



ECONOMIC RESPONSIBILITY



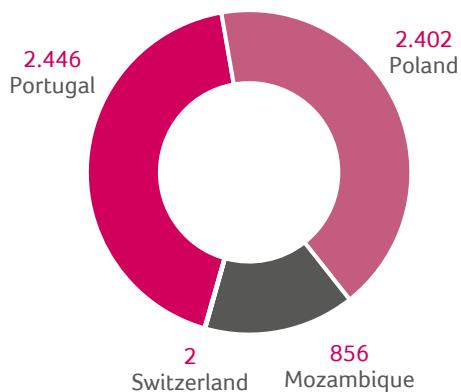
Economic Responsibility

BCP Group has been developing its activity in a responsible manner towards Employees, Customers, Shareholders, Suppliers and remaining Stakeholders, always guiding its performance by the compliance with internal principles of rigour, the applicable legislation and the regulations issued by the supervision and regulatory authorities:

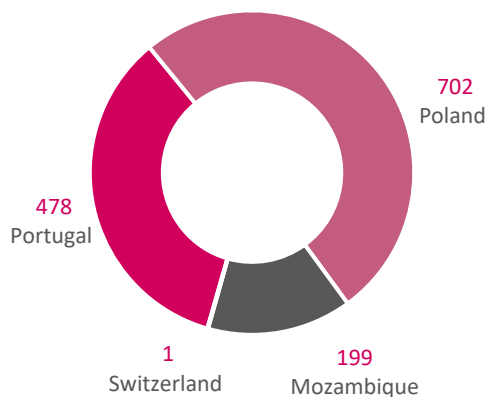
Millennium network

Millennium bcp is a bank with its decision-making centre in Portugal; it is the largest Portuguese private bank, serving, in 2020, approximately 5.7 million Customers with a network of 1,380 branches. The international activity of Group Millennium is carried out by banking operations headquartered in affinity markets and in countries with a recognized growth potential – Poland, Switzerland and Mozambique –, where it operates, under the Millennium brand, with 902 agencies.

Active Customers
(thousands)



Branches breakdown
(Nr. of Branches)



Active clients: First holders with, at least, 1 product with a balance > 50 cents, in absolute value and with card transactions in the last 90 days or with financial assets ≥ 100 euros

“

In 2020, Millennium bcp registered 5.7 million active customers, of which 2.4 million in Portugal.

Group BCP also ensures a presence in the five continents by means of representation offices, branches, business protocols and business promoters.



Accessibilities

Material ACCESSIBILITIES

The BCP Group is constantly seeking to be near its customers by means of diversified distribution channels – Branches, Internet, Call Centre, Mobile Banking, ATM and POS – to efficiently respond to the contact requirements of the Customer and of the Bank.

REMOTE CHANNELS AND SELF-BANKING

	Internet	Call Centre	Mobile Banking	ATM (*)	POS (**)
Portugal	650,488	219,096	867,654	2,036	75,682
Poland	1,786,578	218,832	1,771,010	479	660
Switzerland	656	-	-	-	-
Mozambique	15,833	54,041	576,000	507	7,945
TOTAL INTERNATIONAL	1,803,067	272,873	2,347,010	986	8,605
TOTAL FOR THE GROUP	2,453,555	491,969	3,214,664	3,022	84,287

Note: Are considered active users those that used internet, the call centre or mobile banking at least once in the last 90 days. Does not include clients from AtivoBank.

(*) Automated Teller Machines

(**) Point of Sales (information SIBS)

In the wake of its social commitment, it promotes accessibility to disabled persons in the several channels used to contact the Bank: i) the Branches are accessible to individuals with a reduced mobility. In Portugal and in Mozambique, as in the remaining Group operations, the Bank promoted a policy of prioritized service in the entire Branch network ii) internet with functions that observe the recommendations issued by the Web Accessibility Initiative (WAI). In Poland, Bank Millennium was the first bank to be awarded with the certificate "Internet site without barriers"; and iii) POS with equipment for blind customers such as mobile phones and keyboards that are programmed to give vocal instructions. The Call Centre, available 24 hours per day in several languages, and the Mobile Banking for the rapid and easy access that they represent, are also privileged access channels for disabled or blind persons.

In Poland, the programme "Bank without barriers" is still one of the main social programmes undertaken by Bank Millennium. The idea of a bank with no barriers, with products and services able of being used by all, without exception, is not only a Corporate Social Responsibility programme, but also represents the philosophy of the organisation and a relevant component of the Bank's business strategy. It is within this reference framework and the use of innovative technological solutions that Bank Millennium has been trying to eliminate the infrastructural barriers, digital and physical, in the access to financial and non-financial services.

The mobile banking solutions which, in the universe of Group BCP already have more than 3.2 million users, represented in 2020, due to the Covid-19 pandemic, an important channel of products, services and financial transactions.

The Branches continue to represent a relevant contact channel for many clients. Thus, the bank in the several countries where it operates, diversifies the servicing hours in an attempt to guarantee and respond to the accessibility needs and requirements of its Clients. Within this scope, one must highlight the Branches that give access to individuals with a reduced mobility, which, in Portugal, already correspond to 88% of the total network and to 57%, in the remaining countries, showing an improvement versus the figures recorded in 2019. In Portugal, 200 branches have differentiated office hours going from 8.30 a.m. to 7.00 p.m., Poland has 85 branches with these office hours and Mozambique has 30.

We must also mention the opening of Branches on Saturday, extended working hours that, abroad, can be found at a total of 167 branches, versus the 143 recorded in 2019, and even represent, as is the case in Mozambique, more than 1/3 of the branches of this operation.

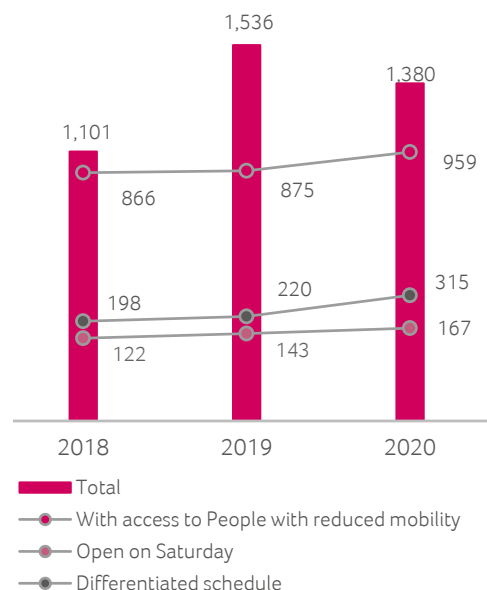
In Portugal, Millennium bcp continues to revolutionize its branch network. The Customer Branch Experience 2.0 of Millennium bcp is an innovative approach focused on the client, made through a cultural change, the re-design of products and processes and the integration of digital channels.

In this new generation of Branches, paper is no longer used and the formalization of agreements is replaced by digital signatures through tablets; the treasury activity will be available 24 hours a day with the new smart transaction machines, the first to allow the automatic payment of cheques at any time, as well as withdrawals and deposits of coins. This equipment can also be used without a Multibanco card. The client only has to use the multichannel code provided by the Bank.

Besides the technological innovation, the Branches also make available spaces especially devoted to customers with areas lounge, free wi-fi, wireless chargers and areas for digital experiences with access to the Bank's apps. The communication with the client is also innovative, with a digital price list and electronic advertising panels.

Within this context, the Bank already inaugurated 44 branches with this new layout in the entire country, a process that, within the context of the global renewal and modernization of the Branch Network, will be pursued during the next few years.

Branches accessibilities
(Number of branches)



Information security

Material issue: ELECTRONIC SAFETY

The information security programme implemented at the Bank is oriented towards the protection of information, taking into account confidentiality, integrity and its availability in accordance with legal and regulatory requirements.

Information is protected in a manner that is consistent with its importance, value and sensitivity so as to increase the Group's resilience and ensure the protection of stakeholders, reputation and the activities for the creation of value.

The information security policy sets forth the guidelines for the implementation and maintenance of the information security programme of Millennium bcp. It is based upon a structured number of policies, procedures and standards, aligned with good international practices, namely the regulation ISO/IEC 27001 - *Information security management systems – Requirements* and with the guidelines EBA/GL/2017/05 - *Guidelines on ICT Risk Assessment*.

The information security programme is oriented towards the management of the information security risk and is based on a number of key general principles that aim to protect information, namely the governance of information security, the security of human resources, the awareness on information security, the classification, protection and processing of information, the systems and communication safety, the control on accesses to the information system, the supervision and response to security incidents, the assessment of information security risk and the capacity to recover.

In order to prevent, detect and mitigate intrusion attempts, the practice of illicit acts and new threats to security, the Bank invested strongly on a 24x7x365, with the implementation of a Safety Operations Centre and a service of Threat Intelligence in the incident response procedure, as well as on routine procedures to regularly assess the risk of business supporting information systems. In spite of the high number of security events which are detected every day, in 2020 there wasn't any serious security incident nor signs that the information systems are compromised.

Considering that Information security is a responsibility of all, Millennium bcp promotes a regular process of information security awareness addressed to all employees and Customers of the Bank, covering a set of relevant items, namely the main information security policies and the risks and threats we are all subject to on a daily basis, within an approach based on practical examples of e-mail, Internet and phishing.

Still in 2020, Millennium bcp continued to implement the cyber-security strategic plan, approved by the Executive Committee for the three-year period 2019-2021, with the purpose of putting newly identified safety solutions into practice and enhance the existing ones and mitigate the existing risks, consisting in the following macro-initiatives - *Cyber Risk, Strategy & Assets, Organization & People, Governance & Cybersecurity by Design, Cloud & Infrastructure, Application Security, Digital Identity, Data Privacy & Protection, Cyber Defense* and, within this scope, implemented the project *Integrated Cyber Defense Platform* (ICDP) that added a large set of tools that contributed to increase the resilience of information security in information safety, safety against threats and management of information security.

To reinforce the existing monitoring mechanisms, Millennium bcp joined the platform BitSight. This platform collects and analyses, in an ongoing manner, data on security behaviour and the implementation of the security measures of the associated companies, identifying signs of compromise (e.g. Infected machines, inappropriate configurations, incorrect behaviour by the users), to determine the BitSight security rating.

The companies are classified in a scale from 250 to 900, the classifications are updated daily and remain available on the BitSight platform. The higher the classification is, more efficient is the company in the implementation of good practices in cybersecurity. The BitSight security rating enables obtaining an indication on global cyber-security performance of the Bank and to compare it with the one from the Portuguese banking industry. During 2020 the period of time under analysis, Millennium bcp kept, in a consistent manner, one of the best safety ratings of the Portuguese banking industry.

The evolution recorded by the BitSight security rating of Millennium bcp throughout 2020 was the following:



Additional reference to the business continuity management system implemented by the Bank, enabling to ensure the availability of processes and systems to support the most significant business.

Innovation

The relation of clients with its Bank or with the banking industry in general has been significantly changing. This change has several causes and explanations, of which we point out technology and the surging of new players that open new possibilities to bank clients.

The cost of not making part of this evolution, serving the clients of the different segments with several needs, continues to be perceived as being too high to be ignored by the banking industry.

In Millennium bcp, the mobilisation of talent and the Bank's digital transformation, crucial pillars of the strategic plan defined for 2018-2021, has been able to provide the Bank with tools, knowledge and new working methods that, combined, enabled us to act and respond swiftly and efficiently to the challenges that we face on a daily-basis that, in a year such as the one of 2020 where we collectively faced unprecedented adversities, ensured the maintenance of levels of excellence in the quality of the service provided to the client and reinforced proximity and trust.

This vision on the digital transformation of the Bank includes different priorities, notably:

- The transformation of the customer experience in the relation and use of the services and products made available by the bank in digital channels. We include herein a new form of participation of the customer in the design of the product, either through customer research or recurrent tests with customers;
- The use of a new approach for the development of products and services, adopting the agile as a principle for the functioning of the teams, demanding multidisciplinary, new competences and, above all, a time to market more adjusted to the times we live in, launching pilots and testing solutions, creating value in a recurrent manner and using best in class design abilities;
- The re-design of the main end-to-end client events, particularly those handling business deemed as key (e.g. personal loans, investments, etc.);
- NextGen Ops as a new platform for the automation of bank services, resorting to state-of-the-art technologies, focused mainly on automation, Robotic Process Automation (RPA), Optical Character Recognition (OCR) and Natural Language Processing (NLP). It will include also the re-engineering of processes through new work flow solutions;

- New solutions on analytics, using models with machine learning, that are giving the bank the possibility to leverage significantly in areas where it seeks to meet its client's needs;
- A new approach to the distribution model, focused on convenience and on the migration of transactions into digital channels, allowing the physical network to focus on the relation with the clients and on the satisfaction of their most complex needs;
- A strategic plan for the re-definition of the IT function, adopting new approaches more appropriate to the current needs, of which we may emphasize, as main pillars, the use of cloud, the design of API for internal and external consumption, an architecture based on the use of micro services and an increase in investment in cyber-security.

Hence, and to exemplify the developments already made within the scope of the described strategy, we point out (i) the new home loans simulator denominated "How much may I ask", available on the App and on the website that allows Customers and non-Customers to assess the amount of credit they may request against pre-assessment of their risk profile, (ii) the new campaign for the subscription of funds on the App that enables comparing the yield and sustainability ratings of several products, application of several filters, providing all the information required for investing; and (iii) still in investment solutions, the bank also launched a new service to support the investments addressed to Prestige Clients, provided at the Branches by a Manager certified in investment advising, which ends by the issuing of a recommendation based on the Client's objectives and investor profile.

We must also emphasise the increased automation of banking services in internal processes, continuing a project started in 2019 that has been reinforcing the installed digital work capacity, currently based on RPA, OCR and NPL tools. This digital workforce was crucial to support, in due time, our corporate clients within the scope of the lines Covid-19, enabling to, in a short period of time, to process the granting of around 2.3 billion euros in credit.

In Poland, Bank Millennium assesses the market trends related with innovation. The Bank's experts prepare, every year, the report "Millennium Index – Regions' Innovation Potential" that describes and explains the discrepancies recorded in terms of innovation in the different regions of Poland.

This report is made by experts of Bank Millennium and represents a contribution for the public debate on factors that promote and inhibit the development of the different regions of Poland, contributing also to reduce the gaps that exist between them. In 2020, in the fifth edition of the report, the contents were further developed with the inclusion of comments from an extensive number of corporate experts and scholars.



Shareholders

Millennium bcp provides a space to its shareholders, the "Shareholder's Club", through which it intends to be closer to those who own stakes of its share capital. With the "Shareholder's Club" the individuals' owners of shares of Banco Comercial Português deposited in Portugal may communicate in a close manner with the Bank wherein they invested and also access products and services of the Bank under preferential conditions and to a set of benefits agreed between Millennium bcp and its partners.

In 2020, 469 discount vouchers were issued, within the scope of the 184 established partnerships, of which 7 are new ones, involving 13 offers.

The access to the space "Millennium bcp Shareholders" is free of charge and the same is a specific area of the website millenniumbcp.pt enabling also to access highlights on events and activities of Group BCP and information addressed to investors. It has a newsletter specifically produced for Shareholders.

Employees



In line with the Sustainable Development Goals (SDGs) of the United Nations.

Material issue: WORKING CONDITIONS AND HUMAN RIGHTS

GRI 405-1

Group BCP guarantees a fair treatment, with equal opportunities to its Employees, promoting meritocracy in all stages of their professional path, defining their remuneration in accordance with the category and degree of fulfilment of the defined objectives and the wage ratio of 1:1 between men and women with similar functions, levels of responsibility and equivalent professional careers.

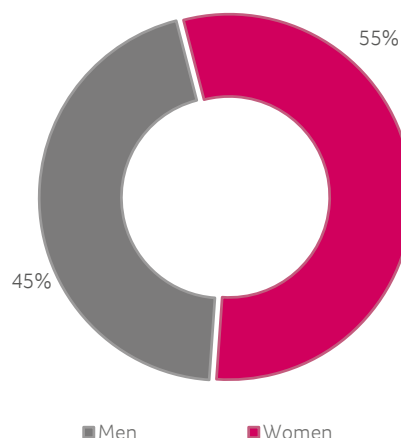
The general principles ruling the BCP Group contain values and performance guidelines applicable to all employees resulting in an express orientation so that, regardless of their hierarchical level or responsibilities, all Employees act in a fair manner refusing any discrimination but also in the reaffirmation of the alignment with the ten Global Compact Principles, according to which the Group recognises and supports the freedom of association and the right to the collective negotiation of work contracts and rejects the existence of any form of forced and mandatory work and of child labour.

In the Human Rights area, the BCP Group prevents the risk of violation of these rights, among other mechanisms, through mandatory adherence by its employees and business partners to the Code of Ethics, in which this issue is regulated, and also allowing anonymous communication of violations in this regard. On the other hand, the relevance of this issue for the Group justifies its inclusion in the Organisation's Risk Management, namely in Operational Risk, in the categories of Employee Relations (R3), Breach of Work Health and Safety Regulations (R4) and Discrimination over Employees (R5). In 2020, and as in previous years, the results of the Operational Risk Self-Assessment show the low level of exposure to these risks (level 2 on a scale of 1 to 5), in its main geographies.

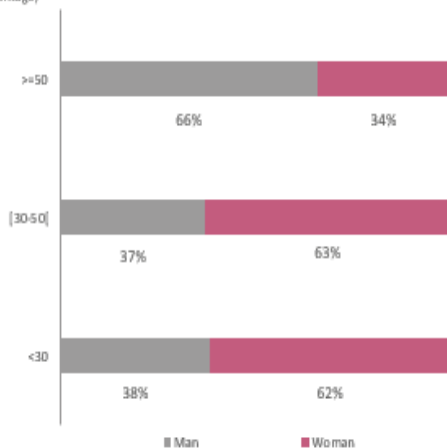
The commitments undertaken by the BCP Group within the scope of human rights, labour conditions and equal opportunities are also enshrined in the corporate policies, of which the policies on (i) Human Rights, (ii) Diversity and Equal Opportunities and (iii) Occupational Health and Safety are an example. These policies are available for consultation on the Bank's website, in the Sustainability area:

https://ind.millenniumbcp.pt/en/Institucional/sustentabilidade/Pages/cod_internos.aspx

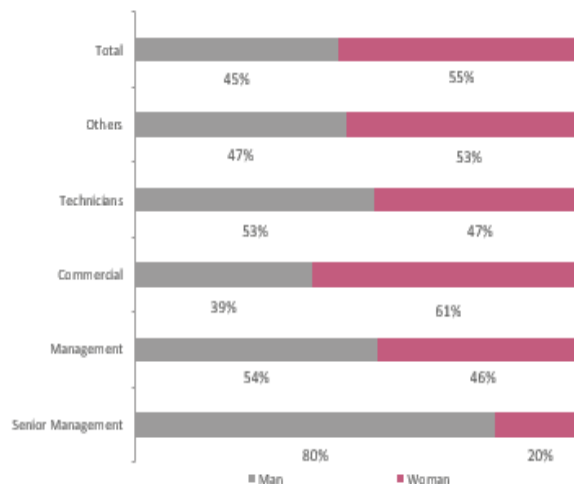
Breakdown by gender
(Percentage)



Age breakdown by gender
(Percentage)



Professional category by gender
Percentage



Information about the number of employees (not FTE's - Full Time Equivalent) for: Portugal, Mozambique, Switzerland and Poland.

Within the scope of gender diversity, in the Board of Directors, in 2020 and in Portugal, 23.5% of these functions were performed by women.

Within the scope of gender diversity in management functions (Executive Committee/Senior Management and Management) in 2020, globally, 44% of these functions were performed by women – 22% in Portugal, 59% in Poland and 27% in Mozambique. In commercial functions, this figure increases to 61% in the Group, i.e. 48% in Portugal, 75% in Poland and 61% in Mozambique.

In 2020, the Bank, in Portugal, published a reviewed version of its plan for gender equality, a document that describes a number of specific actions and practices to implement until the end of 2021 in order to foster diversity and inclusion.

Millennium bcp also signed the “Commitment Agreement of the Organisations for Equality Forum (IGen)”. This Forum, promoted by the Commission for Equality in Labour and Employment (CITE) intends to encourage its members to implement specific and tangible actions to ensure gender equality.

In Poland, Bank Millennium, re-affirming its commitment to respect and promote diversity both in Clients and Employees, is one of the companies that joined the Charter for Diversity of the European Union, coordinated locally by the Responsible Business Forum.

In 2020, Millennium bcp joined the “Women's Empowerment Principles” (WEP) from Global Compact of the United Nations, an important international platform for the promotion of gender equality that translates our long-term view and the will to be part of a collective dynamics based on cooperation and trust.

Millennium bcp had subscribed in 2019 the “CEO Guide to Human Rights” an initiative from the World Business Council for Sustainable Development (WBCSD) and from the Business Council for Sustainable Development (BCSD, Portugal). The Guide includes the policies and practices of reference and intends to contribute for the implementation and promotion of the human rights in the organization and in their value chains.

Already in 2021, BCP was also included, for the second time, in the Bloomberg Gender-Equality Index, joining to the group of companies that, in the world, stood out in terms of implementation of practices and policies on gender equality, diversity and inclusion.

The presence in this index, that puts together companies from 44 countries is a landmark that shows the Bank's commitment with the development of its Sustainability Plan and the recognition of its commitment on matters related with equality of gender and a clear and transparent non-financial reporting.

In 2020, the processes for the management of People were marked by the prevention and control actions developed in the wake of the Covid-19 pandemic declared by the World Health Organisation (WHO) on 11 March, that led the bank to trigger its Contingency Plan, with two clear objectives: (i)

protect people, employees and all the surrounding community; and (ii) keep the Customer service levels.

Within the scope of inclusion and diversity, in 2020, Millennium bcp gave its contribution in terms of ideas and development of solutions in the Inclusion Labs, a new way to involve the community promoted by the Inclusive Community Forum (ICF) from NOVA SBE. It is with a strong sense of responsibility that Millennium bcp is participating in this pioneering group, specifically in the training on social skills and employability for disabled individuals. Five Inclusion Labs (work sessions) were held and 4 interim meetings, totalling 24 hours.

The goal of this partnership, established within the commitment assumed by Millennium bcp in complying with law 4/2019, that establishes the system of employment quotas for disabled persons (with a disability equal or above 60 per cent), is to help the Bank to respond to the challenge that the inclusion of disabled people represents for all, being mainly a way to benefit from the opportunities offered by such inclusion. By being more inclusive the bank is (i) ensuring a greater variety of points of view and an organization that is increasingly more diverse and sustainable and (ii) new ways to increase the number of talented employees.

Our view is based on the assumption that looking at the disabled person based on his/her potential and on what he/she is able of doing.

We believe that the path to follow is to approach candidates looking at their skills and their competences and not their limitations imposed by their disability, whatever this one may be. If the skills to perform a task exist or are able of being developed in the short/medium term, we shall carry out the necessary adjustments so that their limitations are attenuated or even eliminated.

In Poland and in Mozambique, together with the offer of products and services addressed to women, are also being developed initiatives, such as sessions of debate and reflection on the role of women in the economy and in companies.

Since Employees constitute one of the strategic pillars of the BCP Group, their level of satisfaction with the service provided by the different internal areas - with direct relation and reflection on the quality of the guaranteed Customer service - is an important endogenous indicator to assess the Bank's effectiveness and perceived efficiency.

Thus, the Bank continued to make, in 2020, the annual survey on the satisfaction with the internal services near the Employees in Portugal, which obtained a global value of 80,6 i.p., above the one recorded in the previous year (79,8 i.p.), being even the best result ever, a fact that, within the pandemic context that we are going through, is particularly appreciated.

The Bank carried out other 26 surveys to Employees, with specific purposes, ones with the objective of improving the operational procedures but, mostly, related with the Covid-19 Contingency Plan, which allowed a close and efficient monitoring and management of issues related with the pandemic (Covid-19 Tests, Vaccination, Disinfectants, the use of masks in Branches, ...)

In Poland, the value recorded in 2020 was 89 i.p., translating an improvement of 2 i.p. *versus* 2019 (87 i.p.). In Mozambique, the value recorded in 2020 was 70 i.p., reflecting a decrease *versus* the 73 i.p. recorded in 2019, and, in Switzerland, the 71 i.p. registered in the reporting year compare with the 73 i.p. obtained in 2019.

Covid-19 Contingency Plan

In 2020, the health and well-being of the Employees within the context of Covid-19 pandemic was one of the priorities of the organisation that, adopted, at each moment, the most appropriate responses, based on the guidelines issued by the public authorities and on the available scientific knowledge.

Protect the health of the Employees, Clients and of all those that contact with us, remained our primary concern.

In that sense, the Crisis Management Cabinet that monitored the themes related with the pandemic, approved the implementation of the several proposed and more relevant measures so as to guarantee a management adjusted to a reality that is constantly changing.

The Human Resources Division, together with the Medical Services has been accompanying the Employees in

everything related with the pandemic and has been able to find solutions for the risk situations that occurred, as foreseen in the Contingency Plan.

The Managers of Human Resources remained even closer to the several areas of the Bank playing an active role in the follow-up of suspicious cases and in the work organisation that is required in each cases situation.

Together with this follow-up and within a prevention perspective, we must mention the bank's investment in regular testing to Covid-19, as well as the active role played in the acceleration of vaccination for the prevention of seasonal diseases such as the flu and pneumonia, stressing its concern with the health and well-being of the Employees.

These initiatives and the proximity achieved during this hard times resulted in the trust and expressive recognition by the Employees translated in the replies to a specific survey on the themes related with the Covid-19 pandemic.

Together with the governmental guidelines, the guidelines issued by the health authorities and the demands from the Human Resources Division promoted the communication of the useful and necessary information in due time and developed, with swiftness and rapidity, measures and tools that it placed at the disposal of the Employees, enabling Millennium bcp to ensure its full functioning.



BCP reinforces its commitment with the ten Principles of Global Compact from the United Nations.

Material issue: CLOSENESS AND TRUST

Within the scope of the strengthening of the mechanisms for bringing the Employees and top managers closer together, besides the visits made by the Executive Committee to branches and central services and the establishment of regional meetings with Employees, were also carried out regular television interviews with the Chairman of the Executive Committee wherein the Employees have the opportunity to raise questions on the Bank's life.

Training

GRI 404-1

The development of the personal and professional competences of the Employees is one of the Bank's priorities considering the need to ensure its ongoing alignment with the strategic goals defined by the organization. Seeking to promote excellence in the relations established with Customers, the Bank recognises the importance of ongoing training to ensure business sustainability and endeavours to provide its Employees with the tools necessary for the execution of their activities.

In overall terms, 3,670 training actions were ministered, corresponding to over 685 thousand hours of training, with an average of 40 training hours per Employee. During 2020, the training effort kept its focus not only on the commercial areas, but also on technical, operational and compliance areas and on team management

In Portugal, in spite of the pandemic context, 2020 saw a significant investment on the development and training of the Employees and the Bank was able not only to maintain the training hours at high levels (409,801 hours), but also to pursue with the development programmes. This training dynamics that enabled to carry out 445 actions - 64 of which face-to-face - was focused on several areas of knowledge, notably Hygiene and Safety at Work, Finance Management, Corporate Management and also Insurance Techniques, Information Technology, Compliance, Audit, Legal, Regulatory and Safety.

The Millennium Banking Academy (MBA), created in 2016 by Millennium bcp in what would be the first internal academy for a Bank in Portugal, adapted to a context imposed by the Covid-19 pandemic, transforming behavioural training, initially planned for face-to-face sessions, into live web courses using the Teams platform.



Due to this context, training through *e-learning* in Portugal increased enormously and new courses were developed, recording a growth in training hours from 2019 to 2020 exceeding 200%.

We also carried out two e-learning trainings aimed at preparing the Employees for the exercise of functions within a context featured by the security measures imposed by the pandemic: the Teleworking Guide and Return Safe and with Trust. The purpose of the Teleworking Guide, launched by the beginning of April, was to present the main challenges of remote work, suggest approaches, methods and tools to follow-up and control activities and suggest performance rules to remain efficient in teleworking. The overall objective of the course Return Safe and with trust launched in May was to disclose the measures necessary for the protection of all in the workplace.

Continuing this training strategy, the Bank launched in October 2019 the Digital Academy that came from the Bank's will to reach a leading position in digital in the market, a will that required a complete cultural and technological transformation, appropriate for the different groups of employees of the Bank: the Tech - of the areas of development, architecture, cloud, safety and data -; the Business - from the areas that develop new business solutions -; the Ingenious - young people from technical areas - and the Millennials - all Employees -.

The behavioural and technical training, supported on different methodologies and channels, was also enhanced. Hence, to broadly increase digital literacy, the Bank launched (i) the item "Digital Shots", video contents with 1 minute on technological themes, (ii) e-learning courses on how to use and take advantage of digital tools currently available (Smartphones, MS Teams, Office 365) and (iii) tailor-made training actions addressed to fulfil specific needs of the different technological and business areas for the construction and development of a more resilient and digital culture able to respond to current and future challenges.

TRAINING

	2020	2019	2018	VAR.% 20/19
NUMBER OF PARTICIPANTS ⁽¹⁾				
In person	18,231 (W 62,0%, M 38,0%)	31,043	42,906	-41.3%
E-learning	376,977 (W 65,4%, M 34,6%)	311,211	158,845	21.1%
Remote	61,648 (W 45,6%, M 54,4%)	59,592	63,512	3.5%
NUMBER OF HOURS				
In person	128,153 (W 62,5%, M 37,5%)	319,236	298,361	-59.9%
E-learning	421,190 (W 55,6%, M 44,4%)	343,403	121,634	22.7%
Remote	136,504 (M 45,9%, M 54,1%)	184,544	205,998	-26.0%
PER EMPLOYEE	40 (W 55%, M 45%)	46	39	-13.2%

⁽¹⁾ The same employee may have attended several trainings.

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In 2020, the average number of training hours per Employee was 40.

In the first quarter of 2020, 74 employees participated in the programme DAE-Desfibrilhação Automática Extern, the purpose of which was to teach the participants on how to use a defibrillator. The sessions of this course, part of a DAE Programme, licensed by INEM, focused on practical items and lasted one day.

In the segment Prestige, was lectured a new training program for new Prestige Managers, with the objective of increasing the behavioural and technical competences required for the exercise of the function of Prestige Manager. 2 editions took place – in January (in person) and in October/November (remote) – comprising a total of 67 Managers. The total of training hours/Manager is 30 hours divided between contents with a behavioural nature, of product and service and commercial systematics.

In the Retail Network, the training “Sempre Próximo”, carried out from April to May and addressed to all Employees of Retail Mass Market in teleworking had, as main objectives: to be closer to the Employees; sharing of good practices to be closer to the Client and take advantage of the current context to fine tuning techniques able of improving the service of excellence. The training included 163 Employees and was carried out through the Teams application.

In the second half-year, we carried out the training Teams with Attitude addressed to all Mas Marke, Prestige and Business Branch Managers. The purpose of this training was to enhance key-concepts to improve a Service of Excellence for the Client and reinforce the role played by the leader and the systematic as critical factors for success, within a pandemic context. 583 Employees participated in this training, via Teams.

We also continued the face-to-face training “Vender Soluções” and “Encantar Clientes” addressed to Commercial Managers Mass Market in Lisbon and Porto. It had the participation of 58 Commercial Managers.

The Programme #1 Experience resumed the training addressed to Retail teams. These quarterly sessions, denominated training #1, were assisted by a trainer specialised in communication, the specialist on Portuguese language, Ms. Sandra Duarte Tavares, to approach behavioural themes with impact on the Client experience and the success of the sale, through videos, quizzes and challenges with the involvement, as a team, of the entire commercial structure.

With the purpose of contributing to the well-being of the Employees through personal and emotional development actions all the Bank’s employees were invited to enrol in e-learning courses on the following themes (i) From Stress to Well-Being; (ii) Discover Body Language; (iii) Personal Efficiency.

Around 1.000 accesses were made available to Employees and the course Personal Efficiency became part of the Prestige Onboarding Training.

The publication of the Regulations 6/2019 of 3 September brought new demands in terms of Insurance certification and implied an enormous effort to ensure certification and the update of knowledge on Insurances of all Employees exercising functions of *PDEAD-Pessoa Diretamente Envolvida na Atividade de Distribuição de Seguros e Fundos de Pensões*. (Person Directly Involved in the activity of distribution of Insurances and Pension Funds).

This way, in 2020 were carried out 135.214 training hours and 2.164 achieved their certification in insurances. Also regarding the Prestige Segment, more than 600 Branch Managers got their certification via an online exam (exceptionally authorised by CMVM due to the pandemic context) for the provision of Financial Counselling within the scope of MiFID II, resulting in around 30.500 training hours.

With the purpose of reinforcing written communication skills, in the components: language rigour, clarity and persuasion and respond to the needs of the different areas of the Bank, was developed a training with the collaboration of the Portuguese language specialist Ms. Sandra Duarte using a webinar format on Language Rigour, open to the entire Bank and two more session using the same format, one for employees from the central areas – Writing with Clarity and another for employees from the commercial areas – Writing with Persuasion. Another 15 practical sessions were held via Teams, adapted to each one of the areas involved, comprising 320 trainees.

In Portugal, in 2020, due to the Covid-19 pandemic the training on-job was not a priority and the training actions were channelled to weblive training sessions (18.386 training hours and 5.720 trainees).

In 2021, and pursuing a strategy able of always providing more and better training, but also adjusted to teleworking, our goal is to increase the number of training hours provided through this format in more than 5%.

The Training Academy continued to develop specific training paths of the different functions of the Commercial networks, automatically making available to each through the training platform, courses necessary for the performance of their duties.

Every year, all the employees have the opportunity to contribute for their professional development by filling in a form and having a session with the person directly in charge of his/her area.

In Poland, the bank continued to invest in the training of its employees always with the purpose of developing technical and behavioural competences, able to improve quality and efficiency in the work developed and in the compliance with the goals of Bank Millennium.

It is within this context that the Employees participate, every year, in training actions, external and internal, on specific themes, and also on conferences and congresses.

Due to the restrictions imposed by the Covid-19 pandemic, all training sessions, since March 2020, are only available through electronic means.

Bank Millennium continues to organize training programmes and coaching that include all the employees, with actions focused primarily on the response to regulatory requirements, internal and external, such as those on health and hygiene at work, data protection, information safety, also promoting training programmes on leadership, management and holding several conferences.

In 2020, the bank carried out 3,114 training sessions, in a total of 250.050 hours, investing significantly in issues related with Client service, products, compliance, risk, and leadership. Thus, the bank continued to provide commercial training addressed to the retail network that, including the preparation of new employees, also includes carrying out workshops on Client servicing, sales, credit and investment and also e-learning courses on products - new or improved -, procedures, bank apps and digital channels.

In the Prestige network, webinars on the current situation of the financial market were carried out by external experts and were addressed to Prestige Managers. For the newly-recruited consultants, the Bank continued to provide them with the certification programme Prestige Advisers, that includes training contents on financial markets and investments.

Regarding Companies, the bank implemented a similar programme, through e-learning courses and workshops given by external companies. Reference must be made to the course on sales efficiency and stress management, wherein the consultants and products experts were invited to participate in a 2 days training, under a storytelling format, where they developed methods to make a catalogue of their own sales episodes.

The Company Consultants Advisers were also trained by an external company on the financing of national and regional projects and investments with EU support funds.

In 2020, the Bank organized online workshops on teleworking. The Employees with leading position reinforced their competences in coaching and remote management of teams and developed methods to increase the work efficiency of their team members.

In 2020, we continued to carry out lectures within the scope of the programme Campus. This programme that aims to support the growth of an organization

focused on innovation, intends to create a reflection space based on science and business.

Seeking solutions and answers for a reality under a constant change, inspired on a bold and creative experimentation able of representing a long-lasting competitive advantage for Bank Millennium, is the main objective of the online lectures, synchronous or recorded, carried out within the context of the programme.



In Poland, we must point out an initiative especially addressed to the women of Bank Millennium, the 3xM (ille). This project consists in the regular making of conferences with inspiring women of the organization and a special guest. The meetings are followed by debates and networking that, by allowing the exchange of contacts and experiences, help to broaden horizons and personal objectives. Two meetings were held in 2020, one of them on internal motivation. This cycle of debates counted with the participation of 140 women employees of Bank Millennium.

In 2020 Bank Millennium, trained 12.874 individuals (8.405 Women and 4.569 Men). On risk-related issues, 613 Employees received specialized training and 122 employees received training on human rights.

Also in Switzerland, whose training actions virtually include all its Employees, the actions developed, in a total of 1,269 hours, addressed commercial and leadership issues. Reaching 81 Employees, 95% of its staff, they primarily consisted in training sessions especially designed to cope with the needs identified in this operation.

Beside specific programmes, depending on the individual needs of each employee, the trainings transversal to the organisation have the purpose of reinforcing the corporate vision and culture. In 2020, due to the pandemic, the managing staff received training on virtual and management tools.

We must refer, in this country, the reduction in the work hours for employees close to retirement, preparing the organisation for their departure and ensuring a period of personal adjustment to a future lifestyle.

In Mozambique, the year is marked by the third year of activity of the Millennium bim Academia (MBA).

The mission of this training academy, the first of a bank institution in Mozambique, is developing, within an environment of continued learning and sharing of knowledge, professionals with ethics, a technique of excellence and rigour in the activities they exercise.

Based on three main pillars: i) ensuring training per functions for the Retail Employees; ii) providing diversified and consistent training to support the Employee's main needs; iii) Creation of a training curriculum per employee, it provided in 2020, a total of 24,763 of general and specialized training hours to 2,589 employees (1,257 women and 1,332 men).

In a year when the major highlights of the training offer were themes such as Leadership, Technical Training, IT Training, Behavioural Training, Compliance, Training addressed to the commercial network, the Bank continued t the Leadership Programme “Líder Millennium bim 4.0”. This programme, launched in 2018 with the purpose of aligning the leadership practices of the bank with the 8 core competences defined for Leader Millennium bim, comprised the Executive Committee and all heads of the group, being planned for 2021, its extension to the 2nd and 3rd structure lines.

To strengthen operational rigour practices, we must emphasise the training actions on the Prevention and Fight against Money Laundering and Terrorism Financing addressed to all Employees. These actions are reinforced in the course of the year through retraining and awareness actions during the commercial cycles.



Talent management

Managing individuals is one of the strategic pillars of the competitiveness of the BCP Group. Simultaneously with the valuing of general and specific skills, it is crucial, in an organisational enhancement perspective, to identify Employees with potential and talent, so that in future they can perform duties of higher complexity and responsibility.

The development programmes used in the different countries where the Group operates are especially designed for employees showing high performance levels and potential and provide: i) a more transversal vision of the business and of the Organization's best practices to the newly-admitted employees; and ii) addressed to employees with experience, the opportunity to acquire crucial competences enabling them to, in the future, exercise functions with a higher degree of complexity and responsibility.

Within a perspective of the bank's sustainability and the ongoing objective of upgrading and develop the Employee's skills, Millennium bcp tries to identify those with potential and talent to assume functions with increased responsibility and complexity. The adverse context of the pandemic forced the Bank to reassess the entire training process, face-to-face until this date and transform it into a remote one appropriate to the existing need and enabling to maintain the same proximity, always focused on the development of the Employees.

In Portugal, in 2020, the bank resumed the programme M Power, already adjusted to the new format, but with the same ambition of continuing preparing the future leadership of Millennium bcp. The current scenario reinforced the need to prepare and mobilise the leading staff to think and act in an adaptive manner within a challenging context, improving their resilience and reinforcing competences such as emotional intelligence, cooperation, power of persuasion, empathy and creativity so that they become the engine of the ongoing cultural transformation within the organisation.

Millennium bcp, aware of the importance of investing in the management of talent for the success of the organisation and ensure a competitive advantage in the market, continues to be focused on the value proposal of the programme *inGenious*. The training programme for young talents, working in technology and analytics areas, tries to prepare them to face the increasingly complex challenges that they have to face and develop their critical thinking, increase teamwork and cooperation.

We must once again point out another edition from the *inGenious* Trainees Academy that consisted in the integration of a group of 46 young individuals within the culture and strategy of Millennium bcp, providing them with training on core business issues, with a strong technical and behavioural component and involvement in appealing projects which are fundamental for the bank's activity.



In Poland, we continued to cooperate with student's associations. In 2020, we focused on the cooperation with the Scientific Circle of Statistic Students, pursuant to a protocol signed in 2017.

Bank Millennium is also an official member of the SGH's Partners Club, through which it participates in the development of strategic projects and educational plans proposed to the students.

In 2020, the bank was distinguished with the Training High Quality Certificate due to its traineeships.

In 2020, Bank Millennium faced the global challenge of Covid-19 and re-organised its activities to attract talent to be able to ensure the highest level of safety for its employees and remaining participants, an example being the digital Week with Career Counsellors organised by the Faculty of Economics of Warsaw wherein the students had the chance of meeting the career opportunities in the Bank and also the regular attendances (4 in 2020) at job fairs

with the purpose of bringing closer the potential work specifications of the candidates and the career development possibilities offered by the Bank.

To reach branch professional groups, the Bank uses efficiently the social media *LinkedIn* and *Goldenline*, actively promoting its brand as an attractive employer and successfully communicating with potential candidates. Regarding IT and digital, the communication via *LinkedIn* is the most used by the candidates.

Bank Millennium, concerned about its Employee's experience, launched the on boarding project for the IT and central services areas, within a project to be extended to the commercial areas that comprises a welcoming pack for the new employees and a e-guide with information for managers.

In 2020, Bank Millennium received for the 7th consecutive time the award Reliable Employer (Solidny Pracodawca). The distinction of Reliable Employer is a special award for the best employer in Poland, featured by their reliable employment policy, solutions especially envisaged for their employees and fair and inclusive human resources processes.

Bank Millennium, in a partnership with the Law School of Warsaw created the first Centre of *Coworking for Start-ups*. The objective of the Centre is to put together students and graduates who created or are in the process of create their own *start-up* and wish to compare their ideas with the business reality.

It is a place to hold meetings, carry out online work and debates/conversations with specialists from the University and from Bank Millennium.

In Mozambique, considering the additional challenges imposed by Covid-19, the bank implemented changes in the recruitment process with the introduction of the technological component and re-designed the experiences of the new employees.

In 2020, at Millennium bim, were also consolidated the partnerships established with the major most important universities of the country and signed cooperation protocols to attract the best graduate students.

Assessment and recognition

GRI 404-3

At BCP Group, the individual performance assessment models, based on a process of counselling and guidance towards the development of skills, gives rise to opportunities of dialogue between the senior staff and their Employees, enabling the further deepening of a culture of personal accountability for the development of their careers.

The performance evaluation cycle, completed in 2020, maintained a level of involvement of the participants in all the countries where Group BCP operates and evaluators and evaluated, in line with the figures of past years (100%) and the results regarding the satisfaction with the process show an increasing trend *versus* previous years, namely in the segment of the evaluated who are very satisfied.

In Portugal, the 3rd edition of M Desenvolvimento reached an end; this is a programme that enables the employees to share, voluntarily, their professional aspirations and contribute in an active manner for their fulfilment. The Employees may, if they feel the need to develop any specific skill or intend to do any special training may express that will in the Personal Development Plan. 62% of the Personal Development Plan made by the Employees in 2019 M Desenvolvimento were satisfied and it was possible for the Bank to attend 64 requests to change the function and organic unit.

Together with a permanent attitude of incentive towards the development of the Employees and the adoption of practices of excellence, the BCP Group maintains a policy of recognition of the merit and of the commitment shown by each Employee by means of: i) an incentive system applied throughout the Bank; ii) a plan of professional development due to merit; and iii) specific awards attributed to Employees that were excellent in the exercise of their functions.

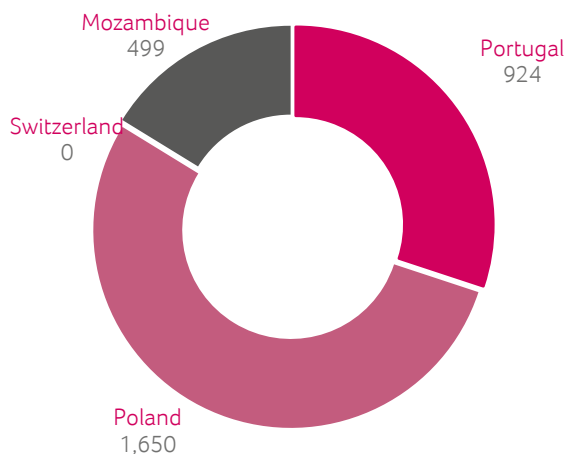
This incentives system is specifically applied to the Commercial Networks (Retail, Private, Companies, Corporate, Large Corporate and ActivoBank) as well as to employees from other Divisions of the Bank who comply with the established criteria (Investment Banking, Treasury, markets & International, Credit Recovery, Specialized Recovery, Real estate Business and Specialized Monitoring) and consists in the attribution of a variable remuneration based on a contribution above expected for the results achieved.

In addition, and together with the incentives systems of the commercial networks associated with business results, Millennium bcp has a transversal recognition programme, denominated Millennium People. In its different components and individual and collective categories, this programme enables recognising, per year, more than one thousand Employees, by means of an evaluation matrix that joins attitude and results and ensures recognition, visibility and sharing of good practices. In 2020, the main annual categories became five, with the creation of a new award that intends to distinguish the best trainers (Millennium Trainer); a distinction aiming at rewarding the significant contribution given by many Employees of the Bank for the development others, which has a particular meaning at a moment when the enhancement of competences and the acquisition of new ones is on the agenda.

The recognition model of Millennium bcp is transparent and has clear rules, which may be easily consulted by any Employee on an online platform - and the intention is that the same is an inclusive one. Thus, and within the scope of the annual categories (Millennium Líder, Millennium Impacto, Millennium Excelência, Millennium Formador and Millennium Equipa), the programme enhances the interaction with the award winners through a system that is similar to the social networks.

In Millennium bim, in Mozambique, the performance evaluation and management process is based on a culture of meritocracy, namely of high performance. For the Employees who distinguished the most in the performance of their functions, there is a special moment, at the annual objectives meeting, when these performances are recognised. In 2020, 16 employees were distinguished with the award Excellence, in five categories, namely: Young Talent, Best Trainer, Backstage, Customer Servicing and Best Team.

Promotions
(Number of Employees)



In Poland, the Bank launched the 4th edition of the programme IMPakt, an innovative initiative wherein the Employees appoint and vote for their colleagues. In this programme, 55 Employees were recognised for their performance. Quality, Ethics and responsibility, Efficiency and Innovation.

In this operation, 12 Employees were also recognized with a distinction awarded by the Chairman of the Board of Directors for their participation in key projects.

Bank Millennium implemented in 2020 a new technological tool to manage the evaluation of employees and the process of bonus granting. The implementation of the new system enabled reviewing the evaluation processes and criteria and promote their standardisation and simplification.



In Switzerland, the Bank launched the Programme "Mores" that invites the employees to play an active role in the internal changes processes, be through the "More Voice" and the possibility of, with external advisers, express their opinions on the internal processes and projects, the "More Recognition" to emphasise a particularly positive attitude or action of a co-worker, the "More Debate", for the sharing of experiences on themes related with customer interactions, or within the scope of the "More Green", in which a team of volunteers discloses, every month, ideas, suggestions and good practices to protect the environment and nature.

The BCP Group continues to bet on the ongoing improvement, believing in the value that can be generated by the innovation processes, stimulating creativity and the sharing of experiences by all Employees.

The internal programmes for the generation of ideas – Mil Ideias (One thousand Ideas) , with 20 suggestions in Portugal, – Call 2 Action –, in Poland and the recent programme – Ideias que Contam (Ideas that Matter) in Mozambique are based on the recognition that the Employees are a creative force that generates ideas of value, representing a means to value and increase their individual abilities through the direct participation with an idea and indirect through comments or votes.

In Mozambique the "Fórum - Ideias que Contam" (Ideas that Matter), a space for sharing and discussing ideas which, throughout the year, counted on the participation of 574 Employees, was responsible for more than 925 ideas, two of them were adopted in 2020, and 110 are being implemented.

These programmes, which are being reassessed in all the countries where the bank operates, are the basis for the continuous improvement of the internal processes of the organization, for the increase not only of the value of the products and services offered to Clients but also the ability to make a swift adaptation to new realities, namely functional, and represent an opportunity for the identification of good practices that can be extended to the entire organization

Staff

In 2020, the number of Employees of group BCP decreased 6.7%, (1,250 Employees less vs. 2019), mostly justified by the rationalisation of the operation in Poland due to the purchase of Eurobank in 2019. Around 60% of the Employees of the Group worked in the international business and 40% in Portugal.

EMPLOYEES

	2020	2019	2018	Var. % 20/19
TOTAL IN PORTUGAL	7,013	7,204	7,095	-2.7%
Poland	7,645	8,615	6,270	-11.3%
Switzerland	82	82	77	0.0%
Mozambique	2,591	2,680	2,619	-3.3%
TOTAL INTERNATIONAL	10,318	11,377	8,966	-9.3%
TOTAL FOR THE GROUP	17,331	18,581	16,061	-6.7%

Note: does not include the employees of Millennium bcp Bank & Trust.

In Portugal there was a reduction in staff, with less 191 employees *versus* the previous year. 132 new employees were admitted to service (52% were women) mostly for the performance of technical functions in digital banking (54%) and for commercial ones (39%) and 322 employees left the Bank, 73% by mutual agreement and/or retirement plans and 18% by initiative of the employee. Among the Employees who left, 53% worked in the commercial areas and 22% in management functions.

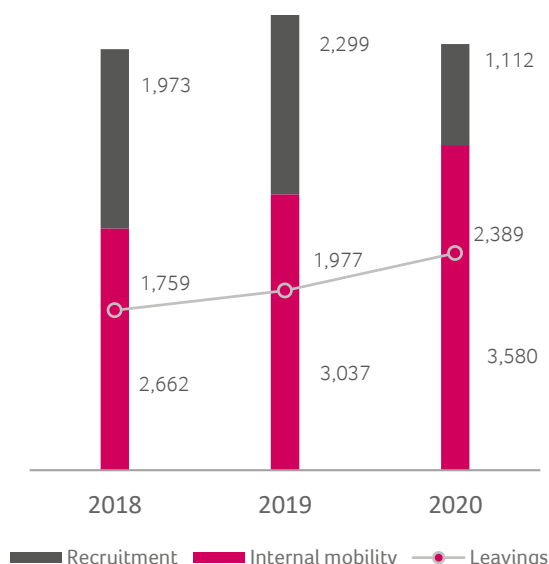
In Poland, the number of Employees fell around 11% (less 970 employees *vs.* 2019) due to the reorganisation of the operation motivated by the purchase of Eurobank, achieving a number of 7.645 employees, of which 67% are women.

In Mozambique there was also a decrease in staff (-3.3% *versus* 2019), with the engagement of 45 new employees, 56% for the performance of technical functions. 130 employees left the Bank, 51% of which performed commercial functions.

The BCP Group sees mobility as an opportunity for the Employees to develop their professional careers and their skills, and therefore and whenever possible, encourages their contact with different realities of the Bank. In that sense, the Employees internal mobility processes assume a strategic importance for Millennium.

In 2020, 20.6% of the Group's Employees were involved in internal mobility processes, particularly in Portugal and Mozambique where, respectively, 25.1% and 41.0% of its Employees moved from their areas/ departments.

Employees turnover and mobility
(Number of Employees)



Ethics and professional conduct

Material issue: VALUES, ETHICS AND CONDUCT

The BCP Group considers that the respect for its defined mission and values and also the compliance with its strategy depends, first and foremost, on each Employee and therefore it fosters a culture of rigour and responsibility, based on permanent information disclosure, training and monitoring mechanisms able to ensure strict compliance with the established rules of conduct.

Compliance Office

The Compliance Office's mission is to assure that all the management bodies, the functional structures and all the Group's employees comply with the legislation, rules and requirements (internal and external) that guide the activities carried out by the Bank and its subsidiary companies in order to avoid the risk of the institution incurring in legal or regulatory sanctions, financial losses or negative effects in terms of reputation, resulting from non-compliance with the laws, codes of conduct and good business practices and duties that bind the company.

Within the scope of the detection and prevention of situations of money laundering and terrorism financing (ML/TF), the Compliance Office developed its activity based on a risk approach, adjusting its procedures and information systems to the best practices in terms of prevention of ML/TF and complying with its legal and regulatory requirements, continuing to promote an improvement in the efficiency of allocation of resources in the assessment of the risk factors associated with the business relations. Within this context, we emphasise:

- Reinforcement of the account opening processes and filtering of transactions, in order to guarantee the compliance with the sanctions and embargoes declared by the national and international competent authorities, as well as their monitoring to detect and prevent potentially irregular situations;

- We must also point out the development of new solutions, more efficient, based on automated processes, to analyse the risk factors inherent to new business relations and the development of existing ones;
- Implementation of new AML/CTF in determined commercial processes;
- Strengthening and specialisation of the teams of the Compliance Office within the scope of AML/CTF and its several components.

In 2020, the Bank revised and updated its regulations on governance and compliance policies, a process that, partially, already intended to achieve compliance with the provisions of Notice 3/2020 published by Banco de Portugal on 16 July, 2020 that defines the minimum standards upon which the organisational cultural, the governance and internal control of financial institutions must be based upon. In that sense, the Bank updated the Code of Conduct, the Policy for the Prevention and Management of Conflicts of Interests and the Policy for the Appointment of the Statutory Auditor and for the engagement of services other than audit ones.

The reviews and updates of rulings related with governance and compliance policies, mentioned above, originated several initiatives implemented with the purpose of strengthening prevention measures, anti-corruption and report of irregularities, of which we point out:



- Reinforcement of the mechanisms to monitor conflict of interests by developing a new platform for the registration of transactions and entities;
- Reinforcement of the sub-contracting process in what concerns the identification of situations of conflicts of interests;
- Revision of the recruitment process to include a statement of conflict of interests by the employee involved in the selection and recruitment process;
- Launching of an e-learning course on The Prevention of Money Laundering and Terrorist Financing for all the Bank's Employees.

This Code of Conduct is directly applicable to the members of the management and supervision bodies, all employees of the Group, with or without a permanent work contract and to the companies providing outsourcing services to the Group.

To this extent, it works as a general main guideline to face potential ethical conflict and help in the making of an appropriate decision.

The Code of Conduct and a set of compliance rulings and policies that rule the bank's activity are available for consultation on the website, governance area.

https://ind.millenniumbcp.pt/en/Institucional/governacao/Pages/normas_regulamentos.aspx

In 2020, the reinforcement of the culture of compliance was one of the priorities of the Bank, either through the normal development of the Training Plan or through proximity communication programmes addressed to all areas of the bank, especially the commercial networks. The "100% Compliance", the "Compliance A to Z" and the "Culture of Compliance" are the most visible faces of the transformation initiated in 2019 where, through regular actions it tries to convey information, explain and provide support on the most important aspects to consider in the component of financial crime risk and in all the remaining compliance and regulatory compliance risks, with a simple but informative and formative language. In addition, the bank continued to publish a monthly newsletter with a modern and appealing image approaching practical and current issues related with the management of compliance risks and with the rules of good conduct. Together with the Communication Division Bank - Sustainability Area and within the scope of the 2021 Master Sustainability Plan, were also developed a number of communication actions on issues related with the Code of Conduct.

Regarding the most significant training actions, we must point out the following:

- Launching of an e-learning course on the Code of Conduct for all the Bank's employees;
- Innovative communication and training initiative focused on specific AML/CTF risks addressed to the Bank's Commercial networks, under the themes Trade Finance and Law 58/2020;

- Training of the Employees of the Compliance Office:
 - i) Holding of internal and external training sessions aimed at reinforcing and update the knowledge on regulations, legislation and internal regulations on themes related with the functions performed, from among which we point out the Advanced Training in Compliance, Prevention of ML/TF and the Notice 3/2020, among other;
 - ii) The employees of the Macau Branch received training on AML/TF.
- Integration training and programme InGenious: participation in the programme for the training of newly admitted employees and young talents in the areas of analytics and technology, wherein 103 employees received training on compliance issues.

TRAINED EMPLOYEES ⁽¹⁾

AML/CTF, Market Abuse, Internal Control, Monitoring of Transactions and Legal Issues.

GRI 406-1

	2020	2019	2018	VAR.% 20/19
Activity in Portugal:	25,828	5,798	30,300	345.5%
International Activity	28,507	20,733	2,219	37.5%
TOTAL	54,335	26,531	32,519	104.8%

⁽¹⁾ Attendance in training sessions.

The Compliance Office continued to play its role in the governance of the process for the development of new products, namely validating the compliance with the requirements set forth by the Service Order that regulates the process, the sending of creation proposals, alteration, re-introduction and elimination of products/services.

It promoted the review of the regulation on the approval of new products/services and management of conflicts of interests.

Pursuing the alignment of strategies and priorities in risk management of the Group's subsidiary companies, apart from the update of several Group Codes published and monitoring of their application in the several international operations, the Compliance Office reinforced its compliance function regarding the activities of those operations by implementing a number of initiatives, namely:

- Implementation of new management structures for the follow-up and monitoring of risk ML/TF, denominated ML/TF International Commissions, with the participation of several management and compliance bodies of the subsidiary companies aiming at assessing and monitor the specific risk factors in terms of compliance of each country, as well as of the business segments that exist in each operation;
- Development of joint Compliance Office projects with teams from branches and subsidiaries abroad with a view to analysing and improving the effectiveness of existing controls to mitigate the main risks in the area of ML /TF;
- Definition of a new ML/TF risk assessment for the Group's subsidiary companies.

In 2020, the Bank joined the Work Group AML from Associação Portuguesa de Bancos (Portuguese Banking Association), wherein it contributed for the identification and development of several initiatives and actions aimed at strengthening the ML/TF prevention system of the Portuguese Market. We must especially mention the development of innovative proposals of partnerships with public and entrepreneurial entities to enrich the cooperation ecosystems to increase the efficiency of the ML/TF preventive controls.

In addition, and given the importance of maintaining an internal communication on compliance issues, the Bank continued to regularly publish contents on the BCP Group's intranets with information able of contributing for the exercise of the activity, observing the duties of honesty, solvency and financial integrity foreseen in the Code of Conduct; non-compliances and breaches are sanctioned in accordance with the internal regulations in effect.

Relations of cooperation and loyalty have also been maintained with the judicial authorities and with national and international conduct supervision authorities. Within this scope and by its own initiative, it made a total of 1,925 communications to local Judicial Entities and replied to 3,124 requests.

COMUNICATIONS TO LOCAL JUDICIAL ENTITIES

	2020	2019	2018	VAR.% 20/19
OWN INITIATIVE				
Activity in Portugal:	338	306	432	10.5%
International Activity	1,587	2,196	352	-27.7%
RESPONSE TO REQUESTS				
Activity in Portugal:	241	103	364	134.0%
International Activity	2,883	3,359	2,038	-14.2%
TOTAL	5,049	5,964	3,186	-15.3%

Internal Audit

The Audit Division is a component of the internal control system of Banco Comercial Português and its main mission is to assess the effectiveness and adequacy of the organizational culture, of the risk management process, the internal control system and of the governance models.

The mission of the Audit Committee is exercised by means of the adoption of audit principles that are recognized and accepted worldwide, issuing recommendations based on the results of the assessments made, focused on the improvement of the efficiency and effectiveness of the internal control system, adding value to the organization and contributing to the accomplishment of its strategic goals.

The exercise of the internal audit function plays a crucial role in the competences of the Audit Division and has an independent and permanent nature.

The internal audit function adopts integrated/ end to end methods in the carrying out of audits to processes. The audit programmes include the assessment of behavioural issues, the compliance with the legislation and with all the remaining rules and codes of conduct, the proper use of the delegated competences and the respect for the performance principles in force in what concerns the relations established with the Clients, internal and external.

Throughout 2020, as part of the execution of its Activities Plan, the Audit Division also assessed the issues related with the management of environmental and social practices resulting from or related with the object of each audit in particular. Especially in what concerns the audit programmes addressed to networks, we must point out the procedures for the prevention and detection of practices eventually showing signs of money laundering.

The prevention and mitigation of the risk of fraud as well as the detection and investigation of fraud attempts or situations, internal or external and the execution and monitoring of the consequent eventual disciplinary or judicial proceedings are also a priority in the distribution of resources allocated to the Audit Department. Furthermore, all the claims, complaints or denouncement of situations that show socially inappropriate behaviours by the Employees, either among themselves or relating to Customers, are also assessed and investigated and will originate disciplinary proceedings whenever deemed justified.

DISCIPLINARY PROCEEDINGS DUE TO RULES INFRINGEMENT

GRI 419-1

	2020	2019	2018	VAR.% 20/19
Activity in Portugal:				
Internal Rules	32	27	13	19%
External Rules	0	0	6	0%
TOTAL	32	27	19	19%

In 2020, the preventive controls carried out and the subsequent individual assessments of potentially irregular situations as well as of situations reported by other organic units of the Bank originated 157 preliminary investigation proceedings. That same year, 32 disciplinary proceedings brought against Employees of the Bank in Portugal were completed. By the end of the year there were 19 proceedings underway. None of the cases involved situations of corruption.

The Coordinating -Manager of the Audit Division is also the individual in charge for coordinating the internal audit function in all the subsidiary companies of Group BCP, with its own audit team. He participates in the respective Audit Commissions, appraises their proposals for the Activities Plan and executes a regular monitoring of their execution and implementation of the recommendations issued based on the audits made, promoting the harmonisation of procedures and analysis criteria and sharing of knowledge, namely by cooperating in the preparation and execution of audits on matters that are common to the several institutions.

The standardization of the practices in force in the internal audits of the several operations of the Group increased throughout the years either by the adoption of joint approach methods, safeguarding eventual differences due to local regulations or by the setting up of audit teams, at Group level, responsible for the execution of audits relating to specific issues in any of the countries where the Group operates

Within this context, in 2020, the Bank's Audit Division carried out audit actions in all subsidiary companies, selecting their scope in view of the most relevant themes and risks for the bank, for which he gets the support from joint audit teams from the Bank and from its subsidiary companies.

Service quality

Material issue: SERVICE QUALITY

The quality of service is ensured by the ongoing implementation of initiatives that contribute to achieve an enhanced rigour and control of execution, ensuring that the operational and business processes function in an efficient and reliable manner, being continuously monitored and perfected, thus contributing to a progressive increase of customer satisfaction.

Satisfaction surveys

GRI 102-43, 102-44

In Portugal, Millennium bcp continues to focus on the model of assessment of Customer experiences. 24 hours after interaction with the Bank, the Customer is invited to answer a brief questionnaire to assess Customer satisfaction with this experience with the Bank and the corresponding level of recommendation.

In 2020, the indicator NPS (Net Promoter Score), that translates the level of recommendation of the Bank recorded, in the case of Prestige Clients, an increase to 66,1 points, 1,2 points than in 2019; the Mass Market segment, that improvement showed an increase of 2.4 points, to 74.1. Regarding the NPS of Business Clients, it also recorded an expansion, improving to 64.3 (62.4 in 2019). Based on these results per segment, the global NPS of Millennium bcp stands at 71,8 points, an indicator that has been recording a positive performance since the process was initiated in 2013, reaching, this year, the highest value ever (69,8 points in 2019).

Another issue dealt with was the recommendation of the service provided by the Employee / Account Manager. This indicator also recorded the highest NPS value of all times in all segments and, consequently, the NPS Global Servicing with 83,4 points in 2020, reached the best score ever, continuing to record an ongoing positive evolution.

The Bank assessed over 120,000 experiences of Clients who visited Branches of Millennium bcp or were contacted by Client Managers.

Apart from the experiences of Clients with Branches and/or Client Managers, where the indicators mentioned above are based upon, Millennium bcp also assesses other Client experiences namely (i) Account Opening, (ii) handling of Claims, (iii) interaction with the Contact Centre, (iv) mortgage loans and (v) the moment when the Account is closed - to be able to assess why the Bank lost those clients, (vi) the use of Internet banking and (vii) the utilization of new Millennium Transactions Machines (MTM).

Globally, in 2020, the Clients evaluated more than 215.000 experiences with Millennium.

In 2020, only two of the four actions of the “Mystery Customer” foreseen for the Mass market Branches, took place. The 1st wave was carried out until March, involving 421 visits to branches of Millennium bcp and a global result of 74%. The study was interrupted due to the pandemic and only resumed in October with the carrying out of 432 visits to Branches of Millennium bcp, recording an improvement of the global result to 76%. Also 60 branches from other institutions were visited, reaching an average result of 69%, a fact that reinforces the positioning of Millennium bcp in the application of best practices in Customer servicing.

In order to be able to assess branches servicing during the pandemic, the bank carried out in August a sample study on 127 branches (50 Millennium bcp and 77 from other institutions) and Millennium bcp obtained a result of 78%, comparing with the 75% average reached by the remaining evaluated institutions.

The bank also carried out, in November, a study on the quality of the phone servicing of the branches Mass Market with 44 contacts to branches of Millennium bcp and 204 to other institutions. Millennium bcp achieved a result of 70%, which is quite positive if compared with an average result of 48% in the remaining institutions.

To improve the Employee’s competences and the service provided to the Customer, the Bank continued to implement the “Programme #1” extending the same to the business sector. In the 1HY of 2020 the Bank made a complete diagnosis of the segment and defined an action plan to be implemented in 2021. In the segments Mass Market and Prestige, we re-designed the “Programme #1” and called it “#1 no Coração do Cliente” (#1 in the Customer’s Heart).. The customer service behavioural training launched in the last quarter is now composed of quarterly training modules made by external experts.

We continued with the project “Moment #1”, that intends, in a simple manner, to transmit practical knowledge with a direct impact on customer servicing. We make and disclose every week short videos on practical issues related with products characteristics, use of tools and best customer service practices.



The Bank carried out 21 surveys, using different approaches, for monitoring the satisfaction of the Clients with the several Direct Channels and Business Networks.

The remote channels satisfaction levels remained high. An example of this are the 89% of the user clients who replied that they are happy or very happy with the Internet Banking - Companies, of which the 80% of Mobile Banking Companies are an example.

The Bank carried out other 26 surveys to Employees, with specific purposes, ones with the objective of improving the operational procedures but, mostly, related with the COVID Contingency Plan, which allowed a close and efficient monitoring and management of issues related with the pandemic (Covid Tests, Vaccination, Disinfectants, the use of masks in Branches).

Millennium bcp participated in an international scientific project coordinated by ISCTE Business School the goal of which is to supply to the community and to each one of the participating banks, relevant information on the management of human resources within the current pandemic scenario. This integrated research intends to assess the type of relation and effects between the several components of the organizational behaviour of the banking sector, within the current "new normal" context.

With the objective of enhancing the measurement of the satisfaction and loyalty of the several Customer segments, Millennium bcp continued to follow-up several external market studies made by specialized companies so as to get indicators enabling to position the Bank in the sector and assess, in an ongoing manner, the market's perception in what concerns the quality of the service provided, the Bank's image and the products and services it trades.

One of these studies is the CSI Banca, carried out by Marktest. It is a reference study for the banking sector, made in 2 annual stages, based on an econometric model that aims measuring the satisfaction and loyalty of the Customer and its perception of the quality of the products and services pursuant to a benchmarking rationale.

Millennium bcp continues to show a very positive performance in the index CSI Banca, reaching the highest score ever in the 2nd half-year of 2020 (78,6pts), placing itself above the average of the sector (75,8pts), and becoming the leader in the group formed by the 5 largest banks operating in Portugal.



Experiência Cliente

The CSI Banca index is a result of two indexes, one which intends to evaluate the satisfaction of the Clients which prefer to use the Banks' branches (Index CSI Branch) and another which intends to evaluate the satisfaction of the Clients who prefer to use internet banking solutions (CSI Internet Banking Index). In these indexes, Millennium bcp ranked 3rd in the ranking of the Clients that use Branches and 1st in Clients using Digital channels where it also reached the best score ever, and also above the sector.

On the other hand, the BFin, made by DataE, focuses on the characterization of the banking industry in Portugal, according to the companies' perspective, concerning the products and services made available by the Banks. In the 2020 survey, Millennium bcp was once more considered the Main Bank for companies in Portugal. It is also referred to as the "Banco Mais Próximo dos Clientes Empresariais" (the bank closest to corporate customer), as the "Banco com os Produtos mais Adequados às Empresas" (the bank with the most appropriate products for companies) and as the "Banco Globalmente Mais Eficiente" (the globally more efficient bank).

In 2020, Millennium bcp was once again recognised, in the wake of its digital channels, with the awards Global Finance "World's Best Digital Bank Awards", in the categories "Best Consumer Digital Bank in 2020" in Portugal and, "Best Corporate/Institutional Information Security and Fraud Management 2020", in Western Europe. Millennium BCP was also distinguished in "Best Homebanking website" in Portugal, within the scope of the awards "Leitor PC Guia 2020."

Millennium bcp was once again elected as the “Best Digital Bank”, for the 3rd consecutive year, with 66% of nominations in the total of Clients of the study Brand Score, another study that we follow, carried out by Scopen, whose primary objective is to assess the impact of the Brand and Communication in terms of notoriety, image, customer loyalty and attraction of new customers. In this study, Millennium bcp é is also recognised as the “The Best Bank for Companies” (with 39% of nominations), by all ages and by the Segment Recent Customers.

We must mention that Millennium bcp has been once again distinguished in Portugal as “the Consumer’s Choice 2021”, in the category “Large Banks”, by Consumer Choice, with a general satisfaction notation of 85,59% and a satisfaction index of 8,57 (from zero to ten). Millennium bcp was also the Bank that obtained the highest recommendation index (to a family member or friend), with 8.52 (from zero to ten).

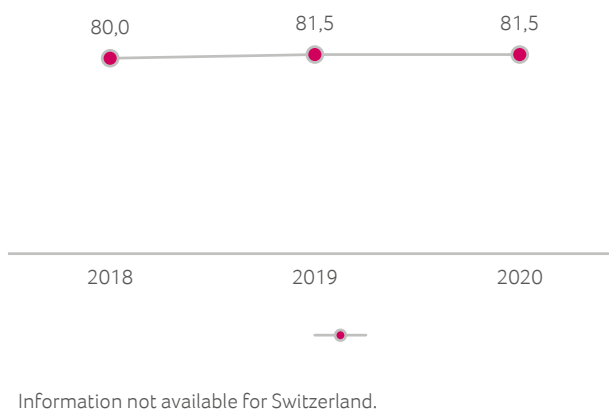
All these results translate the Client’s recognition of the ongoing effort made by Millennium bcp to provide a service of excellence, focused on modernisation and simplification of products and services, the proximity with the Clients, swift operations and in the sustainability of its value proposal.

Internationally, the global satisfaction index did not change and remained at 81.5 index point (i.p.).

In Mozambique, where the value recorded was 74,0 i.p., several studies were carried out to know to opinion, needs and expectations of the clients, of which we point out:

- “Research on the Satisfaction of Corporate Clients of Millennium bim”, that, with a variation of 1pts *versus* 2019, reaches 70 points. The repurchase intention maintained the same level recorded in 2019, 75 points. Regarding the level of recommendation of the Bank, the same decreased 2 i.p. *versus* 2019., reaching 72 i.p.;
- Satisfaction Research for Customers from the Companies Network” that confirms the increase in the satisfaction of these customers with the Bank’s service (+3pts *versus* 2019), reaching now 71 i.p. Repurchase and recommendation also recorded increases *versus* 2019 (3 and 5 p.i., respectively), both indicators reaching 74 i.p.;
- “Satisfaction Research for Prestige customers”, an online survey with the purpose of identifying improvement opportunities in the quality of the services provided, increase *cross-selling* and enhance customer attraction and loyalty in Prestige customers. Global satisfaction increased 2.i.p. If compared with 2019, reaching 77i.p. The intention of repurchase and the Bank’s level of recommendation recorded an increase of 5 i.p. both standing at 79 points. The satisfaction with the Client Manager stood at 78 i.p., a 2 i.p. Increase *versus* 2019;
- “Evaluation of the Satisfaction of Prestige Customers”, a phone survey made to measure the satisfaction of the Customers with the interactions they have with the Bank and the segment’s degree of recommendation. The degree of global recommendation reached 86 points, based on a sample composed of interviews with 654 Customers. The evaluated interaction moments were: (i) Account Opening; (ii) 6 months after the opening of the account; (iii) Contact/Visit made by the Manager; (iv) Financing process (Refused and Granted); (v) Management of Claims; and (vi) 6 months after the transfer into the Prestige Segment.

Costumers satisfaction
(Index points)



Regarding internal Clients, in 2020 the following Researches were carried out:

- The bank made the “Suppliers Satisfaction Survey” with the purpose of assessing the quality of the services provided by the outsourcing companies, that recorded a response rate of 62%, and enabled identifying improvement opportunities in the services provided.
- In its 9th edition, the bank launched once again the “Internal Customers Satisfaction Survey” with the purpose of contributing for the improvement of internal service by identifying the main obstacles faced by the Employees that depend on other areas of the bank to perform their functions. This survey recorded a high participate rate of 89%. The global level of satisfaction with the services provided by all the Divisions of Millennium bim was 70 points, +1pts more *versus* 2019.

Continuing with the goal of assessing the satisfaction and commitment levels of the employees with the Bank’s objectives, the Bank carried out the online survey “Organizational Environment Questionnaire”, which is one of the most important instruments of the Employees Satisfaction Management System that had a record participation rate of 87%. The results show a favourable evolution in all indicators of satisfaction and motivation, with satisfaction with the Bank reaching 76% and motivation 79%. The way in which the Bank managed the pandemic, namely its focus on people – Employees and Customers – was also clearly recognised in this questionnaire.

In Poland, Bank Millennium also benefits from robust processes and instruments to assess the quality of the service rendered to Clients. In 2020, with 89 i.p. of global satisfaction, the internet banking and mobile banking channels reached 95% and 97% of positive reviews, respectively. Also branch servicing showed a very positive evolution, showing 94% of satisfaction.

This operation, apart from the regular satisfaction surveys addressed to the Retail (NPS of 53), Prestige (NPS 30) and Business (NPS 31) and Companies (NPS 48) segments, also carries out "Mystery Client" actions by means of an outsourcer.

Bank Millennium, materializing an holistic approach and aware of the impact that the popularity of the new digital channels is having in the behaviour and needs of the clients – an impact which is not only seen in electronic banking but also in traditional channels, namely the branches, –, has been making evaluations which, with the use of innovative techniques, enabled to improve the service space and choreography.

The Actions carried out by Bank Millennium were quite appreciated by the market, as shown by the awards granted to the bank at Bank Stars 2020 or Institution of the Year contests. In 2020, Bank Millennium won the first prize in the category Claims from Clients, in the category Awards in the category Awards from the European Customers Centre.



The monitoring philosophy of Customer surveys in all business lines is based upon two pillars: moments of truth and closing of the cycle. Following this approach i) we measured the Customer experience in carefully selected moments; ii) We follow the client, selecting the method and moment of the evaluation; iii) we concentrate on strengthening the relation with the client; iv) we look for opportunities to improve processes, procedures and products.

Claims

Concerning claims on products and services, one of the priorities of the BCP Group is to ensure the ongoing improvement of its management in the countries where it operates, either by optimizing, simplifying and accelerating the reply procedures or by the regular assessment and monitoring of the satisfaction of the claimants with the solution presented to them. The identification and assessment of the origin of the claims aiming at their correction are also part of an unequivocal orientation of the Bank for Client servicing.

	2020	2019	2018	VAR.% 20/19
CLAIMS RECORDED				
Activity in Portugal:	44,474	32,811	26,648	35.5%
International Activity	128,200	103,751	81,596	23.6%
CLAIMS SOLVED				
Activity in Portugal:	32,245	28,706	24,296	12.3%
International Activity ⁽¹⁾	128,123	97,185	83,157	31.8%

(1) Includes justified claims due to disrespect for Client's privacy in Poland (106) and in Mozambique (10) due to operational incidents while processing personal data.

In Portugal, the claims are managed by the commercial areas and by the Customer Care Centre (CAC). In this operation, the total number of claims recorded an increase *versus* 2019, with a total of 44.474, mostly explained by claims related with cards, namely for the purchase of products and services through the digital channels. The effort to rapidly solve the claims has been a constant concern of the Bank, which has been able to improve the average response time from 6 to 4 business days.

In Poland, were recorded 113.182 claims, showing an increase of 30,2% *versus* 2019, mostly due to the mortgage loans, current accounts and transactions with cards. To improve the measured satisfaction with the claims resolution, Bank Millennium has been developing a programme for the continued improvement and simplification of this process and the average resolution deadline reached 6 days.

In Mozambique, the number of claims stood at 15.017, representing a decrease of around 10% in comparison with the same period of last year, mainly due to a decrease in the number of sundry claims. The average resolution term worsened from 5 to 7 days.

The clients of Millennium bcp may submit claims or complaints for actions or omissions by bodies and employees of the Bank to the Ombudsman. All the claims addressed to the Ombudsman Office are firstly handled and managed by the Bank's concerned areas and the Ombudsman Office is exclusively responsible for analysing and issuing a final opinion to claims received in connection with prior claims presented by the Clients that obtained an unfavourable decision.

The Ombudsman's Office, regulated by its own Regulations, is a body independent from the Bank's hierarchical structures, defending and upholding the rights, guarantees and legitimate interests of Millennium bcp's customers that address it.

CLIENT OMBUDSMAN'S OFFICE

Activity in Portugal:	2020	2019	2018	VAR.% 20/19
RECORDED CLAIMS	2,670	2,339	1,848	14.2%
Claims	2,249	1,776	1,342	26.6%
Requests	364	512	458	-28.9%
NEW CLAIMS	57	51	48	11.8%
Concluded	56	49	45	14.3%
Upheld	20	25	22	-20.0%
Not upheld	36	24	23	50.0%
Average Response Time (days)	12	11	14	9.1%

Thus, and looking at the activity developed in 2020, the Ombudsman Office received 2,670 claims (2,339 in 2019), a figure representing, in accrued terms and year over year, a 14.2% increase *versus* 2019.

The Ombudsman Office analysed 2,249 Claims (1,776 in 2019), that were forwarded to the Customer Care Centre, the area responsible for ensuring the analysis and final response to the claimants; 364 Requests (512 in 2019), were forwarded to the respective services of the Bank which are responsible for ensuring the claims assessment and final response to the claimants and 57 Appeals (51 in 2019) which, for their nature, were analysed and replied by the Ombudsman Office.

The acceptance rate regarding Appeals was 36% and the average response time was 12 days (11 days in 2019).

The issues - from a product or financial standpoint - that raised the greatest number of claims from the Clients, were those related with "Deposit Accounts" (33% vs 25% in 2019) "Servicing" (13% vs. 13% in 2019) and "Cards" (13% vs 14% in 2019).

When one assesses the business areas with a greater number of claims, the one showing the highest number is Retail Banking, with 87% followed by Activobank with 8%.