERAL DISCLOSURES |  | Page in the Report   | SDG | GC Principles | Omissions | Scope |
|---------------------|--|--|-----|---------------|-----------|-------|
| 103-2               | The management approach and its components   | NOVO BANCO does not promote initiatives in this regard as its activity is developed in urban or urbanised areas.                                   |     |               |           |       |
| 103-3               | Evaluation of the management approach  | Non applicable   |     |               |           |       |
| 411-1               | Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period and remediation action taken | NOVO BANCO's operations are located in urban or urbanised areas, therefore there are no instances of violation of the rights of indigenous people. | 2   | 1             |           |       |

#### TOPIC: HUMAN RIGHTS ASSESSMENT

|       |  |   |  |   |  |  |
|-------|--|---|--|---|--|--|
| 103-1 | Explanation of the material topic and its Boundary   | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Human Rights as a material topic.   |  |   |  |  |
| 103-2 | The management approach and its components   | NOVO BANCO has over the years promoted several initiatives aimed at reducing negative impacts arising from Human Rights issues, namely through its #NB Equal Gender programme, integrated in its Social Dividend model. The development of a culture of respect for human beings is part of NOVO BANCO's standards of excellence: respect for employees, respect in the manner we deal with clients, suppliers and other stakeholders, respect in the relationships established with the communities in the locations where the Bank operates. The Bank has a Human Rights policy that can be consulted on its website. |  |   |  |  |
| 103-3 | Evaluation of the management approach  | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report.   |  |   |  |  |
| 412-1 | Total number and percentage of operations that have been subject to human rights reviews or impact assessments | Non applicable  |  | 1 |  |  |
| 412-2 | Employee training on human rights policies or procedures   | In 2020 NOVO BANCO did not provide training on this topic.  |  | 1 |  |  |

| GENERAL DISCLOSURES |  | Page in the Report  | SDG | GC Principles | Omissions | Scope |
|---------------------|--|---|-----|---------------|-----------|-------|
| 412-3               | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | All NOVO BANCO Group's suppliers are covered by its Principles for Suppliers, which require compliance with Human Rights obligations. These criteria are included in the agreements entered into with all suppliers (100%). The certification of suppliers requires answering mandatory response questions concerning human rights policies and practices. The Bank visits all its material suppliers to check their supply capabilities and their compliance with the requirements of the Principles for Suppliers. In 2020 the Group found no instance of non-compliance with these principles by its material Suppliers, namely through its visits to their facilities. Should any cases of violation of human rights occur, NOVO BANCO undertakes to investigate them and reserves the right to terminate the agreement with the Supplier in question if it finds evidence of non-compliance with Human Rights obligations. |     | 2             |           |       |

**TOPIC: LOCAL COMMUNITIES**

|       |  |  |      |   |  |  |
|-------|--|--|------|---|--|--|
| 103-1 | Explanation of the material topic and its Boundary   | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Investment in the community as a material topic.   |      |   |  |  |
| 103-2 | The management approach and its components   | NOVO BANCO 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. These pillars are an integral part of the NB Social Responsibility programme, included within the Bank's Social Dividend Model. |      |   |  |  |
| 103-3 | Evaluation of the management approach  | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.  |      |   |  |  |
| 413-1 | Operations with local community engagement, impact assessments, and development programmes | SR - pages 138-139; 147-151  |      | 1 |  |  |
| 413-2 | Operations with significant actual and potential negative impacts on local communities     | NOVO BANCO is not aware of any operations having negative impacts on local communities.  | 1, 2 | 1 |  |  |

| GENERAL DISCLOSURES | Page in the Report | SDG | GC Principles | Omissions | Scope |
|---------------------|--------------------|-----|---------------|-----------|-------|
|---------------------|--------------------|-----|---------------|-----------|-------|

**TOPIC: SUPPLIERS SOCIAL ASSESSMENT**

|              |   |   |       |   |  |  |
|--------------|---|---|-------|---|--|--|
| <b>103-1</b> | Explanation of the material topic and its Boundary            | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers the Selection of suppliers with environmental, social and ethical criteria as a material topic.                               |       |   |  |  |
| <b>103-2</b> | The management approach and its components                    | NOVO BANCO 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. |       |   |  |  |
| <b>103-3</b> | Evaluation of the management approach                         | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report and website.   |       |   |  |  |
| <b>414-1</b> | New suppliers that were screened using social criteria        | SR - pages 109; 141-142   | 5, 16 | 2 |  |  |
| <b>414-2</b> | Negative social impacts in the supply chain and actions taken | In 2020 NOVO BANCO was not aware of any impacts at this level.  | 5, 16 | 2 |  |  |

**TOPIC: PUBLIC POLICY**

|              |  |  |    |    |  |  |
|--------------|--|--|----|----|--|--|
| <b>103-1</b> | Explanation of the material topic and its Boundary | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Corporate ethics and ethics in the relationship with stakeholders as a material topic. |    |    |  |  |
| <b>103-2</b> | The management approach and its components         | NOVO BANCO manages its activity in full compliance with the legislation in force.  |    |    |  |  |
| <b>103-3</b> | Evaluation of the management approach              | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report.  |    |    |  |  |
| <b>415-1</b> | Political contributions                            | Political contributions by companies are not permitted under Decree Law No. 19/2003, of 20 June, and NOVO BANCO complies with these provisions.  | 16 | 10 |  |  |

| GENERAL DISCLOSURES | Page in the Report | SDG | GC Principles | Omissions | Scope |
|---------------------|--------------------|-----|---------------|-----------|-------|
|---------------------|--------------------|-----|---------------|-----------|-------|

**TOPIC: CUSTOMER HEALTH AND SAFETY**

|              |   |   |    |  |  |  |
|--------------|---|---|----|--|--|--|
| <b>103-1</b> | Explanation of the material topic and its Boundary  | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Security of the financial assets, and physical and digital security of the client as a material topic.                                  |    |  |  |  |
| <b>103-2</b> | The management approach and its components  | NOVO BANCO has over the years promoted several initiatives across all client security activities, namely with respect to the clients' safety, the security of transactions, and the safeguard of the personal data of clients and other data subjects.  |    |  |  |  |
| <b>103-3</b> | Evaluation of the management approach   | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report.   |    |  |  |  |
| <b>416-1</b> | Assessment of the health and safety impacts of product and service categories                                 | The Bank's facilities comply with all existing rules for secure and private customer service. NOVO BANCO conducts its relationship with clients in accordance with the new General Data Protection Regulation, guaranteeing privacy and security in the treatment of customer data. More information may be found in Indicator 418-1. |    |  |  |  |
| <b>416-2</b> | Total number of incidents of non-compliance concerning the health and safety impacts of products and services | In 2020 there were no penalties and/or fines applied to NOVO BANCO in relation to the General Data Protection Regulation (GDPR).  | 16 |  |  |  |

**TOPIC: LABELLING OF PRODUCTS AND SERVICES**

|              |  |   |  |  |  |  |
|--------------|--|---|--|--|--|--|
| <b>103-1</b> | Explanation of the material topic and its Boundary | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Customer satisfaction and service quality, and financial products and services as a material topic. |  |  |  |  |
| <b>103-2</b> | The management approach and its components         | NOVO BANCO has over the years promoted several initiatives aimed at providing clear and transparent information about its products and services to its clients. Products disclosure is subject to prior approval by the competent supervision authority.  |  |  |  |  |
| <b>103-3</b> | Evaluation of the management approach              | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report.   |  |  |  |  |

| GENERAL DISCLOSURES |   | Page in the Report   | SDG    | GC Principles | Omissions | Scope |
|---------------------|---|--|--------|---------------|-----------|-------|
| <b>417-1</b>        | 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.             | NOVO BANCO provides clear information about each product or service offered, including about their characteristics and specific conditions. This information and underlying processes are subject to strict internal controls in terms of the Bank's internal audit and quality control, as well as strict external controls, through the supervision conducted by the Bank of Portugal, the CMVM and the external audits to the Bank's processes. | 12, 16 |               |           |       |
| <b>417-2</b>        | Número total de incidentes resultantes da não conformidade com os regulamentos e códigos voluntários relativos à informação e rotulagem de produtos e serviços, discriminados por tipo de resultado | In 2020 no incidents of non-compliance with voluntary procedures and voluntary codes concerning product and service information or labelling of NOVO BANCO were identified.  | 16     |               |           |       |
| <b>417-3</b>        | Total number of incidents of noncompliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of result        | In 2020 no incidents of non-compliance with voluntary procedures and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by NOVO BANCO were identified.   |        |               |           |       |

#### TOPIC: CUSTOMER PRIVACY

|              |   |  |    |  |  |  |
|--------------|---|--|----|--|--|--|
| <b>103-1</b> | Explanation of the material topic and its Boundary  | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is building its Sustainability Strategy and considers Security of the financial assets, and physical and digital security of the client as a material topic. |    |  |  |  |
| <b>103-2</b> | The management approach and its components  | NOVO BANCO has over the years promoted several initiatives to ensure it performs its activity in accordance with best market practices and the legal and regulatory requirements. The Bank ensures the confidentiality, integrity and availability of the information.                             |    |  |  |  |
| <b>103-3</b> | Evaluation of the management approach   | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report.  |    |  |  |  |
| <b>418-1</b> | Total number of substantiated complaints received concerning breaches of customer privacy | In 2020, there were no sanctions and/or fines imposed on NOVO BANCO related to the General Data Protection Regulation (NDPC).  | 12 |  |  |  |



| GENERAL DISCLOSURES | Page in the Report | SDG | GC Principles | Omissions | Scope |
|---------------------|--------------------|-----|---------------|-----------|-------|
|---------------------|--------------------|-----|---------------|-----------|-------|

**TOPIC: SOCIOECONOMIC COMPLIANCE**

|              |  |  |    |  |  |  |
|--------------|--|--|----|--|--|--|
| <b>103-1</b> | Explanation of the material topic and its Boundary   | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Corporate ethics and ethics in the relationship with stakeholders as a material topic. |    |  |  |  |
| <b>103-2</b> | The management approach and its components   | NOVO BANCO has over the years promoted several initiatives to ensure it performs its activity in accordance with best market practices and the legal and regulatory requirements.  |    |  |  |  |
| <b>103-3</b> | Evaluation of the management approach  | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report.  |    |  |  |  |
| <b>419-1</b> | Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area | In 2020 NOVO BANCO was convicted and fined for 8 infractions for breaches of the duty of bank secrecy, duty of information and in administrative proceedings which resulted in three sanctions.in the amount of 23 500 euros.  | 16 |  |  |  |

**FINANCIAL SUPPLEMENT INDICATORS  
TOPIC: PORTFOLIO OF PRODUCTS**

|              |  |  |  |  |  |  |
|--------------|--|--|--|--|--|--|
| <b>103-1</b> | Explanation of the material topic and its Boundary | NOVO BANCO's materiality matrix, which contains the sustainability topics, results from the dialogue with the stakeholders NOVO BANCO is developing its Sustainability Strategy and considers Customer Satisfaction and Service Quality, as well as Financial products with social and environmental concerns as material topics.  |  |  |  |  |
| <b>103-2</b> | The management approach and its components         | NOVO BANCO has been enhancing its customer experience monitoring model with a view to offering the best experience to its clients. Knowing the clients' expectations throughout their life cycle permits to identify opportunities for improvement, using a robust model for monitoring the customer experience based on several action pillars. The Bank has also reinforced its offering and services based on environmental criteria. |  |  |  |  |
| <b>103-3</b> | Evaluation of the management approach              | NOVO BANCO monitors indicators pertaining to this topic and reports the results in its Sustainability Report and institutional website.  |  |  |  |  |

| GENERAL DISCLOSURES |   | Page in the Report   | SDG             | GC Principles | Omissions | Scope |
|---------------------|---|--|-----------------|---------------|-----------|-------|
| Management Approach | Policies with specific environmental and social components applied to business lines.   | SR - pages 138-141   | 10              |               |           |       |
|                     | Procedures for assessing and screening environmental and social risks in business lines.  | SR - pages 138-141   | 10              |               |           |       |
|                     | Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions. | NOVO BANCO has in place several mechanisms to regulate customer monitoring. In cases which may be considered more sensitive, prevention and monitoring plans are negotiated, and the situations are monitored, resorting, when necessary, to external experts. |                 |               |           |       |
|                     | Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines             | NOVO BANCO provides adequate training to its employees on the marketing of products with environmental and social concerns.  |                 |               |           |       |
|                     | Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities                                     | SR - pages 112-114; 118-123; 126-127; 127-138  | 10              |               |           |       |
| <b>FS6</b>          | Percentage of the portfolio for business lines by specific region, size (e.g., micro/SME/ large) and by sector  | MR - páginas 12-14   | 1, 8, 9         |               |           |       |
| <b>FS7</b>          | Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose                   | SR - pages 138-141   | 1, 8, 9, 10, 11 |               |           |       |
| <b>FS8</b>          | Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose            | SR - pages 138-141   |                 |               |           |       |

#### TOPIC: AUDIT

|            |   |   |    |  |  |  |
|------------|---|---|----|--|--|--|
| <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. NOVO BANCO annually assesses the practices implemented and the quantitative data through an external independent verification of its AR and Sustainability Report. | 10 |  |  |  |
|------------|---|---|----|--|--|--|

#### TOPIC: ACTIVE OWNERSHIP

|             |   |                     |    |  |  |  |
|-------------|---|---------------------|----|--|--|--|
| <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 109 -112 | 10 |  |  |  |
| <b>FS11</b> | Percentage of assets subject to positive and negative environmental or social screening   | Non applicable      | 10 |  |  |  |

| GENERAL DISCLOSURES |   | Page in the Report  | SDG | GC Principles | Omissions | Scope |
|---------------------|---|---|-----|---------------|-----------|-------|
| <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 | NOVO BANCO's equity holdings in other companies are always aimed at obtaining profitability in the long term.<br>Having said that, the Bank's stance as a shareholder takes into account the relevant principles to ensure consistent ethical, social and environmental management. |     |               |           |       |

**TOPIC: LOCAL COMMUNITIES**

|             |  |  |  |       |  |  |
|-------------|--|--|--|-------|--|--|
| <b>FS13</b> | Access points in low-populated or economically disadvantaged areas by type   | Despite the downsizing carried out, NOVO BANCO still has a large network of branches across the country and has 53 branches in low populated areas. NOVO BANCO has been investing in the digitisation of its services, which has permitted greater coverage and easier contact with its clients, wherever they are.                      |  |       |  |  |
| <b>FS14</b> | Initiatives to improve access to financial services for disadvantaged people | NOVO BANCO's branch network is equipped with access ramps and lifting platforms. 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 NOVO BANCO's branches and services. |  | 1, 10 |  |  |

**TOPIC: LABELLING OF PRODUCTS AND SERVICES**

|             |  |   |          |  |  |  |
|-------------|--|---|----------|--|--|--|
| <b>FS15</b> | Policies for the fair design and sale of financial products and services | All the financial products and services are designed in compliance with the legal requirements, the regulators' guidelines and the policies of the institution. NOVO BANCO regularly reports to its regulators proof of its respect for and compliance with politics and rules of conduct, externally and internally. The internal and external audits to the Bank's procedures verify whether its procedures comply with the requirements issued by the Bank of Portugal and the Portuguese Insurance Institute. | 10       |  |  |  |
| <b>FS16</b> | Initiatives to enhance financial literacy by type of beneficiary         | SR - pages 148-150  | 1, 8, 10 |  |  |  |

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

— NOVO BANCO  
 — NOVO BANCO Group

## 7.3 Independent Limited Assurance Report



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*(Free translation from the Original Independent Limited Assurance Report in Portuguese. In case of any discrepancy, the Portuguese version always prevails)*

### Independent Limited Assurance Report of the Sustainability Report

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

#### Introduction

1. We were contracted by the Board of Directors of Novo Banco, S.A. to proceed with the independent review of the "Sustainability Report 2020", hereinafter the "Sustainability Report", included in the "Report and Accounts 2020" relating to the sustainability performance from 1 January to 31 December 2020.

#### Responsibilities

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

#### Scope

4. Our review procedures have been planned and executed in accordance with the International Standard on Assurance Engagements (ISAE 3000, Revised) - "Assurance engagements other than Audits and Reviews of Historical Financial Information", for a limited level of assurance.
5. The procedures performed in a limited assurance engagement vary in timing and nature from, and are less in extent than for, a reasonable assurance engagement, therefore, the assurance provided by these procedures is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our independent review procedures comprised the following:
  - ▶ Conducting interviews with Management, in order to understand how the information system is structured and assess their level of knowledge of the topics addressed in the report;
  - ▶ Review of the processes, criteria and systems adopted to collect, consolidate, report and validate the data for the year 2020;
  - ▶ Review, on a sample basis, of the data calculated by Management, and of quantitative and qualitative information disclosed in the report;
  - ▶ Confirmation on how collection, consolidation, validation and report procedures are being implemented in selected operating units;
  - ▶ Verification of the conformity of the information included in the "Sustainability Report" with the results of our work.
6. Regarding sustainability reporting standards of the Global Reporting Initiative - GRI Standards, we performed a review of the self-evaluation made by Management of the adopted option to apply the GRI Standards and conformity with Article 66B of the Portuguese Companies Act (Código das Sociedades Comerciais) (disclose of non-financial information).



Novo Banco, S.A.  
 (Free translation from the Original Independent Limited Assurance Report in Portuguese. In case of any discrepancy, the Portuguese version always prevails)  
 Independent Limited Assurance Report of the 2020 Sustainability Report Report  
 1 of January to 31 of December 2020

### Quality and independence

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

### Conclusion

8. Based on our work, nothing has come to our attention that causes us to believe that the systems and procedures for the collection, consolidation, validation and reporting of the "Sustainability Report" are not operating appropriately and the information disclosed is not free from relevant material misstatements. Additionally, nothing has come to our attention that causes us to believe that the "Sustainability Report" do not include all the required data and information as defined by the Article 66B of the Portuguese Companies Act.

Lisboa, March 25, 2021

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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