



# Non-financial information



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# Involvement of Stakeholders

The BCP Group defines strategies and pursues dynamic policies adjusted to the new challenges imposed by the interested parties with which it relates, materializing a business model based on an ongoing and transparent dialogue enabling to understand and comply with the expectations of its Stakeholders.

## SUSTAINABILITY POLICY

The adopted sustainability policy, which fosters a culture of Social Responsibility, aims to positively influence the organisation's value proposition in the long term, balanced with the well-being of the people, the company and communities in which it operates, while preserving natural resources, climate and the environment.

Within this framework, it is possible to divide the Bank's intervention into three major areas of intervention:

- Involvement with the external community and with the internal community;
- Offer of products and services incorporating social and environmental principles;
- Sharing sustainability principles.

Thus, Millennium bcp assumes, as an integral part of its business model, the commitment to create social value, developing actions for and with several groups of Stakeholders aiming to, directly and indirectly, contribute to the social development of the countries where it operates.

Regarding the United Nations Global Compact Principles, Group BCP also commits to support these 10 Principles establishing a set of values in what concerns Human Rights, Labour, Environment Protection and Anti-Corruption.

The strategy of Millennium bcp in terms of Sustainability is translated in the Sustainability Master Plan (SMP), a plan of commitments that aggregates a number of actions to be carried out by the Bank. The definition of the actions part of the SMP is based on a balanced relation between the identified relevant material issues, the Bank's available resources and the economic and market framework existing at the time.

## Sustainability plan

The Sustainability Plan 2014/18 which, through a close, transparent and consequent relation, intends to face the main expectations identified during the regular surveys made to the Bank's main Stakeholders foresees, in its different aspects, the following initiatives and actions:

### SUSTAINABILITY MASTER PLAN (SMP) - 2014 - 2018

Area	Actions
<b>ETHICS AND PROFESSIONAL CONDUCT</b>	Enhance the ties established between the Employees and the Bank's Values Foster a culture of compliance and of a strict management of risk Publish clear policies in the wake of the prevention of corruption, of health and safety issues, human rights and the protection of maternity
<b>SERVICE QUALITY</b>	Implement and improve the satisfaction evaluation processes; Create mechanisms for the immediate detection and management of improvement opportunities in the services provided to Customers.
<b>ACCESSIBILITIES</b>	Improve the implementation of differentiated working hours; Enhance and promote the accessibilities made available to individuals with special needs.
<b>PROXIMITY AND REPORTING</b>	Enhance the proximity and involvement with the Bank's Shareholders; Improve the institutional report in what regards Sustainability; Make a survey to identify the Stakeholders' expectations.
<b>MANAGEMENT OF EXPECTATIONS</b>	Consult the Bank's Stakeholders to know and include their expectations; Collect and implement ideas suggested by the Employees on Sustainability issues.
<b>MOTIVATION</b>	Identify best performances at Client Service level; Support the adoption of healthy lifestyles; Improve the mechanisms ensuring a greater proximity between the Employees and top managers.
<b>PRODUCTS AND SERVICES</b>	Consolidate the Bank's position in the micro credit market; Improve the negotiation and search for solutions able to meet the increasing financial difficulties of the Customers; Promote and launch products that observe social responsibility principles and cope with the new environmental challenges.
<b>SHARE AND PROMOTE AWARENESS</b>	Institutionalize the donation of the Bank's furniture and IT equipment to institutions in need; Implement social and/or environmental awareness actions common to the entire Group; Launch a financial literacy programme transversal to the Bank.
<b>VOLUNTEER WORK</b>	Structure a volunteering programme for and with the participation of the Employees.
<b>PARTNERSHIPS</b>	Develop campaigns together with non-governmental organizations and charitable institutions to foster a sustainable development.
<b>FUNDAÇÃO MILLENNIUM BCP</b>	Strengthen the identity of Fundação Millennium bcp
<b>SOCIAL AND ENVIRONMENTAL RISK</b>	Promote climate changes awareness with corporate clients developing their activities in sectors more exposed to risks and environmental regulations Identify and classify Corporate Clients with greater environmental and social risks Formalize compliance with social and environmental requisites in the relation established with Suppliers
<b>ENVIRONMENTAL PERFORMANCE</b>	Enhance the measures for the reduction of consumption Implement measures aimed at the reduction of waste and the creation of a formal recycling process Formalize and communicate Environmental Performance quantitative objectives

In the meantime and within the scope of the strategy framework of Millennium bcp, the bank already initiated the preparation of the forthcoming Sustainability Master Plan for the three-year period 2019/2021.

# Table of Correspondence between the Management Report and the Decree-Law 89/2017

Decree Law 89/2017, of 28 July	Chapter/section	Page/s
<p>Art. 3 (cfr. Art. 66-B and 508-G of the CC): The non-financial statement must contain information to the extent necessary for an understanding of the undertaking's development, performance, position and impact of its activity, relating to, as a minimum, environmental, social and employee matters, gender equality, non-discrimination, respect for human rights, anti-corruption and bribery matters, including:</p>		
a) A brief description of the undertaking's business model	2018 Annual Report Information on the BCP Group Business Model	Page 16-17 Page 29-40
b) A description of the policies pursued by the undertaking in relation to those matters, including due diligence processes implemented	2018 Annual Report Involvement of Stakeholders	Page 133-134
c) The outcome of those policies	2018 Annual Report Value added to each Stakeholder Group Environmental impact	Page 136-149 Page 150-154
d) The principal risks related to those matters linked to the undertaking's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the undertaking manages those risks	2018 Annual Report Main Risks and Uncertainties Risk Management Value added to each Stakeholder Group	Page 98-99 Page 100-125 Page 136-149
e) Non-financial key performance indicators relevant to the particular business	2018 Annual Report Summary of Indicators Main Highlights Value added to each Stakeholder Group	Page 13-15 Page 20-21 Page 136-149
<p>Art. 4 (cfr. Art. 245 1.r and 2 of the CC): Description of the diversity policy applied in relation to the undertaking's management and supervisory bodies with regard to aspects such as age, gender, or educational and professional backgrounds, the objectives of that diversity policy, how it has been implemented and the results in the reporting period.</p>		
	2018 Annual Report Non-financial information	Page 132-154
	2018 Corporate Governance Report	Sections on the diversity policy of the corporate bodies and on the competences of the Committee for Nominations and Remunerations



# Value added to each Stakeholder Group

## A solid Bank, (more) prepared for the Future

In 2018, the Bank recorded earnings amounting to 301.1 million euros, benefiting from the growth of income in Portugal, from 39.0 million euros to 115.5 million euros and the growth of income in the international activity from 146.2 to 186.9 million euros. Millennium bcp is one of the most efficient banks in the euro area, with cost-to-core income and cost-to-income ratios of 49% and 47%, respectively, in 2018. In this period of time, there was an improvement in profitability, with ROE at 5.2%.

The improvement in asset quality, translated in the decrease in Non-Performing Exposures (NPE) in Portugal to 4.8 billion Euros, as at 31 December 2018 must be emphasized, which shows a descent of 8 thousand million euros since 2013 and the maintenance of a comfortable level of liquidity, seen in the 87% loan-to-deposit ratio. Common Equity Tier 1 ratio, according to the fully implemented criteria, stood at 12.0%.

During 2018, the BCP share was down 16%, exceeding the performance of the European banks index Eurostoxx 600 Banks (-28%).

## SABEMOS O QUE CONTA

SUSTENTABILIDADE



## Employees

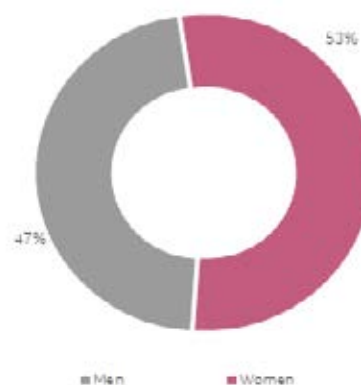
BCP Group ensures, in its different operations, a fair treatment and equal opportunities to all its Employees, promoting meritocracy at all stages of their career and defining their remuneration in accordance with category, professional path and level of achievement of the established objectives

The general principles that rule the BCP Group established a series of values and benchmarks, universally applicable to all Employees, resulting in a clear and unequivocal guidance, so that, regardless of the respective hierarchical or responsibility level, all Employees always act in a fair manner, with no discrimination, and also reaffirming the commitment to the ten Global Compact Principles, under which the Group recognises and supports the freedom of association and the right to collective work agreement negotiation and rejects the existence of any form of forced and compulsory labour, including child labour.

The commitments undertaken by the BCP Group within the scope of human rights, labour conditions and equal opportunities are also enshrined in the corporate policies, of which the policies on Human Rights, Equality and Non-Discrimination and Occupational Health and Safety are an example. These policies are available for consultation on the Bank's website, in the Sustainability area

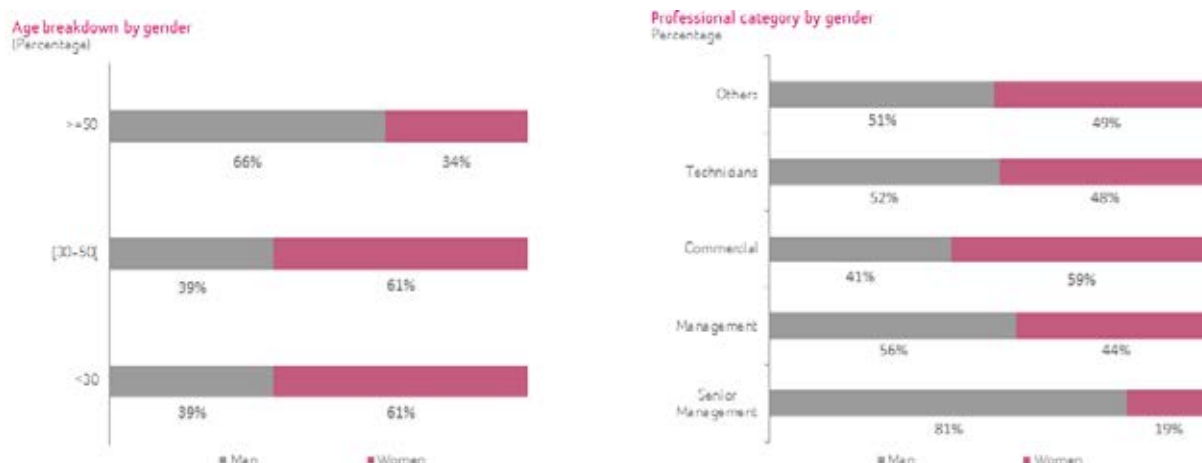
[https://ind.millenniumbcp.pt/pt/Institucional/sustentabilidade/Pages/cod\\_internos.aspx](https://ind.millenniumbcp.pt/pt/Institucional/sustentabilidade/Pages/cod_internos.aspx)

Breakdown by gender  
(Percentage)



Within the scope of gender diversity in the Board of Directors, in 2018, globally, in the Group 25% of these functions were performed by women.

Within the scope of gender diversity in management functions (Executive Committee/Senior Management and Management) in 2018, globally, 41% of these functions were performed by women – 21% in Portugal, 59% in Poland, 30% in Mozambique and 27% in Switzerland. In commercial functions, this figure increases to 59% in the Group, i.e. 46% in Portugal, 75% in Poland and 60% in Mozambique.



## Training

The Employees are one of the strategic pillars of Group BCP, reason why training continues to be seen as a priority for the development of their professional and personal skills. The search for excellence in the quality of the service provided to Customers involves identifying the training which is most suited to the specific needs of each Employee, taking into account the Bank's strategic objectives.

### TRAINING

	2018	2017	2016	VAR.% 18/17
<b>NUMBER OF PARTICIPANTS <sup>(1)</sup></b>				
On-site	42.906	47.731	39.350	-10.1%
E-learning	158.845	270.833	194.499	-41.3%
Remote	63.512	62.143	68.914	2.2%
<b>NUMBER OF HOURS</b>				
On-site	298.361	326.841	241.384	-8.7%
E-learning	121.634	469.357	94.199	-74.1%
Remote	205.998	143.575	171.046	43.5%
<b>PER EMPLOYEE</b>	<b>39</b>	59	32	-34.2%

<sup>(1)</sup> The same employee may have attended several trainings.

In overall terms, 6,233 training actions were ministered, corresponding to over 627 hours of training, with an average of 39 training hours per Employee. During 2018, the training effort kept its focus not only on the commercial areas, but also on technical, operational and compliance areas and on team management.

## Talent Management

At Group BCP, people management is one of the most important pillars of the Bank's competitiveness and sustainability. Simultaneously with the valorisation of general and specific skills, it is crucial, in an organisational enhancement perspective, to identify Employees with potential and talent, so that in future they can perform duties of higher complexity and responsibility.

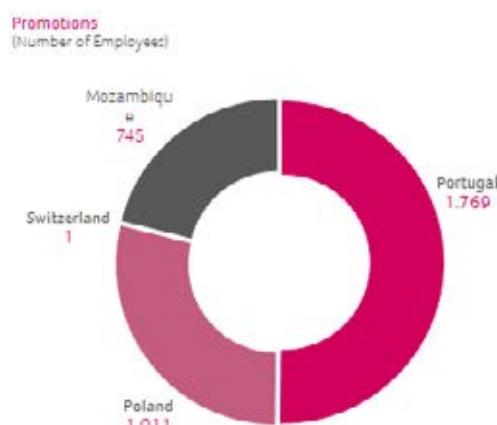
The development programmes implemented in the different geographic areas of Group BCP are thus a specific response to Employees with high performance and potential, enabling: i) recently recruited Employees to acquire a transversal overview of the business and best practices of the organisation; and ii) experienced Employees the opportunity to acquire the necessary skills so that in future they can perform more complex roles with higher responsibility.

## Evaluation and Recognition

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

Together with an attitude of encouragement of Employee valuing and adoption of best practices, the BCP Group upholds a policy of recognition of the merit and dedication shown by each Employee, through a system of incentives, a professional valuing plan based on merit and specific distinctions, attributed to Employees with excellent performance.

This is the way the Bank found to materialize a policy for recognising merit, valuing the professionalism shown by 3,526 employees in Portugal (1,912 are women and 1,614 are men).



## Satisfaction with Internal Customers

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

The opinion surveys were maintained regarding the satisfaction with the internal service among Employees who interact with other areas to perform their duties, in order to, as part of a continuous improvement policy, identify opportunities for improvement and optimisation of the processes, technological solutions and procedures in force.

In Portugal, these opinion surveys started, as of 2018, to be carried biannually. The global value reached in the survey made in 2017, was 80,2 p.i., showing a positive development if compared with the previous three-year period.

In Mozambique, in 2018, the value recorded was 71 i.p. and 74 i.p., in the Swiss operation.

## Benefits

The BCP Group offers its Employees a series of corporate benefits, apart from those established in the applicable legislation. Concerning health and safety, in Portugal and Poland, Millennium Employees benefit from a dedicated medical staff and medical units, which, in Portugal, now include Nutrition and Clinical Psychology. They also benefit from regular medical check-ups. In Mozambique, Millennium bim has: i) a medical office, which, in addition to medical appointments, also offers various medical specialities and basic health care; ii) an HIV office, ensuring prevention and follow-up of this disease; and iii) social support office, offering counselling to Employees.

**HEALTH SERVICES <sup>(1)</sup>**

	2018	2017	2016	VAR.% 18/17
<b>MEDICAL SERVICES</b>				
Consultations made	22.507	21.409	19.702	5,1%
Check-ups carried out	9.142	8.831	8.318	3,5%
<b>HEALTH INSURANCES</b>				
Individuals involved	47.257	47.209	47.286	0,1%

<sup>(1)</sup> Includes active Employees and retired Employees.

Employees of the BCP Group benefit from mortgage loans, permanently and under special conditions. The credit is granted abiding by the credit risk assessment principles set by the Bank's regulations. The Employees may also benefit from loans for social purposes that, among other, serve to meet credit needs in order to face education or health expenses, repairs made in their own domicile or in a rented one and the acquisition of other goods and services with an exceptional nature.

**LOANS TO EMPLOYEES <sup>(1)</sup>**

million Euros

	2018		2017		2016	
	Amount	Employees	Amount	Employees	Amount	Employees
<b>HOME LOANS</b>						
In the portfolio	607.7	8.747	661,2	9.405	719,6	9.973
Granted in 2018	25,8	304	24,7	328	22,6	323
<b>SOCIAL PURPOSES</b>						
In the portfolio	11,3	2.548	12,3	2.800	10,3	2.910
Granted in 2018	3,5	870	3,2	848	3,4	907

<sup>(1)</sup> Includes active Employees and retired Employees.

**Staff - Evolution**

In 2018, the number of Employees of the BCP Group registered an increase of 1.4% (more 225 Employees) compared to the previous year. Of the 16 061 Employees of the Group, 56% were in international business and 44% in Portugal..

**EMPLOYEES**

	2018	2017	2016	Var. % 18/17
<b>TOTAL PORTUGAL</b>	7,095	7,189	7,333	-1.3%
Poland	6,270	5,945	5,964	5.5%
of which FTE	6,132	5,830	5,844	5.2%
Switzerland	77	71	72	8.5%
Mozambique	2,619	2,631	2,551	-0.5%
<b>TOTAL INTERNATIONAL</b>	8,972	8,653	8,594	3.7%
<b>TOTAL</b>	16,067	15,842	15,927	1.4%

In Portugal, the downward trend in the number of Employees continued, with 226 having left, 78% of whom through mutual agreement and/or retirement plans and the admission of 120 new Employees. Among the Employees who left, 57% worked in the commercial areas and 11% in management functions.



In Poland, the total staff number also declined (-0.5% relative to 2017), with 167 having left, 42% of whom of their own initiative, and 60% allocated to commercial areas, which was partially offset by the recruitment process, with the integration of 151 Employees.

However, in Mozambique, the bank maintained its trend of growth of number of Employees (5.5%) with the recruitment of 1,687 Employees and 1,356 Employees leaving the Bank, 75% of the latter of their own initiative and 74% allocated to commercial areas.

## Clients

### Satisfaction Surveys

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

In 2018, over 140,000 experiences of Clients who visited Branches of Millennium or were contacted by Client Managers were assessed.

In 2018, the indicator NPS (*Net Promoter Score*), that translates the level of recommendation of the Bank recorded, in the case of Prestige Clients, an increase to 62.2 points, +4.7 points than in 2017; the Mass Market segment, that improvement showed an increase of 3.9 points, to 69.8. Regarding the NPS of Business Clients, it also recorded an expansion, increasing to 60.2 (56.9 in 2017). Based on these results per segment, the global NPS of Millennium bcp is 67.7%, favourably comparing with 64.4% in 2017.

The programme “#1 in Customer Experience” is a transformational project to provide clients with distinctive and memorable experiences through the ongoing improvement of the product and service range, the adaptation of the Bank's channels to today's trends, the simplification of processes and, naturally, the development of the Employees' skills.

In 2018, Millennium continued the program “Training #1” in the Mass Market Branches, every month, approaching themes aligned with the Bank's strategy. Thus, the employees were able to develop skills related with investment products, personal loans, cards, mortgage loans, retirement solutions, offer for the Business Segment, opening of an account via and entitlement of heirs process.

A weekly systematic of “Mini-Training #1”, was also introduced, consisting in a 15 minutes session to be made as a team at the weekly sales meeting with the purpose of reminding and practice of relevant aspects of Customer servicing.

Considering the results achieved with the program in Mass Market, a similar project for the transformation of the Client's Experience was launched in the Prestige segment. The project began with a behavioural and commercial techniques training for all Prestige Managers and Branch Managers, followed by a process for the certification of the more than 500 Managers involved. In 2019, the project will continue with the implementation of the monthly training systematic “Training #1” at the Prestige Branches, together with the practice of weekly “Mini-Trainings #1”.

The Bank also undertook another “Mystery Client” action which, with 4 vacancies, totalled more than 2,000 visits to Mass Market Branches. In 2018, the results achieved record a slight deviation versus the ones recorded in 2017 and reached, by the end of the year, the target of 81% of completion of the customer service choreography defined by the Bank.

In order to strengthen the measurement of satisfaction and loyalty in the various Customer segments, Millennium bcp continued to monitor various market studies carried out by specialised companies, so as to obtain indicators to position the Bank in the sector and assess, in an evolutionary way, market perception with regard to quality of the service provided, the Bank's image and the products and services it sells. Examples of these studies are the Consumer Choice, the BASEF Banca (Marktest), the BFin (DataE) and the BrandScore.



*Experiência Cliente*

One needs to point out, within this context, that the first place in the ranking of CSI Banca in the second half of 2018, and the distinction with the Consumers Choice Award 2018, in the category of “Large Banks” in a study carried out by Consumer Choice, are a recognition of the effort that Millennium bcp has been making for the modernization and simplification of bank products and services, but also of the significant Bank’s bet on the proximity with the Clients, on a faster servicing. And on the sustainability of its value proposal.

In the international activity, customers' overall satisfaction levels with the Bank recorded a value of 80 index points (i.p.), influenced by the downturn in Mozambique, which fell from 79 to 73 i.p.

In Poland, with 87 i.p. of global satisfaction, the internet banking and mobile banking channels reached 97% of positive reviews in 2018.



## Claims

In Portugal, the claims are managed by the Customer Care Centre (CAC). The total number of claims in this operation showed an increase if compared with the previous year for a total of 26,648. A significant portion of these claims regards entries in the current account and mortgage loans. The effort to rapidly solve the claims has been a constant concern of the Bank, which has been able to ensure an average response time of 2 business days.

## CLAIMS

	2018	2017	2016	VAR.% 18/17
CLAIMS REGISTERED	108,244	76,918	74,363	40.7%
CLAIMS RESOLVED	107,453	75,184	70,348	42.9%

Note: It includes a structural change effect in the complaint handling process at Bank Millennium Poland, aiming at improving the Customer experience by simplifying its registration and immediate treatment.

Regarding international activity: i) Poland recorded more complaints than in the previous year, the majority regarding current accounts, mortgage loans, card transactions and automatic services; ii) in Mozambique, the number of complaints also grew, with cards and current accounts being the most frequently mentioned issues.

The average response time recorded was 11 consecutive days in Poland, and 18 days in Mozambique.

## Culture of Rigour

The BCP Group considers that respect for the defined mission and values of the organisation, combined with compliance with its approved strategy, depends, first of all, on each Employee. Hence, the Group encourages the pursuit of a culture of rigour and responsibility, supported by mechanisms for the dissemination of information, training and monitoring, so as to permanently ensure strict compliance with the instituted rules of conduct.

Against this background, the implementation of specific training activities and the monitoring of the Compliance Office teams have been a constant feature and a priority. Thus, joint action with the different business areas enabled the training, in Portugal, of 1,600 employees in various topics related to the activity of the Compliance Office, always focused on the Employees' awareness of the need to adopt a professional conduct and behaviour in accordance with a culture of ethics and rigour when performing daily duties. This value, which translates into an increase when compared to that verified in Portugal in 2017, the year when a comprehensive training on the new code of conduct was carried out, results from several training actions of which we point out those on practices for the prevention of money laundering and terrorism financing, the MiFID2 and the new data protection regulations. To provide the Employees with the necessary competences to deal with complex diligence processes, namely those presenting non-negligible risks, in order to decrease operational and fraud risks continues to be part of the Group's activities plan.

**TRAINED EMPLOYEES <sup>(1)</sup>**

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

	2018	2017	2016	VAR.% 17/16
Activity in Portugal <sup>(2)</sup>	30.300	28.123	747	7,7%
International activity	2,219	9.093	5.725	-75,6%
<b>TOTAL</b>	<b>32.519</b>	<b>37.216</b>	<b>6.472</b>	<b>-12,6%</b>

<sup>(1)</sup> The same employee may have attended several trainings.<sup>(2)</sup> Includes the Macau Branch.

The adequacy and effectiveness of the Bank's internal control system as a whole and the effectiveness of the risk identification and management processes and governance of the Bank and Group continued to be assured through audit programmes which include the analysis of behavioural matters, compliance with legislation, other regulations and codes of conduct, correct use of delegated competence and respect for all other principles of action in force, in relations with external and internal Customers. The Code of Conduct and a set of compliance rulings and policies that rule the bank's activity are available for consultation on the website, governance area.

([https://ind.millenniumbcp.pt/en/Institucional/governacao/Pages/normas\\_regulamentos.aspx](https://ind.millenniumbcp.pt/en/Institucional/governacao/Pages/normas_regulamentos.aspx)).

Relations of cooperation and loyalty have also been maintained with the judicial authorities and with national and international conduct supervision authorities. Within this scope and by its own initiative, it made a total of 784 communications to local Judicial Entities and replied to 2.402 requests.

## Social and Environmental Products and Services

The BCP Group offers a complete and broad range of financial products and services, and continues, under the development of its business lines, responsible for offering products and services which incorporate social principles and respect for the environment and nature.

The BCP Group is also aware that the implementation of social and environmental criteria and standards in the commercial offer is reflected in more efficient risk management, reputation value and higher quality of the products and services offered to customers.

In Portugal, Millennium bcp Microcredit continues to be recognised as an alternative for the funding and feasibility of entrepreneurial action and own-job creation, having approved 123 new operations, which corresponds to total credit granted of 1,497 thousand Euros, and helped to create 233 jobs. The volume of loans granted to the 754 operations in portfolio stood at 8,282 thousands Euros, corresponding to principal of 4,423 thousand Euros.

With the objective of continuing to support Clients in financial difficulties and prevent default, Millennium bcp also maintained its focus on the stimulation and applicability of SAF packages (Financial Follow-up Service). In this context, 16,083 contractual amendments were made during 2018 (8,084 mortgage loans and 7,999 consumer credit), with a restructuring value of 643 million Euros (588 mortgage loans and 55 consumer loans) and comprised 13,771 Clients (5,918 mortgage loans and 7,853 consumer loans).

For Entities of the social sector, Millennium bcp has kept the Non-Profit Associations Account available, a current account with special conditions, which does not require a minimum opening amount and is exempt from maintenance and overdraft fees. 469 accounts with these features were opened, corresponding to a total of 4,352 accounts in the Bank's portfolio.



As for students who have decided to continue their academic pathways, the Bank granted 130 new loans in 2018, amounting to 1,332 million Euros, under the University Credit Line. The volume of credit granted to the 381 operations in the portfolio amounted to 2.6 million Euros.

Also in Portugal, the Bank has continued to reinforce its support to companies through agreed credit facilities, adjusted to the particularities of the sector and economy, in particular:

- Support to enterprise creation investment projects by unemployed persons, through the following credit lines: i) Microinvest Line - which financed 18 entrepreneurs to a total of 212 thousand Euros; and ii) Invest+ Line which supported 15 entrepreneurs, to a total value of 527 thousand Euros;
- Millennium bcp joined the “2020 Efficient House” programme, launched by the Portuguese Government and co-funded by the European Investment Bank (EIB), with total funding to be made available by the Bank of 50 million Euros (25 million Euros from the EIB and 25 million Euros from the Bank). This Programme aims to grant loans under favourable conditions to credit operations that promote the improvement of the environmental performance of private housing buildings, especially focusing on energy and water efficiency, as well as on waste management, and is available since June 2018 - 15 operations were completed, totaling 173 thousand Euros;
- Funding lines (PME Crescimento) aimed at SMEs intending to carry out investment projects or increase their working capital. Completion of 1,049 operations, with total funding of 119,666 thousand Euros.
- Regarding support to companies in the agricultural and/or fisheries sector, 128 operations were conducted involving a total financing of 8,009 thousand Euros through the PRODER/PROMAR and IFAP Short Term credit lines.
- A credit line - Social Invest - was launched in 2013 to facilitate the inclusion of Third Sector institutions in the financial system. In 2018, the Bank kept a portfolio of 9 operations, totalling 251 thousand Euros.
- Credit Lines to Support Tourism, aimed at supporting, with favourable conditions, companies that develop activities related to tourism. 4 operations were financed, totalling 1,256 thousand Euros.
- The Bank also made available the - Linha Capitalizar Mais -, a protocol established between Millennium bcp, the Instituição Financeira de Desenvolvimento (IFD) and the Mutual Guarantee Societies that created a Credit Line with mutual guarantee to finance projects to be implemented in mainland Portugal to help reinforce the entrepreneurial capacity of the SME for the development of goods and services that are innovative in terms of processes, products, organization or marketing. Millennium bcp financed 43 operations totalling 11,266 million Euros in credit.



In Poland, the WWF Millennium MasterCard credit card, offered since 2008, takes up an environmental commitment. For each card subscribed, the Bank transfers to WWF Poland (World Wide Fund For Nature) half of the first annuity and a percentage of each transaction made. In 2018, more than 11.6 thousand euros were transferred, for a total of 1,466 cards, 316 of which were subscribed in the year.

The BCP Group meets the needs of Investors that consider it relevant to cover, in their investments, social and environmental risk factors, placing Responsible Investment Funds at their disposal for subscription:

- In Portugal, the funds are available through: The online platform of Millennium bcp - which marketed 4 environmental funds in the area of energy, amounting to a portfolio value above 7,398 thousand Euros on 31 December; and ii) ActivoBank - offering 16 investment funds, of which 8 are ethical funds and 8 are environmental funds, with a total portfolio value above 835 thousand Euros. On 31 December, 12 of these funds had participation units subscribed during the year, with a global subscribed value amounting to 421 thousand Euros, an increase versus the 220 subscribed in 2017.
- In Poland, Bank Millennium also has a solid offer of SRI funds, fundamentally aimed at Customers of the Prestige and Private segment, reflecting the investment in businesses whose principles incorporate environmental concerns, namely regarding climate change. The 4 available funds were subscribed by 724 Clients, totalling 6,5 million Euros.

## Support to the Community

The strategy of BCP Group is the promotion of a culture of social responsibility, developing actions for and with several groups of Stakeholders aiming at, directly and indirectly, contributing to the social development of the countries where it operates.. It is in this context of proximity to the community that its policy of social responsibility has developed, giving priority to its intervention on cultural, educational and social initiatives.

In Portugal, Millennium bcp continues to promote and create opportunities for the participation of its Employees as volunteers in actions to support the external community:

- In the context of the Food Bank's food collection campaigns, Millennium bcp once again was present at the warehouses, helping to separate and store the food. In 2018, in the two campaigns made regularly, the Bank helped at a national level and ensured a participation of more than 190 volunteers, Employees and their relatives.
- The Bank supports Junior Achievement Portugal (JAP) in its entrepreneurial, creativity and innovation projects, through the Bank Employees' participation as volunteers. During the school year 2017/2018, 25 volunteers of Millennium bcp monitored more than 651 students of 23 schools in the various programmes of Junior Achievement Portugal, in a total of 248 hours of corporate volunteer work.



The Bank has also been organizing, supporting and following up internal solidarity actions that promote a culture of proximity and add social value and are also a significant contribution for the materialization of its Social Responsibility Policy in Portugal. Among these initiatives, which received a special boost from the Direct Banking, Retail Marketing, Corporate Marketing, Operations, Quality and Network Support, we highlight:

- “Acreditamos: Ajudamos a Dar (mais) Cor à Esperança”, an internal initiative whose purpose was to collect colourful child sticking plasters, painting books and pencils for the children supported by the association ACREDITAR. With the contribution given by the Bank's Employees at a national level, it was possible to collect around 700 boxes of band-aids - more than 250 individual band-aids;
- “Uns Comovem-se, Outros Movem-se”, an internal initiative of the Quality and Network Support Division the purpose of which is to collect animal feed, shelters and hygiene products for the animals sheltered by “APA - Associação de Proteção dos Animais” that was able of gathering 260 kg of animal feed and approximately 100 goods, such as feeders and crates, beds and warm clothing;
- “Millennium -Solidário (Solidarity) - Christmas 2018”, an internal campaign the purpose of which was to collect, in Lisbon, food, hygiene products and toys for the babies and children sheltered by Ajuda de Berço and in Porto, of clothes, warm clothes, food, hygiene products and toys, in this case for the children, young people and adults assisted by Cáritas Diocesana. By means of the usual commitment shown by the Employees of the Bank, it was possible to collect approximately 4,500 goods.

Millennium bcp also carried out a number of initiatives in support to institutions and initiatives able of generating social value, of which we point out:

- Participation in the 1st edition of Marketplace Cascais, a social market drawing together companies, local authorities and non-profit institutions, where the participants display their offers and needs, promoting a sharing of knowledge and experiences which give rise to the exchange of goods and services. Millennium bcp which was present for the fourth time at events promoted by Marketplace, established 14 agreements for donation of material with different social solidarity institutions and already provided support, during these editions, to a total of 37 institutions;
- Regular support to institutions through the donation of IT equipment and office furniture that is no longer used, but is in condition to be reused. Currently, the Bank has a protocol signed with Entreaajuda, the main beneficiary Entity. In 2018, the Bank donated over 2,392 items of IT equipment and furniture to 78 institutions, 329 of which to Entreaajuda.
- Culturally speaking, we must point out the 10th Festival ao Largo, which every year presents on stage at Largo de São Carlos a series of shows with the best of opera, ballet and symphonic music. This action intends to take art to a wider public, thus contributing to the cultural enrichment of the country.
- The event “Portugal Restaurant Week”, which counted once again with the participation of Millennium bcp, enabled the attribution of a financial support to the solidarity institutions Liga Portuguesa Contra o Cancro and Make a Wish. With the donation of one Euro per each menu Restaurant Week consumed, the amount donated exceeded 25,000 euros.





In terms of financial management and financial literacy, Millennium bcp contributed to increase the level of financial literacy and the adoption of adequate financial behaviours:

- The promotion, in its institutional website, of the following instruments – Savings Centre, Finance Managers and the Kit for unexpected expenses which, despite being independent tools, have the same purpose: supporting the client to balance his/her personal budget. In the M Vídeos area of the website it is also possible to find tutorials and savings suggestions;
- The Bank continued to regularly share contents related with financial planning at the “Mais Millennium” Facebook page.
- The Bank also participated in the Work Group of Associação Portuguesa de Bancos (Portuguese Banks Association), together with several financial institutions and the Instituto de Formação Bancária, whose mission was to develop and support initiatives for the promotion of the financial education of all citizens.. Of the activities developed in 2018, we highlight the European Money Quiz, an initiative for digital learning of financial literacy supported by the national Banking Associations of Europe, coordinated by the European Banking Federation, which was able to get for the first time over 41 thousand students, aged between 13 and 15 years old and coming from all over Europe, competing against each other, testing their ability to manage personal finances.



In Poland, Bank Millennium continues to carry out a significant number of actions, notably:

- Corporate volunteering program “Milantrop” addressed to all Bank Employees and aimed at supporting local communities. The programme enables two types of volunteer service – the organization of personal initiatives or the participation in projects envisaged by the Foundation. The projects developed so far counted with the involvement of 441 volunteers, corresponding to 1,099 volunteer hours, providing benefits to more than 6,900 persons;
- “Financial ABCs”, a financial literacy programme of Foundation Bank Millennium, whose object is to give basic financial concepts to pre-school children. In 2018, the Foundation carried out 1,300 workshops in 400 kindergartens involving more than 33,000 children throughout the country. This program is also supported by the Ministry of Education and of the Children’s Ombudsman, support that reaffirms its educational value;
- Since 2013, every year at Christmas the Bank organizes a solidarity auction for the sale of handicraft. This auction, where the offers are made through the intranet, gathers several hundreds of items created and produced by the Bank Employees. The sale proceeds are used in the treatment of disabled children related to the Employees. In 2018, this initiative enabled gathering the record amount of 19 thousand euros;
- Concerning education, we must highlight the following: i) the programme Millennium Bankers, aiming at helping university students in their first contacts with the labour market. In 2018, it supported 67 students ; ii) “Millennium Academy”, a program that provides workshops free of charge for students which, in 2018 was able to have 612 participants;
- Bank Millennium also provided support to the Docs Against Gravity, the largest and more global festival of documentary films in Poland, being this the most significant sponsorship given by Bank Millennium in terms of culture. This film festival, supported by a huge communication campaign and by a number of debates, workshops and other events takes place in 26 Polish cities.



In Mozambique, the Bank's social commitment is embodied in the "More Mozambique for Me" programme, one of the references of the BCP Group under Corporate Social Responsibility aimed at tightening relations with local communities, which continues to focus on projects in the area of health, education, culture, children and youth sports, and community development:

- Millennium bim Mini Basketball Tournament – in its 13th edition, involved 1,600 athletes, aged between 6 and 11 years old, from, for the first time, all Mozambican provinces;



- Millennium bim Race - 13th Edition of an event that intends to foster the development of this sporting activity, finding new talents and adopting healthy habits. More than 1,300 athletes participated;
- 8ª Edition of the Helpo Solidarity Race – Millennium bim supported this event once again which was held in four Mozambican cities and also in Vila Real, in Portugal, and São Tomé, in São Tomé and Príncipe. 600 children participated in an initiative for the eradication of poverty and the promotion of a healthy life and the practice of sporting activities.
- “Uma Cidade Limpa pra Mim” (A Clean City for Me)– i) An environmental education project the purpose of which is to create new waste treatment habits in students, betting on recycling and its importance for the city cleaning; ii) production and execution of a tile wall made from recycled plastic collected at the beaches and streets of Maputo;
- Partnership with the Girl Move Foundation, whose objective is to support the Leadership and Entrepreneurial Skills Advanced Program for young women with a licentiate degree;
- Millennium bim Responsible – internal campaign “Ajude-nos a Ajudar” (Help us to help), wherein the employees donated essential relief items which were later distributed by two child care institutions;;
- “Millennium bim - Banking Olympics”, a project on financial literacy whose objective is to introduce basic financial concepts, providing students and teachers with knowledge that will enable them to make balanced decisions in the management of their savings and pursue entrepreneurial projects. In its 9th edition, this initiative counted with the participation of 400 students, representing 10 schools. After trials, 40 finalists were selected. The winner project called “Culture”, of Escola Secundária Gwaza Mutine, will be implemented at the beginning of the school year with the support from Millennium bim;
- Project supporting the construction of classroom blocks and library in Escola Primária (primary school) Completa de Bêbedo (Gorongosa), together with Helpo. Within the scope of corporate volunteer actions, the bank undertook an action where 15 employees cleaned, painted and organized the school rooms;
- Action for the renovation of the Paediatric Unit of Rural Hospital of Chicumbane, in the province of Gaza, wherein 25 employees painted, assembled and installed new furniture.



## Fundação Millennium bcp

The Millennium bcp Foundation, under the institutional social responsibility and cultural patronage policies, represents an agent of creation of value in society, in the different areas of its intervention, namely Culture, Education/Research and Social Solidarity.

Within the scope of Culture - the Foundation's main vocation - it gave precedence to initiatives for the free of charge access for the Conservation and Disclosure of the Bank's Heritage, among which are the following:

- Maintenance of the Archaeological Nucleus of Rua dos Correiros (ANRC) and management of the guided tours. It received 9,900 visitors;
- Exhibits in the Millennium Gallery, namely the following: “A Partir do Surrealismo”, opened on 25 September 2017 and ended on 3 February 2018, counting with the presence of approximately 1,370 visitors in 2018; “Poesia Mineral - Eduardo Souto de Moura por Nuno Cera”, exhibited from 23 February to 19 May, welcoming around 2.000 visitors; “Salvem a Sardinha”, an initiative that, from 2 to 30 June was visited by around 1,880 persons; “Ballets Russes”, with around 1,860 visitors from 7 July to 20 October. The Millennium Gallery was visited by 7.110 persons in 2018.



- Within the scope of the programme “Shared Art”, two exhibits also took place, “A Evolução do Braço” in the Municipal Museum of Faro, inaugurated on 7 July 2018 and in exhibition until 23 September, welcoming approximately 7,015 visitors and the exhibition “Os Modernistas. Friends and Contemporary artists of Amadeo de Souza-Cardoso, Coleção Millennium bcp”, organized within the scope of the program of the Festival Mimo Amarante which, from 19 July and 31 December welcomed 11,534 visitors.

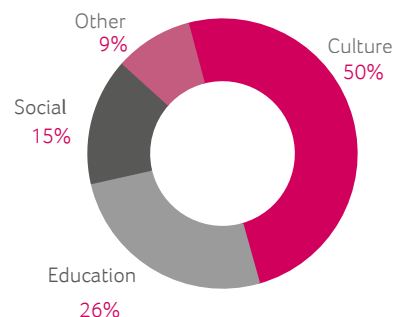


Both spaces subscribed the “International Day of Monuments and Sites”; “International Museums Day”; “Museums Night”; and the “European Cultural Heritage Conference” with the opening of the ANRC and Millennium Gallery with extended visiting hours.

Supporting projects to modernise important Portuguese museums and to promote museum activities and other cultural activities, of which we highlight:

- Museu Nacional de Arte Antiga (National Museum of Ancient Art) - support to the activities developed by the Museum, restoration of the Nativity Scene Room and the maintenance of the Library;
- National Coach Museum - Support to the restoration of the coaches of the Museum made *in situ* and able of being observed by the visitors. During 2018, the museum received 233,295 visitors (80,332 Portuguese and 152,963 from abroad);
- Portuguese Museum of Contemporary Art – Museu do Chiado (MNAC) - support to the activities pursued by the Museum, to the International Congress “O Retrato: representações e modos de ser” with the displacement of works from Veloso Salgado into the International Congress;
- Beja Regional Museum – Support to the second stage of the process for the re-qualification and promotion of the museum’s assets.
- Directorate General for Cultural Heritage – support to the exhibit “Rota das Catedrais” at Palácio Nacional da Ajuda, within the scope of the European Year of Cultural Heritage.

Donations allocated by intervention area  
(Percentage)



Within the scope of cultural heritage recovery, architecture and other cultural areas, we may highlight the following:

- World Monuments Fund Portugal (Association) - Support to the project for the conservation of the church of the Monastery of Jerónimos;
- Palácio Nacional da Ajuda: support to the conservation and restoration works of Room D. João IV;
- Regional Directorate of Culture - North – Recovery of Churches of the Historic Centre of Oporto, namely of Igreja das Almas and São José das Taipas; Igreja de São Nicolau; Capela da Senhora do Ó and Igreja de São João Novo;
- Association Castelo D' IF - 9th edition of the event “Opening of Artists' Studios ” which include the opening to the public of the work spaces of several artists, in Lisbon. This edition had the participation of 52 studios and 190 artists, 178 Portuguese artists and 12 from abroad;
- Isto não é um Cachimbo (Association) - Map of the Arts - a digital platform focused on the promotion of contemporary art presenting Lisbon's contemporary art spaces, such as art galleries, museums and foundations. This map may be consulted using the website or in a hard copy;
- Architecture Triennial - Lisbon Architecture Triennial: the financial aid includes 3 awards: Millennium bcp Triennial Career Award, Millennium bcp Triennial Universities Award and Millennium bcp Triennial Début Award.
- Carpe Diem Arte e Pesquisa - Competition “Young Art Award Fundação Millennium bcp 2018” for students of visual arts or those that ended their course in the two previous years. It received 130 applications. Among them seven finalists were selected;
- OPART – Teatro Nacional de São Carlos - program of Art Residences in primary schools with the purpose of promoting the teaching of music and arts;
- A+A Books - Publishing the Book “Guia de Arquitetura Souto Moura”;
- BoCA - Biennial of Contemporary Arts - creation and production structure focused on the production and programming of new works of art and of special events portraying different fields of contemporary art;
- Out of The Wall - support to the interactive exhibit “Extinction – the End or the Beginning?”. This show, belonging to the Natural History Museum of London, aims to raise awareness to the challenges faced by the preservation of the environment;

Science and education are paramount for the construction of a developed society and for the exercise of a responsible and informed citizenship. Therefore, the Foundation increased its participation in several projects for education, scientific investigation and disclosure of knowledge.

- Municipality of Pedrogão Grande – support to “+Future”, a project focused on three sides: Education and Citizenship, Road Prevention and Sustainability;
- IMM (Instituto de Medicina Molecular de Lisboa) – project developed by the Centre for Research of Brain Tumours aiming to do research on the mechanisms responsible for the onset and growth of brain tumours, focusing especially on children;
- University of the Algarve – support to the international Degree in Marine Biogeochemistry – organized by the Portuguese Institute for the Sea and Atmosphere (IPMA) and of the Centre for Sea Sciences of the University of the Algarve;
- A scholarship programme of Fundação Millennium bcp, aimed at students from Portuguese-speaking African countries and from Timor (PALOP) It had 7 scholars in 2018;
- Partnership with Millennium bim for the attribution of scholarships (several areas) in Universities of Mozambique to young people evidencing academic merit and lack economic means; It had 27 scholars in 2018
- Fundação para a Saúde (Foundation for Health) – Financial aid to the III Congress SNS: Art Heritage of All, at the Convent of São Francisco in May 2018;
- Universidade Católica Portuguesa (Portuguese Catholic University) – Health Sciences Institute: Pedipedia project, development of an online encyclopaedia, a pedagogical resource to support clinical practices and training in child health care. Its recipients are health professionals, parents and care providers, children and teenagers from the Portuguese-speaking community
- Portuguese Catholic University – Faculdade de Direito (Faculty of Law) – support given to three foreign students of the Master of Laws.
- University of Coimbra – Law School – BBS – Instituto de Direito Bancário, da Bolsa e dos Seguros. Supporting Post-Graduate Degrees from Instituto de Direito Bancário, da Bolsa e dos Seguros (BBS).
- Fundação Rui Osório de Castro: attribution of an award to scientific investigation in the area of paediatric oncology; The award Rui Osório de Castro Millennium bcp was created aiming at the development of innovative projects and initiatives in this area, able to foster and promote better care for children with an oncologic disease;
- Instituto Camões – Award for the best student of Portuguese language 2018, in the United Kingdom;
- Universidade Autónoma Lisboa – Support to the study of the Portuguese diplomatic structure by the International relations Department;
- Acege – Associação Cristã de Empresários e Gestores – support to activities that aim to promote a group of company leaders that works as a dynamic force for a responsible management of the Portuguese companies, thus promoting higher economic productivity and social justice.
- Associação Empresários pela Inclusão Social (EPIS) – Educational project for social inclusion, programme “Mediators for academic success”. In 2018, the programme was extended to a greater number of locations, reaching a higher number of students. Within the scope of the programme, EPIS organized, within the European Year of Cultural Heritage for the 50 top students of the 3rd cycle, a visit to the Archaeological Nucleus of Rua dos Correios (NARC);
- Associação Geopark Estrela – the Foundation supported an Investigation Scholarship with a 9 month duration in the area of Forest Management and e Risco de Incêndio Florestal na Serra da Estrela;
- CNIS – Confederação Nacional das Instituições de Solidariedade (National Association of Charitable Institutions) – support to the *B-Learning* program to the institutions associated with the CNIS. This action intends to provide training on pedagogical practices namely in the management of the classroom, to teachers from infant school.

Lastly, in the Social Solidarity area, the Foundation supported different actions promoted by several entities. These actions comprised several intervention sub areas, such as childhood/adolescence, poverty, disability, among other.

- Portuguese Food Bank – support to regular food collection campaigns;
- Vida Norte – Associação de Promoção e Defesa da Vida e da Família (Association for the defence of Life and Family) – support to the activities carried out by the institution that helps young mothers in need;
- Ponto de Apoio à Vida – support to an association that helps, welcomes and trains pregnant teenagers and women that are in a fragile economic situation and that, alone, do not have the conditions to take care of their children's birth and education;
- AESE Business School – Programme GOS (Management of Social Organizations) – programme developed in a partnership established between the AESE – Escola de Direção de Negócios and ENTRAJUDA. The purpose of this program is to provide management training to leaders of non-profit entities in the sector of social economy;



- BUS Association - Social Utility Assets: support for the development of its activities which are the collection of useful goods, forwarding them to individuals/families in need;
- Associação Terra dos Sonhos - “Bolsa com sonhos” - support to the accomplishment of a child’s dream or young people in situations of illness or risk;
- Critical Concrete – scholarship grant to the summer school of this sustainable and social architecture programme;
- Fundação Portuguesa de Cardiologia - Support to the Month of the Heart which took place in May, this year under the theme “Colesterol, Dislipidemias e Aterosclerose”;
- FAMSER – Associação de Apoio Famílias Desfavorecidas – Projeto GPS - Gerar, Percorrer e Socializar, a specialized residential foster home located in Castro Verde, capable of assisting 30 young people, between 12 and 18 years old;
- Access to Culture – support to the implementation of adequate accessibility services for live shows outside Lisbon and Oporto and set up of a network of theatre that have this access;
- SOS Families Association - Project “Estoril Working for Solidarity” an initiative that brings together various charitable events in the parish of Estoril;
- Association Dignitude: support to the project *Abem*, which consists in a network of solidarity for the distribution of medication to those most in need;
- National Association of Parents and Friends of those with Rett Syndrome (ANPAR) - support to the project “Art`Inclusion Rett”, envisaged to increase inclusion of young people/adults with Rett Syndrome by means of sporting, art and cultural activities;
- EAPN Portugal - European Anti-Poverty Network - support to the project “Schools against Poverty and Social Exclusion”, educational and information campaign addressed to the students of the schools of 2nd and 3rd cycle.

The work undertaken by Fundação BCP within the scope of culture was recognised this year by the President of the Portuguese Republic with the commendation as Honorary Member of the Order of Infante D. Henrique.

Besides this commendation, Fundação Millennium bcp also received the “Patronage” award of the Portuguese Museums Association (APOM).



## Suppliers

At the BCP Group, the process for selecting suppliers mainly obeys criteria of global competence of the company, functionality, quality and flexibility of the specific solutions to acquire and continuous capacity of providing the service. In all the Group’s operations, it is given preference to purchasing from Suppliers of the respective country, with 92.2% in payments to local suppliers.

The Bank’s main suppliers are companies which publish their economic, environmental and social performance, ensuring the responsible contracting of products and services.

Since 2007, the BCP Group, namely in Poland and Portugal, includes, as an attachment to the agreements it establishes with suppliers, the Principles for Suppliers which include several aspects, such as compliance with the law, good environmental and labour practices, including human rights and the application of those principles in the engagement of third parties.

Millennium bcp assesses its suppliers through the application of a performance questionnaire including parameters related with the level of observance with the Principles for Suppliers. In 2018, suppliers were subject to continuous monitoring.

Within the scope of the monitoring, Millennium bcp’s suppliers are subject to a permanent evaluation process, based on: i) the relationship they maintain with Technical Competence Centres; ii) performance assessment actions and the identification of areas for improvement; and iii) on existing decision-making processes to execute investments and renew contracts.

In Portugal, Millennium bcp participates in the Commitment for Prompt Payment from ACEGE, an initiative that intends to promote the timely payment to suppliers as an ethical exercise contributing not only to the entrepreneurial success but also to increase the competitiveness of the economy. The ratio payment deadline/agreed deadline in Group BCP is 1.

Millennium bcp is a subscriber of the Charter of Principles from BCSD Portugal - Business Council for Sustainable Development. This document establishes the principles that are the guidelines for good corporate management, enabling the subscribing companies to be recognized by their clients, suppliers and by the society in general for the adoption of solid sustainability commitments. The Charter, which the Bank will now promote with its suppliers, encourages subscribers to go beyond legal compliance, adopting rulings and practices recognized and in line with management, ethical, social, environmental and quality standards in any context of global economy.





# Environmental Impact

## Environmental Responsibility

The BCP Group has been putting in place a sustainability strategy that incorporates and promotes a culture of environmental responsibility and adjustment to climate changes in line with its strategic objectives of digital and technological innovation.

The rationalization of energy, water and materials consumption based on a rationale both of dematerialization of processes and of protection of the surrounding environment are objectives that are part of the core of the environmental policy implemented in all operations of BCP (available for consultation at the Sustainability section of the Bank's website through

[https://ind.millenniumbcp.pt/pt/Institucional/sustentabilidade/Documents/Politic\\_Ambiental.pdf](https://ind.millenniumbcp.pt/pt/Institucional/sustentabilidade/Documents/Politic_Ambiental.pdf)).

The Bank regularly monitors a series of environmental performance indicators which measure the Bank's eco-efficiency with regard to its main consumption of resources. In global terms, the Bank's level of eco-efficiency continued to improve, as a result of the ongoing investment in processes optimization - an example of which is the PV central for self-consumption of Tagus Park that began functioning by the end of 2017 - and of initiatives to increase the Employee's awareness towards the importance of adopting a more responsible environmental attitude. These eco-efficiency measures have enabled the bank to continuously reduce the environmental impact of its activity but also the related operational costs.

In 2018, Group BCP, keeping its trend of cost reduction as occurred in previous years, recorded a decrease in its costs with electricity and fuel in 4% versus 2017.

Apart from the monitoring of the environmental indicators, BCP has an area in charge of the business continuity management that identifies the risks related with climate changes and the incorporation of standard policies and of defined procedures in order to ensure the Bank's ongoing activity in case of natural disasters able of discontinuing it. The Bank also manages indirect environmental risks, during the credit and project finance evaluation and granting process and is able to carry out environmental impact studies, in accordance with the applicable legislation in effect.

BCP Group ensures, on a regular basis, the follow-up of initiatives carried out in all countries where it operates, in view of its local circumstances, and monitors a number of indicators which enable it to measure its environmental efficiency and impact concerning its main resources consumption. The BCP Group continued to invest in operating efficiency measures, in the various operations, by optimizing processes and equipment, reinforcing a set of measures to decrease consumption, giving way to not only technological gains but also environmental ones.



## MAIN MEASURES TO REDUCE THE ENVIRONMENTAL IMPACT

### Operational Efficiency

#### Installation of LED lighting in Taguspark

A plan to replace fluorescent lights with LED lights in parking areas at Taguspark is under way, with a potential for a 50% reduction of energy consumption for lighting in those areas, thus giving continuity to the optimisation of energy performance in these central buildings; The Bank has also equipped the commercial network with LED lights whenever intervention/remodelling work is carried out in the branches.

The Bank has also installed LED lighting in the commercial network whenever intervention / remodelling work is carried out in the branches.

#### Heating Ventilation and Air Conditioning systems (HVAC);

Variable speed drives were installed on about 90 ventilation motors in the headquarters buildings at Taguspark, with the potential to decrease by about 30 to 40% of energy consumption associated with the HVAC system ventilation.

### Environmental Awareness

#### Internal environmental signs campaign

The internal campaign was followed-up using environmental signs and communication initiatives to promote the reduction of electricity, water and paper consumption through the adoption of behavioural practices to rationalize the use of these resources, contributing not only to the improvement of environmental performance, but at the same time to optimize operating costs and bolster the image of an organization with a strong environmental commitment.

#### Informing the heads of the organizational areas of the respective consumption of paper (prints) and of ink and toner cartridges.

**Incorporation of speed variators** in seven Taguspark buildings, with an estimated saving of more than 300 MWh of electricity, corresponding to a monetary saving of around 36,600 Euros per year.

**First year of operation of the Photovoltaic Solar Energy Plant with around 1 MW capacity**

Installation of 3,703 photovoltaic panels on three buildings of Millennium BCP in Tagus Park, Oeiras.

In 2018, the plant was able to generate a total of 1,256 MWh of energy for self-consumption, which meant 590.5 tons of CO<sub>2</sub> avoided.



**Green IT Programme**

Reduction in local printing, giving preference to digital archive tools in the purchase of software development services.

The use of webcasting tools was consolidated, with a significant increase of 40% in its use compared to the previous year (28,049 minutes of use in 2018).

"GO Paperless" project, which focuses on the dematerialization of operations as a way to innovate and optimize processes, using electronic document production and electronic signature solutions. In 2018, more "teller" financial transactions were converted into "Paperless" and therefore it was possible to save 2,989,538 prints corresponding to a decrease of 11% of prints made in branches devices when comparing with the same period of 2017.

The Bank continued to promote digitization, which in 2018 recorded a 10% rise versus the previous year.

Total savings of around 4 million Black and white prints (Central Services + Branches), corresponding to around 25 thousand Euros in cost reduction with printing and paper.

36% decrease in cartridges used between 2013 and 2018.



**Using digital documents** such as, for example, the bank statement in digital format

**Clients with e-statement in 2018:** more than x accounts in Portugal (x%); 89% of customers in Poland; 67,338 accounts in Mozambique and more than 80% of customers in Switzerland

**Digital sale of financial products:** In 2018 the Onboarding Digital service was launched, which allows the Bank to be able to open online accounts with Customer authentication via video conference.

Apart from that, Millennium bcp and ActivoBank implemented the 100% digital account opening process.

Campaigns with draw prizes were developed to encourage customers to join the basic digital tools (e-mail, e-statement, website and APP), allowing that in the first half of 2018 the historical mark of almost 65% of active accounts with e-Statement was reached, thus achieving the strategic business goal of increasing the number of customers with digital access: > 35% of clients until 2018; and of digital transactions: > 50% until 2018

**Kaizen Programme** that promotes daily a range of practices related to the continuous improvement of team activities, based on a Lean methodology, thus contributing to processes with greater added value for the Customer and that has a direct impact on the sustainability of the operations.

In 2018, the Kaizen Committees were resumed on a quarterly basis to monitor and identify the best initiatives of each department and the first team building event was also held to reinforce the team spirit and acknowledge the performance and participation of Employees in the Kaizen Programme.

All year round 467 improvement initiatives were implemented, of which about 10% represented savings in supplies (eg paper, file cabinets and others) of around 63,463 Euros.

**Removal of waste bins near the work stations**

In Portugal, the Bank proceeded to the general removal of waste bins, with the purpose of rationalizing the configuration of the workstations in the Bank's Central Services, contributing to the reduction of waste and, above all, their correct separation and recycling. This means that paper/cardboard will be placed in the collection points placed in all wings near the printers and that the unsorted or organic waste and plastic should be placed in the collection points available in the leisure areas.

**Sustainable mobility measures**

Promotion of the use of video-conference and e-learning instead of travels and preference for the use of rail transport as an alternative to travel by air plane, when economically viable.

In Poland, the replacement of almost all company cars for hybrid cars. This will prevent 500 tons of CO<sub>2</sub> emissions, a 20.6% reduction if compared with the period prior to the replacement.

**Environmental guide for customers and employees and production of a video for advice on how to protect the environment in the workplace in Poland.**

**Internal campaign for the collection of electronic waste in Warsaw headquarters building** for 5 days. About 150 kg of electronic waste was collected from employees.

The Project “Uma Cidade Limpa Para Mim - Recicla e Ganha” (A Clean City For Me), a partnership with AMOR - Associação Moçambicana de Reciclagem contributes to the first tile wall made from recycled plastic collected at the beaches and streets of Maputo.

Project for the decoration and painting of garbage cans in a partnership with ISARC - Instituto Superior de Artes e Cultura, in Mozambique, continuing its commitment of fostering a responsible environmental attitude in the community.

## Ecological Footprint

As mentioned above, BCP Group regularly monitors a series of environmental performance indicators which measure the Bank's eco-efficiency with regard to its main consumption of resources (5).

The Bank recorded again a year of improvement in the eco-efficiency levels due to the optimization of the thermal power stations, installation of the photovoltaic plant, the ongoing investment in the optimization of procedures, focusing on dematerialization and on the alteration of the daily behaviour of the Employees regarding the rational use of resources.

The Bank's consumption of energy is mostly of indirect origin (electricity and thermal energy) and meets 66% of the Bank's energy needs. In 2018, the decrease in indirect (-8%) and direct (-25%) energy consumption proceeded compared to 2017, due to the positive contribution of the various geographies, attributable to the energy efficiency measures that the Group has been implementing.

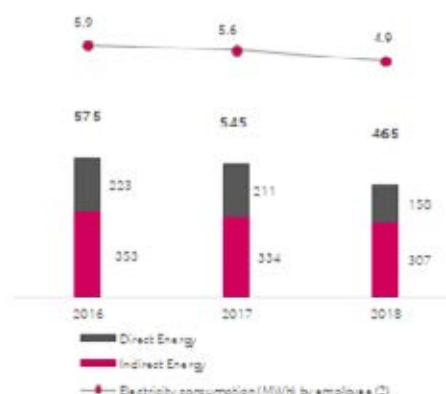
Concerning the domestic activity, Millennium bcp in Portugal reduced all types of energy consumption by 23% in total, and succeeded in attaining its annual target (-3%). Electricity from the utilities grid fell 9% vs. 2017, as mentioned above, a reduction which enabled to avoid the emission of around 2,673 tons of CO<sub>2</sub> and to save more than 500 thousand euros.

Electricity consumption<sup>(1)</sup>  
(MWh)



<sup>(1)</sup> Does not include the cogeneration plant and data center in Portugal, neither energy consumption in Mozambique.

Total energy consumption - GRI 302-1  
(T) and Multi-stakeholder



<sup>(2)</sup> Includes the cogeneration plant in Portugal, excludes the data center in Portugal and data from Mozambique.

<sup>5</sup> The environmental performance of all the Bank's operations was monitored in 2018, namely in Portugal, Mozambique, Switzerland and Poland, and the consumptions of previous years were presented within the same geographical scope in order to ensure an effective comparability of the results, with the exception of Mozambique whose energy (direct and indirect) and water consumption figures are not available.

As part of the commitment to adapt to climate change, the BCP calculates the Group's carbon footprint with the purpose to contribute to the reduction of greenhouse gas emissions. The Bank also took part in the CDP (Carbon Disclosure Project), and has obtained a Leadership A- classification in 2017.

Overall, the GHG emissions associated with the Group's banking activity continued to decline in 2018, and a decrease of approximately 9% compared to 2017 was registered, as a result of the continuous implementation of several energy efficiency measures introduced in the various geographies where the Bank is present.

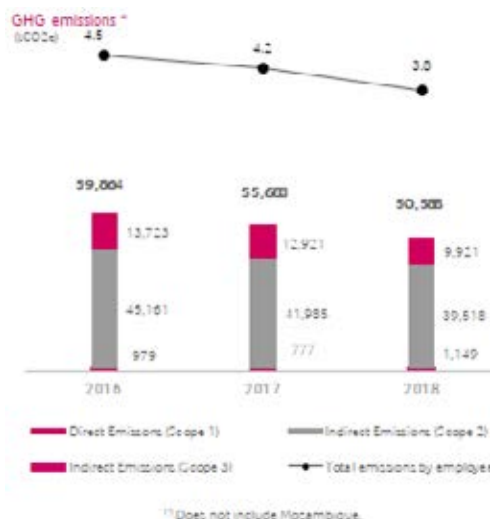
In overall terms, the emissions associated to fuel consumption (scope 1) recorded a slight decrease of 23% compared to the previous year, mainly caused by a reduction in emissions associated with the consumption of natural Gas. Emissions associated to electricity/heat consumption (scope 2) rose slightly around 6%. In emissions associated to service mobility (scope 3) there was an increase of 48%, mainly due to the emissions increase of plane and rail travels.

Concerning domestic activity (Portugal), Millennium bcp recorded a 26% reduction in its greenhouse gas emissions versus 2017, exceeding the pre-defined goal (a 5% reduction in CO2 emissions).

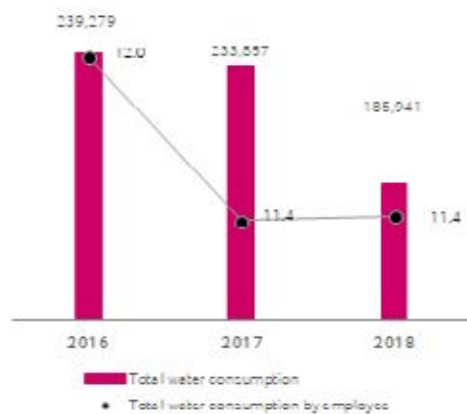
Direct emissions fell 27% year-on-year, mainly due to the decrease in the consumption of fuel, namely natural Gas. Indirect emissions associated with electricity consumption decreased by 26% compared to the previous year, due to the reduction in electricity consumption from the public grid, while indirect emissions associated with mobility (scope 3) increased by approximately 15% mainly due to the increase in long-haul flights.

By 2018, overall, the total water consumption of the BCP Group decreased by approximately 21%, mainly due to the reduction of water consumption for irrigation.

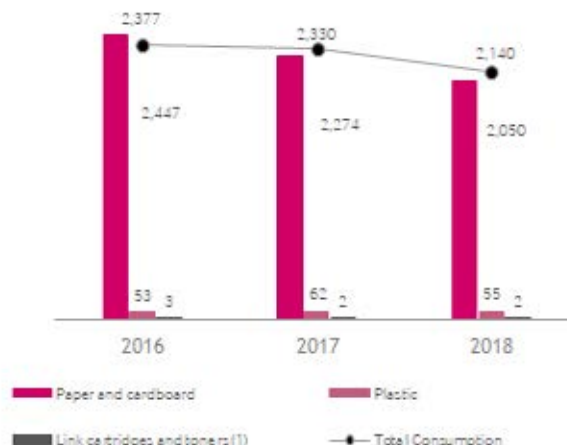
In Portugal, total water consumption was 105,392 m3, down 35% from the previous year due to the decrease in the use of public water for irrigation of the green spaces of the Bank's facilities. In this sense, the annual goal of reducing water consumption by 2% was achieved.



**Water consumption\***  
(m3)



**Materials consumption\***  
(t)



Overall, BCP recorded an 8% reduction in the consumption of its main supplies (paper and cardboard, plastic, and toners and cartridges), thus maintaining the trend of previous years as a result of process optimization measures.

The most consumed materials in terms of weight and quantity continue to be paper and cardboard, which, in overall terms, fell by 9% in relation to 2017, as a result of the dematerialisation initiatives that have been implemented in all the geographic areas. Ink and toner cartridges also showed a 11% reduction due to measures adopted to decrease printed documents and promote scanning.

In Portugal, in 2018, a decreasing tendency in paper and cardboard consumption continued, reaching 9% compared to the previous year, which did not reach the established annual target (-10% of material consumption). We must point out that the A4 and A3 paper brand used by the Bank has an Eco-label certificate of the European Union which confirms that the paper manufacturing process is environmentally sound.

Further details on the information reported in this chapter - (Responsible Business) -, in particular calculation criteria, the table of Global Reporting Initiative (GRI) indicators and correspondence with the Global Compact Principles, are available for viewing on the Bank's Institutional website, at [www.millenniumbcp.pt](http://www.millenniumbcp.pt), under Sustainability.