

# Sustainability Policy



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# Introduction

Sustainability and ESG (Environmental, Social and Governance) factors are increasingly relevant themes for customers, business, and society. Sustainability is one of humanity's great challenges today and requires urgent action, which is not only necessary but imperative, in the fight against climate change and social inequalities.

The European and international commitments made, in particular the Paris Agreement, which seeks to strengthen the global response to mitigation and adaptation to climate changes, and the 2030 Agenda for Sustainable Development proposed by the United Nations (UN) around 17 Sustainable Development Goals (SDGs), require a transition to a sustainable economic development model, for which the involvement and alignment of the financial sector is decisive. This transition is also promoted by the European Commission's Action Plan on Sustainable Finance, which defines the European strategy for the financial sector.

As an integral part of its responsible business model, the BCP Group assumes dynamic strategies adjusted to the new challenges imposed by the various Stakeholders with which it relates – Employees, Customers, Shareholders, Suppliers and other Stakeholders – and is committed to promoting a culture of environmental, social and economic responsibility, namely the fight against climate change, the preservation of natural resources, biodiversity and the environment and social inequalities, along with the strategic objectives of digital and technological innovation.

It is our ambition to be a protagonist in this process of change, integrating ESG criteria into our operations, products, and services, as well as in the supply chain, thus creating long-term value for the organisation.





# Sustainability Principles

We believe that for the transition to a more sustainable world, we all have a responsibility to align our behaviours, individual and collective, with models of economic and social development that, fostering prosperity and the creation of wealth and employment, value people and respect the environment and biodiversity.

The Sustainability Principles adopted by the BCP Group, which integrate the environmental, social and governance dimensions, are:

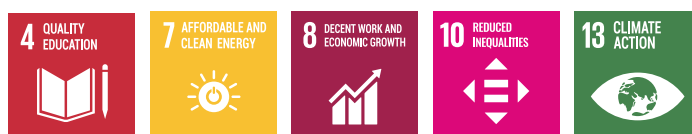
- alignment of the decision-making process, in all areas of the Group, with a view to complying with the Paris Agreement and the United Nations SDGs, and respect for the Principles of the UN - Global Compact and the relevant national and international policies in these matters;
- support in the transition to a sustainable and just society through the development of products and services with a positive impact on society and the environment;
- inclusion of the SDGs in the process of creating, innovating, and offering financial products;
- transparency in the information regarding the destination and impact on the granting of credit and investments made by the Group;
- information and advice to Clients and other Stakeholders on the importance of protecting natural resources, biodiversity, and the urgency of combating climate change;
- rigour and respect in complying with legal requirements, namely the adoption of good tax governance practices;
- establishment of partnerships and continuous involvement with the communities - external and internal - in the search for opportunities for the creation of social and environmental value in the intervention spaces in which it operates, through the support of initiatives in the field of culture, education and financial literacy or the implementation of social support and volunteering actions.

# Goals

The BCP Group recognises the importance of the United Nations Sustainable Development Goals (SDGs) and strives for their achievement in all the geographies in which it operates.




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

The BCP Group identifies a set of SDGs as priorities for the implementation of the 2030 Agenda for Sustainable Development, namely:



The BCP Group has a governance model and a Sustainability Master Plan (SMP) that ensures the alignment of the value proposition, business processes and practices, and support operations with ESG principles. In the implementation of this central pillar of action, the Bank assumes as a priority the strengthening of the offer of products and services with the inclusion of ESG criteria, materializing a transformative dynamic that allows it to respond, in an integrated and coherent manner, to the growing requests and needs of Customers. It is in this frame of reference that the promotion of sustainable financing is a cornerstone of the Bank's business culture.

The Bank's intervention in sustainability matters is structured around the three ESG axes:

	<b>Environment</b>	Implementation of measures to foster the transition to a sustainable economic development model, including the incorporation of the environmental aspect into the Bank's risk models and in the offer of products and services and in the decarbonization of its own operations.
	<b>Social</b>	Promotion of involvement with the external and internal communities and creation of social value.
	<b>Corporate Governance</b>	Integration of the principles of sustainability in the Bank's decision-making and control processes.



# Performance Areas and Commitments

The ESG Axes that structure this Policy are translated into the following areas of action:

## Internal

- Sustainable Management
- Sustainable Operations

## External

- Sustainable financing
- Positive impact on the community and on People



We intend to promote sustainable development through the implementation and development of good practices and the increasing granting of financing to environmentally sustainable and socially responsible projects. The transition to a fairer, more inclusive, and environmentally balanced economy is part of our ambition, and, in this regard, we publicly adopt and support:

- The principles of the UN Global Compact;
- The Charter of Principles of BCSD Portugal;
- The CEO Guide to Human Rights from the WBCSD;
- The Letter of the Commitment to Sustainable Financing promoted by the Portuguese government;
- The United Nations Global Compact's Business Leaders' Declaration for Renewed Global Cooperation;
- Women's Empowerment Principles, established by UN Women and UN Global Compact;
- Principles for Responsible Banking from the UNEP FI.

Based on the principles, good practices, and sustainable development goals, we have made the following commitments:

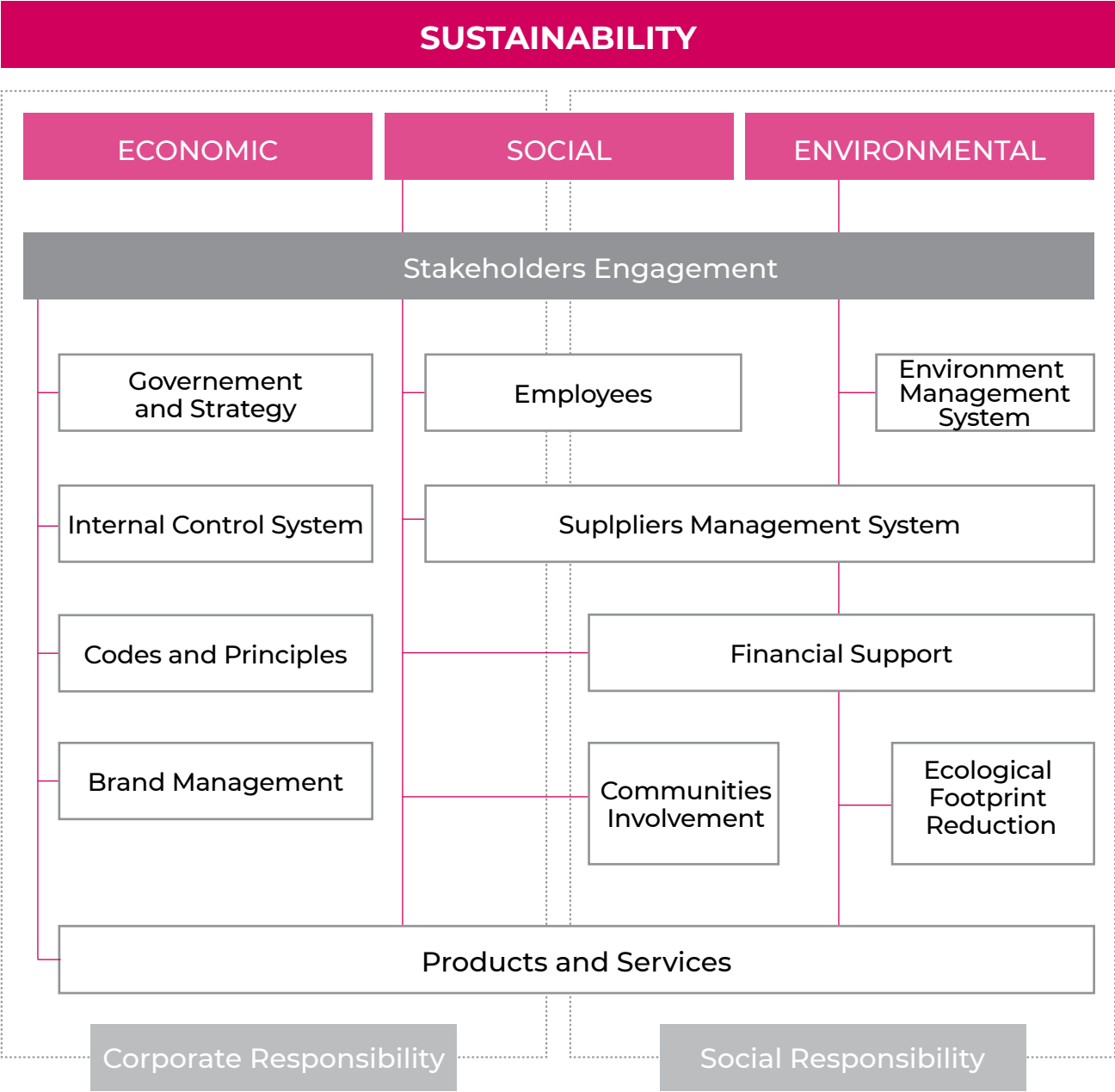
- **Integrate environmental and social risks into the risk analysis process:** integration of environmental risk analysis (physical and transition risks) into customer assessment, credit granting and project finance processes, taking into account not only the risks associated with the sectors of activity of the operations, but also their ESG performance;
- **Define a list of sectors and activities not financed by the Group:** the BCP Group recognises the existence of sectors of activity or projects that are not compatible with the Bank's commitment to preserve the environment, promote sustainable development, combat climate change, and preserve biodiversity. This recognition resulted, within the scope of the credit policy, in the definition of a [list of sectors of activity excluded or conditional on financing](#);
- **Develop sustainable solutions:** finance green and energy-efficient projects, including transition projects related to the replacement of energy produced from fossil fuels with low-emission energy sources;

- **Stimulate green growth and the achievement of environmental and social goals:** promote sustainable growth and the achievement of environmental and social goals by offering a full and comprehensive range of products with a positive impact on the environment and society, across the various business lines;
- **Respect Human Rights:** protect and respect the fundamental principles of Human Rights, through the pursuit of responsible and ethical business practices, duly reflected in the Bank's policies applicable to different Stakeholders, namely employees, customers, shareholders, suppliers, communities, and other Stakeholders;
- **Strengthen sustainability skills:** stimulate the development of the sustainability strategy and practices within the organisation and promote the training and development of employees' skills in sustainability matters;
- **Promote a culture of responsible consumption:** Group BCP assumed, through the [Sustainability Guiding for Suppliers](#), a set of requirements, in line with national and international best practices, namely the Universal Declaration of Human Rights, the Fundamental Principles and Rights at Work of the International Labour Organization, the United Nations Global Compact and the Charter of Principles of BCSD Portugal, which must shape the performance of suppliers, compliance that the Bank verifies and monitors;
- **Create impact on society:** promote a culture of social responsibility, developing actions for and with several groups of Stakeholders aiming at, directly and indirectly, contributing to the social development of the communities and countries where it operates.





In cases where the laws in force in the geographies in which the BCP Group or its suppliers operate are in conflict with the commitments and benchmarks subscribed to, compliance with local legislation is considered as a minimum requirement.



## Disclosure, reporting and monitoring

The Sustainability Policy is available on the Bank's website, at: [Millenniumbcp/Institutional/Sustainability/Policies](https://millenniumbcp.com/institutional/sustainability/policies)

It is also available to employees on corporate intranets.

The reporting on the performance of Group BCP in terms of Sustainability is object of a regular follow-up and monitoring, being reported in the Sustainability Report which is made, validated, and published every year.

The indicators for monitoring the BCP Group's performance under this policy are established by the Sustainability Commissions of the different countries where BCP Group operates.

Information on the disclosure of sustainability-related information in portfolio management and investment advice is available on the Bank's websites.

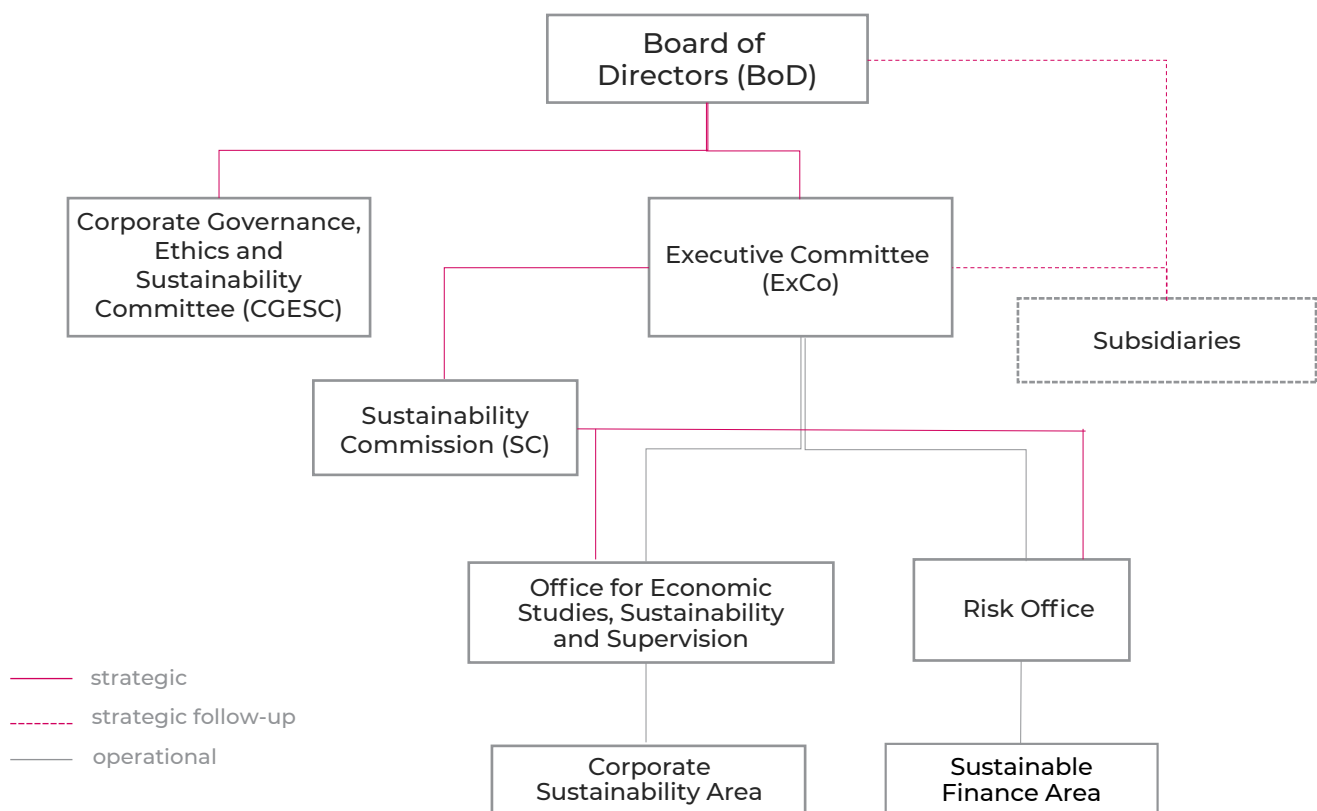


# Scope

This Policy applies to all its operations, activities, products, and services in Portugal. Group BCP also promotes its adoption by its subsidiary companies abroad subject to possible adjustments necessary to comply with local law and regulatory framework. Likewise, the BCP Group seeks to promote the adoption of the principles and commitments expressed in this policy by suppliers and partners.

## Governance and supervision model

Sustainability matters at the BCP Group are supervised by the Board of Directors (BoD), supported by the Committee for Corporate Governance, Ethics and Sustainability (CGSES), a body responsible for recommending the adoption by the Board of Directors of policies in line with ethical and social responsibility principles and best practices in corporate governance and sustainability matters and issuing opinions on the Sustainability Master Plan (SMP), Corporate Social Responsibility Plan (CSRPlan) and annual corporate governance and sustainability reports, with the Committee for Risk Assessment (CAVR) being responsible for identifying, assessing and monitoring ESG risks, including climate risk.



The Executive Committees (EC) of the Banks that make up the BCP Group are responsible for managing themes related to Sustainability, as an organisation and financing entity, with an impact on the value proposition, on the offer of products and services and on the support processes and operations, being assisted, in these functions, by the Sustainability Commissions (SC), bodies responsible for evaluating the integration of Sustainability principles in the Bank's decision-making and management processes, analyse and approve the initiatives necessary for the implementation of the actions defined to materialise the strategic axes of the Sustainability Master Plan and monitor their progress.

The Sustainability Units of the Banks that make up the BCP Group are responsible for proposing and implementing global and coherent sustainability and corporate social responsibility policies, which promote business development and risk management with the incorporation of environmental, social and governance principles and enhance the growth of the institution's reputation and its ability to add social and environmental value and respond to the needs and expectations of Stakeholders.

BCP's Sustainability Unit in Portugal (Office for Economic Studies, Sustainability and Supervision) is also responsible for ensuring the adequacy and compliance of the BCP Group's Sustainability practices with legal and regulatory requirements and with the expectations and recommendations of supervisory entities.

## **Validity and review process of the Policy**

This Policy enters into force from its approval date and is reviewed every 2 years by Banco Comercial Português, S.A., or whenever necessary, with the Office for Economic Studies, Sustainability and Supervision being the internal entity responsible for reviewing its contents.

The responsibility for approving the Sustainability Policy is assigned to BCP's Board of Directors, following the opinion of its Committee for Corporate Governance, Ethics and Sustainability.

This document version was approved on 31 of July 2024.



**[www.millenniumbcp.pt](http://www.millenniumbcp.pt)**

Banco Comercial Português, S.A. Head Office: Praça D. João I, 28, 4000-295 Porto  
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