



RELATION WITH STAKEHOLDERS



Relation with Stakeholders

The BCP Group defines strategies and pursues policies adjusted to the new challenges imposed by the interested parties with which it relates, materializing a business model based on an ongoing and transparent dialogue enabling to understand and comply with the expectations of its Stakeholders.

Material issue: MANAGEMENT OF STAKEHOLDERS

Identification and integration of expectations

The most recent survey to stakeholders was made in the 2nd half-year of 2019. This process involved, through representative sample, the main interested parties, namely (i) Qualified shareholders, (ii) Clients from all Bank's segments, (iii) Employees, (iv) Community, (v) Suppliers and (vi) Media, obtained a response rate of 66%, enabling to update the identification of themes with greater relevance and impact on the Bank's activity, included in the new Materiality Matrix and in the 2021 Sustainability Master Plan.

The strategy of Millennium bcp in terms of Sustainability is translated in the Sustainability Master Plan (SMP), a plan of commitments that aggregates several actions to be carried out by the Bank. The guidelines and the definition of the actions part of the SMP are based on a balanced relation between the identified relevant material issues, the Bank's available resources and the economic and market framework existing at the time.

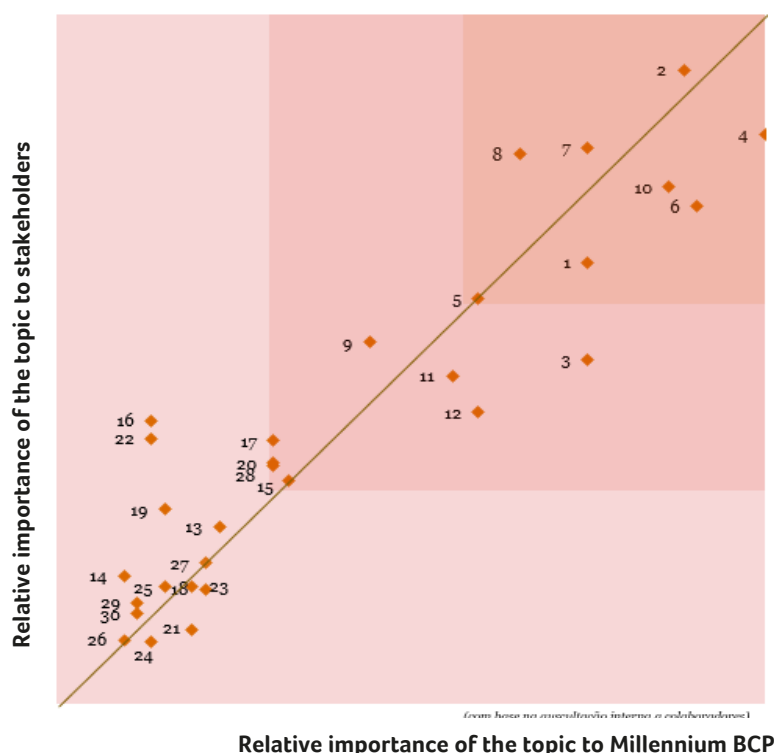
After defining in 2009, for the triennial 2010 - 2012 (afterwards extended to 2013), its first SMP in Portugal, the Bank drew up and approved in 2013 the new SMP for the two-year period 2014 – 2015, which was then deemed pertinent to extend until 2018. In 2020, the new SMP 2021 was developed and approved. Its process for identifying material issues included: consultation of stakeholders, consultation and analysis of studies – financial sector trends –; more relevant and frequent issues – Analysts –; SMP Millennium bcp 2018; consultation with the areas directly intervening in the issues included in the Sustainability policies.

The strategy of Millennium bcp in the wake of sustainability is defined, in all its components, in the 2021 Sustainability Master Plan.

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*The 2021 Sustainability Master Plan
incorporates the sustainability strategy
and the axes Millennium bcp's operations.*

MATERIALITY MATRIX



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

It is within this context that the identification and the ongoing follow-up of the themes considered material by the Stakeholders of Millennium bcp – such as the one carried out in 2019 and planned to be carried out once again in 2021 – has been enabling the Bank to know the areas that show better performances in terms of Sustainability, but also enabled it to rapidly detect improvement opportunities representing a strong contribution for the adoption of an appropriate sustainability strategy adapted to new realities, challenges and requirements.

The Sustainability Master Plan (SMP) 2021, is an instrument of integration which, through a close, transparent and consequent relation, intends to meet the main expectations identified during the regular surveys made to the Bank's main Stakeholders and foresees, in its different aspects, the following initiatives and actions:

Material issue:

STRATEGY AND RESULTS

SUSTAINABILITY MASTER PLAN (SMP) - 2021

Size	Actions
Governance Model of Sustainability and Corporate Policies	<ul style="list-style-type: none"> - Implement a governance model of the Sustainability Area that allows multidisciplinary action, transversal to the organization, including, whenever justified, the international operations; - Revise and update the Group's corporate policies; - Revise the Group's assessment and remuneration policies.
Training on Sustainability	<ul style="list-style-type: none"> - E - <i>Learning on Sustainability</i> (and <i>Sustainable Finance</i>).
Management of the brand and reputation	<ul style="list-style-type: none"> - Reinforce the positioning of Millennium bcp in sustainability indexes; - Subscribe to sustainability principles and commitments; - Define the positioning of BCP concerning the SDG; - Include sustainability in corporate events; - Reinforce communication and disclosure of micro credit; - Improve reporting and communication on sustainability.
Risk management, ethics and conduct	<ul style="list-style-type: none"> - Foster a culture of compliance and of a strict management of risk; - Ensure the integration of environmental and social risks in the risk assessment process.
Information Safety and data protection	<ul style="list-style-type: none"> - Guarantee the Employees management and information
Quality of Service and customer satisfaction	<ul style="list-style-type: none"> - Optimize service levels; - Foster a culture of ongoing improvement; - Creation of a Customer Charter.
Responsible Management of suppliers	<ul style="list-style-type: none"> - Formalise compliance with social and environmental requirements in the relationship established with Suppliers.
Innovation	<ul style="list-style-type: none"> - Foster a culture of innovation.
Policies and regulations on sustainable financing	<ul style="list-style-type: none"> - Follow up the development of the Action Plan for sustainable finance of the European Commission.
Transparency in the information provided to customers on products and services	<ul style="list-style-type: none"> - Include in the communication with clients of items on the sustainability of the proposed investments.
Risk management	<ul style="list-style-type: none"> - Include ESG risks in the risk management procedures; - Promote climate changes awareness with corporate clients developing their activities in sectors more exposed to risks and environmental regulations; - Identify and classify Corporate Clients with greater environmental and social risks.
Offer of inclusive and sustainable products	<ul style="list-style-type: none"> - Promote and launch products that observe social responsibility principles and cope with the new environmental challenges; - Develop an offer of products "ESG", that promote the transition of the economy to a sustainable model.
Accessibilities	<ul style="list-style-type: none"> - Improve the implementation of differentiated working schedules for customer servicing; - Improve digital accessibility of clients.
Capture and retention of talent	<ul style="list-style-type: none"> - Support to the adoption of healthy lifestyles; - Improve the mechanisms ensuring a greater proximity between the Employees and top managers. - Promote balance between work - family.
Volunteer Actions	<ul style="list-style-type: none"> - Making and approval of a Volunteering Policy; - Volunteering programme.
Conscious Business Project	<ul style="list-style-type: none"> - Conscious organization.
Human Rights	<ul style="list-style-type: none"> - Analyse and communicate positioning in the human rights risk management.
Financial Literacy	<ul style="list-style-type: none"> - Programme of financial literacy; - Implement social and/or environmental awareness actions common to the entire Group;

Investment in the community	<ul style="list-style-type: none"> - Develop campaigns together with non-governmental organizations and charitable institutions to foster a sustainable development; - Reinforce association with Fundação Millennium bcp; - Reinforce and systematize partnerships with entities that promote and develop Entrepreneurship near local communities; - Develop social responsibility actions; - Measure the impact on the community.
Climate changes, energy efficiency and alternative energy sources	<ul style="list-style-type: none"> - Contribute to limit global warming to 2°C (Paris Agreement).
Environmental performance	<ul style="list-style-type: none"> - Minimize the environmental impact of the operations.

We shall present, in the following chapters, the most relevant initiatives carried out during 2020 together with the results obtained and the performance reached by the Bank in the several material issues identified in the materiality matrix. The 2020 Annual Report presents the performance of the BCP Group in the following issues: Governance Model, Risk Management and Shareholding Structure in the respective sections – Governance (and Corporate Governance Report), Risk Management and BCP Share.

This report, together with the Annual Report ensures, this way, the disclosure of the most relevant information on the performance of the BCP Group in the material issues identified by its main Stakeholders.

MAP WITH ENVIRONMENTAL PERFORMANCE EVOLUTION BY LOCATION

