

# Driven by **creation**

Create a simpler and closer world,  
accessible to all, offering better, relevant  
and effective communications solutions.

**Driven by evolution.**

---



€531.9M

---

**Mail  
Revenues**



4,600

---

**Payshop  
Agents**



78.9%

---

**Customer  
Satisfaction**

03

**Business  
units**



## 3. Business units

### 3.1. Mail

**Mail recurring revenues** reached €531.9m in 2018, a 0.8% growth (+€4.4m) vs 2017. This business

(excluding internal customers) reached €495.1m, increasing +1.3% (+€6.1m) vs the previous year.

**Table 1 – Mail volumes**

|                                     | Million items |              |               |              |              |               |
|-------------------------------------|---------------|--------------|---------------|--------------|--------------|---------------|
|                                     | 4Q17          | 4Q18         | Δ             | 2017         | 2018         | Δ             |
| Transactional Mail                  | 151.9         | 140.6        | -7.4%         | 627.2        | 585.8        | -6.6%         |
| Advertising Mail                    | 19.1          | 14.7         | -23.2%        | 68.5         | 57.8         | -15.7%        |
| Editorial Mail                      | 10.1          | 9.7          | -4.1%         | 40.8         | 37.2         | -8.9%         |
| <b>Addressed Mail</b>               | <b>181.1</b>  | <b>165.0</b> | <b>-8.9%</b>  | <b>736.6</b> | <b>680.7</b> | <b>-7.6%</b>  |
| <b>Unaddressed Advertising Mail</b> | <b>123.9</b>  | <b>110.5</b> | <b>-10.8%</b> | <b>492.1</b> | <b>427.3</b> | <b>-13.2%</b> |

In 2018 the addressed mail volumes decline stood above the expected range [-5% to -6%], as **transactional mail** decreased by 6.6% explained for the most part by the 8.5% decline of **ordinary mail**, mainly due to sectors such as banking and insurance.

In addition, **advertising mail** volumes decreased as much as 13.5% (addressed volumes by -15.7% and unaddressed volumes by -13.2%), impacted by the new regulations on data protection (GDPR), which translated into €4.2m in revenues.

On the other hand, the Company benefited from particularly positive performances: (i) of the **international inbound mail** which grew €11.1m (+42.4%) in terms of revenues as a result of the terminal dues increase in 2018 (+20.8%) and the growth of the number of items, while the remaining part of the growth is explained by a favourable change in the average weight of the items and the volumes mix; (ii) of **registered mail volumes** that grew 1.0%, corresponding to a €4.8m increase in revenues, mostly as a result of several mailings from the Government sector and the banking and insurance sectors related with the new GDPR; (iii) of the **international outbound mail** which, despite the 1.7% decline in volumes, recorded a revenue growth of €1.1m (+2.7%); (iv) of the **priority mail** which presented a 1.4% increase

in volumes corresponding to a €1.0m increase in revenues; and (v) of the retail products and services which include the **lottery** business (partly suspended in the 1<sup>st</sup> half of 2017) that contributed with a €1.4m increase vs 2017.

#### Accessibility

As a Universal Postal Service provider, CTT's activity is of an intrinsically social nature. By definition, all residents in Portugal are potential customers, whether active or passive (receivers of letter mail).

With close to 87 thousand customers/day at CTT post offices and a daily average of one postal item delivered per household, accessibility is one of its distinctive features. The company provides the largest contact network at a national level, operating as a structuring and determinant element for social cohesion within the country.

At the end of 2018, CTT's network of contact with the public was composed by 2,383 points of access, comprising 538 post offices and 1,845 postal agencies, as well as 4,701 delivery rounds, which assure the availability and accessibility of the counter and delivery service, embodying a convenient and multi-service platform.



Supplementing this, the network also had 1,932 points of sale of stamps, 123 automatic stamp vending machines and 14 automatic vending machines of mail products. The network of mailboxes was composed of 10,751 boxes, located at 9,639 geographic points at a national level. Apart from these, there are also 4,600 Payshop agents.

The dimensioning of the postal network is determined by two critical factors: the capacity to generate business and the obligations to provide the aforesaid public service of universal character. This universal service implies that CTT is an operator committed to providing service countrywide, in a permanent form, in the most far-flung places, without exceptions and at the same price.

This reality generates conflicting goals between the maintenance of the company's economic sustainability and its action of social responsibility towards the surrounding community, with the inherent costs. In this context and when necessary, CTT has established solutions with local partners, preferably Parish Councils, in this way keeping the relations of proximity and trust that CTT has upheld with the customers and population, and assuring the quality of service.

Any alteration and impact on the community of possible changes in the operating model are analysed internally, based on information collected onsite by internal and external agents, so as to assure the satisfaction of the population.

As established in the Concession Contract, for 2018/2020 the objectives were defined for postal network density considering factors such as the distance to be travelled by customers in order to reach the closest access point, according to the urban or rural nature of the geographic areas, as well as the citizens' accessibility to the various mail services and the opening hours when they can use them. Full compliance with the objectives defined reinforces the Company's intention to maintain a network offering proximity and convenience to its customers and the population in general.

In European terms and based on the available data, CTT continues to show a good level of penetration of the postal services, with a postal coverage similar to that of the EU average.

1,845

CTT Mail Points



**Table 2 - Postal density and coverage**

|            | Inhabitants per postal establishment |       |       |       |       | Km <sup>2</sup> per postal establishment |     |     |     |      |
|------------|--------------------------------------|-------|-------|-------|-------|--|-----|-----|-----|------|
|            | '14                                  | '15   | '16   | '17   | '18   | '14                                      | '15 | '16 | '17 | '18  |
| EU average | 4,487                                | 4,389 | 4,605 | 5,167 | n.d.  | 39                                       | 38  | 40  | 45  | n.d. |
| Portugal   | 4,485                                | 4,444 | 4,413 | 4,350 | 4,320 | 40                                       | 40  | 39  | 39  | 39   |

Source: UPU  
 Note: Considering fixed postal establishments

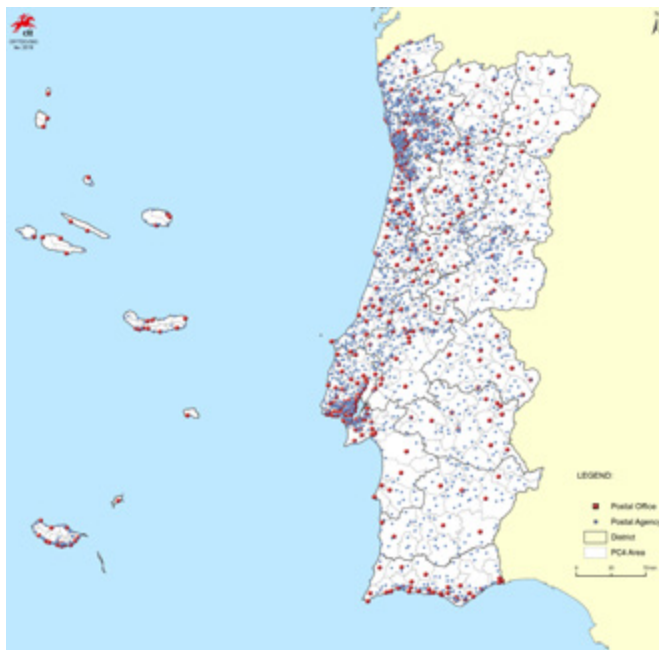


Figure 4 – Retail Network and postal agencies



Figure 5 – Network of postal delivery offices

In terms of accessibility by disabled people, the company continues to pursue modernisation and renovation work of the value of 38,442 euros. The types of accesses which have been constructed include interior or exterior access ramps, lift platforms, removable ramps, ramping in public areas close to the entrance of the post office, alteration of façades with door opening with side elevation, or others. Thus, around 95.5% of the total post offices currently show improved conditions of accessibility.

**Eco portfolio**

CTT has progressively experienced the continued interest of its customers in using environmentally friendly mail products which are very often also an element of communication, in view of the customers' sensitivity to these arguments, thus contributing to

improve the company's image among the public. Since its launch in 2010, the range of CTT eco products registered a fall in revenue for the first time, in spite of total sales representing revenues of approximately 94 million euros, to a large extent driven by the visibility of their environmental and carbon attributes.

"Green" Mail is a 100% ecological offer, which focuses on the environmental component and guarantees the carbon neutrality of its products, at no additional costs for customers. In spite of the decline in absolute terms, the eco range of "Green" Mail registered about 4.3 million items sold. On average, 74.0 grams of CO<sub>2</sub> are emitted for each "Green" Mail item delivered by CTT.

The range of Eco Direct Marketing services provides a distinctive symbol for the campaigns which stand

out positively due to their environmental performance, through compliance with various ecological criteria. This measure sought to project the use of the channel of mail with ecological merit, through the use of ecological raw materials, responsible production processes and appropriate management of the end of life cycle. In 2018, the Eco range maintained its relative weight (40%) in the overall volume of Direct Mail, involving around 22.8 million items.

In 2018, CTT once again put to public vote the selection of the projects for carbon offsetting of "Green" Mail through the CTT website ([www.ctt.pt](http://www.ctt.pt)). The most voted national project, Create Woods, promotes the planting of native species, trees and original shrubs of Portuguese flora. The chosen international project promotes the use of renewable biomass through a plant for the production of bricks and other construction material, in the northeast of Brazil. This initiative fulfils the expectations of our stakeholders and allows them to participate actively in the decision-making process.

## Philately

In 2018, Philately generated €8.2m in revenues, 2.3% below those recorded in 2017. The decline in the revenues was influenced by unrepeatable major events that could be translated into philatelic products in the previous year, particularly the centenary of the Fátima Apparitions and the book "Railway, Peoples and Memoirs". The marketing of philatelic products commemorating events such as the Diamond Jubilee of His Highness the Aga Khan and the 90 years of Mickey Mouse made a great contribution to the revenues of 2018.

In 2018, CTT won four design awards for its stamps, within the scope of the NEXOFIL Grand Prize: i) the philatelic souvenir sheet "Portuguese Textile Industry" won the award of **Best Stamp of the World** in the "New Printing Techniques" category; ii) the "Mediterranean Trees" souvenir sheet won in the "Design" category; iii) the "Pastel de Belém" souvenir sheet in the "Definitive Issue" category; and iv) the "António Guterres – Secretary-General of the UN" souvenir sheet in the "Proof" category.

## Issues and Editions 2018

### National and International Events 2018



- Diamond Jubilee of His Highness the Aga Khan
- International Physics Olympiad IPhO 2018
- WWI Armistice
- UNESCO Heritage
- 130 Years of Os Maias Novel
- ComicCon in Portugal (MeuSelo)
- 90 Years of Mickey Mouse
- 50 Years of the Islamic Community of Lisbon
- 100 Years of the Lys Battle
- 30 Years of the Museum of Oriente
- Centenary of Peter Café Sport (Azores)
- 600 Years of the Discovery of Porto Santo
- Figures from History and Culture (Domingos Sequeira; Bernardino António Gomes; Tomás da Anunciação; José Vianna da Mota; Father Himalaya; António Sommer Champalimaud; Vitorino Magalhães Godinho)
- 500 Years of the Postal Service in Portugal
- 250 Years of the Royal Press

### Environment and Sustainability



- Portuguese Autochthonous Breeds
- The River Tagus
- Electricity in Portugal
- 150 Years of Companhia das Águas de Lisboa (Lisbon Water Company)
- 250 Years of the Ajuda Botanical Garden
- European Year of the Cultural Heritage
- Mediterranean Houses - EuromedPostal
- UNESCO Heritage
- Pre-Historical Route of Portugal

## Issues and Editions 2018

### Self-adhesive



- 90 Years of Mickey Mouse
- Traditional Desserts of Portugal
- MADEIRA Booklets

### Editions

- From Cocoa to Chocolate
- Setting Sail - History of Sailing
- The River Tagus
- Electricity in Portugal
- Portugal in Stamps 2018
- My Stamp Album 2018

## 3.2. Express & Parcels

**Express & Parcels recurring revenues** reached €151.2m in 2018, a 12.3% (+€16.6m) growth vs the previous year.

**Revenues in Portugal** (excluding internal customers and other revenues) stood at €90.6m, +14.8% vs the previous year. Transporta contributed €13.8m (+€5.0m) to these revenues. As the total share capital of this company was acquired in May 2017, the comparable period of the previous year is 8 months. Hence, excluding the effect of Transporta, this business in Portugal would have grown by 9.6% (+€6.7m).

The good performance in Portugal resulted from CEP – Courier, Express & Parcels (+€4.9m; +7.8%), banking (+€1.1m; +22.2%), and cargo and logistics (+€5.5m; +53.6%).

**Volumes in Portugal** totalled 19.8 million items, +11.7% vs 2017 (+10.3% excluding 2.5 million items from Transporta). This evolution is essentially the result of the growth of the CEP business (+1.6 million items) as consequence of the activity growth in the B2B and the B2C segments and e-commerce.

The banking business continued its upward trend that began in the last quarter of 2017, following the addition of two large customers of the sector.

**Revenues in Spain** (excluding internal customers and other revenues) totalled €55.3m, +8.1% than in 2017, and **volumes** grew by 13.1%, mostly driven by

the e-commerce business. The performance in Spain in 2018 resulted from CEP (+€5.2m; +11.5%), while the cargo segment decreased (€1.0m; -30.7%), in line with the strategy of the Company.

In 4Q18 Tourline recorded a slight decline in revenues (-0.5%) compared to the same period of the previous year. This resulted from: (i) the average price evolution more negative than the volumes evolution (+5.2%) as a result of the customer mix (plus e-commerce) and decrease in the average weight; (ii) focus on quality, boosted by the opening of the new Madrid hub in September 2018, which significantly increased the handling capacity, essential to pursue the Company's strategy.

**Revenues in Mozambique** (excluding other revenues) totalled €1.8m, +18.4% than in 2017. These results are underpinned by new businesses based on the collection, transportation and distribution of clinical samples in the health sector, and on the growth of the deliveries for the banking sector.

### Eco portfolio

CTT fully offsets the carbon footprint of the Express and "Green" Mail offer, which represents about 12.3% of the company's total turnover. The emissions produced along the value chain, which were unavoidable, are fully offset by the support given



to two national and two international projects with environmental (fight against climate change and conservation of biodiversity) and social (support to

employment creation and improvement of the quality of life of local communities) benefits.

### 3.3. Banco CTT

**Banco CTT recurring revenues** reached €23.6m in 2018, growing 27.0% (+€5.0m) vs 2017, supported mainly by the net interest income growth (+€4.5m).

In the scope of the operating performance it should be noted that Banco CTT reached a total 348 thousand current accounts in 2018 (122 thousand more than in 2017), as well as a solid growth of customer deposits to circa €884m (+42.8%) and the growth of the mortgage lending book to €238.4m (€172.4m more than in 2017, net of impairments) and of the consumer credit production to €41.6m (+15.0%).

The fourth quarter is also marked by the strengthened presence of Banco CTT in the savings segment with the launch of the pension savings plan (PPR) Poupança Banco CTT that once again brought a different and appealing offer to the Portuguese families.

The migration of Payshop<sup>7</sup> to this business unit in January 2018 contributed €6.8m of revenues in payment solutions, corresponding to an increase of €0.2m (+3.7%) vs 2017.

On 24 July 2018, Banco CTT continued its development strategy by acquiring 321 Crédito, a leading company specialised in financing the purchase of used cars in Portugal. The acquisition of the product portfolio of Banco CTT with a consumer credit business, as well as the optimisation of Banco CTT balance sheet by improving its loan-to-deposits ratio. The completion of the transaction is expected to take place in the second quarter of 2019 and is pending approval of the Bank of Portugal and the European Central Bank. On 11 October, the Competition Authority made the decision not to oppose this acquisition.

<sup>7</sup>In 2018 and in the same period of the previous year (proforma) this includes the migration of Payshop to Banco CTT; similarly, Payshop is excluded from Financial Services.





### 3.4. Financial Services

**Financial Services recurring revenues** stood at €42.3m in 2018, recording a decrease of €12.9m (23.4%) vs 2017. A strong recovery of this business initiated in 4Q18 as its revenues decreased by only 2.8% due to the recovery in the placement of public debt certificates.

This business was impacted by the decreased placement of Treasury Certificates, as the existing product was replaced in October 2017 by another one with a lower yield<sup>8</sup> hence its placement declined by

38.4% (€1,335.5m). The downward trend was reversed in 4Q18 when placements of this product grew by 48.2% vis à-vis the same period of the previous year.

In the money orders and transfers segment, 16.0 million (-8.5%) transactions were carried out, which translated into €8.2m (-11.7%) in revenues with a slightly less negative evolution in 4Q18 (-8.4%). In the payments business 27.0 million transactions were carried out (-5.5% in 2018 and -6.1% in 4Q18), corresponding to revenues of €13.0m (-8.1%).

<sup>8</sup> 2.25% vs. 1.38% - annual average interest rates for 5-year Treasury Certificates Poupança Mais (CTPM) and 7-year Treasury Certificates Poupança Crescimento (CTPC), respectively.

## 3.5. Future Perspectives

The year 2019 will be focused on improving the levels of profitability, efficiency and quality of the postal business, always maintaining proximity to the Portuguese and compliance with all regulatory obligations of the Company.

The revenues are expected to increase, supported by organic and inorganic impacts in the growth levers – Express & Parcels and Banco CTT. E-commerce will remain as the main growth driver of the Express & Parcels business. For Banco CTT, 2019 is anticipated as the year of consolidation of the retail banking business, as the mortgage loans commercial activity as well as the placement and diversification of customer savings intensify, leveraging on the customer base. This will also be the year for repositioning the Payshop payments business and integrating 321 Credit, as the completion of its acquisition is foreseen for the second quarter of 2019, after the necessary non-opposition of the Bank of Portugal / European Central Bank.

In terms of volumes, addressed mail will continue to be impacted mainly by the structural trend of electronic substitution, but also by macroeconomic factors, and a decline in the range of -6% to -8% is expected.

In 2019 and as a consequence of ANACOM's decisions with effect until the end of 2020, new rules for

setting the prices of the basket of non-reserved services within the Universal Postal Obligation (except bulk mail) will apply. These rules stipulate that price updates shall be linked to the inflation rate deducted by 0.25p.p. including inflation and volumes adjustment factors. The new and more demanding set of 24 quality of service indicators specified by ANACOM will be implemented, replacing the former 11 indicators, which goes far beyond European practice and trends in this area.

This will be the second year of the implementation of the Operational Transformation Plan (OTP), within which additional recurring operating cost savings of c. €15m objectives have been set up, reflecting continued efficiency improvements leading to the growth of organic recurring EBITDA. An incremental contribution of the 321 Crédito acquisition is also expected. Circa €15m of non-recurring costs net of non-recurring revenues associated with the OTP are also anticipated. The planned capex for 2019 will reach €55m in 2019, of which €25m related to modernisation and automation initiatives in the scope of the OTP.

At the General Meeting of Shareholders of 23 April 2019, the Board of Directors will propose the payment of a dividend of €0.10 per share relative to the financial year of 2018.

## Table 3 – GRI content index

### Table of Environmental, Social and Economic performance indicators organised according to GRI4

GRI content index (excludes the indicators that are not applicable to the company)

| Indicator                     | Description   | Page(s)        | ODS<br>(sustainable development goals) |
|-------------------------------|---|----------------|--|
| <b>Strategy and Analysis</b>  |   |                |  |
| <b>G-1</b>                    | Chairman's Statement  | -              |  |
| <b>G-2</b>                    | Description of key impacts, risks, and opportunities  | -              |  |
| <b>Organizational Profile</b> |   |                |  |
| <b>G-3</b>                    | Report the name of the organization   | -              |  |
| <b>G-4</b>                    | Report the primary brands, products, and/or services  | 88, 92, 93, 94 |  |
| <b>G-5</b>                    | Report the location of organization's headquarters  | -              |  |
| <b>G-6</b>                    | Report the number of countries where the organization operates, and names of countries with either the organization has significant operations or that are specifically relevant to the sustainability issues covered in the report.<br><i>Portugal, Spain and Mozambique</i>   | 92             |  |
| <b>G-7</b>                    | Report the nature of ownership and legal form   | -              |  |
| <b>G-8</b>                    | <i>Report the markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)<br/>The Organisation also operates abroad in locally established companies in Spain and Mozambique. Although in both countries the provision of services is at the level of Express Mail of items and merchandise, in Spain the customers are especially classified in the area of private customers and in Mozambique there is a large proportion of public sector customers</i>   | 88, 90, 92     |  |
| <b>G-9</b>                    | Report the scale of the reporting organization, including: Total number of employees; Total number of operations; Net sales (for private sector organizations) or net revenues (for public sector organizations); Total capitalization broken down in terms of debt and equity; Quantity of products or services provided   | -              |  |
| <b>G-10</b>                   | Total employees by employment type, contract and gender   | -              | ODS 8                                  |
| <b>G-11</b>                   | Report the percentage of total employees covered by collective bargaining agreements  | -              | ODS 8                                  |
| <b>G-12</b>                   | Describe the organization's supply chain<br><i>The supply chain whose businesses were conducted by Procurement in 2018 is 87% composed of national suppliers or with representation in Portugal and 13% of foreign suppliers. The group of suppliers with the highest percentage of awarded value is that of Transport with 34% of the awarded value, followed by IT/Communications with 25% and Facilities and Buildings with 11.51%. These values were calculated based on the cases awarded in 2018, and do not take into account renewals</i> | -              |  |
| <b>G-13</b>                   | Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain  | -              |  |
| <b>G-14</b>                   | Report whether and how the precautionary approach or principle is addressed by the organization   | -              |  |

| Indicator   | Description   | Page(s) | ODS<br>(sustainable development goals) |
|---|---|---------|--|
| <b>G-15</b>                                       | Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses  | -       |  |
| <b>G-16</b>                                       | Memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation: holds a position on the governance body; participates in projects or committees; provides substantive funding beyond routine membership dues; views membership as strategic | -       |  |
| <b>Identified Material Aspects and Boundaries</b> |   |         |  |
| <b>G-17</b>                                       | Entities included or not in the organisation's financial statements or equivalent documents   | -       |  |
| <b>G-18</b>                                       | Process for defining the report content and aspect boundaries   | -       |  |
| <b>G-19</b>                                       | List all the material aspects identified in the process for defining report content   | -       |  |
| <b>G-20</b>                                       | For each material aspect, report the aspect boundary within the organisation  | -       |  |
| <b>G-22</b>                                       | Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements  | -       |  |
| <b>G-23</b>                                       | Significant changes from previous reporting periods in the Scope and aspect boundaries  | -       |  |
| <b>Stakeholder Engagement</b>                     |   |         |  |
| <b>G-24</b>                                       | List of stakeholder groups engaged by the organisation  | -       |  |
| <b>G-25</b>                                       | Basis for identification and selection of stakeholders with whom to engage  | -       |  |
| <b>G-26</b>                                       | Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group  | 91, 93  |  |
| <b>G-27</b>                                       | Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns   | 91      |  |
| <b>Report Profile</b>                             |   |         |  |
| <b>G-28</b>                                       | Reporting period (such as fiscal or calendar year) for information provided.  | -       |  |
| <b>G-29</b>                                       | Date of most recent previous report (if any)  | -       |  |
| <b>G-30</b>                                       | Reporting cycle (such as annual, biennial)  | -       |  |
| <b>G-31</b>                                       | Provide the contact point for questions regarding the report or its contents  | -       |  |
| <b>G-32</b>                                       | GRI content index   | 96      |  |
| <b>G-33</b>                                       | Policy and current practice with regard to seeking external assurance for the report. Involvement of the senior management  | -       |  |

| <b>Indicator</b>                   | <b>Description</b>   | <b>Page(s)</b> | <b>ODS<br/>(sustainable<br/>development<br/>goals)</b> |
|------------------------------------|--|----------------|--|
| <b>Governance</b>                  |  |                |  |
| <b>G-34</b>                        | Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts   | -              |  |
| <b>G-35</b>                        | Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees   | -              |  |
| <b>G-36</b>                        | Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body  | -              |  |
| <b>G-38</b>                        | Composition of the highest governance body and its committees by executive or non-executive position, independence and gender. Governance tenure, responsibilities, commitments and competences of each individual relating to economic, environmental and social impacts  | -              |  |
| <b>G-39</b>                        | Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organisation's management and the reasons for this arrangement)   | -              | ODS 16   |
| <b>G-40</b>                        | Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including considerations on diversity, independence, experience and other topics   | -              | ODS 5<br>ODS 16  |
| <b>G-41</b>                        | Processes for the highest governance body to ensure conflicts of interest and whether conflicts of interest are disclosed to the stakeholders  | -              | ODS 16   |
| <b>G-43</b>                        | Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics  | -              | ODS 4  |
| <b>G-44</b>                        | Processes for evaluation of the highest governance body's performance, especially with respect to economic, environmental and social performance. Indicate their frequency and measures taken  | -              |  |
| <b>G-45</b>                        | Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities<br>Include the highest governance body's role in the implementation of due diligence processes<br>Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities | -              | ODS 16   |
| <b>G-46</b>                        | Identified Material Aspects and Boundaries role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics   | -              |  |
| <b>G-47</b>                        | Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities   | -              |  |
| <b>G-49</b>                        | Process adopted for communicating critical concerns to the highest governance body   | -              |  |
| <b>Remuneration and Incentives</b> |  |                |  |
| <b>G-51</b>                        | Remuneration policies for the highest governance body and senior executives  | -              |  |
| <b>G-52</b>                        | Process adopted for determining remuneration   | -              |  |



| Indicator                                       | Description  | Page(s)   | ODS (sustainable development goals) |         |              |               |           |             |         |         |       |           |           |   |  |
|---|--|-----------|-------------------------------------|---------|--------------|---------------|-----------|-------------|---------|---------|-------|-----------|-----------|---|--|
| <b>G-53</b>                                     | How stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable   | -         | ODS 16                              |         |              |               |           |             |         |         |       |           |           |   |  |
| <b>Ethics and Integrity</b>                     |  |           |                                     |         |              |               |           |             |         |         |       |           |           |   |  |
| <b>G-56</b>                                     | Values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics  | -         | ODS 16                              |         |              |               |           |             |         |         |       |           |           |   |  |
| <b>G-57</b>                                     | Internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity, such as helplines or advice lines  | -         | ODS 16                              |         |              |               |           |             |         |         |       |           |           |   |  |
| <b>G-58</b>                                     | Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines  | -         | ODS 16                              |         |              |               |           |             |         |         |       |           |           |   |  |
| <b>Economic performance (consolidated data)</b> |  |           |                                     |         |              |               |           |             |         |         |       |           |           |   |  |
|   | Management approach, targets, performance, policies and framework  |           |                                     |         |              |               |           |             |         |         |       |           |           |   |  |
| <b>EC1</b>                                      | Direct economic value generated and distributed  | -         | ODS 8                               |         |              |               |           |             |         |         |       |           |           |   |  |
| <b>EC2</b>                                      | Financial implications and other risks and opportunities for the organization's activities due to climate change   | -         | ODS 13                              |         |              |               |           |             |         |         |       |           |           |   |  |
| <b>EC3</b>                                      | Coverage of the organization's defined benefit plan obligations  | -         |                                     |         |              |               |           |             |         |         |       |           |           |   |  |
|   | Financial assistance received from Government  |           |                                     |         |              |               |           |             |         |         |       |           |           |   |  |
|   | <table border="1"> <thead> <tr> <th></th> <th>Group</th> <th>Company</th> </tr> </thead> <tbody> <tr> <td>Tax benefits</td> <td>1,960,760 (1)</td> <td>1,782,360</td> </tr> <tr> <td>Tax credits</td> <td>452,822</td> <td>444,943</td> </tr> <tr> <td>Total</td> <td>2,413,582</td> <td>2,227,303</td> </tr> </tbody> </table>  |           | Group                               | Company | Tax benefits | 1,960,760 (1) | 1,782,360 | Tax credits | 452,822 | 444,943 | Total | 2,413,582 | 2,227,303 | - |  |
|   | Group  | Company   |                                     |         |              |               |           |             |         |         |       |           |           |   |  |
| Tax benefits                                    | 1,960,760 (1)  | 1,782,360 |                                     |         |              |               |           |             |         |         |       |           |           |   |  |
| Tax credits                                     | 452,822  | 444,943   |                                     |         |              |               |           |             |         |         |       |           |           |   |  |
| Total   | 2,413,582  | 2,227,303 |                                     |         |              |               |           |             |         |         |       |           |           |   |  |
| <b>EC4</b>                                      |  |           |                                     |         |              |               |           |             |         |         |       |           |           |   |  |
|   | (1) Includes €140,000 due to the tax benefit of Banco CTT related to the conventional remuneration of the share capital.   |           |                                     |         |              |               |           |             |         |         |       |           |           |   |  |
| <b>Market Presence</b>                          |  |           |                                     |         |              |               |           |             |         |         |       |           |           |   |  |
| <b>EC5</b>                                      | Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation<br><i>At the end of 2018, the lowest salary paid by CTT was 612 euros for men and 612 euros for women, corresponding to ratios of 1.06 and 1.06 respectively in relation to the national minimum wage (580 euros)</i><br>Note: Excluding data of CORRE and Tourline | -         | ODS 1                               |         |              |               |           |             |         |         |       |           |           |   |  |
| <b>Indirect Economic Impacts</b>                |  |           |                                     |         |              |               |           |             |         |         |       |           |           |   |  |
| <b>EC7</b>                                      | Development and impact of infrastructure investments and services provided   | 90, 93    |                                     |         |              |               |           |             |         |         |       |           |           |   |  |
| <b>EC8</b>                                      | Significant indirect economic impacts, including the extent of impacts   | 88, 93    |                                     |         |              |               |           |             |         |         |       |           |           |   |  |
| <b>Práticas de Compra</b>                       |  |           |                                     |         |              |               |           |             |         |         |       |           |           |   |  |

| Indicator                          | Description  | Page(s) | ODS (sustainable development goals) |
|------------------------------------|--|---------|-------------------------------------|
| <b>EC9</b>                         | <p>Proportion of spending on local suppliers at significant locations of operation</p> <p>87% of the purchases were awarded to national suppliers or with representation in Portugal and 13% to international suppliers. The concept of "local" should be understood as "national"</p> <p>Negotiation and Procurement is managed in a centralised form, with all the company's procurement needs being consolidated regardless of the origin of the need and location of the provision of the service or supply. Location criteria are not used for purposes of selection of suppliers, unless this proves necessary from the operational point of view, which is justified by practices of equal opportunities arising not only from the company's own choice but in certain circumstances of the rules of public procurement. However, as CTT is a company with a presence throughout the entire Portuguese territory, many outsourced services have a relevant impact on the local economy due to being provided with local resources (e.g. cleaning services, fuel, maintenance)</p> | -       | ODS 12                              |
| <b>Labour</b>                      |  |         |                                     |
|                                    | Management approach, targets, performance, policies and framework  |         |                                     |
| <b>LA1</b>                         | Total number and rates of new employee hires and employee turnover by age group, gender and region   | -       | ODS 5<br>ODS 8                      |
| <b>LA2</b>                         | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation  | -       | ODS 8                               |
| <b>LA3</b>                         | Return to work and retention rates after parental leave, by gender   | -       | ODS 5<br>ODS 8                      |
| <b>Labour/Management Relations</b> |  |         |                                     |
| <b>LA4</b>                         | <p>Minimum number of prior notice in relation to operational changes, including if this procedure is specified in collective agreements</p> <p>Notice to enforce operational changes is given 30 days in advance</p> <p>There are other notice periods according to the situation in question, all described in the Company Agreement</p>  | -       |                                     |
| <b>Hygiene and Safety</b>          |  |         |                                     |
| <b>LA5</b>                         | <p>Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes</p> <p>The prior requirements for the establishment of occupational health and safety committees have been fulfilled. However, these committees are not yet operational as there is no employee representatives have yet been elected. Elections are expected to be organized at the workplaces by the ERCT</p> <p>Every six months, the company asks its employees to complete a questionnaire about occupational health and safety at their workplaces</p>   | -       |                                     |
| <b>LA6</b>                         | Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender  | -       | ODS 3                               |

| Indicator                                   | Description   | Page(s) | ODS (sustainable development goals) |
|---|---|---------|-------------------------------------|
| <b>LA7</b>                                  | Workers with high incidence or high risk of disease related to their occupation   | -       | ODS 3                               |
| <b>LA8</b>                                  | Health and safety topics covered in formal agreements with trade unions<br><i>No other is known apart from those foreseen in the regulation of social work - ROS and in the Company Agreement - AE2015. The new ROS of CTT maintains a high level of protection, with greater balance in the division of costs between the Company and the beneficiaries, and promoting a more rational use of the benefits. To this end, the contribution towards benefits in the system has increased, by higher monthly levies and co-payments payable in routine acts, keeping the encompassing nature of the system and strengthening some social support measures</i> | -       | ODS 8                               |
| <b>Training</b>                             |   |         |                                     |
| <b>LA9</b>                                  | Average hours of training per year per employee by gender, and by employee category   | -       | ODS 4<br>ODS 5                      |
| <b>LA10</b>                                 | Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings<br><i>Proposed Outplacement Programme to Support Transition and Change</i>  | -       | ODS 4<br>ODS 8                      |
| <b>LA11</b>                                 | Percentage of employees receiving regular performance and career development reviews, by gender and by employee category  | -       | ODS 5                               |
| <b>Diversity and Equal Opportunities</b>    |   |         |                                     |
| <b>LA12</b>                                 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of  | -       | ODS 5<br>ODS 8                      |
| <b>Equal Remuneration for Women and Men</b> |   |         |                                     |
| <b>LA13</b>                                 | Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation  | -       | ODS 5<br>ODS 8<br>ODS 10            |
| <b>Supplier Labour Practices Assessment</b> |   |         |                                     |
| <b>LA14</b>                                 | Percentage of new suppliers that were screened based on labour practices criteria<br><i>In 2018, of the 166 new suppliers of CTT, SA, 106 (63.9%) were selected based on criteria associated to labour practices.<br/>In the case of Mailtec, 80% of the 5 new suppliers were selected in accordance with these practices</i>   | -       | ODS 8<br>ODS 16                     |
| <b>Labour Practices Grievance Mechanism</b> |   |         |                                     |
| <b>LA16</b>                                 | Number of grievances about labour practices filed, addressed and resolved through formal grievance mechanisms   | -       | ODS 16                              |
| <b>Human Rights</b>                         |   |         |                                     |

| Indicator   | Description   | Page(s) | ODS (sustainable development goals) |
|---|---|---------|-------------------------------------|
| <b>HR1</b>  | Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening<br><i>The number of contracts considered significant stood at 337 (95,8%), in which all include clauses relative to compliance with legislation and good practices on matters of human rights</i>   | -       | ODS 10<br>ODS 12                    |
| <b>HR2</b>  | Total hours of training on human rights policies and procedures relative to aspects of human rights that are relevant to operations, including the percentage of employees trained<br><i>6,936 workers received 14,326 hours of training on human rights policies, representing 54.4% of the national total number of workers</i>   | -       | ODS 4                               |
| <b>Non-discrimination</b>                               |   |         |                                     |
| <b>HR3</b>  | Total number of incidents of discrimination and corrective actions taken<br><i>No cases of discrimination occurred</i>  | -       |                                     |
| <b>Freedom of Association and Collective Bargaining</b> |   |         |                                     |
| <b>HR4</b>  | Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights<br><i>There is no risk. This is consigned in the Portuguese Constitution and in the Company Agreement</i>  | -       | ODS 10                              |
| <b>Child Labour</b>                                     |   |         |                                     |
| <b>HR5</b>  | Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour<br><i>Based on the Company Agreement, there are no impediments to the free exercise of the right to freedom of association or to collective bargaining. Supply agreement negotiations include the signing of a declaration of principles by suppliers whereby they state their commitment towards social responsibility, as expressed in clause n) "Observes all principles and procedures concerning the right to freedom of association, forced labour, child labour and equality defined in ILO's (International Labour Organization) Fundamental Conventions"</i> | -       | ODS 16                              |
| <b>Forced or Compulsory Labour</b>                      |   |         |                                     |
| <b>HR6</b>  | Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour<br><i>All forms of child labour are prohibited by CTT. See HR5</i>   | -       | ODS 16                              |
| <b>Supplier Human Rights Assessment</b>                 |   |         |                                     |
| <b>HR10</b>   | Percentage of new suppliers that were screened using human rights criteria<br><i>70% of new suppliers were screened using human rights criteria</i>   | -       | ODS 16                              |

| Indicator   | Description  | Page(s) | ODS (sustainable development goals) |
|---|--|---------|-------------------------------------|
| <b>HR11</b>                                       | <p>Significant actual and potential negative human rights impacts on the supply chain and actions taken in this respect</p> <p>There is no plan of audits to suppliers in order to specifically assess compliance with this point. However, as noted above, the award of products and services is formally subordinated to compliance with the principles and procedures relative to human rights defined in the Universal Declaration of Human Rights. Any breach in this matter, whether due to indirect knowledge or observance during the monitoring visits made by the procurement team, shall be acted upon immediately and may constitute fair grounds for contractual rescission</p> | -       | ODS 12                              |
| <b>Society</b>                                    |  |         |                                     |
| <b>Local Communities</b>                          |  |         |                                     |
| <b>S01</b>  | Percentage of operations with implemented local community engagement, impact assessments, and development programmes   | 88      |                                     |
| <b>S02</b>  | Operations with significant actual and potential negative impacts on local communities   | 89      |                                     |
| <b>Anti-corruption</b>                            |  |         |                                     |
| <b>S03</b>  | Total number and percentage of operations assessed for risks related to corruption and the significant risks detected  | -       |                                     |
| <b>S04</b>  | <p>Communication and training on anti-corruption policies and procedures</p> <p>Regarding the total and percentage number of business partners that were informed of anti-corruption policies and procedures adopted by the organisation, CTT informs the suppliers of the Code of Ethics and the Responsible Procurement Policy during the procurement process. We consider that the business partners that know it are those that sign the statement which includes mention of these two documents of CTT. Of the 669 suppliers to whom we awarded purchases, 654 signed the statement, i.e. 97.7%</p>   | -       | ODS 4<br>ODS 16                     |
| <b>S05</b>  | Confirmed cases of corruption and actions taken  | -       | ODS 16                              |
| <b>Public Policy</b>                              |  |         |                                     |
| <b>S06</b>  | <p>Total value of political contributions by country and recipient/beneficiary</p> <p>No contributions were made</p>   | -       |                                     |
| <b>Anti-competitive Behaviour</b>                 |  |         |                                     |
| <b>S07</b>  | Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes  | -       | ODS 16                              |
| <b>Compliance</b>                                 |  |         |                                     |
| <b>S08</b>  | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations  | -       |                                     |
| <b>Supplier Assessment for Impacts on Society</b> |  |         |                                     |
| <b>S09</b>  | <p>Percentage of new suppliers that were screened using criteria for impacts on society</p> <p>70% of the new suppliers were selected in accordance with these criteria, with 277 having been submitted to assessments of impacts on society</p>   | -       |                                     |



| Indicator                                     | Description   | Page(s) | ODS<br>(sustainable development goals) |
|---|---|---------|--|
| <b>SO10</b>                                   | Significant actual and potential negative impacts on society in the supply chain and actions taken<br><i>No significant, real or potential negative impacts on society were detected in the supplier chain</i>  | 89      |  |
| <b>Impacts on Society Grievance Mechanism</b> |   |         |  |
| <b>SO11</b>                                   | Number of grievances about impacts on society filed, addressed and resolved through formal grievance mechanisms   | -       |  |
| <b>Product responsibility</b>                 |   |         |  |
| <b>Customer Health and Safety</b>             |   |         |  |
| <b>PR1</b>                                    | Percentage of significant product and service categories for which health and safety impacts are assessed for improvement<br><i>The appraisal and selection of retail products for sale at CTT post offices is based on criteria such as the recognition of the partner, its environmental practices and product certification, in order to assure compliance with the legislated health and safety rules relative to merchandising products, especially those intended for use by children, as is the case of toys</i>                   | -       |  |
| <b>PR2</b>                                    | Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes<br><i>No cases were recorded of non-compliance relative to health and safety caused by products or services</i>   | -       | ODS 16                                 |
| <b>Product and Service Labelling</b>          |   |         |  |
| <b>PR3</b>                                    | Type of product and service information required by the organization's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements<br><i>This year, 18 buildings were recorded in the integrated registration system of the Portuguese Environment Agency (APA) and CTT now participates in the Sociedade Ponto Verde integrated system for management of the waste of the non-reusable packaging placed by CTT on the market</i> | -       | ODS 12                                 |
| <b>PR4</b>                                    | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes  | -       |  |
| <b>PR5</b>                                    | Results of surveys measuring customer satisfaction  | -       |  |
| <b>Marketing Communications</b>               |   |         |  |
| <b>PR6</b>                                    | Sale of banned or disputed products<br><i>CTT does not sell this type of products</i>   | -       |  |
| <b>PR7</b>                                    | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes<br><i>A determination of Banco de Portugal relative to Banco CTT, without any fine or penalty, relative to a Mortgage Loan announcement in a press release, without the respective representative example</i>   | -       |  |

| Indicator               | Description   | Page(s) | ODS (sustainable development goals) |
|-------------------------|---|---------|-------------------------------------|
| <b>Customer Privacy</b> |   |         |                                     |
| <b>PR8</b>              | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data<br><i>With respect to mail, items that have gone astray, delays and occasional anomalies in delivery figure as the main causes of customer claims, with no claims having been received which might be associated to breach of customer privacy, namely the unlawful interception of letter mail</i> | -       | ODS 16                              |
| <b>Compliance</b>       |   |         |                                     |
| <b>PR9</b>              | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services  | -       |                                     |
| <b>Environmental</b>    |   |         |                                     |
| <b>Materials</b>        |   |         |                                     |
|                         | Management approach, targets, performance, policies and framework   |         |                                     |
| <b>EN1</b>              | Materials used by weight or volume  | -       |                                     |
| <b>EN2</b>              | Percentage of materials used that are recycled input materials  | -       | ODS 15                              |
| <b>Energy</b>           |   |         |                                     |
| <b>EN3</b>              | Energy consumption within the organization  | -       | ODS 7<br>ODS 12                     |
| <b>EN4</b>              | Energy consumption outside the organization<br><i>Value calculated through the emission factors derived from energy suppliers</i>   | -       |                                     |
| <b>EN5</b>              | Energy intensity  | -       | ODS 7<br>ODS 12                     |
| <b>EN6</b>              | Reduction of energy consumption   | -       | ODS 7<br>ODS 9<br>ODS 12<br>ODS 13  |
| <b>EN7</b>              | Reductions in energy requirements of products and services  | 90      | ODS 7<br>ODS 9<br>ODS 12<br>ODS 13  |
| <b>Water</b>            |   |         |                                     |
| <b>EN8</b>              | Total water withdrawal by source  | -       | ODS 6                               |
| <b>EN9</b>              | Water sources significantly affected by withdrawal of water<br><i>In view of the nature of the company's productive processes, the consumption of water by CTT is fairly low, in relative terms. Water is essentially used for human consumption, cleaning and irrigation of green areas</i>  | -       | ODS 6                               |
| <b>EN10</b>             | Percentage and total volume of water recycled and reused  | -       | ODS 6                               |

| Indicator                    | Description  | Page(s) | ODS<br>(sustainable development goals) |
|------------------------------|--|---------|--|
| <b>EN11</b>                  | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas<br><i>All CTT premises are located in urban and/or industrial areas Regarding land use, the impact on biodiversity is associated to the size and location of the real estate properties, situated in urban and industrial areas, where there is no knowledge to suggest that CTT develops activity or operates facilities inside protected zones or areas with a high biodiversity index</i> | -       | ODS 15                                 |
| <b>EN12</b>                  | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas<br><i>CTT is involved in partnerships/projects with public and private entities acting in favour of biodiversity and promotes in-house and public awareness-raising actions on the topic</i>  | -       | ODS 15                                 |
| <b>EN13</b>                  | Habitats protected or restored   | -       | ODS 13<br>ODS 15                       |
| <b>EN15</b>                  | Direct greenhouse gas (GHG) emissions (scope 1)  | -       | ODS 12<br>ODS 13                       |
| <b>EN16</b>                  | Energy indirect greenhouse gas (GHG) emissions (scope 2)   | -       | ODS 12<br>ODS 13                       |
| <b>EN17</b>                  | Energy indirect greenhouse gas (GHG) emissions (scope 3)   | -       |  |
| <b>EN18</b>                  | Greenhouse gas (GHG) emissions intensity   | -       |  |
| <b>EN19</b>                  | Reduction of greenhouse gas (GHG) emissions  | 91      | ODS 11<br>ODS 13                       |
| <b>EN20</b>                  | Emissions of ozone-depleting substances (ODS)<br><i>There were no emissions of this type</i>   | -       | ODS 13                                 |
| <b>EN21</b>                  | NOx, SOx and other significant air emissions   | -       |  |
| <b>Effluents and Waste</b>   |  |         |  |
| <b>EN22</b>                  | Total water discharge by quality and destination<br><i>Discharged into a municipal collector only at one facility of the Centre region</i>   | -       | ODS 6                                  |
| <b>EN23</b>                  | Total weight of waste by type and disposal method  | -       | ODS 12                                 |
| <b>EN24</b>                  | Total number and volume of significant spills<br><i>Eight spills occurred at the South production and logistics centres, which can be placed in this context. However, they had no significant impact</i>  | -       |  |
| <b>Products and Services</b> |  |         |  |
| <b>EN27</b>                  | Extent of impact mitigation of environmental impacts of products and services<br><i>The focus on ecologically friendly consumption has concentrated not only on reducing the environmental impact associated to the use of resources but also on the selection of suppliers through the inclusion of environmental criteria in tender procedures.</i>  | 90      | ODS 11<br>ODS 12<br>ODS 17             |

| Indicator                                | Description  | Page(s) | ODS (sustainable development goals)                             |
|--|--|---------|---|
| <b>EN28</b>                              | Percentage of products sold and their packaging materials that are reclaimed by category   | -       |   |
| <b>Compliance</b>                        |  |         |   |
| <b>EN29</b>                              | Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations<br><i>CTT was not the object of any lawsuits in the context of unfair competition and anti-trust conduct with application of significant fines or non-monetary penalties, derived from non-compliance with environmental or corporate laws and regulations.</i>   | -       | ODS 16  |
| <b>Transport</b>                         |  |         |   |
| <b>EN30</b>                              | Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce<br><i>In relation to external noise, although considered an area of low relevance to the business, noise emissions are monitored periodically in accordance with the regulations in force on this matter, with the obtained results being within the applicable legal parameters</i>  | -       |   |
| <b>Overall</b>                           |  |         |   |
| <b>EN31</b>                              | Total environmental protection expenditures and investments by type  | -       | ODS 7<br>ODS 9<br>ODS 11<br>ODS 12<br>ODS 13                    |
| <b>Supplier Environmental Assessment</b> |  |         |   |
| <b>EN32</b>                              | Percentage of new suppliers that were screened using environmental criteria<br><i>In 2018, environmental criteria were used in 96.7% of pre-contractual procedures, and contracts concluded with environmental criteria represented 98.3% of the total</i>   | -       | ODS 8<br>ODS 12<br>ODS 13<br>ODS 17                             |
| <b>EN33</b>                              | Significant actual and potential negative environmental impacts in the supply chain and actions taken<br><i>CTT has a Policy of Responsible Procurement, aimed at promoting the improvement of the environmental and social aspects of the value chain, through the involvement and accountability of its suppliers. This Policy includes the following features: the Policy is publicly available at <a href="http://www.ctt.pt">www.ctt.pt</a>; it covers the fields of Health, Safety, Environment, Working Conditions, Ethics and Business Continuity; it is integrated in the tender documents; includes a rescission clause due to non-compliance; it is applicable to all suppliers</i> | -       | ODS 6<br>ODS 8<br>ODS 9<br>ODS 11<br>ODS 13<br>ODS 15<br>ODS 17 |
| <b>Environmental Grievance Mechanism</b> |  |         |   |
| <b>EN34</b>                              | Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms<br><i>No complaints were detected in this context</i>   | -       |   |

(Source: GRI 4 (2013) "Sustainability Reporting Guidelines")