

## Our Performance Report 2023

In line with Fidelidade's Net Zero Transition Plan, in this report we disclose the performance in year 2023 vs baseline year 2022 in terms of the path towards delivering our Climate Targets under the 3 perimeters: Investments, Underwriting and own Operations. The Table 1 summarizes the performance under the 3 perimeters:

Table 1: Net Zero Transition Plan						
Our Climate Targets	2022 Baseline	2023	% variation 2023 vs 2022	Metric	Interim Target	Net Zero Target Fidelidade Group
<b>A. Investments</b>						
Listed Equities & Corporate Bonds (Fidelidade Group Portugal, Fidelidade Macau & Tenax - UK)	0,15	0,12	-18%	ktCO <sub>2</sub> e/Mn€ (Intensity over AuM)	-40% by 2030 vs 2022 (Fidelidade Group including all geographies)	<b>2050</b> (Fidelidade Group including all geographies)
Real Estate direct investments	35	30,13	-14%	kg CO <sub>2</sub> e/sqm (Intensity over sqm)	-45% by 2030 vs 2022	
<b>B. Underwriting (Portugal)</b>						
Commercial (Corporates with reported emission data and/or with turnover >50Mn€ in Portugal)	0,34	0,30	-12%	ktCO <sub>2</sub> e/M€ (Intensity over premiums)	-30% by 2030 vs 2022	<b>2050</b>
Personal Motor (All individual lines in Portugal)	0,19	0,18	-5%	ktCO <sub>2</sub> e/# of vehicles (Intensity over # of vehicles)	-26% by 2030 vs 2022	
<b>C. Operations</b>						
Scope 1, Scope 2 (market-based) & Business Travel (Scope 3) (Fidelidade Group in Portugal excl. Luz Saúde)	2,20	2,37	+8%	tCO <sub>2</sub> e/ FTE (Intensity per FTE)	-50% by 2030 vs 2022 (scope 1, scope 2 and Bus. Travel scope 3 in Portugal excl. Luz Saúde)	<b>2040</b> (Total scope 1, scope 2 and scope 3 in Portugal excl. Luz Saúde)

Regularly monitoring and tracking our progress allows us to assess the levers we employ to reduce our emissions and their impacts on our business and broader society so that we can adequately steer the process.

Acknowledging the challenges in order to reduce our carbon footprint, Fidelidade commitment to reach Net Zero remains and we are firmly pursuing several initiatives, as it is outlined in this document, to make sure that we play a proactive role in the transition to a more sustainable planet.

### A. Investments

#### I. Listed Equities & Corporate Bonds Portfolio

In 2022 the GHG Baseline (0,13 ktCO<sub>2</sub>e/Mn€) was established considering all group companies, with limitations in data (fewer companies publishing GHG data) and in method (GHG Proxy calculation not accurate). A recalculation performed for Fidelidade Group Portugal, Fidelidade Macau and Tenax (UK)<sup>1</sup> with current data, showed a new baseline of 0,148 ktCO<sub>2</sub>e/Mn€. It's planned to recalculate the baseline value for the whole Group, and it will serve as reference for our decarbonization path, which will be public in the next version of the *Our Performance Report*.

<sup>1</sup> Perimeter of the recalculation performed considered Fidelidade Group Portugal, Fidelidade Macau and Tenax – UK which represents approximately 86% of total AuMs managed from Fidelidade Group.

In 2023 our investments absolute emissions from our Listed Equities and Corporate Bonds Portfolio in Fidelidade Group Portugal, Fidelidade Macau and Tenax (UK) for which we set a net zero target decreased from approximately 682 ktCO<sub>2</sub>e in 2022 to 630 ktCO<sub>2</sub>e in 2023, which represents an 8% reduction. This reduction is mainly caused by the securities that matured in our portfolio, which represented 196 ktCO<sub>2</sub>. The replacement was done with lower carbon footprint securities representing 94 ktCO<sub>2</sub>.

The emissions intensity in the new presented portfolio from the group's Listed Equities and Corporate Bonds Portfolio in Fidelidade Group Portugal, Fidelidade Macau and Tenax (UK) decreased from 0,148 ktCO<sub>2</sub>e/Mn€ in 2022 to 0,122 ktCO<sub>2</sub>e/Mn€ in 2023, which represents a 18% reduction.

To achieve the 40% reduction target of ktCO<sub>2</sub> emissions per AuM by 2030, Fidelidade is pursuing the following initiatives:

- Fidelidade's investment process has integrated on its decision-making process, through the bottom-up analysis, the metrics regarding greenhouse gas emissions of each bond issuer
- Besides being aware of the issuer, there is also attention to the sector, recognizing that some sectors, regardless of the merits of each issuer, tend to have large GHG emissions. In this regard, exposure to sectors like utilities or energy are constrained by the heavy carbon footprints it usually has
- The allocation to sovereign debt is set to increase, in detriment of lower allocation to corporate debt
- Fidelidade is increasingly participating in the primary issuances of bonds which the use of proceeds is linked to sustainable goals, such as green bonds, sustainable-linked bonds or social bonds
- Asset duration is low (the corporate bond portfolio duration is 2.4 years), in line with Fidelidade's mostly short-term liabilities, allowing for the portfolio's turnover to be dynamic, thus fostering a change in the carbon footprint in the near term
- *Green Bond issuance:* Already during the first semester of 2024, we launched our first green bond, aiming to assist in financing Fidelidade Group's initiatives to lower its carbon footprint and increase its investment in green projects, thereby playing an active role in the transition to a lower-carbon economy. The amount equivalent to the net proceeds will be used to finance the construction and/or acquisition of energy-efficient buildings, as well as the acquisition, maintenance, and sustainable management of natural resources such as land, water, air, forests, fauna, and flora

## II. Real Estate Portfolio

In 2023, the emissions intensity of our Real Estate portfolio decreased from 35.40 kg CO<sub>2</sub>e/m<sup>2</sup>, in 2022, to 30.13 kg CO<sub>2</sub>e/m<sup>2</sup> in 2023, for scope 1 and 2 in, with scope 2 decreasing from 31,11 KgCO<sub>2</sub>e/m<sup>2</sup> to 27,12 KgCO<sub>2</sub>e/m<sup>2</sup> in scope 2. The reduction observed in scope 1 and 2 represents a 13.9% decrease compared to the baseline year 2022 and contributes to achieving our medium and long-term targets.

The emission reduction was mainly due to the sale of 165 assets in Portugal and the decrease in energy consumption in the Pegasus project buildings.

A significant ongoing portfolio optimization is underway, which will involve an analysis of its impact on our baseline, as well as the definition of annual targets for emissions reduction, in line with Fidelidade's ESG Strategy for the Real Estate portfolio.

## Underwriting

### I. Commercial

Underwriting absolute emissions from our commercial portfolio perimeter in Portugal for which we set a net zero target (Corporates with reported emissions and/or with turnover above 50 M€) decreased from approximately 53 ktCO<sub>2</sub>e in 2022 to 52,5 ktCO<sub>2</sub>e in 2023, which represents a 0,9% reduction.

The emissions intensity from the group's commercial portfolio perimeter in Portugal decreased from 0,34 ktCO<sub>2</sub>e/M€ in 2022 to 0,30 ktCO<sub>2</sub>e/M€ in 2023, which represents a 12% reduction.

To achieve the 30% reduction target of emissions per insurance premiums by 2030, in companies with revenues above 50 M€ in Portugal portfolio, Fidelidade is pursuing the following initiatives:

- Engage with all corporate customers, within the perimeter, with CO<sub>2</sub> emissions intensity (ktCO<sub>2</sub>e/Mn€ of revenue) above 0,5 to achieve an incremental reduction of the intensity by -10% (in addition to the estimated reduction of -16% from the inertial trajectory).
- Shift the portfolio mix of Commercial lines, by creating leads for low emissions intensity customers and increasing the churn rate of high emissions intensity (by demanding higher profitability) in order to:
  - Increase the weight of clients with CO<sub>2</sub> emissions intensity below 0,05 by 8%.
  - Maintain the weight of clients with CO<sub>2</sub> emissions intensity between 0,05 and 0,25.
  - Reduce the weight of clients with CO<sub>2</sub> emissions intensity between 0,25 and 1 by 10%.
  - Reduce the weight of clients with CO<sub>2</sub> emissions intensity above 1 by 20%.

### II. Motor

In 2023, underwriting absolute emissions from our motor portfolio perimeter in Portugal decreased from approximately 336 ktCO<sub>2</sub>e in 2022 to 323,5 ktCO<sub>2</sub>e in 2023, which represents a 3,7% reduction.

The emissions intensity from the group's motor portfolio in Portugal decreased from 0,19 ktCO<sub>2</sub>e/# of vehicles in 2022 to 0,18ktCO<sub>2</sub>e/# of vehicles in 2023, which represents a 5,3% reduction.

To achieve the target of a 26% reduction of ktCO<sub>2</sub> emissions per insured vehicle by 2030, in individuals motor portfolio, Fidelidade will need to take some measures, some of them are described below:

- Gradually increase the share of new plates of BEV vehicles from 9%, in 2022, to 50% by 2030, leveraging on the shift of new vehicles sales from ICEs to EVs with balanced tariffs and targeted offer.
- The weight of BEVs in new business, considering all vehicle ages, will reach 11% by 2030.
- Increase the weight in the portfolio of BEVs from 0,5%, in 2022, to 6,0% by 2030, while reducing the weight of ICEs from 97,3% to 86,9% in the same period.
- The change in the portfolio composition combined with a trend of new vehicles generating lower emissions will allow the portfolio average CO<sub>2</sub>g/km to reduce from 176,6 to 153,7 (-13%) in 8 years.

- Considering all the effects, the average mileage will reduce 15%, from 2022 to 2030. That reduction will have two major levers:
  - A reduction of 11% from shifting the portfolio from Diesel vehicles, with high mileage, to vehicles like BEVs (currently we estimate 25% less mileage for BEVs than for Diesel vehicles)
  - A reduction of 5% from:
    - Launching a pay-per-mile product
    - Benefiting the renewals premiums for vehicles with lower mileage, changing the portfolio towards vehicles with less emissions

## B. Operations

During the year 2023, Fidelidade Group conducted a thorough review of its carbon emissions calculation methodology. The primary focus was to expand the scope of collected data by including new companies within the Fidelidade Group scope (both in Portugal and in International Operations). This expansion aimed to ensure a more comprehensive view and enhance data granularity and precision.

We have also adjusted emission factors to better align with the national and international markets where we operate, following the GHG Protocol. These adjustments were made in preparation for submitting our reduction targets for validation by the Science-Based Targets initiative (SBTi).

Furthermore, we opted to disclose energy consumption data (Scope 2) using both Location-based and Market-based approaches.

To ensure comprehensive comparability, we adjusted our baseline in Operations from year 2019 to year 2022, recognizing the importance of this fresh perspective across all aspects of Fidelidade Group Operations. Our commitment to climate impact mitigation remains steadfast as we are increasingly able to work with more reliable data.

Our Total Absolute Emissions for Scope 1, Scope 2 (market-based) & Scope 3, already with the revised calculation methodology and adjusted emissions factors, for our baseline year 2022 were 69,9 ktCO<sub>2</sub>e and for 2023 were 59,6 ktCO<sub>2</sub>e, which represents a 14,8% reduction.

When calculating Total Absolute Emissions for Scope 1, Scope 2 (Location-based) & Scope 3, the emissions decreased from approximately 69,5 ktCO<sub>2</sub>e in 2022 to 59,4 ktCO<sub>2</sub>e in 2023, which represents a 14,5% reduction.

Regarding emissions intensity for Scope 1, Scope 2 (Location-based) & Scope 3, the emissions decreased from approximately 19,8 tCO<sub>2</sub>e/FTE in 2022 to 17,5 tCO<sub>2</sub>e/FTE in 2023, which represents 11,4% reduction.

When calculating emissions intensity for Scope 1, Scope 2 (Market-based) & Scope 3, the emissions decreased from approximately 19,9 tCO<sub>2</sub>e/FTE in 2022 to 17,6 tCO<sub>2</sub>e/FTE in 2023, which represents 11,7% reduction.

A break-down of our operational emissions on Scope 1, Scope 2 & Scope 3 already with the revised calculation methodology and adjusted emissions factors are presented below:

Table 2: Disclosure of Fidelidade Portugal operational emissions - Summary (excluding Luz Saúde hospital network part of Fidelidade Group)		2022		2023		% variation 2023 vs 2022
		Absolute emissions (tCO <sub>2</sub> e)	Emissions Intensity (tCO <sub>2</sub> e/FTE)	Absolute emissions (tCO <sub>2</sub> e)	Emissions Intensity (tCO <sub>2</sub> e/FTE)	
<b>Scope 1</b>		<b>2.017</b>	<b>0,57</b>	<b>2.288</b>	<b>0,67</b>	17,5%
<b>Scope 2 (Location-based)</b>		1.238	0,35	1.126	0,33	-6,3%
<b>Scope 2 (market-based)</b>		<b>1.651</b>	<b>0,47</b>	<b>1.308</b>	<b>0,39</b>	-17,0%
<b>Scope 3 (Total) (excl. Category 15)</b>		<b>66.288</b>	<b>18,85</b>	<b>56.027</b>	<b>16,51</b>	-12,4%
	C1 - Purchased goods and services	38.912	11,07	32.980	9,72	-12,2%
	C2 - Capital Goods	19.622	5,58	14.898	4,39	-21,3%
	C3 - Upstream Fuel and Energy related activities	813	0,23	903	0,27	17,4%
	C5 - Waste generated in operations	99	0,03	86	0,03	0,0%
	C6 - Business Travel	4.091	1,16	4.456	1,31	12,9%
	C7 - Employee commuting	909	0,26	862	0,25	-3,8%
	C9 - Downstream transportation and distribution (Client Transportation)	1.842	0,52	1.842	0,54	3,8%
<b>Total Scope 1+ Scope 2 (market-based) + Scope 3</b>		<b>69.956</b>	<b>19,89</b>	<b>59.623</b>	<b>17,57</b>	<b>-11,7%</b>
<b>Total Scope 1+ Scope 2 (Location-based) + Scope 3</b>		<b>69.543</b>	<b>19,77</b>	<b>59.441</b>	<b>17,51</b>	<b>-11,4%</b>

Regarding our own operational emissions, Fidelidade has defined an interim target for 2030 including as scope emissions from Fidelidade Group in Portugal (excluding Luz Saúde) from Scope 1, Scope 2 and Business travel (Scope 3).

For this target, in 2023, our operational absolute emissions (market-based) in Portugal increased from approximately 7,3 ktCO<sub>2</sub>e in 2022 to 7,9 ktCO<sub>2</sub>e in 2023, which represents a 7% growth.

The emissions intensity from our operations in Portugal defined in target perimeter, scope 1, scope 2 (market-based) and business travel (scope 3), increased from 2,2 tCO<sub>2</sub>e/FTE in 2022 to 2,37 tCO<sub>2</sub>e/FTE in 2023, which represents 8% growth.

In 2023, while we successfully achieved an overall reduction in our total emissions, we experienced an increase in emissions within our interim target perimeter. This increase can be attributed to several key factors:

- **Fleet Transition Plan:** Our ongoing efforts to electrify our fleet are part of a challenging transition plan, which is expected to be completed by 2030, considering the natural fleet substitution. Given the complexity and scale of our group fleets, this transition is taking longer than initially anticipated since it is not only linked to electrification of the fleet but also to a more efficient vehicle management. While this is a critical step towards reducing our emissions, the benefits will be more evident closer to the target date.
- **Green Energy Contract:** We had planned for a green energy contract to take effect in 2023, which would have considerably lowered our scope 2 CO<sub>2</sub> emissions. However, the contract only took place in June 2024, this delay has directly impacted our capacity to reduce our operational emissions during the year 2023.
- **New Headquarters:** The conclusion of the construction of our new headquarters in Lisbon, which was originally expected to significantly contribute to our carbon footprint reduction, has been delayed.

Consequently, the major reductions in our carbon footprint anticipated from this project will only be materialized in the near future.

- **Improved Data Quality and Methodology Review:** With the improvement in the quality and granularity of the data collected, we reviewed our methodology, allowing us to obtain a more realistic and accurate view of our emissions. This enhanced understanding has contributed to the observed increase in emissions within our target perimeter, as it reflects a more precise measurement of our carbon footprint.

While these factors have contributed to an increase in emissions within our target perimeter for 2023, our commitment to long-term sustainability remains solid. We expect to see significant improvements in our carbon footprint as these initiatives fully materialize in the coming years.

In the pursuit of our operational emission reduction target, we have identified a set of key mitigation technologies and initiatives designed to bring us closer to our objective.

These initiatives encompass various facets of our Operations, including but not limited to:

- I. Energy-Related Initiatives:
  - i. Following our ambition to transition all our operational electricity consumption to 100% renewable sources, in June 2024 we started to be provided by 100% green energy in ~99% of our Operations in Portugal.
  - ii. Also, during 2023, measures were taken in our buildings to reduce energy consumption, where we can highlight controlling the light hours in our offices, installing LED lights and adopting a hybrid work model.
- II. Fleet Transition Plan: We have initiated the transition of our fleet to electric/hybrid vehicles, a key step in our commitment to reducing direct emissions. By the end of 2023, ~25% of Fidelidade fleet was hybrid or electric, which represents an increase of ~8pp compared to 2022, showcasing our dedication to greener and more sustainable transportation solutions. To promote sustainable mobility, in 2024 we are defining new policies for Electric Vehicle benefits, accelerating the transition towards our decarbonization targets.
- III. Business travel: To reduce emissions associated with business travel, we have introduced measures to optimize travel routes for our customer service operations. This has led to a reduction in business trips, with digital meetings replacing physical ones.
- IV. Environmental Management System: We have initiated the implementation of an environmental management system aligned with ISO 14001:2015, which will provide the foundation for achieving net-zero goals by promoting data-driven decisions, process improvements, identifying environmental risks and vulnerabilities and stakeholder engagement.
- V. Sustainable Procurement Initiatives: Fidelidade Group is actively transitioning to sustainable procurement by incorporating ESG (Environmental, Social, and Governance) criteria into our procurement processes. At the end of 2023, we initiated an internal process to include ESG criteria in the supplier qualification process. Additionally, we are implementing a process for supplier evaluation based on ESG criteria. This integration is guided by the Sustainable Procurement Policy and the Supplier Code of Conduct.

In 2024, Fidelidade Group will further strengthen own Operations emissions reduction efforts in Portugal to achieve medium and long-term goals.

As for our International Operational emissions intensity covering Scopes 1, 2 and 3 we calculated a total absolute emissions of 14,222 tCO<sub>2</sub>e for the base year (2022), and a total of 31,357 tCO<sub>2</sub>e for 2023, however these results are not fully comparable as it was not possible to ensure the same perimeter and data quality between the two reporting years, which can be confirmed in the Table 4 - *Disclosure of Fidelidade International Categories reported exclusions*.

The increase of emissions reported in 2023 reflects the work that has been developed with our geographies in order to receive more accurate and consolidated data. However, the consolidation of the 2022 data continues to be developed internally, following the new methodology adopted. Fidelidade is committed in the publication of the next performance report to present the final version of the baseline year already including 2024 results.

Transparency is vital to Fidelidade, and enhancing communication and reporting helps to build trust, that's why it's our priority to work closely with each geography to set tailored reduction plans and define individual reduction targets, considering the specificities of each one, allowing a complete and consolidated analysis of the Net Zero target.

In the Table 3 it is disclosed the total emissions in 2022 and 2023 of our international geographies for Scope 1, Scope 2 & Scope 3 (please consider the Table 4 for Exclusions):

Table 3: Disclosure of Fidelidade International emissions - Summary	2022		2023	
	Absolute emissions (tCO <sub>2</sub> e)	Emissions Intensity (tCO <sub>2</sub> e/# employees)	Absolute emissions (tCO <sub>2</sub> e)	Emissions Intensity (tCO <sub>2</sub> e/# employees)
<b>Scope 1</b>	<b>292</b>	<b>0,07</b>	<b>686</b>	<b>0,13</b>
<b>Scope 2 (Location-based)</b>	<b>592</b>	<b>0,13</b>	<b>1.305</b>	<b>0,26</b>
Scope 2 (market-based)	-	-	-	-
<b>Scope 3 (Total) (excl. Category 15)</b>	<b>13.338</b>	<b>2,99</b>	<b>29.366</b>	<b>4,92</b>
C1 - Purchased goods and services	11.842	2,65	18.449	3,61
C2 - Capital Goods	953	0,21	4.217	0,83
C3 - Upstream Fuel and Energy related activities	256	0,06	536	0,10
C5 - Waste generated in operations	19	0,004	60	0,01
C6 - Business Travel	268	0,06	1.112	0,22
C7 - Employee commuting	-	-	4.991	0,98
C9 - Downstream transportation and distribution (Client Transportation)	-	-	1	0,0002
<b>Total Scope 1 + Scope 2 (Location-based) + Scope 3</b>	<b>14.222</b>	<b>3,19</b>	<b>31.357</b>	<b>5,31</b>

Table 4: Disclosure of Fidelidade International Categories reported exclusions			2022	2023
<b>Scope 1</b>				
Direct emissions from Mobile sources with thermal engine		excl. Peru and Cape Verde	excl. UK, Liechtenstein and China	
Direct emissions from Stationary combustion sources		No data available	excl. Spain, Liechtenstein, Chile, Bolivia, Paraguay, Macau and China	
Directive fugitive emissions		excl. Chile	excl. Spain, Liechtenstein, UK, Bolivia, Paraguay, Mozambique, Macau and China	
<b>Scope 2 (Location-based)</b>				
		excl. Peru, Chile, Mozambique, Angola and Cape Verde	excl. Liechtenstein	
<b>Scope 2 (market-based)</b>				
		No data available	No data available	
<b>Scope 3 (Total) (excl. Category 15)</b>				
C1 - Purchased goods and services		All geographies reported	All geographies reported	
C2 - Capital Goods		All geographies reported	All geographies reported	
C3 - Upstream Fuel and Energy related activities		excl. Peru, Chile, Mozambique, Angola and Cape Verde	excl. Liechtenstein and China	
C5 - Waste generated in operations		excl. Peru, Bolivia and Cape Verde	excl. Bolivia and Paraguay	
C6 - Business Travel		excl. Liechtenstein, UK, Chile, Mozambique, Angola, Cape Verde, Macau and China	excl. Bolivia and Paraguay	
C7 - Employee commuting		No data available	excl. France, Peru, Bolivia, Paraguay, Mozambique, Angola, Cape Verde and Macau	
C9 - Downstream transportation and distribution (Client Transportation)		No data available	excl. UK, Spain, France, Peru, Bolivia, Paraguay, Chile, Mozambique, Angola, Cape Verde, Macau and China	