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Introduction to CTT

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Raúl Galamba de Oliveira
Chairman of the Board of Directors

Statement



1.1 Statement of the Chairman of the Board of Directors

GRI 2-1, 2-6, 2-9, 2-11, 2-12, 2-13, GRI 203-1

After two financial years marked by singular events of significant impact – pandemic, confinements, supply chain disruptions, regulatory changes – the return to a certain normalcy was expected in 2022. By year end, however, the situation could not be more far from that expectation. In just a few months, we witnessed the emergence of inflation on a global scale, the outbreak of war in Europe and new tensions in world trade. Tight monetary policies added a further risk of recession in an economy that had not yet recovered from the pandemic crisis of 2020.

As in previous years, CTT's business was seriously affected. A record number of infections across operational areas in January demonstrated that the challenges of the pandemic were not yet over. As of February, economic uncertainty and the acceleration of inflation negatively impacted confidence levels of companies and the purchasing power of families. In parallel, there was a global slowdown in e-commerce, with a direct impact on one of CTT Group's main growth drivers at an Iberian level, the Express & Parcels business area.

In this challenging context, CTT once again confirmed its ability to adapt and deliver results, with important successes across all businesses. In the first quarter, the Mail business inaugurated the period of the new 7-year concession agreement. The pricing formula for 2024-2027 was also negotiated with ANACOM and the General Directorate of the Consumer, under conditions that support the sustainability and predictability of the operation. In Express & Parcels, robust commercial focus enabled to achieve sales growth in a very slow market, taking advantage of the increased quality of service provided, especially during the peak season, a key aspect for retaining and attracting new customers.

There was broad commercial success across other businesses as well. Financial Services, in particular, achieved record levels of public debt placement, particularly from the second half of the year onwards, supported by the growing attractiveness of savings certificates. The competitiveness of CTT's distribution network was again confirmed by the renewal of the contract with IGCP for three years, now including new services and a new digital sales channel. Finally, Banco CTT continued its growth path, having achieved all commercial objectives, both in terms of attracting clients and in the distribution of credit and savings products to households.

In aggregate terms, and despite the unfavourable economic context, CTT expanded its business by approximately 7% compared to the previous year, confirming its growth orientation built on a diversified portfolio that combines mature businesses with others of high growth. From the point of view of profitability, it maintained a recurring EBIT margin of 7.1% (at the same level as the previous year), attesting to the resilience of its business model. An efficiency improvement programme launched in the second quarter also contributed to this result, with further gains expected in the coming years. Finally, on the sustainability front, CTT's good performance continued, with new commitments announced on the environmental and social fronts until 2030, with intermediate goals for 2025 in line with the best practices of the sector.

As in previous years, the Company maintained in 2022 a dynamic set of strategic development initiatives, which included investment in the capacity and innovation of the Group's operating and technology platforms, along with continued efforts to seek opportunities for internal optimisation. Mention should be made, on this front, the business development programmes underway on the new NewSpring (Business Services) and Locky (locker network) platforms, the development of new private client and B2B portals, the preparation of a platform for

the specialised management of the Group's real estate, the partnership agreement entered into with Generali for the distribution of insurance in CTT post offices and Banco CTT, and also the reversal of the partnership with Sonae for the management of the Universo credit card, which will provide Banco CTT with a high strategic optionality in a new market context that is more favourable to the banking sector.

Throughout the year, the Board of Directors exercised its mandate in defining the Company's strategy, as well as monitoring and supervising the Company's business and risk management, particularly regarding the strategic development initiatives described above. For that, it also relied on the specialised Audit and Corporate Governance Committees, which fulfilled their duties with discipline and high standards. In the first half of the year significant focus was dedicated to the development of the "equity story", presented by the Executive Committee at the Capital Markets Day held in June, where the medium-term CTT strategy, financial ambitions and sustainability commitments were announced, which included, on the governance front, the drafting of a new Code of Ethics, currently in the process of implementation throughout the organisation.

With its strategic development framework for the coming years clearly defined, CTT's management focus is now clearly on execution: fulfilling the aspirations of growth and innovation that ensure the future of the Company, and delivering results in line with the expectations of all stakeholders (customers, employees, shareholders and society). To achieve this goal, CTT counts on the commitment and motivation of its people, and on the sense of confidence earned from achieving stretched targets in challenging contexts. It is thus worth concluding this message with a note of recognition to the Group's people, and to its leadership teams and Executive Committee, for all the efforts and achievements, which year after year effectively build CTT's future.

Raúl Galamba de Oliveira

Chairman of the Board of Directors

João Bento

Chief Executive Officer

Statement



1.2 Statement of the CEO

GRI 2-1, 2-6, 2-19, 2-22, GRI 201-1, 203-1, GRI 301-2, 305-5, GRI 413-1

The new year began with real normalization expectations in what seemed to be the aftermath of a challenging 2021 in which the COVID-19 pandemic would fade out soon. Reality proved to be radically different, and 2022 became, after all, rich in significant and unexpected external adversities on a global scale. The effects of the pandemic reignited – January registered the highest number of COVID-19 cases in CTT operations since the outbreak – and, despite its effective attenuation in the second half of the year, the impact on operations proved to be very strong.

This difficult start was compounded in February by the war in Ukraine, which caused severe disruption to the European economy, including a rapid rise in inflation, substantial uncertainty on the markets, reduced consumer confidence and additional disruption to international logistics chains.

CTT was one of the organizations in Portugal that reacted earliest to the effects of the war on the populations, having launched a campaign to collect, process and deliver donations in kind, which reached 40 tonnes and were transported using eight cargo trucks. Later, a stamp supporting Ukraine would be issued, with a brochure including a message of hope written by President Zelensky, the net profit of which was dedicated to the Ukrainian people and sent to an institution indicated by the Ukrainian Embassy in Portugal.

One of the indirect consequences of these events has been the global cooling of e-commerce throughout 2022. Portugal and Spain were no exception, with a significant contraction in the year's first half.

2022 has therefore begun in the context of major challenges of global scope, but this did not prevent the company from pursuing a route of profound transformation, preparing for a reality of ever-decreasing mail volumes. In fact, there was further growth both in revenues (+6.9%) and EBIT margin (+7.4%), and the company saw its capacity for transformation and reaction to very significant changes in the external context renewed. The year was characterized by a difficult performance in the first half as an immediate consequence of the abovementioned impacts, followed by a steady recovery until its end.

To illustrate this transformation and innovation capacity, one can mention the new rise, this time of one position, in the UPU postal development ranking. CTT ranks now 21st amongst postal operators worldwide, maintaining its "postal champion" status.

While completing three years of the current management team in place and at the final year of the present Board of Directors' term of office, it was considered appropriate, if not imperative, to share medium-term commitments with the market in a quantified manner, something the company had never done before. That was the framework for preparing and launching the Capital Markets Day (CMD) held in June.

Since it was impossible to anticipate that the CMD would occur in a context of more significant uncertainty than initially projected, given the outbreak of the conflict in Eastern Europe, the equity story was adapted to the new reality. It was then shared in a successful event where the business strategy, the ESG positioning, and the value creation ambition were all thoroughly presented.

Mail

One of the year's most significant developments was the entry into force of the new Universal Postal Service concession agreement, which formally came in place in February for a seven-year term, with 2022

forming a so-called transition period. The new agreement, made viable by the new Postal Law approved almost simultaneously with the negotiation process, laid down a significant price increase for 2022 for the first time in years – 6.8%.

It also determined that the prices of the universal postal service in the following two three-year periods would be set through a Pricing Convention in which ANACOM, the Consumer Directorate-General and, naturally, CTT, would take part. That negotiation process was initiated and concluded in 2022, with an outcome in line with CTT's expectations, by establishing a price formula that considers the actual decline in mail volumes and the actual inflation observed. It was a significant result, as it was a decisive element in ensuring the sustainability of the mail business in view of its inevitable and continued decline, given that the price remains the only source of funding for this public service.

The positive contribution of the price increase resulting from the new agreement partially mitigated the adverse effects of the sharp decline in international mail augmented by the end of the *de minimis* VAT exemption period for low-value items.

Business Solutions

CTT's Business Solutions area (the "other" in "mail and other" of our reporting) complements the wide range of mail services, providing customers with tools to promote their physical and digital businesses while making them more efficient. In 2022, CTT's offer was consolidated, major existing contracts were renewed, and relevant new ones were signed. One of the offers whose development stands out in '22 is the school wallet solution, which surpassed 200,000 registered users and is currently present in 70 municipalities. With these solutions, CTT continues to expand its relationship with clients and increase its business portfolio, traditionally initiated with mail services, with significant revenue growth in this business segment during the year.

E-commerce

The development of e-commerce is one of the most relevant feeders of transformation for CTT and for its Express & Parcels business. Despite the global cooling of activity in 2022, we believe this area will continue to be one of the primary growth levers of the Group, with important milestones achieved during the past year. Portugal saw significant year-on-year volume growth of peak season parcels, while the volumes in Spain became close to the previous year's figures. Such counter-cyclical market behaviour was due, among other factors, to an improvement in the quality of service in both geographies due to the continuous work of our operations teams. We believe this factor is fundamental to strengthening CTT's relationship with its clients and one of the factors that will contribute the most to consistently consolidating and expanding market share.

At the end of 2022, the new operating centre of San Fernando, in Madrid, began its operations. It will be the basis for Iberia's integrated customs clearance service, offering customers a more complete and efficient solution for managing extra-EU inbound parcels.

Still on the Express and Parcels front, the launch of Locky - CTT's locker network brand – is worth highlighting its fast expansion. It has grown above 500 installed units and over 1,000 contracted by the end of 2022. The Locky offer allows clients to receive their parcels flexibly and conveniently. It is an investment aiming at adding new functionalities and providing more services to our clients while increasing the efficiency of deliveries.

In line with the established strategy, the launch of landmark initiatives

continued to strengthen the company's leadership position in e-commerce, fostering the development of this ecosystem. Amongst the new products launched, one should emphasize the new Payshop online gateway, the partnership with eBay to support the internationalization of our SMEs – easing the delivery of their products abroad – and the partnership with FNAC to foster the circular economy.

Several initiatives contributing to the sector's development were also carried out, such as the already recurring CTT E-commerce Day & Awards - the most relevant event of the industry in Portugal. This initiative strengthens CTT's positioning, and value in this business area, recognizes and highlights the most outstanding initiatives in the market and presents the most significant e-commerce figures in Portugal. The expansion to an Iberian scope is already in preparation. Also worthy of note are the training and awareness promotion actions carried out, namely on how to launch online businesses, aimed at supporting the development of the Portuguese business fabric and promoting entrepreneurship in the e-commerce sector.

Financial Services

One of the most significant consequences of the context changes observed in the world economy throughout the year was the end of a very long period of low inflation and interest rates. The latter positively impacted the attractiveness of savings solutions through public debt, particularly regarding Savings Certificates. The evolution of these macroeconomic trends allowed the retail network, as the year progressed, to place successive monthly record amounts of public debt in October, November, and December, reaching a figure of more than 8 billion euros for the year. Such success rendered even more important what may be considered one of the main milestones of the year – the renewal for a three-year term of the public debt distribution agreement with IGCP, the public debt agency – which has added new services, including the possibility of selling through CTT's digital channels.

The renewal will enable this activity to continue to have strong relevance in affirming CTT's retail network as a unique service platform in the country. It aligns with its recent strategic statement, positioning it as a convenient service platform for savings, insurance, and citizenship services.

To improve the in-store experience, the retail network also has several digitalization and self-service initiatives underway. In that sense, we have increased the number of 24-hour in-store lockers to more than 50 locations, have conceived a new locker through-the-window solution, and continued the development of new equipment and new self-service processes aimed at facilitating the interaction and user experience in the post offices, thus improving customer satisfaction and quality of service.

Banco CTT

The bank continued to consolidate its expansion path and demonstrated that it is an important growth driver for the Group. In 2022 it reached over 700 thousand clients, with a predominantly digital and progressively more frequent use of our channels, leveraged on the strength of CTT's trusted brand and an uncomplicated value proposition.

One of the year's main highlights was the announcement of the end of the Universo card partnership with Sonae Financial Services by the end of 2023 due to the latter's strategic shift. The agreement that regulated the termination of the process was closed in very favourable terms for the bank.

But the most significant aspect of the financial year for the bank's development was the agreement announced between CTT and the

Generali Group to become partners in the bank through a capital increase that remarkably enhances its valuation. Alongside, life and non-life insurance distribution agreements were established through the Group's retail network – bank and non-bank stores and digital channels. This partnership allows for expanding the range of insurance products already offered to CTT clients in association with one of the leading European insurers, significantly boosting the increase of the insurance business.

Innovation

The year was eventful in terms of the launch of new systems with a structural impact on both the future of operations and the expansion of the Group's value proposition. Concerning the former, of note was the entry into the process of *Mobi*, the new app to support distribution in the express network, a fully Iberian project currently being expanded to the mail delivery network.

In terms of customer experience, the definition of the digital vision for companies and individuals was concluded, and a test version of the CTT SuperApp was launched. At the same time, the B2B SuperPortal went into operation, having already allowed the fully digital onboarding of a few hundred new customers.

On the retail network front, work began defining the vision and requirements for the new B2C customer management and service provision system of CTT post offices. This is vital since it will significantly strengthen our relationship with customers in the retail network as part of the network's new positioning as a services platform.

In addition to many other initiatives to foster innovation, which include the 1520 project of scouting the start-up ecosystem, the establishment of partnerships with various university groups, as well as internal and R&D, CTT participates in the innovation investment fund - TechTree - having invested in three start-ups in the areas of augmented reality, digital insurance and IoT. Furthermore, three *Recovery and Resilience Plan* projects were approved for funding in electric mobility and robotics operations.

Finally, the year saw the creation of a new area of engineering and maintenance, which brought together skills in the development of equipment, systems, and processes of a highly operational nature because of successful embryonic experiments in the development of, among others, various types of parcel lockers, self-service kiosks for shops, new models of postal and logistical containers and new modules for vending stamps or for depositing parcels.

People and Sustainability

CTT's medium and long-term strategy is based on commitments that have people and sustainability at their core. The Capital Markets Day offered the opportunity to set out in a structured, objective, and quantified manner CTT's mid-term ESG commitments, as well as their strategic insertion in the company's development plan, considerably raising the relevance of this topic for the healthy development of the company and the corresponding creation of value.

In 2022, as far as people are concerned, an interesting set of results should be noted, with emphasis on the certification as a Family-Responsible Company, on the overcoming of the goal of 40% women in middle and senior management positions (parity is the goal for 2025), on the launching of a new trainee programme focused on operations and retail (in addition to the usual transversal trainee programme). All these express a solid commitment to developing new talent within CTT.

Also noteworthy is the agreement reached with the CTT Expresso unions regarding salary increases, as well as the attribution, close to the end of the year, of an extraordinary support of €200 to employees with a base salary below €2,500, given the concern with the impact of sudden high inflation.

As far as environmental sustainability issues are concerned, which in CTT is mainly centred on carbon reduction, it is worth highlighting that the threshold of 500 ecological vehicles, primarily electric, has been exceeded, as well as the pioneering launch, in partnership with EDP Comercial, of about 40 "solar communities". The intention is that, by 2030, the entire internal vehicle fleet, including delivery vehicles, be green. An intermediate goal has also been set to 50% of the fleet already in these conditions by 2025.

Regarding progress in circular economy matters, we note the improvement in the incorporation of recycled materials in our products and the partnership with "To be Green" for the transformation of masks and plastics into new products for everyday use, as well as the development of a recycling initiative, where old and damaged CTT mail trays are incorporated in the production of new units.

2023

It will not be possible to bring CTT's transformation to the point to which we aspire without a significant cultural evolution that, while preserving and developing the most valuable traits of our secular condition, can also promote a culture of conquest, entrepreneurship, results and focus on quality and the client. With this reality and the future we aspire to in mind, a task was undertaken to review and rebuild a set of strategic concepts that are crucial to the company's culture; this resulted in a new *purpose*, a renewed *vision* and the corresponding *mission* statements - all founded on a renewed and very solid set of company *values* -, which should guide everything we do on a daily basis and in our medium and long-term strategy.

Thus, our purpose is "deliver the future, connecting people and companies in a sustainable way" and is based on five fundamental values: *Proximity, Trust, Sustainability, Commitment and Customer Focus*.

Along the same lines of behavioural alignment, a new Code of Ethics was drawn up and put into practice. It is intended to be a foundational element of the company's culture and behaviour for all those who relate to us.

Regarding the promotion of a greater focus and sharing of objectives, a strategic alignment routine using an OKRs - Objectives and Key Results - methodology was launched. Six high-level strategic objectives were defined, for which key results are being created to monitor progress: 1) improve the experience and increase the commitment of employees; 2) be one of the preferred partners in Iberia for express and parcels; 3) be one of the preferred partners of the Portuguese people for financial services; 4) grow the logistics and corporate solutions business, developing an Iberian offer; 5) accelerate the decarbonization of the offer in Iberia; and 6) ensure the sustainability of the mail business. With these objectives in mind, and in conjunction with the strategy announced on Capital Markets Day for each business area, we believe the company has its path well mapped out and the conditions in place to achieve the defined goals.

I will end by returning to culture and people, as nothing will succeed without motivated people, which is why we are very committed to improving the employee experience, developing a culture of leadership, actively managing talent, and strengthening CTT as a great employer brand.

We have ambitious goals for 2023 and continue to transform CTT at great speed. We have the confidence that stems from continuously overcoming unexpected challenges and the demonstrated ability to change the company for the benefit of all stakeholders - customers, employees, shareholders, partners, and society at large.

This is only possible with everyone's contribution, commitment, and enthusiasm. We are committed to *delivering the future by connecting people and companies in a sustainable way*, and we are sure to succeed in that because we are

committed to deliver!

João Bento

Chief Executive Officer

1.3 Explanation of the nature of the Integrated Report

Scope and boundary

GRI 2-1, 2-2, 2-3, 2-4, 2-6, GRI 3-1, 3-2

CTT publishes its integrated report for the fifth time. This report contains CTT's financial and non-financial information, complying with the individual and consolidated management reporting requirements, namely as stipulated in articles 65, 66, 66-A, 66-B, and 508 to 508-G of the Portuguese Companies Code, with the reporting on CTT's business and performance being directed at all stakeholders.

The integrated report contains information on the strategy, management and performance of the Group's main business units, from a perspective of sustainable value creation. The risks inherent to the activity are also analysed and the way CTT deals with ESG (environmental, social and governance) commitments and challenges is addressed, including the performance of the main sustainability dimensions. This is a new analysis structure, adopted this year, that frames the reporting on financial, social (internal and external), human and natural capital, which CTT thus continues to address, in accordance with the recommendations of the International Integrated Reporting Council. The non-financial reporting also includes information aimed at facilitating sustainable investment, complying with the requirements of the European Taxonomy (Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020).

Additionally, this report contains information about Corporate Governance, in aggregate form and integrated with the rest of the report, with a greater focus and incidence on chapter 5, which includes the information concerning the remuneration report provided for in Article 26-G of the Portuguese Securities Code (PSC). This report also includes [CTT's Individual and Consolidated Financial Statements](#).

The 2022 Integrated Report communicates CTT's strategic vision and commitment to generate value, including information on issues that significantly affect CTT's ability to generate value in the short, medium and long term. This disclosure is in line with the description of the measures adopted to promote environmental protection and social integration, in concert with the creation of value.

This report discloses the results relative to the financial year ended on 31 December 2022, whenever possible, presenting aggregate information on CTT, S.A. and all its subsidiaries, jointly referred to as CTT.

During the reporting period, CTT incorporated three companies, one of which directly: CTT IMO Yield, S.A. These incorporations do not significantly change the scope of the reporting in relation to the previous year.

CTT – Correios de Portugal, S. A. is a public limited liability company listed on the stock exchange since 2013, with 100% of its capital dispersed among institutional and private shareholders. The Board of Directors was composed of fourteen executive and non-executive Directors as at 31 December 2022. The members of the corporate bodies were elected for the 2020-2022 three-year period at the General Meeting held on 29 April 2020.

Commitment

GRI 2-3, 2-5

CTT complies with the obligations established in article 508-G of the Portuguese Companies Code, as amended by Decree-Law No. 89/2017, of 28 July, disclosing in an integrated manner the management

information and the non-financial information, which CTT publishes annually, relative to the environmental and social areas, the employees, gender equality, non-discrimination, respect for human rights, the fight against corruption and attempted bribery, as well as information on corporate governance.

This is CTT's eighteenth annual sustainability report and the fifth to include the financial, non-financial and corporate governance reports.

The reporting structure and contents comply with the Global Reporting Initiative (GRI) guidelines as a reference for the preparation of sustainability reports and respective protocols for the calculation of indicators. The verifying entity Ernst & Young Audit & Associados - SROC, SA. endorsed this compliance with the benchmark. Whenever a chapter or a section meet a GRI standard, this is indicated in the title of such chapter. In order to access the GRI Table with the location of each indicator, see [Annex IV](#).

The report also complies with the objectives of the European green taxonomy, a regulation for the qualification of environmentally sustainable economic activities, as well as the recommendations of the Portuguese Securities Market Commission (CMVM) on sustainability.

With regards to its [materiality](#), the report incorporates contributions obtained from a stakeholder survey conducted in compliance with the guidelines of the Standard AA1000SES, which enabled updating the mapping and identification of the relevant topics and critical stakeholders of the Company.

In 2022, as in previous years, based on the reporting model featured in CMVM Regulations and the recommendations of the Portuguese Corporate Governance Institute (IPCG) Code as amended, CTT continues to comply with a significant set of recommendations relative to corporate governance.

The essential principles for the definition of the contents of this report are transparency, relevance, comprehensiveness and completeness, in order to provide a convenient and objective presentation to the stakeholders that will use this document.

1.4 Key Figures

1.4.1 Economic and financial indicators

GRI 2-6, 201-1

€ thousand or %, except where otherwise indicated

	'21	'22	Δ 22/21
Revenues ¹	847,870	906,625	6.9%
Operating costs EBITDA ²	729,771	777,335	6.5%
EBITDA ³	118,099	129,290	9.5%
Depreciation & amortization ⁴	58,006	64,777	11.7%
Recurring operating costs	787,778	842,112	6.9%
Recurring EBIT	60,093	64,512	7.4%
Specific items	(1,779)	8,385	»
Operating costs	785,998	850,498	8.2%
EBIT	61,872	56,127	(9.3%)
EBT	50,808	46,714	(8.1%)
Net profit before non-controlling interests	38,591	36,342	(5.8%)
Net profit for the period ⁵	38,404	36,407	(5.2%)
Earnings per share (euro) ⁶	0.26	0.25	(3.9%)
EBITDA margin	13.9%	14.3%	0.4 p.p.
Recurring EBIT margin	7.1%	7.1%	0.0 p.p.
EBIT margin	7.3%	6.2%	(1.1 p.p.)
Net profit margin	4.5%	4.0%	(0.5 p.p.)
Capex	36,147	36,995	2.3%
Operating cash flow	61,761	99,556	61.2%
Free Cash flow	45,334	67,400	48.7%
	'31.12.21	'31.12.22	Δ 22/21
Cash and cash equivalents	877,873	456,469	(48.0%)
Own cash	142,265	166,192	16.8%
Assets	3,585,199	4,057,488	13.2%
Equity	174,546	224,929	28.9%
Liabilities	3,410,653	3,832,559	12.4%
Share capital	75,000	72,675	(3.1%)
Number of shares	150,000,000	149,649,658	(0.2%)

¹ Excluding specific items.

² In 2021 and in 2020 (proforma), operating costs (EBITDA) include impairments and provisions; also, the impact of the leases covered by IFRS 16 is presented pursuant to this standard.

³ Excluding depreciation & amortization and specific items.

⁴ Depreciation & amortization were positively impacted in 2021 by the revision of the useful life of some assets.

⁵ Attributable to equity holders.

⁶ Considering the average number of ordinary shares that make up CTT's capital excluding the average number of own shares held by the Group as at 31 December 2022 (2,470,440), as per note 29 of the Financial Statements.

1.4.2 Operating Indicators

GRI 2-6, 2-7

	'21	'22	Δ 22/21
Mail			
Addressed mail volumes (million items)	484.6	457.6	-5.6%
Transactional mail	415.7	391.5	-5.8%
Editorial mail	29.0	27.6	-4.7%
Advertising mail	39.9	38.6	-3.4%
Unaddressed mail volumes (million items)	449.9	424.6	-5.6%
Express & Parcels			
Portugal (million items)	32.7	33.1	1.1%
Spain (million items)	41.1	39.2	-4.6%
Financial Services			
Payments (number of transactions; millions)	1.6	1.5	-5.7%
Savings and insurance (subscriptions; €m)	4,428.0	8,138.0	83.8%
Banco CTT			
Number of current accounts	573,201	602,165	5.1%
Customer deposits (€k)	2,122,817.1	2,283,287.8	7.6%
Payments (number of transactions; millions)	46.2	29.7	-35.8%
Mortgage loans book, net (€k)	594,823.3	658,610.5	10.7%
Auto loans book, net (€k)	648,814.9	760,274.0	17.2%
Credit cards book, net (€k)	292,098.5	353,815.6	21.1%
LTD (including 321 Crédito)	72.7 %	77.9 %	5.3 p.p.
Number of branches	212	212	0.0%
Cost of risk	1.1 %	1.5 %	0.4 p.p.
Staff			
Staff as at 31 December	12,608	12,506	-0.8%
FTE	12,882	12,679	-1.6%
Retail, Transport and Distribution Networks			
CTT access points	2,356	2,371	0.6%
Retail network (post offices)	570	569	-0.2%
Postal agencies	1,786	1,802	0.9%
Payshop agents	5,261	5,271	0.2%
Postal delivery offices	222	218	-1.8%
Postal delivery routes	4,396	4,288	-2.5%
Fleet (number of vehicles)	3,964	4,371	10.3%

1.4.3 ESG Indicators

GRI 203-1, 203-2, GRI 301-2, 302-1, 305-1, 305-2, 306-2, GRI 403-9, 405-1

During 2022, sustainability commitments (ESG) were defined and communicated for 2025 and 2030 and an action programme was developed for their implementation. The indicators below have been revised accordingly.

	'21	'22	Δ 22/21
Environmental performance (E)			
Total CO ₂ emissions, scopes 1, 2 & 3 (kton.) ⁷	88,870.4	88,707.6	-0.2%
Energy consumption (TJ) ⁸	358,723.4	365,462.7	1.9%
Last-mile electrification ⁹	7.6 %	15.3 %	7.7 p.p.
Recycling potential of the offer ¹⁰	33.6 %	54.9 %	21.3 p.p.
Social performance (S)			
Women in management positions ¹¹	40.4 %	40.5 %	0,1 p.p.
Training (hours)	215,046	138,042	-35.8%
Employee turnover	18.5 %	18.5 %	0,0 p.p.
Number of labour accidents	789	801	1.5%
Investment in the community (compared to recurring EBIT)	0.9 %	1.0 %	0,1 p.p.
Purchases from local suppliers (Iberian) ¹²	97.0 % ¹³	92.7 %	-4,3 p.p.
Corporate volunteering (no. of days/person)	248	1,516	»
Governance performance (G)			
Frequency of reporting ESG issues to top management (number) ¹⁴	2	2	0
Training on good conduct, harassment and corruption and money laundering policies (hours)	7,787	10,390	33.4%

⁷ Update of 2021 data. Provisional 2022 figures. Including green energy.

⁸ Update of 2021 data. Provisional 2022 figures. Including green energy.

⁹ Includes only delivery vehicles in operation.

¹⁰ Percentage of incorporation of recycled and/or reused materials in CTT's offer.

¹¹ Top and middle management (Board of Directors, Heads of Department and Division).

¹² Only includes the Portuguese-based operation. The 2021 data only includes Portuguese suppliers, which will also influence the variation figure.

¹³ Only includes the Portuguese-based operation. The 2021 data only includes Portuguese suppliers, which will also influence the variation figure.

¹⁴ Number of meetings with the Corporate Governance, Evaluation and Nominating Committee.

1.5 External Awards and Distinctions

Leadership Level A in the Carbon Disclosure Project 2022

CTT achieved the maximum Leadership level with an A score in the CDP – Carbon Disclosure Project rating of 2022. CTT was one of 15 national entities to be rated, being among the elite of only six that obtained an "A/A-" level rating. At international level, CTT is among the 12% of companies in the postal sector with this type of excellence classification.

Top performance in IPC's sustainability ranking

In the ranking attributed by the Sustainability Measurement and Management System (SMMS) of the International Post Corporation (IPC), CTT showed its top performance with a score of 73%. This score, which is the 5th best among the 21 postal operators that participated, brings us closer to the 90% target that CTT has set itself to reach by 2030.

New rise in the UPU Postal Development Index

Portugal, through CTT's performance, once again improved its Integrated Postal Development Index, according to data released by the Universal Postal Union (UPU). Portugal was ranked 21st out of 152 countries, ahead of several other European operators and one place higher than in 2021.

Winner of the Coups de Coeur award for the second time in history

On the sidelines of PostEurop's General Assembly, held in Dublin, CTT won the CSR Coups de Coeur 2022 award. The single-use anti-COVID-19 mask recycling project, an initiative carried out in partnership with To-Be-Green, was considered the best in the Environment category, which happened only for the second time in the history of this important sectoral award.

CTT Reusable ECO Packaging distinguished with an honourable mention in the National Sustainability Award

In April 2022, at the National Sustainability Awards ceremony, which took place in Cascais, the ECO Reusable packaging received an honourable mention. It was the second edition of this award, promoted by Jornal de Negócios, which distinguishes various initiatives, including those that stand out for their contribution to a more circular economy.

Nuno Vieira awarded as Best Investor Relations Officer

CTT Investor Relations Director, Nuno Vieira, won the Best Investor Relations Officer award in the IRG Awards, an initiative promoted by the firm Deloitte. These renowned awards have existed in Portugal for over 30 years and distinguish people and organisations that have contributed to making the capital market more efficient, transparent, socially responsible and useful to the national economy and society.

Euronext Lisbon Awards

CTT was distinguished as "Equity Champion - SME" in the Euronext Lisbon Awards. The award recognised for the second consecutive year CTT as the Portuguese company with market capitalisation below one billion euros that provided the highest return to its investors.

We are an "Innovative Company '22"

For the second consecutive time, COTEC awarded CTT the INNOVATOR Status. The distinction is associated to the high standards of financial solidity, economic performance, as well as the DNA of innovation, entrepreneurship and connection to the remaining business.

CTT continues to be a Trusted Brand of the Portuguese

In 2022, CTT was for the 15th time distinguished as a Trusted Brand of the Portuguese, in the study carried out by the magazine Seleções Reader's Digest. The Company was once again the leader in the "Mail and Logistics Services" category, this time with 89% of the votes, compared to the 81% of votes received the previous year.

One of the brands with the highest relevance and emotional reputation

OnStrategy released a study in which it distinguishes the CTT Brand as a leader in terms of Reputation, in the Professional Services category. In the RepScore study, CTT received a score of 73.3 points, on a scale of 0-100.

An Attractive Company to Work For

CTT won first place in the Employer Brand Research 2022 study, as the most Attractive Employer in Portugal, in the Transport sector. The prize was awarded by the human resources consultancy firm Randstad.

CTT and NewSpring Services distinguished at the APCC Best Awards

CTT's Customer Support lines were once again distinguished by the Portuguese Association of Contact Centres (APCC) with two APCC Best Awards. The CTT Line for Companies was awarded the Silver classification, while the CTT Line received the Bronze classification. NewSpring Services, a CTT subsidiary, was also distinguished within the scope of these awards with the Gold classification awarded to the Multicare service and Silver to Fidelidade (last year it had already received the Bronze distinction).

CTT and NewSpring Services also awarded during the Global Contact Centre Conference

CTT contact centre in partnership with its subsidiary Newspring Services won two of the seven categories of the Call Centre Trophies, organised by Abilways Portugal and Call Centre Magazine. CTT won the awards in the "Quality in customer service (51 to 150 positions)" category and in "Quality of customer service in a foreign language".

Recognition by Portal da Queixa (Complaints Portal)

321 Crédito received an important recognition for its work - the seal Marca Recomendada 2022 (Recommended Brand 2022) awarded by Portal da Queixa

Banco CTT wins the Five Stars award again

For the second consecutive year, Banco CTT was considered "Five Stars" by the Portuguese, in the category "Banking - Customer Service", according to a survey by Five Stars Consulting Portugal which reported a 74.4% satisfaction rate. This score compared positively with the performance of five other banking institutions, with Banco CTT standing out in the Satisfaction, Recommendation, Brand Trust and Innovation criteria.

CTT once again nominated to the Excellence in Road Safety Awards

CTT was once again nominated for the Excellence in Road Safety Awards, of the European Road Safety Charter, including a very restricted group of companies. This nomination once more distinguishes the most recent developments known as the company's Road Safety Programme, which had already won this award in 2017.

Portuguese Academy of History awards CTT the Collar of Honour of Meritorious Entity

This award intended to give due recognition to the partnership that CTT has maintained with the Academy for several years. With CTT's support, this organisation annually rewards scientific works of excellence in the area of History, both to national and foreign specialists.

1.6 How we are organised

GRI 2-1, 2-9

Corporate bodies and Committees^(a)

Board of Directors

CHAIRMAN

Raúl Catarino Galamba de Oliveira

MEMBERS

João Afonso Ramalho Sopas Pereira Bento (CEO)

Guy Patrick Guimarães de Goyri Pacheco (CFO)

António Pedro Ferreira Vaz da Silva

João Carlos Ventura Sousa

João Miguel Gaspar da Silva

Maria Luísa C. F. L. de Castro Anacoreta Correia

Steven Duncan Wood

Duarte Palma Leal Champalimaud

Isabel Maria Pereira Aníbal Vaz

Jürgen Schröder

Margarida Maria Correia de Barros Couto

María del Carmen Gil Marín

Susanne Ruoff

Board of the General Meeting

CHAIRMAN

Pedro Miguel Duarte Rebelo de Sousa

VICE-CHAIRWOMAN

Teresa Sapiro Anselmo Vaz Ferreira Soares

Remuneration Committee

CHAIRMAN

Fernando Paulo de Abreu Neves de Almeida

MEMBERS

Manuel Carlos de Melo Champalimaud

Christopher James Torino

^(a) As at the date of approval of this Integrated Report.

Audit Committee

CHAIRWOMAN

Maria Luísa C. F. L. de Castro Anacoreta Correia

MEMBERS

Steven Duncan Wood

María del Carmen Gil Marín

Executive Committee

CHAIRMAN

João Afonso Ramalho Sopas Pereira Bento (CEO)

MEMBERS

Guy Patrick Guimarães de Goyri Pacheco (CFO)

António Pedro Ferreira Vaz da SilvaJoão Carlos

Ventura Sousa

João Miguel Gaspar da Silva

Corporate Governance, Evaluation and Nominating Committee

CHAIRMAN

Raúl Catarino Galamba de Oliveira

MEMBERS

Duarte Palma Leal Champalimaud

Isabel Maria Pereira Aníbal Vaz

Ethics Committee

CHAIRWOMAN

Margarida Maria Correia de Barros Couto

MEMBERS

Raul Catarino Galamba de Oliveira

Rui Pedro Dias Fonseca Silva

Statutory Auditor

Ernst & Young Audit & Associados – SROC, S.A., represented by Luís Pedro Magalhães Varela Mendes or by Rui Abel Serra Martins

ALTERNATE STATUTORY AUDITOR

João Carlos Miguel Alves

Executive committee

João Bento
CEO
Executive Director

João Sousa
Executive Director

Guy Pacheco
CFO
Executive Director

João Gaspar da Silva
Executive Director

António Pedro Silva
Executive Director

