

PEOPLE

Despite the challenges caused by the pandemic situation that is still being experienced, 2021 was also a year in which the Banco CTT Group sought to convey a certain stability to its Employees, maintaining and reinforcing moments of sharing, whether in person or remotely, distance training, events and volunteering, initiatives that are already recognised as an integral part of the Group Culture.

The required teleworking regime, alternating with the hybrid regime implemented whenever possible, was also part of the Banco CTT Group's reality, as in 2020, but assumed with greater naturalness and with responses that were more agile and adjusted to the reality of each Group company.

However, in 2021, the Banco CTT Group faced new challenges, namely with regard to the more active and competitive labour market, with an impact on the Recruitment and Retention areas.

The year ends with the certainty that the Group will have to develop the necessary skills to succeed in this new reality, as well as define the future work regime that will certainly be different from that which existed until 2020.

Assess and Recognise

The Banco CTT Group maintains, and improves every year, a policy of recognition of the merit and individual commitment of each Employee, in particular through variable remuneration based on the performance assessment model.

Banco CTT Group's performance evaluation models value and foment a culture of performance and meritocracy through a consistent and transparent form of performance evaluation and differentiation, translated into ambitious, realistic, measurable and specific individual goals, which represent the objectives of the Group and of each company. Additionally, the models include the evaluation of behaviours and competencies in line with the Group's culture and values. On the other hand, they are also based on a process of building an individual development plan, providing opportunities for feedback between hierarchies and their employees throughout the year, stimulating a culture of personal accountability for the development of their respective careers.

In 2021, the following initiatives stand out:

- ▲ Launch and start of a project to computerise the performance assessment process at Banco CTT, which will become operational in 2022;
- ▲ Definition and implementation of a new methodology that

ensures the approval and disclosure to employees of the Banco CTT Group's Remuneration Policy and respective Performance Evaluation Models at the beginning of the year in which they take effect.

Benefits

Banco CTT and Payshop provide all Employees with free Health Insurance, which can be extended to their families. In the case of 321 Crédito, Employees have a complementary medical assistance system - SAMS (Medical-Social Assistance Services), which can be extended to their families, as provided for in the Company Agreement.

With regards to benefits, the Banco CTT Group remains concerned with providing employees with a range of advantages that represent added value in day-to-day life, namely access to special conditions in partner establishments and services, as well as CTT Group products and services. These benefits are constantly updated with new partners and are subdivided into two programmes:

- ▲ CTT Group discount programme - this programme grants discounts to all CTT Group employees, on CTT and Banco CTT products and services, including special conditions on mortgage loans or insurance;
- ▲ Sou CTT - a group of CTT partner companies allows employees to access discounts on products and services in stores, gyms, hotels, banks, telecommunications companies, and health services, among many others.

Also in the health area, in view of the pandemic context and in order to safeguard everyone's safety, the Banco CTT Group provided employees who so wished with free self-tests on a fortnightly basis.

Training

Training is one of the Banco CTT Group's priorities, and special attention is given to transversal training and to training that is mandatory for all Employees, namely training on the "General Data Protection Regulation", "Code of Conduct", "Code of Good Conduct and Combating Harassment", "Prevention of Money Laundering and Financing of Terrorism", "Ethics and Fraud Awareness", "Information Security Awareness", "Mortgage Credit or Consumer Credit Marketing or Credit Intermediation", "Health and Safety at Work", as well as training regarding "People Directly Involved in the Activity of Insurance Agents", among others.

For the Governing Bodies and holders of Essential Functions, due to the relevance of the functions they perform in the organisation, a dedicated training plan adapted to their needs was developed, and training was provided such as “The role of the supervisory body in the internal control of a Financial Group”, “International Advanced Certificate in Regulatory Compliance”, “The future of Banking and the transformation of the financial sector”, and “Corporate Governance: acting on boards”.

With regard to technical/functional and behavioural training, the format was almost 100% online, with remote sessions being predominant. In the behavioural area, training courses such as “Time Management”, “Leadership” or “Negotiation” stand out, whose aim is to contribute to the development and growth of professionals. In technical terms, in addition to training on different topics relevant to the functions in question, carried out with the support of several suppliers, the training provided through the Udemy platform was maintained, which has been widely accepted by employees who value the flexibility and comprehensiveness of the training on this platform. Also noteworthy are the “Excel” and “Power BI” trainings, which are part of a technical component transversal to most of the functions of the Banco CTT Group. In the case of Payshop, a project was also launched that cuts across all the areas involved in product development and which involves training on topics related to “Design Thinking” and other Agile methodologies, which will continue in 2022.

In 2021, there was an increase in investment in highly differentiated training such as postgraduate courses and advanced certifications, which shows a growing concern for the development of employees and investment in their growth.

Also at 321 Crédito, the commitment to constant training, valuing and motivating the institution’s human resources was maintained in 2021 through various training courses of a specific nature, such as “Effective Communication with Customers in a situation of default”, “Bank Accounting”, “Duties of Credit Intermediaries”, “PARI and PERSI”, as well as in matters of Internal Control. The training process on Accipiens (core system adopted in 2020) and on the new Nubitalk platform adopted in 2021 was also continued.

Regarding training for CTT Retail Network Employees, the Banco CTT team maintained intense collaboration, designing and delivering the various initial training actions to Employees who are part of the Network and its banking activity, and which focus on Banco CTT products and systems, as well as General Banking concepts.

A total of 13,739 training hours were provided to Banco CTT Group Employees, 58% more than in 2020.

Internal Recruitment and Mobility

In recent years, the labour market has undergone major changes. Candidates are increasingly receptive to learning about new projects and assessing their market value, which is facilitated by the fact that they are telecommuting and therefore are more available to participate in selection processes. However, this higher volume of applicants does not always translate into faster or more efficient processes.

This change in the labour market also had the impact of increasing the turnover risk of the Banco CTT Group. This challenge proved to be an opportunity for the Banco CTT Group, reinforcing its strategy initiated in the previous year of giving priority to internal mobility as a source of resources for filling open positions. This practice has received good feedback from the organisation due to its relevance in motivating its employees and creating development opportunities for them.

Accounting for internal mobility figures, in 2021, 8 Employees accepted new challenges in another company within the CTT universe and, in the Banco CTT Group, there were 21 employees who changed their role within their company.

The strengthening of the Banco CTT Group team continued to be a focus of special attention, mainly due to the partnership established between Banco CTT and Sonae FS within the scope of the Universo card, which required the creation of new functions and the reinforcement of existing teams dedicated to the management of this product.

As at 31 December 2021 there were 444 employees, 5% more than in the previous year. The hiring of 59 new Employees was conducted for the different areas, maintaining high qualification standards, different levels of seniority and expertise, and always observing diversity criteria, namely gender criteria. Currently, taking into account the context of telework, technological skills, particularly in terms of the use of online collaboration tools, have assumed special relevance, along with the soft skills needed to perform remote functions.

Community Support

The Banco CTT Group maintained its support to the community in 2021, in various locations and in various ways.

Within the scope of the Corporate Volunteering project, Banco CTT maintained the protocol with Crevide - Creche Popular de Moscavide, a non-profit association. Despite the challenges and

limitations arising from the pandemic situation that continued into 2021, the following initiatives were carried out with Crevide involving Banco CTT and Payshop employees:

- ▲ The making of a book - the children of Crevide together with volunteer employees created, developed and wrote the story "A Windy Day". The children of employees and the children from Crevide were also invited to illustrate it;
- ▲ For a week Crevide was in the lobby of the CTT head office building in Lisbon with a stall selling Christmas items. In this case, Crevide was also able to enjoy a place of passage of CTT Employees who also contributed to the success of this initiative;
- ▲ Finally, the well-known initiative, the offer of food baskets during the Christmas season to families supported by Crevide, stands out. The Bank maintained its contribution, also offering a basket for each basket offered by Banco CTT and Payshop Employees. This year it was possible to support around 60 families, 10 more families than in 2020.

It is also worth highlighting a solidarity initiative that took place in November, promoted by the Commercial Department of Banco CTT, which consisted of a team building dynamic, in which the 25 employees of this Board, organised into 4 teams, built a chicken coop, cleared the land and recovered 2 porches of a solidarity residence in Sintra.

This solidarity residence aims to provide accommodation with decent living conditions, proximity psychosocial monitoring and permanent technical supervision to around 25 users. The project is part of the Associação Vida Autónoma (AVA), which is based on the fight against social exclusion of homeless and socially vulnerable people.

321 Crédito also held a Christmas campaign, to collect food and non-food items for distribution to institutions in Lisbon, Porto and Leiria.

Also in this context, Banco CTT joined VilacomVida, an association whose mission is to reveal talents of people with intellectual disabilities through an innovative and inclusive training model, enhancing employability, and was challenged to participate in a project promoting autonomous generations. A decision was thus made to move forward with social inclusion and recruit a young woman accompanied by the association, who, in early October 2021, started working at Banco CTT through a practical training agreement in a work context.

Culture / Internal Communication

With regard to culture and considering that 2021 was a year in which the employees of the central services were alternately in a rotating office/teleworking model or in a teleworking model, the Banco CTT Group was concerned with maintaining proximity to its Employees, and of the Employees among themselves, seeking to preserve stability and motivation, maintaining familiar dynamics that are part of the Culture of the Banco CTT Group.

Beat News, an internal newsletter sharing testimonies, projects, reading suggestions, recipes, etc., maintained the weekly cadence started in 2020, and since July it also included the contribution of 321 Crédito employees.

The Banco CTT Group General Meeting, an annual meeting, was held on 18 March, the day on which the Bank celebrated its 5th Anniversary, and for the first time was held in a digital format. In this live streaming event, the Board of Directors shared the Group's main indicators, achievements and projects. In the post-summer holiday *rentrée*, Banco CTT brought employees together for the first time during the pandemic period in a face-to-face outdoor event, providing the opportunity for Employees to meet up again and for many who had joined in the last few months, the chance to get to know their colleagues personally.

During this year, new initiatives were also introduced, such as the Cross Conversation Snacks, which bring together, in a digital format, the CEO and a group of Employees from different areas of the 3 Group companies. This initiative is an alternative to the previous face-to-face lunches, in which Employees informally share professional experiences and ask the CEO questions. In the last few months of the year, 3 lunches were organised between the second-line managers and the members of the Executive Committee. These lunches aimed to bring these Employees closer to Directors with whom contact was less direct and daily. This sharing of ideas, in an informal context, facilitates communication and gives visibility to everyone within the organisation.

In April, and because the family has played a fundamental and challenging role throughout the pandemic, the Bank and Payshop surprised the children of their employees. They were sent a thank you letter for making a positive contribution to everything running smoothly while their parents were at home, along with a box of pencils to draw a picture of what that period represented. The drawings were later revealed in an internal video.

Several team building activities were also carried out, some at a distance and others in person, which reinforced the team spirit and provided interaction between colleagues in an informal environment and without the daily pressure of work.

321 Crédito celebrated its 6th Anniversary on 25 September with a team building event, which brought together in person a large part of the team, on a day of celebration and reunion of some colleagues from different geographical locations.

The company also brought together employees at the General Commercial Meeting and the 321 Crédito Christmas Dinner, which had a very significant participation. Also throughout the year, there were several moments of celebration of results and of thematic dates, such as Halloween. Small gestures that made for great moments with the Employees.

Payshop celebrated its 20th anniversary on 25 November, in a face-to-face event that brought together around 50 employees and in which the main results were shared, the achievements of the year were celebrated, and projects currently underway were presented.

A face-to-face Christmas event was scheduled for Banco CTT, which was cancelled due to the increasing number of Covid-19 cases. To mark the festive season, a pastime was launched for Employees, the Banco CTT Advent Calendar, with 4 challenges around the Banco CTT brand and image. A large number of Employees participated in the initiative, and the 5 participants who answered correctly and in the least amount of time received a Tablet as a prize.

It is believed that through the various initiatives all employees were able to become involved in the reality of the Banco CTT Group, reinforcing their spirit of belonging.

Staff ¹

In 2021, the Banco CTT Group's structure continues to present a marked gender equality, with a distribution close to 50% for each gender. With regard to Banco CTT, this distribution remains fairly balanced for most of the different hierarchical levels.

Number of employees	2021	2020
Employees*	444	425

*not considering employees with a multiple employer arrangement.

Gender	2021	2020
Female	52%	50%
Male	48%	50%

In terms of age, 63% of employees in the Banco CTT Group are under 45 years of age.

Age group	2021	2020
< 30 years	10%	9%
30 – 34 years	11%	16%
35 – 44 years	42%	45%
≥ 45 years	37%	30%

More than 50% of Employees have an academic degree or higher.

Level of Qualification	2021	2020
Elementary Education	2%	3%
Secondary Education	30%	31%
Bachelors	3%	3%
Licentiate Degree	48%	43%
Postgraduation/Masters	18%	19%

¹ Not considering employees with a multiple-employer arrangement