

novobanco

SOCIAL DIVIDEND PERFORMANCE REPORT



É agora.
Agora é o nosso tempo.

DECEMBER 2023

novobanco ESG vision is built-in in its “Shaping the Future” strategy, and tracked by our Social Dividend commitments

Customer-centric Bank

Reflecting evolving customer expectations through **distinctive value propositions**

Leveraging **digital and omnichannel approach** as drivers of **service** and **proximity**



Support our **clients transition** and maximize positive **impact on society and environment**



Simple and efficient operations

Simplifying the banking experience, through superior usage of **technology and data**

Improving **internal processes** to upgrade **productivity and efficiency**



Improve **efficiency**, enable **own transition**, ensure **systems readiness for ESG**



Developing people and culture

Attracting and developing a team of **skilled and fulfilled professionals** that actively **live the bank’s values**

Developing a **dynamic collaborative culture** in an environment adapted to the **new ways of working**



Strengthen **capabilities, inclusiveness, diversity** and the **engagement** of our people



Developing sustainable performance

Delivering **sustainable returns** through disciplined risk, capital and funding management

Strengthening the integration of **ESG across business** to support sustainable growth and key stakeholders



Build a robust **ESG governance & risk management framework**



Our 2023 Social Dividend performance in each of novobanco's strategic pillars versus 2024 commitments

Customer-centric Bank

€713M of Green investment vs **€600M** 2021 ¹

63% of investment products with **60%** ESG characteristics ²

3,8 in client NPS indicator vs **10** 2021 ³

3 partners. to promote people with disabilities emp. ⁴

Simple and efficient operations

-36% of tCO₂ emissions from **-28%** own operations vs 2020 ⁵

+11% of tonnes of paper **-30%** consumption vs 2021 ⁶

76% of suppliers with **90%** sustainability score ⁷

Developing people and culture

5,3% in gender pay gap **5,0%** (i.e.: equal pay) ⁸

47% employees benefitting from **40%** social well being program ⁹

57% in employ. engagement **65%** level vs 2021 ¹⁰

+792 growth in hours of employ. **9.594** voluntary service vs 2021 ¹¹

-5% Employ. with psychosocial **+3%** risk assess. as healthy ¹²

Developing sustainable performance

27,3% of women in senior **30%** leadership positions ¹³

94.403 ESG training hours to **96.861** employees

€0M of financing to excluded **€0M** sectors ¹⁴

Results

Targets

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

As part of our 2023 dual materiality assessment update we reviewed our Social Dividend model, setting new leading KPI and targets

Customer-centric Bank

Green production¹

Target 2026
2.000 MEUR¹



Simple and efficient operations

Own emissions²

Target 2030
-50% vs 2021



Developing people and culture

Equal pay³

Target 2026
Below 5%



Developing sustainable performance

GHG emis. reduction targets⁴

Target 2030
100% Target by sector



ESG investment products⁵

Target 2026
60% of invest. products



Renewables share⁶

Target 2026
100%



Employee engagement⁷

Target 2026
At least 65%



Women in management⁸

Target 2026
At least 40%



1. Loans and investments considered under novobanco green financing policy with a 650 MEUR target for 2024; 2. Scope 1 and 2 GHG emissions; 3. Equal pay gap calculated per function; 4. Achieving GHG emissions intensity targets for Power generation; Cement and CRE (Commercial Real Estate); 5. % of investment products (investment funds, financial insurances, structured notes or deposits) with ESG characteristics/ concerns – Art.8 and 9; 6. Net renewables share of 100% by 2026 (Azores, Madeira, Group facilities and branches with no direct contract need to be addressed); 7. Assessment of the level of employee engagement carried through the Pulse survey (average % of employee engagement); 8. Previously Sr Leadership

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