Sustainability 2012

SUSTAINABILITY REPORT
CAIXA GERAL DE DEPÓSITOS

www.cgd.pt

Caixa Geral de Depositos

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Our report

Caixa Geral de Depósitos S.A., which is referred to as CGD throughout this document, is publishing its fifth annual Sustainability Report on activities in 2012.

Although the information refers essentially to CGD's activities in Portugal, this year we have extended the scope of our sustainability reporting and provide information on the sustainability performance of:

- CGD Group companies: Caixa Banco de Investimento, SA Caixa Gestão de Activos, SGPS
- Joint venture: Sogrupo Compras e Serviços Partilhados, ACE and Sogrupo Sistema de Informação, ACE
- Subsidiary banks – Banco Interatlântico, S.A., Banco Comercial do Atlântico, SARL, both from Cape Verde - and Banco Caixa Geral Brasil, S.A., which are referred to in this report as BI Cabo Verde, BCA Cabo Verde and BCG Brasil, respectively

As in previous years, this report on CGD's performance complies with the guidelines for the maximum **Global Reporting Initiative** level (A+) (GRI G3), including the financial services sector supplement. The subsidiaries have reported some essential indicators, which are identified in the attached GRI table

Under its Corporate Sustainability Programme, CGD has made a number of commitments (see Figure 5 on p. 20). Their completion status is indicated in the report.

This Sustainability Report has undergone external assurance as per the statement by Deloitte & Associados, SROC, S.A, which is attached hereto. This assurance analysed the compliance of the information provided with that requested by GRI G3 and also validated the reliability of the information associated with these items (strategies, profile and performance indicators) by examining evidence in order to guarantee that it gave an appropriate picture of the reality at CGD.

Attached is a table of correspondence between the contents of the report and GRI requirements and another setting out the good governance principles for the state sector.

In this document, CGD has also published its third GHG Emission-Offset Report for 2012. It has also undergone assurance by Deloitte & Associados, SROC, S.A, which assessed the reliability of the information.

For more information about sustainability at CGD go to http://sustentabilidade.cgd.pt or contact sustentabilidade@cgd.pt.

GRI TABLE		C	C+	B	B+	A	A+
MANDATORY	Self-declared						✓
OPTIONAL	External assurance						✓
	Verified by GRI						

This report abides by the new Portuguese spelling agreement.

Interview with José de Matos
Chairman of the CGD Group Executive Committee

"Today, a company's progress, the positioning of a brand, or brands and its medium-term competitive advantage depend on its stakeholders' perception of an ethical, socially just and environmentally correct performance."

How would you describe 2012 for CGD's activity?

In 2012, due to the effects of the Economic Adjustment Programme for Portugal and the economic crisis, once again CGD's profitability was penalised owing to the ongoing scenario of very low interest rates and fast-growing imparity. Although it improved slightly against 2011, it has shown a net loss for the second year running.

However, as part of its mission as the Portuguese people's bank, CGD continued to play its active role in transforming the financial environment and restoring the economy's activity and sustainable balance.

In these circumstances, CGD continued its work, guided by a business strategy combined with its contribution to

sustainable development, including some aspects with threefold benefits for the development of the economy, protection of the environment and investment in the community's wellbeing.

What role does the CGD Group's Corporate Sustainability Programme play in its strategy?

CGD considers it vital to reinforce its organisational culture and the CGD Group's overall performance. Its key factor of change is the definition of an integrated corporate strategy based on corporate policies and procedures, but with specific, articulated guidelines for each of its structures in accordance with its needs and specificities.

The strong leadership and commitment of top management in this process of change are a critical success factor in the implementation of this new way of thinking and operating as a Group, which requires the involvement and commitment of the structures. The development and implementation of a corporate operation model is one of the main strategic challenges set for 2011-2013.

As CGD considers sustainable development a permanent, inspiring challenge for its activity, its Corporate Sustainability Programme makes one of the most important contributions to the image and reputation of the Bank's brand. CGD has therefore been fostering cohesion between the different Group structures by sharing good practices. The scope of the report reflects this, as for the first time it includes the performance of some affiliates in such different countries as Brazil and Cape Verde.

Thanks to its specific initiatives and programmes to assist in the country's economic recovery, CGD is contributing to greater entrepreneurship in national

business. What progress has been achieved and how has it reflected on CGD's relationship with companies?

CGD considers it essential to encourage not only exports but also entrepreneurship in the support that it has been giving to Portuguese businesses. At the same time as it favours stable, mutually beneficial relationships with its customers, CGD has been offering a number of essential instruments to support entrepreneurship. Customers wishing to undertake new businesses have found that CGD offers the support and financial partnership that they need for the future.

Over the years, CGD has established a relationship with customers that allows it to get a good idea of their needs and the type of support they prefer. This helps CGD to develop products and services and fosters positive appreciation from customers.

The CGD Group's international platform has been a very important factor in assisting the development of companies' business. As a result CGD has become a driving force behind exports and foreign investment.

However, for CGD, while exports are essential to the present, entrepreneurship is vital to the future. As a result, in addition to its products and services, CGD has sponsored events encouraging entrepreneurship, entrepreneurs and related agents.

What contribution has CGD made in designing solutions for the social challenges that Portugal is facing?

CGD's commitment to the main social challenges in Portugal has been reflected by a high stake in areas such as access to financial products and services, development of microfinance products and promotion of social entrepreneurship, including involvement with the third sector - the social economy. The work done in this area was recognised in 2012 by the European Commission, which invited CGD to join the European Commission Committee of Experts (Social Business).

CGD's performance in this area had already been recognised by the WSBI/ESBG, when it joined the Corporate Social Responsibility Committee (CSR Committee), which also involves the European Commission.

In view of present situation, CGD has been strongly committed to the prevention of customer default and recovery of credit from private and business customers.

In the field of financial education, I would like to highlight the CGD financial literacy programme, Saldo Positivo (Positive Balance), which was mentioned as an example of good practices in the international report by the European Banking Federation, with the launch in 2012 of the version for SMEs - Positive Balance Companies – an online support platform for managing companies' financial health.

CGD recently received two important sustainability awards. *The New Economy* magazine classed it as Portugal's Most Sustainable Bank and it received the highest score for its performance from the Carbon Disclosure Project. What do you think about these latest distinctions?

These awards represent recognition of the merit of CGD's work in the area of sustainability, which is a source of great pride for the management and all our employees.

The first distinction recognises the work that has been done in the different sustainability pillars by implementing best practices, there by contributing to environmental protection, the promotion of education and academic merit, entrepreneurship, social and financial inclusion, reinforcing its position as the Portuguese families' first bank and strengthening business with the business segment.

Regarding its CDP classification, CGD has a number of projects that follow good environmental practices, especially its Programa de Baixo Carbono (Low Carbon Programme). We have made great progress in managing greenhouse gas emissions, which has been recognised once again. We are the only Portuguese company in the

Iberian Top 6 for climate change and the only Iberian financial institution recognised for its contribution to a low carbon economy.

The measures taken by CGD have contributed very successfully to improving its environmental performance. This is demonstrated in the results achieved in monitoring reduction goals for 2015. The targets were actually far exceeded in 2012.

I would also like to highlight the Caixa Floresta (Caixa Forest) project. CGD is the only bank with a structured association with the Portuguese native forest.

What are the sustainable development priorities for 2013?

CGD will continue to consolidate the promotion of sustainable development, as a benchmark organisation in the best practices in the financial sector, by implementing initiatives that reduce its exposure to the risks arising from its activity.

CGD also regards its employees as one of its strategic assets and essential to its success. We will therefore continue to manage our human resources through effective talent and knowledge management along with measures to foster their wellbeing.

We will continue to sponsor companies that create added value for the national economy and to develop stable, strong business relationships with them. We will also facilitate internationalisation models and routes.

CGD will continue to improve conditions for access to funding by developing inclusive business models and encouraging self--employment, thereby contributing to the development of the economy, active citizenship and a low carbon economy.

The solidity of the CGD Group will allow us to follow a path of continuous improvement, always focusing on the creation of value for its stakeholders and the companies in its financial group.

We will continue to work for future generations in a growing awareness that sustainable development is essential and urgent.

Today, a company's progress, the positioning of a brand, or brands and its medium-term competitive advantage depend on its stakeholders' perception of an ethical, socially just and environmentally correct performance. This sustained performance will constitute an important difference when it's time for customers to choose, especially younger ones, who are more demanding due to greater environmental and social awareness.

CGD has a vision for the future that is built with a contribution from all its employees and customers and the communities to which it belongs.

José de Matos
Chairman of the Executive Committee of Caixa Geral de Depósitos, S.A.

Statement by the Chairman of the Board of Directors and Executive Committee of Banco Interatlântico – Cape Verde

Banco Interatlântico is aware of the importance of social accountability to the sustainable development of an institution and is therefore firmly committed to supporting social and environmental causes.

In 2012, as part of its social accountability policy, the Bank continued to support different initiatives promoted by public and private institutions, churches, associations and NGOs in the fields of sport, culture, education, health and local authorities in the form of sponsorship or donations. Although these actions are difficult to assess in terms of direct benefits for the institution, they have important effects for society.

Some of the activities supported in 2012 were, for example, a donation for renovating and equipping the canteen at the school in Achada Grande Frente — cidade da Praia, which every year will directly help around 170 students in basic education in a partnership between BI and the Cape Verde National Commission for UNESCO.

Social and environmental concerns are reflected in the very values of Banco Interatlântico, which believes that the institution must act with ethics and corporate citizenship, respect the law and customs and consolidate its position as a bank providing a complete, high-quality financial service that is distinguished by its importance and responsibility, strong in its contribution to high ethical standards, the country's economic development, reinforcement of competitiveness, capacity for innovation and employee satisfaction.

When analysing credit risk, Interatlântico includes social and environmental concerns and is currently raising employee awareness. It is also committed to standardisation of its social and environmental risk analysis in credit operations.

As a bank belonging to a leading financial group in Cape Verde, Banco Interatlântico has sought development while maintaining a balance between profitability, growth and financial solidity within the framework of prudent risk management and harmony with our milieu.

Jorge Fernando Gonçalves Alves

Chairman of the Board of Directors and Executive Committee

Statement by the Chairman of the Board of Directors and the Executive Committee of Banco Comercial do Atlântico Cape Verde

BCA is currently celebrating its twentieth anniversary and has reinforced its status as a key bank in the Cape Verde financial system. It continues to show its reputation with merit and pride, in the recognition given to its brand at home and abroad, including the award of the Morabeza Stamp for the Most Trustworthy Brand in Commercial Banking in Cape Verde.

The bank plays an undeniable role in supporting the growth of the economy, and its current management also focuses on the integration of the principles of sustainability, giving the necessary emphasis to social, environmental and human resource management in order to contribute to a society with better quality of life indicators, i.e. one that is fairer and more inclusive and harmonious.

Given its leadership position, BCA is constantly being asked, as part of its social responsibilities, to provide support for initiatives in such varied areas as education, health, culture, sports, science and technology. Whenever possible, the Bank seeks to provide a positive response to the expectations of event promoters and fits its participation into the context of sustainability guidelines and demands and requires the same behaviours and attitudes from its partners.

Particularly important is the agreement between BCA and AFD – Agence Française de Développement aimed at providing lines of finance to local authorities at highly competitive prices and with strict demands in terms of environmental impact studies, thereby contributing to the formation of a new culture of awareness of the importance of preserving the environment at institutions very close to the population, such as municipal councils.

In a country strongly committed to increasing renewable energy sources and concerned about finding a fair balance between ecological concerns and its main sector of activity, Tourism, and which has highly qualified human resources with great potential, the right conditions have been created for the BCA to continue its role as a responsible institution committed to the promotion of a better future, seeking to involve its stakeholders in this common goal.

Finally, I would like mention our satisfaction at being part of the fifth CGD sustainability report and our desire to share experiences and realities with everyone involved in this project that motivates us all.

Joaquim de Sousa

Chairman of the Board of Directors and the Executive Committee

Statement by the Chairwoman of Banco Caixa Geral Brasil

Working for economic, social and environmental sustainability reasserts our respect and responsibility for future generations.

New markets, new demands and new business models are constantly appearing and encouraging us to permanently rethink our business. Incorporating our concern for sustainability of the business is another of the facets of this challenge and a dynamic that is gaining importance in the corporate world.

Banco Caixa Geral Brasil has been operating in the Brazilian market for four years and supports practices and projects that foster sustainability and a more caring society, in line with the guidelines of its matrix –Caixa Geral de Depósitos.

Because we're making the future now.

Deborah Vieitas

Chairwoman

Highlights 2012

According to the Brandscore 2012 brand barometer, CGD was considered the top brand in the Portuguese financial market and Portuguese consumers described it as:

- The best known bank brand
- Trustworthy and relevant in society
- Solid, a leader, prestigious and a benchmark
- Socially and environmentally responsible

It was also considered the brand that most supported education and universities and strategic sectors of the economy, culture and sustainability.

Awards and distinctions

Sustainability	
Corporate Responsibility Prime	**Prime company – Oekom Ratings** CGD was given a classification of Prime, placing on a level with the international companies whose activity poses the lowest social and environmental risk.
NewEconomy SUSTAINABLE FINANCE AWARDS	**Best Sustainable Bank in Portugal – *The New Economy*** CGD – was voted the Most Sustainable Bank in Portugal in 2012 This was part of *The New Economy*'s Sustainable Finance Awards, which acknowledge banks and other financial institutions that, at international level, show leadership and innovation in including social, environmental and corporate criteria in their operations.
CDP DRIVING SUSTAINABLE ECONOMIES	**CPLI Member** and **Iberian TOP 6 – Carbon Disclosure Project** CGD received the top score (A) in the performance rating and was placed in the Carbon Performance Leadership Index (CPLI), which highlights companies that have proved to have an effective strategic approach in fighting climate change. In 2012, for the first time, a Portuguese company qualified to feature in this index, CGD, thereby becoming leader in performance in the financial sector in the Iberian Peninsula, the fight against climate change and promotion of a low carbon economy.
Brand	
votado pelos leitores MARCA DE CONFIANÇA 2012 Selecções do Reader's Digest	**Trusted Brands in *Reader's Digest*** CGD was re-elected Trusted Brand in Portugal in the Reader's Digest Trusted Brand study for the 12th time.

	Most Valuable Portuguese Bank Brand in the Brand Finance Banking 500 ranking For the fifth time running, CGD was considered the Most Valuable Portuguese Bank Brand in Portugal, with a value of 381 million euros.
	Seal of Brand Excellence – Superbrands CGD cemented its position at national and international level on being voted a Brand of Excellence for the fifth time running.
	Marcas que Marcam – QSP-Consultoria de Marketing and *Diário Económico* CGD was the winner in the Banks and Credit and Debit Cards categories, asserting itself once more as a sound, safe bank.
Customer publishing (in-house communication)	
	APCE Grand Prize 2012 –Nós Caixa considered the best newsletter.
Digital communication	
	www.cgd.pt – the only website in Portugal with maximum accessibility (W3C) and financial domain with the largest number of single visitors.
	SAPO 2012 awards: - **Best digital media plan –** PAP Campaign – Plano Automático de Poupança (Automatic Savings Plan) **- Silver prize –** Campanha PAP – Calculadora da Poupança (Savings Calculator)
Campaigns	
	2012 Efficacy Awards **Silver prize** - summer campaign for Residents Abroad

Other awards	
Prémios SIL do Imobiliário	**SIL Imobiliário 2012 awards** CGD won the Prémio Arrendamento for the second time running.
	Distinction for drills organised by CGD For the second year running, CGD was recognised in the Annual Internal Security Report (RASI 2012) drafted by the Ministry of Internal Administration, for its capacity in organising drills at its head office and 5 de Outubro, as part of the Caixa Segura (Safe Caixa) Programme.
	Caixa Banco de Investimento (Caixa BI) Best Investment Bank in Portugal – *Euromoney* *Euromoney*, a leading international magazine in the financial sector, named CaixaBI the Best Investment Bank in Portugal in its Awards for Excellence 2012. Similar distinctions were given by the respected magazines *Global Finance*, *World Finance* and *EMEA Finance*, thereby strengthening the important role that CaixaBI has played over the years.
BCA BANCO COMERCIAL DO ATLÂNTICO	**Banco Comercial do Atlântico** The BCA was voted the Trusted Bank of the Cape Verdeans with the Trusted Brand seal for the third time running. This is an independent totally spontaneous consumer survey that focuses on assessing levels of trust in a vast range of categories of products and services to vote for the brands that they consider worthy of this title.

In 2012, we also launched our **Sustainability Campaign: We see the future with a fresh pair of eyes.**

The message "We see the future with a fresh pair of eyes" symbolises CGD's pride and responsibility in its sustainable development path.

The commitments that CGD has been defining and the paths that it has built represent the bank that it wants to be and the future it wants to have. This campaign reinforced CGD's responsibility to the resources and means that it has at its disposal, and under its management, in the construction of a better future for upcoming generations. They are symbolised in this concept in the eyes of a child or another living being, to whom CGD's work in general is not indifferent.

CGD is part of the European Commission Expert Committee for Social Entrepreneurship. In 2012, CGD was part of the European Commission Expert Committee for Social Entrepreneurship, which was created in 2012 with the goal of monitoring the European Social Business Initiative (SBI) for a five-year period. The committee, which is made up of 27 Member States will be consulted on a regular basis by the European Commission with regard to implementing the measures of the SBU and the exploration of new opportunities to develop the European social sector as a vehicle to combat the main social challenges.

Main figures - CGD, SA

Economic dimension			
Operating income 1.685 billion euros	37.7 % of loans granted were to companies	**Deposits from customers:** 58.248 billion euros	More than 1.4 million active internet banking contracts
Environmental dimension			
11% reduction in CO_2 emissions and	10% reduction in energy per FTE between 2006 and 2012	22% increase in waste sent for recovery	157,000 trees planted

Social dimension			
387,603 training hours	50% of supervisory positions occupied by women	5.7 million euros in direct investments in the community	More than 4.7 million visits to the website *Saldo Positivo – Programa de Literacia Financeira* (Positive Balance - Financial Literacy Programme)

1. Our sustainable management approach

1.1 Organisational profile

Mission:
The CGD Group's mission is to consolidate its position as a structural group in the Portuguese financial system, standing out for the importance and substantial responsibilities in its contribution to:
– Economic development
– Stepping up the competitiveness, capacity for innovation and internationalisation of Portuguese companies
– The stability and solidity of the Portuguese financial system.
As market leader, development, with a balance between profitability, growth and financial solidity, always within a framework of prudent risk management.

Value
CGD's activity and its employees' conduct are guided by the following fundamental values:

THOROUGNESS
Objectivity, professionalism, technical skills and diligence to attain higher quality and economic, financial, social and environmental efficiency levels to adopt the best banking and financial practices

TRANSPARENCY
Of information – conditions to provide services and the organisation's performance by acting in a true and clear manner

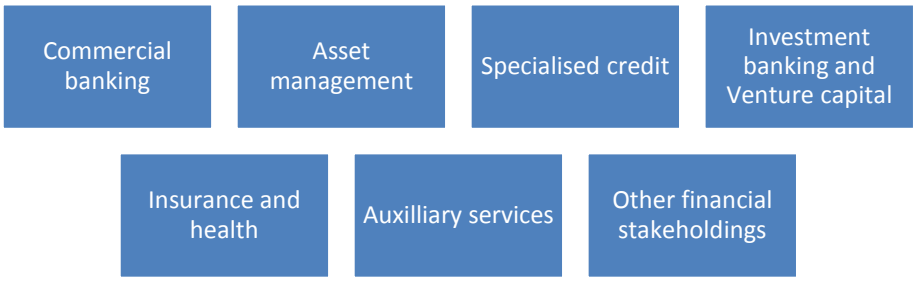
SECURITY
Of investments, where prudence, risk management, the institution's stability and solidity are indispensible criteria

ORGANISATION AND PERSONAL LIABILITY
For own actions, seeking to correct possible negative impacts. This includes socially responsible action and the commitment to sustainable development

INTEGRITY
Full legal, regulatory, and contractual compliance, as well as compliance with ethic values and principles adopted

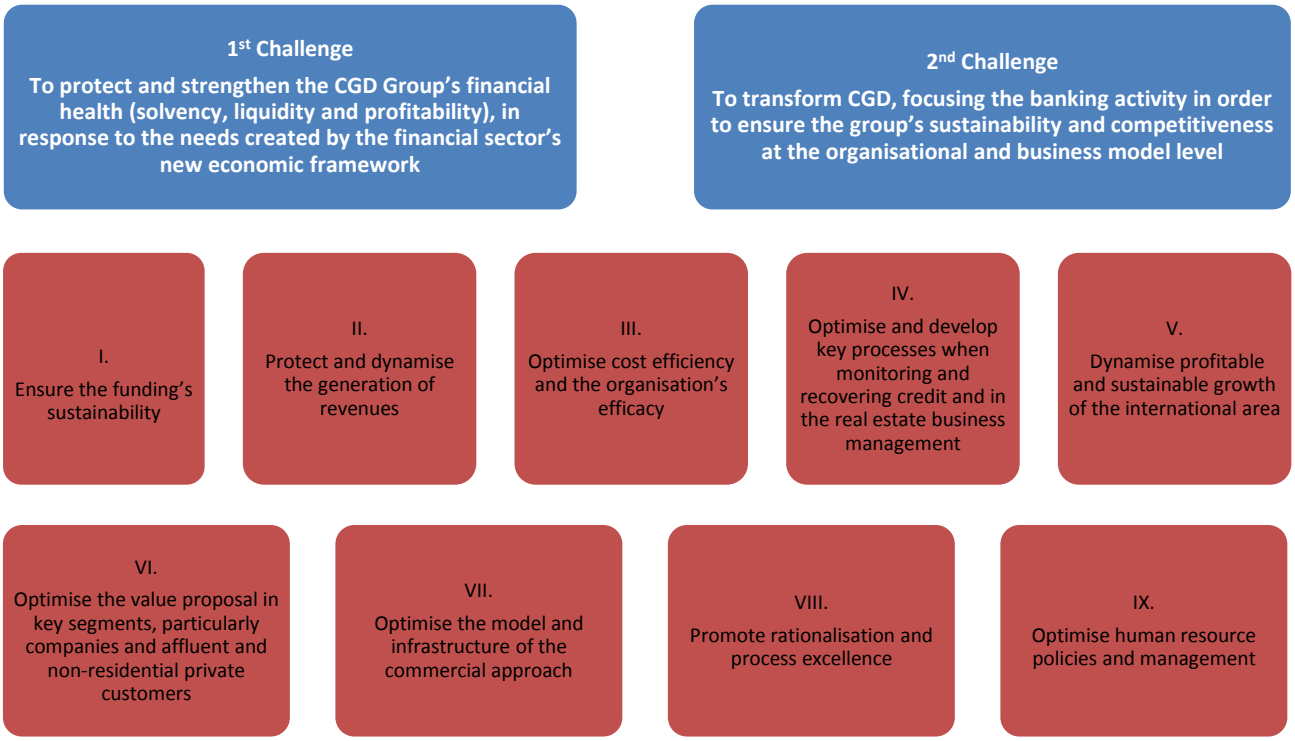
RESPECT
For the interests placed, acting with courtesy, discretion and loyalty, as well as respect for the principles of non-discrimination, tolerance and equal opportunities

CGD Group business areas



CGD pursued its activities in accordance with the guidelines set out for 2011-2013, under the Economic Adjustment Programme entered into by the Portuguese Government, International Monetary Fund, European Commission and European Central Bank, which has conditioned CGD's business since 2011.

The CGD Group's **Strategic Plan** for **2011-2013** is therefore based on two key challenges and nine strategic guidelines:



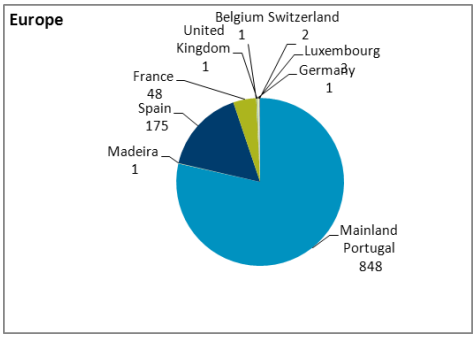
These guidelines served as a basis for the specific orientations given to the different bodies and department in the CGD Group, as part of their budgets and plans of activity for 2012.

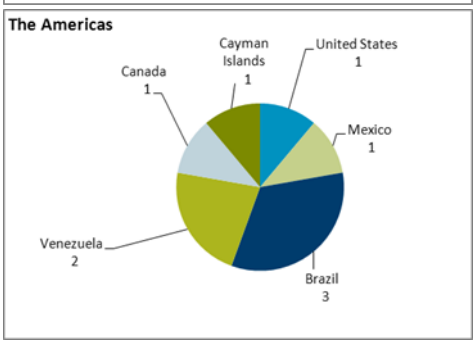
Commercial network

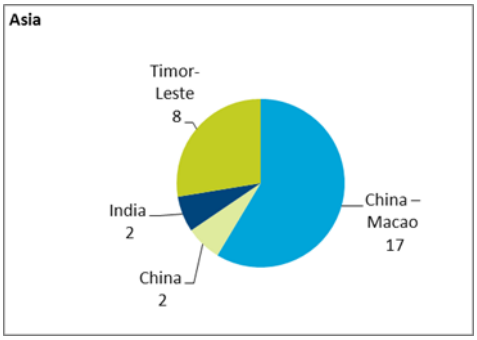
At the end of 2012, the CGD Group's commercial network totalled 1,311 branches, 848 in Portugal and 463 abroad. There was a reduction of 12 branches in Portugal in 2011 and at the end of the year there were 811 branches and 36 offices.

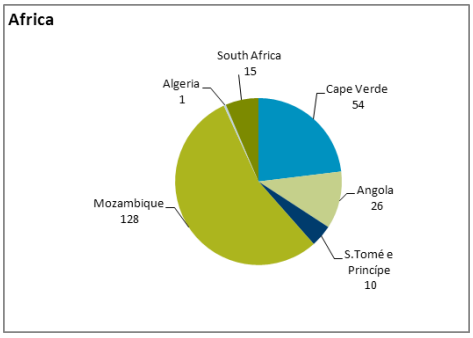
Our international network decreased by 40 branches, especially at Banco Caixa Geral in Spain (37 fewer), as a result of the restructuring of the Group's presence begun in 2012. However, as in the previous year, the network of Banco Comercial e de Investimentos in Mozambique continued to expand and grew by eight units.

Figure 1: The CGD Group in the world









❶ Banco Interatlântico aspires to be the bank of preference and reference for the business and institutional segment and for private customers with medium to high incomes and to be recognised for its technological and product innovation and vitality in financial services, especially in specialised loans and the capital market. BI has nine branches located as follows: 5 on Santiago Island, 1 on São Vicente, 2 on Sal and 1 on Boa Vista, all with modern technology.

❷ Banco Comercial do Atlântico (BCA), embodying its mission to be the best bank in the Cape Verdean financial system, still holds its leadership position in the country's banking sector as a bank of reference and trust of Cape Verdean's living there and abroad.

BCA provides universal banking services, with particular focus on Cape Verdean emigrants and private and business customers. It is recognised for its innovative technology and products that are currently exclusive to BCA, such as BCA Leasing and BCA Factoring. Thanks to its size in Cape Verde and the fact that it belongs to the CGD Group it also has a special relationship with companies wishing to invest in Cape Verde.

BCA has network of 33 branches, four of which specialise in the business segment, and covers all the islands almost all their municipalities: 5 on S. Vicente, 4 on Sto Antão, 4 on Sal, 1 on Boa Vista, 2 on S. Nicolau, 14 on Santiago, 1 on Maio, 2 on Fogo and 1 on Brava.

❸ Banco Caixa Geral – Brazil (BCG-Brazil) has cemented its position as a company and investment, with its main focus on meeting the needs of companies that are Caixa Geral de Depósitos customers operating or that wish to operate in Brazil. In addition, BCG-Brazil also assists Brazilian companies operating in Portugal and the companies in the Community of Portuguese-speaking Countries or that have links to economic sectors with a considerable presence of Iberian investment in Brazil, such as energy, construction, engineering, logistics, hospitality, telecommunications and others. It is thus a key partner for all those who have relationships with Portugal and can take advantage of the synergies arising from the CGD Group's international platform and rating.

A single bank has all the products of a commercial and investment bank that offer specific solutions for customers' needs, including specialised loans, guarantees, treasury operations, consultancy on mergers and acquisitions and capital market operations. BCG-Brazil also brought to the country CGD's expertise in consultancy and financing of projects associated with infrastructure s and other major investments happening in Brazil.

BCG-Brazil has two branches, one in São Paulo and the other in Rio de Janeiro. It also has a stock broker called CGD Securities, operating in these cities.

BCG-Brazil aspires to be the bank of choice for the business segment in the Brazil-Portugal-Africa triangle and also does business with institutional and private, medium-high-income customers by offering financial services and investment alternatives in Brazilian currency.

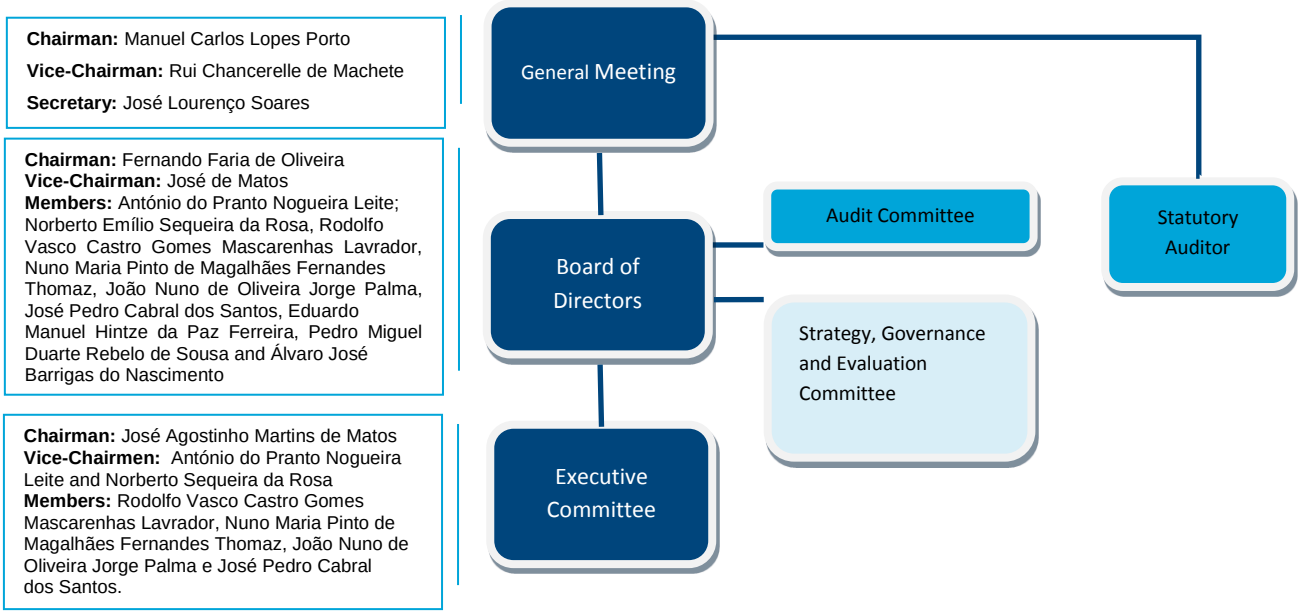
BCG-Brazil is the key partner for everyone having dealings with Portugal, Africa and China from Brazil and wishing to benefit from speedy, specialised financial consultancy.

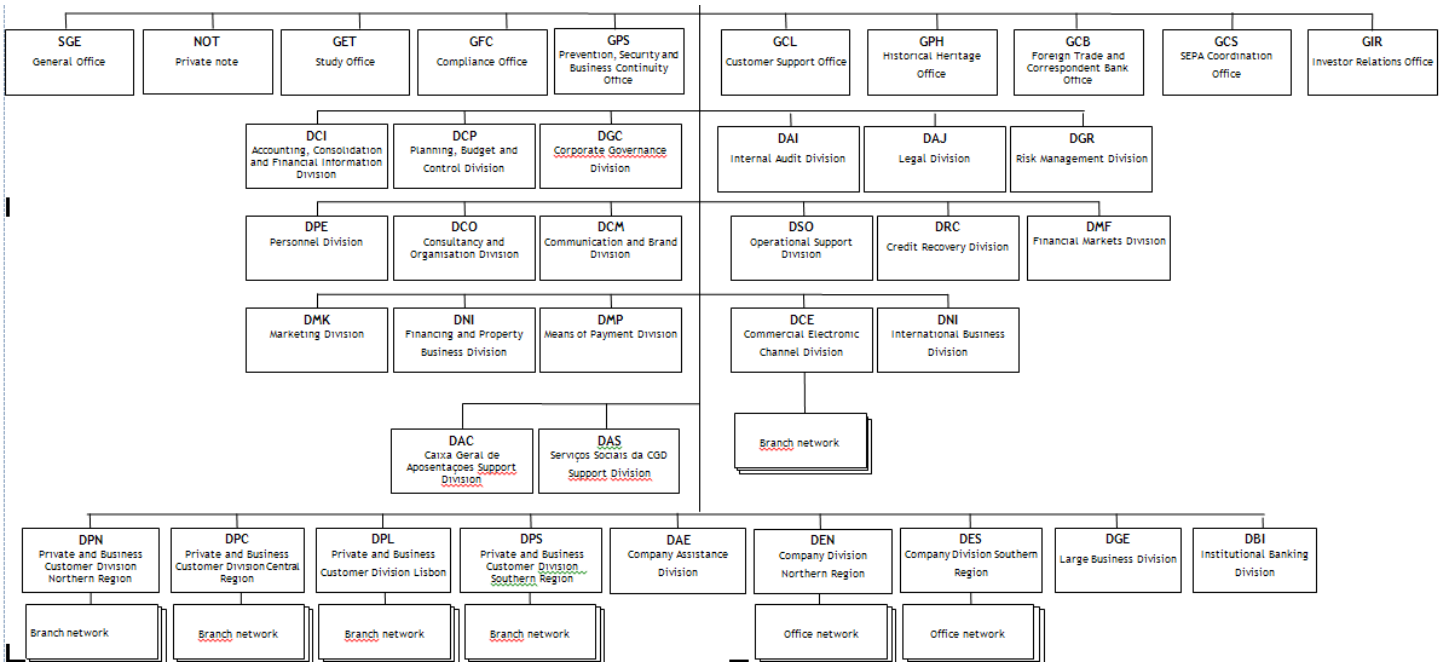
1.2 Governance model

The new model, which separates management and supervision, consists of the Board of Directors, which delegates the everyday running of CGD and the Group to the Executive Committee, the Audit Committee and the Statutory Auditor. Their term of office is 2011 to 2013.

Figure 2: CGD organisation chart

Corporate bodies 2011-2013





In 2012, the Executive Committee redistributed departments and responsibilities among its members and also for absences of the primary incumbents, as follows:

Table 1: Positions of the members of the Executive Committee

José Agostinho Martins de Matos	António Nogueira Leite **	Norberto Sequeira da Rosa	Rodolfo Mascarenhas Lavrador	Nuno Fernandes Thomaz	João Jorge Palma	José Cabral dos Santos***
Chairman of the Executive Committee	Vice-Chairman of the Executive Committee	Vice-Chairman of the Executive Committee	Member	Member	Member	Member
Institutional relations (in articulation with the CBD*)	Planning, Budget and Control	Accounting, Consolidation and Financial Information	International business	Private customers	Chief Financial Officer	Company Service
Institutional Communication (in articulation with the CBD*)	Risk management	Personnel	Foreign Trade and Correspondent Banks	Credit Recovery	Financial Markets	Institutional Banking
Press Advisory	Marketing	Support to Social Services	Legal	Banking for Residents Abroad	Real estate Business	Large Companies
Customer Support	Business Communication	IT - Micro-computers	Private Note	Asset Management	Caixa Imobiliário	Companies (SMEs)
General Secretary	Corporate and Organisational Development	Operational Support		Safety and security	Property Management	Specialised Credit
Internal Audits	Study Office	Means of Payment			Administrative Services	
Compliance	Investment banking – CaixaBI	Electronic channels			Investor Relations	
Credit Risk	Venture capital – Caixa Capital	SEPA				
Financial holdings		CGA - DAC Support				
Culturgest		Insurance and Health – Caixa Seguros e Saúde				
Historical Heritage– GPH						

* CBD - Chairman of the Board of Directors
** António Nogueira Leite resigned and as of 31 January 2013, ceased to belong to the corporate bodies of CGD
*** Elected to replace Jorge Humberto Correia Tomé to complete the current term of office, having taken up the position on 29 March 2012.

Corporate governance

CGD is present in many countries with different regulatory and cultural specificities but also with a high wealth of experiences and competencies. It is essential to foster cohesion between the different CGD Group structures by sharing knowledge and good practices between them and the parent company. The current economic and financial context means that it is vital to step up the CGD Group's culture and overall performance in pursuit of our goal of improving consolidated results.

An integrated corporate strategy implemented by all the CGD Group structures will boost synergies and the full use of business opportunities and seek substantial improvements in their overall performance through sustainable repositioning in the different markets where CGD operates.

In order to achieve these goals, it is basically necessary to develop an appropriate corporate operating model. This is one of the CGD management's main strategic challenges for 2011-2013.

This corporate operating model is based on the following principles, which are considered the key factors in this process of change:

- Definition of a Group strategy with specific guidelines for each structure, supported by corporate policies and procedures
- Identification of positions that must be considered key, due to their importance to the Group's efficient operation
- Conversion of CGD's “domestic” into "corporate" departments with the means they need to perform these new functions
- Development of different articulation and intervention models for each Group structure in accordance with needs and specificities.

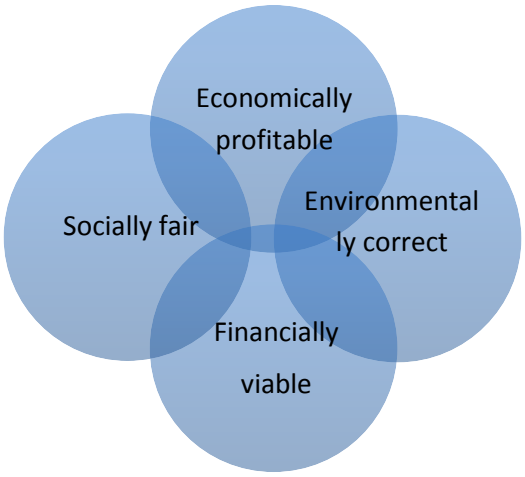
This model is being introduced in phases in view of its complexity and wide scope. Some departments were reorganised as part of the Departmental Rationalisation Programme in 2012.

The Corporate Management Board was set up as a deliberative body of the Board of Directors. Its remit is to analyse, approve and monitor execution of activity plans, individual budgets of Group structures and corrective measures, aimed at fulfilment of business plans and mitigation of their risks.

Sustainability management model

CGD believes that business based on the principles of sustainability is of decisive importance if we are to manage available resources in a balanced fashion, recognise opportunities in the social and environmental field and create value for the future.

It is in this context that CGD chooses and asserts sustainable development in order to be:



The sustainability management model applies to the entire organisation and involves most of the corporate bodies and joint ventures in pursuit of the Corporate Sustainability Programme, along with some Group companies and subsidiary banks – Caixa Banco de Investimento, Caixa Gestão de Ativos, Fundação Caixa Geral de Depósitos – Culturgest, Banco Interatlântico, Banco Comercial do Atlântico and Banco Caixa Geral Brasil.

A new body was set up as part of the Corporate Sustainability Programme in 2012 – the Sustainability Steering Committee. The sustainability management model now consists of:

Figure 3: Sustainability governance model

General Sustainability Committee: a body that makes recommendations and is responsible for analysing, discussing and monitoring implementation of CGD's sustainability strategy and recommending relevant materials for approval by the Executive Committee.

Sustainability Steering: an interim forum for monitoring implementation of the Corporate Sustainability Programme and preparing meetings for the General Sustainability Committee

Sustainability Programme Coordination Team: it coordinates and monitors the Corporate Sustainability Programme and assists the activities of the working groups

Working groups: made up of heads of the units, who work on specific issues, such as

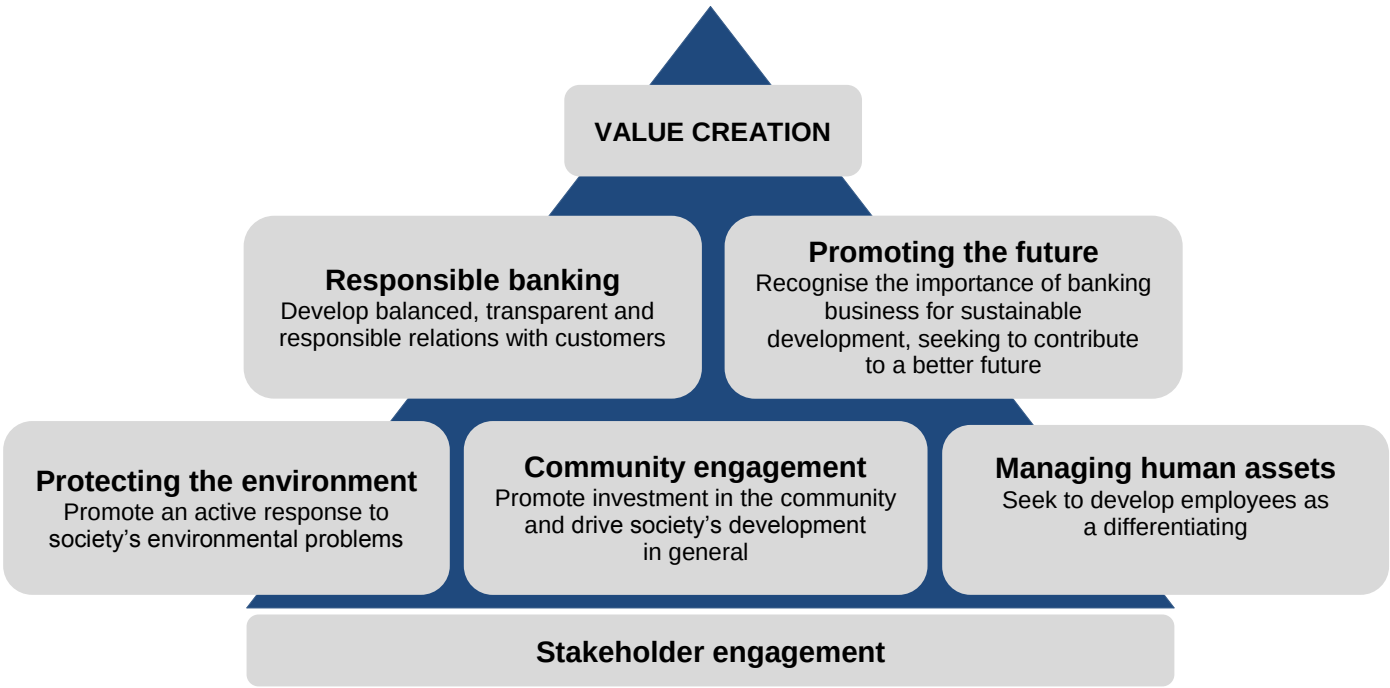
- Policies and Voluntary Codes WG
- Risk
- Product
- Environment
- Community Engagement
- Reporting and Stakeholders
- Human Resource WG
- CGD Group /Africa/Brasil

Corporate Sustainability Programme

CGD continued to implement its Corporate Sustainability Programme based on economic, environmental and social areas of action.

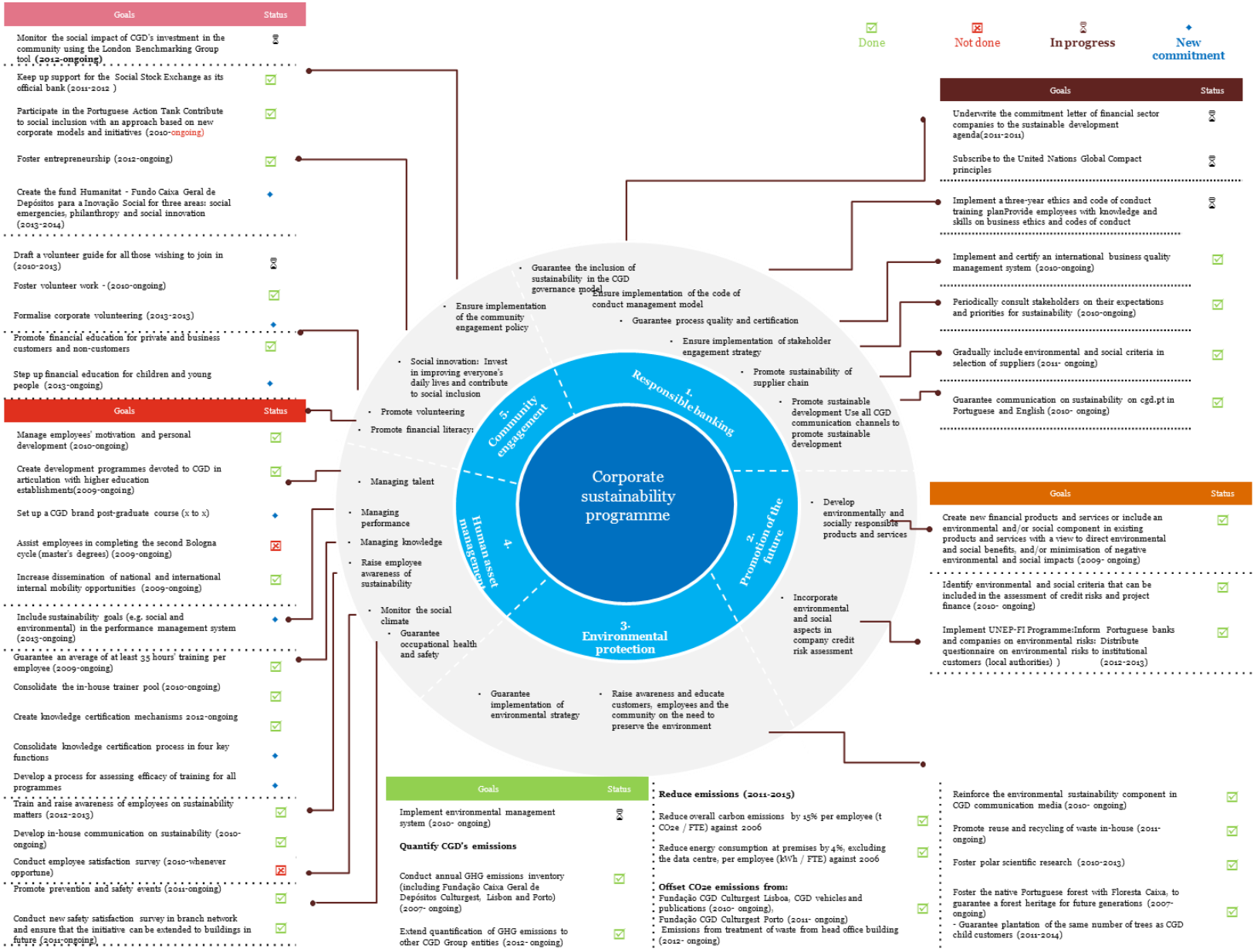
In order to ensure more effective monitoring of implementation of its sustainability policy, in 2012 CGD redefined and reorganised its commitments around the five strategic areas of this policy, which embody its vision and corporate sustainability strategy.

Figure 4: Overview of CGD's sustainability policy



CGD, supported by companies in its group, voluntarily makes economic, environmental and social commitments that go far beyond its legal and compliance obligations and have a general positive impact on sustainable economic development, improvement in competitiveness, the companies' internationalisation and innovation capacity, the creation of jobs, financial inclusion, promotion of responsible spending and renewable energy.

Figure 5: Sustainability commitments



1.3 Main financial indicators

In order to meet the targets set in the Economic Adjustment Programme for Portugal and the requirements of the European Banking Authority (EBA), in a unanimous written decision on 27 June 2012, the Portuguese state, CGD's sole shareholder, approved its recapitalisation plan to the amount of 1.65 billion euros, as follows:

- 750,000,000 euro increase in share capital via the issue of 150,000,000 new nominative shares of 5 euros each subscribed at par by the sole shareholder
- Issue of hybrid financial instruments eligible for Core Tier 1 equity to a total of 900,000,000 euros, fully subscribed by the Portuguese state.

These financial operations took place on 29 June 2012.

CGD's share capital was then 5,900,000,000 euros represented by 1,180,000,000 nominative shares with a face value of 5 euros each and has been fully subscribed and paid up by the state.

Figure 6: Sharing of value by stakeholders by country in 2012 (euros)

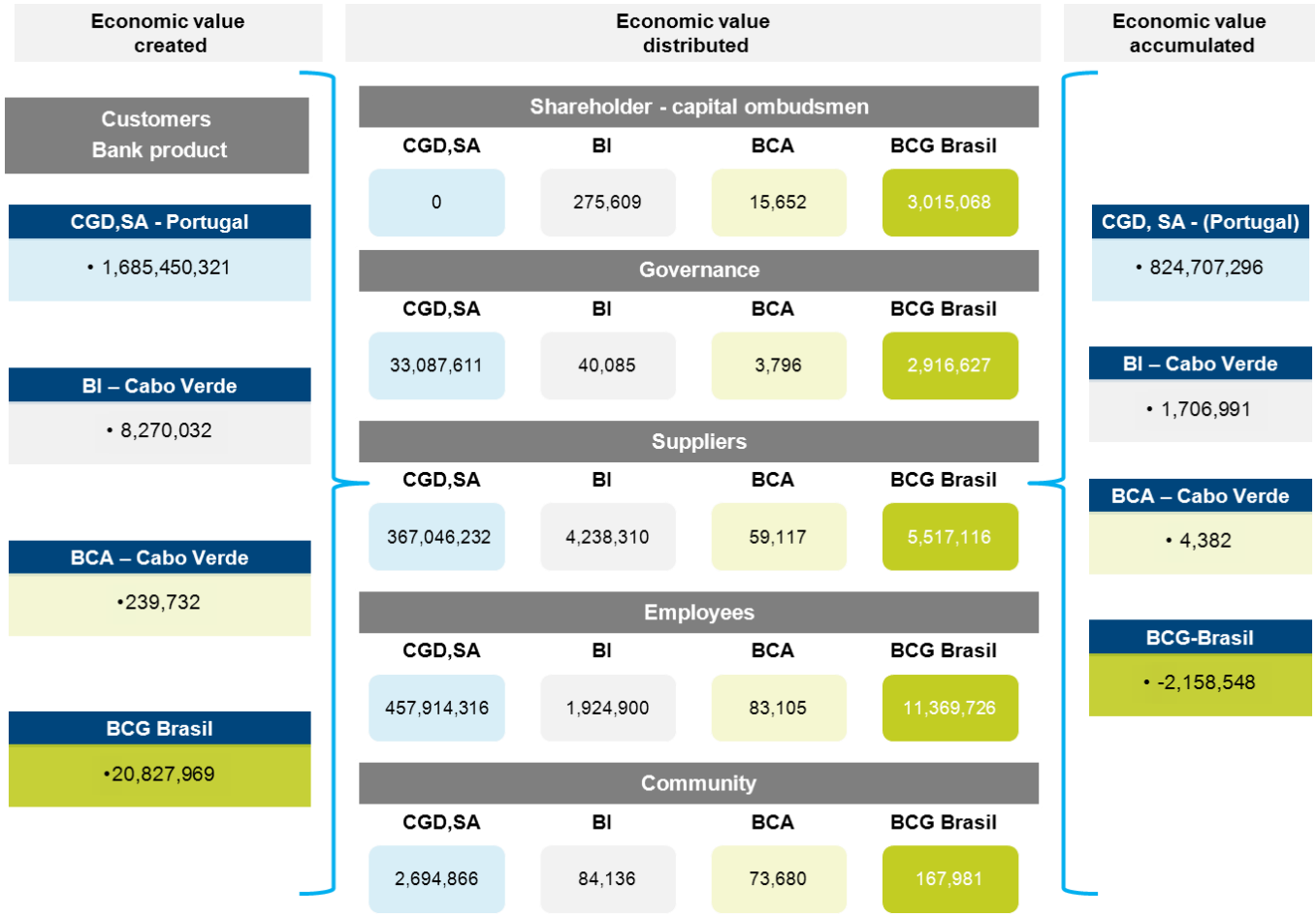
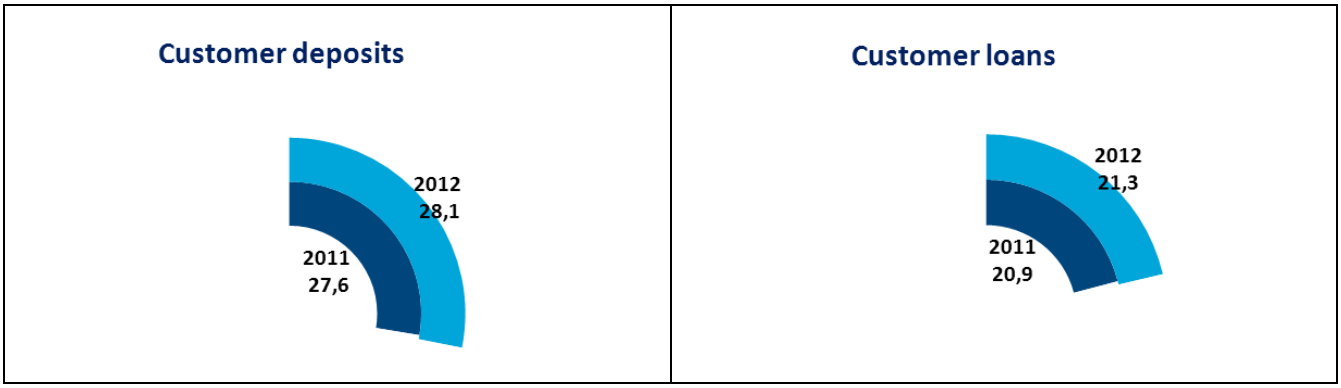


Table 2: Ratings

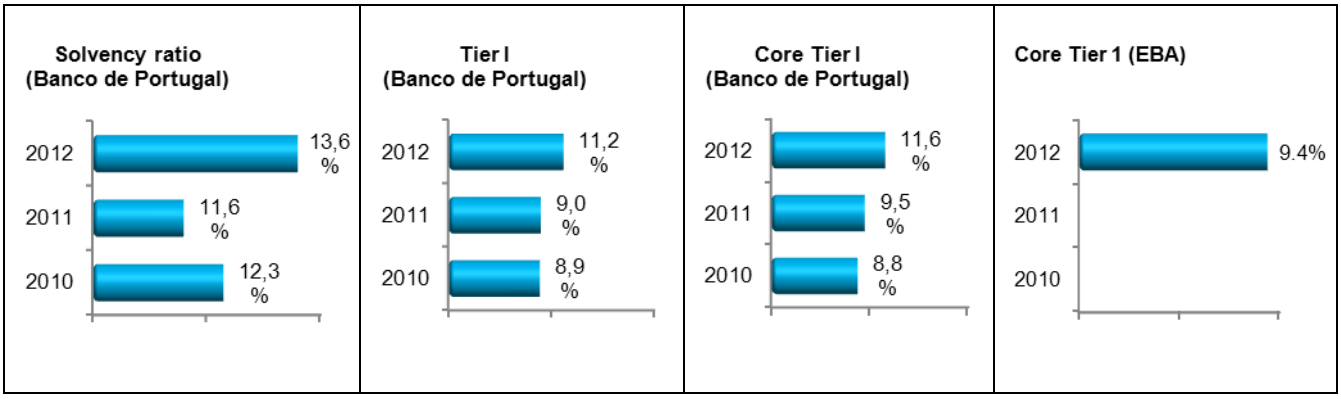
	Short term		Long term		
	CGD	Portugal	CGD	Portugal	
STANDARD & POOR'S	B	B	BB-	BB	July 2012
FITCHRATINGS	B	B	BB+	BB+	July 2012
MOODY'S	N/P	N/P	Ba3	Ba3	December 2012
DBRS	R-2 (mid)	R-2 (mid)	BBB (low)	BBB (low)	December 2012

Graph 1: CGD, SA market shares (%)



Although there was an improvement in the net profit against 2011, the persistence of low interest rates and the growing pace of impairments in 2012 adversely affected CGD's return. For the second year running it recorded a net loss (approximately 679.1 million euros).

Graph 2: Solvency indicators



Graph 3: Loans granted by type of customer 2012 [1]

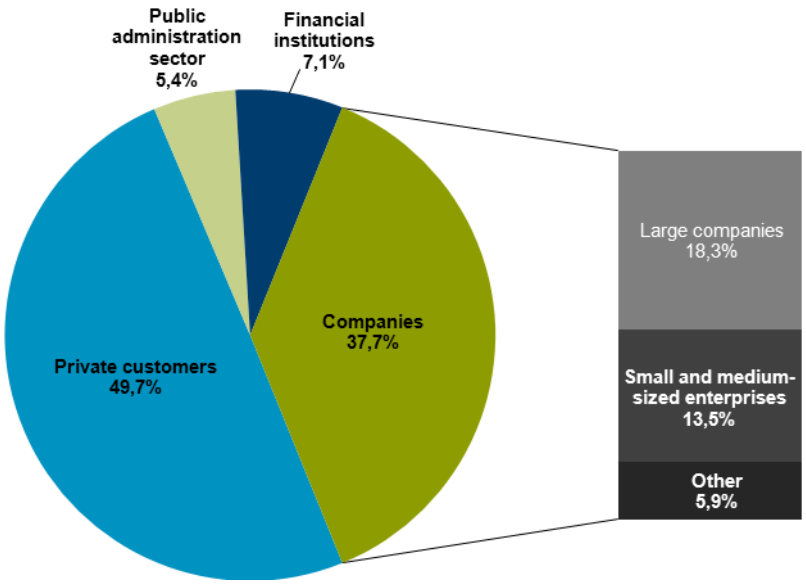


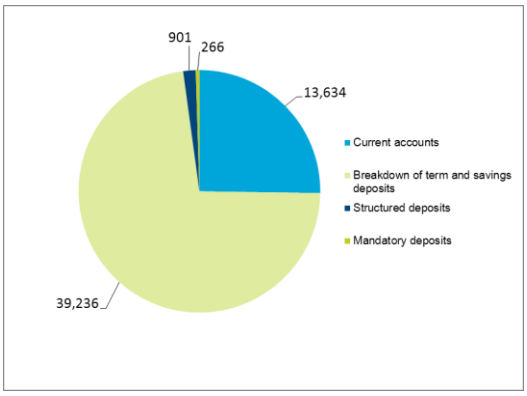
Table 3: Loans granted by economic activity sector 2012 (EUR thousands) by country

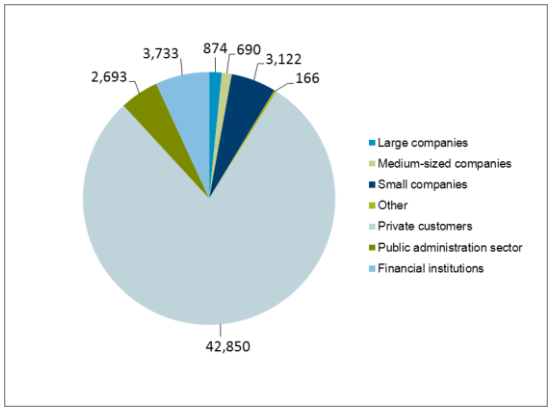
	CGD	BI Cape Verde	BCA Cape Verde	BCG Brazil
Agriculture, stockbreeding, hunting, forestry and fishery	362,873	76;	588	111
Extractive industries	90,537	-	312	-
Manufacturing industries	3,125,544	8,403	16,634	12,638
Production and distribution of electricity, water and gas	1,219,782	40.4	6,377	34,745
Construction	4,894,812	16,144	23,273	22,034
Wholesale and retail trade, vehicle and motorcycle repairs and personal and domestic goods	2,083,207	6,270	26,837	7,431
Hospitality and restaurant industry	693,672	8,725	9,439	-
Transport, storage and communications	1,662,991	10,190	19,736	26,740
Financial activities	8,349,324	-	6	143
Real estate activities	2,975,157	13,113	9,389	-
Other activities	3,187,444	8,931	41,392	-
Public administration, defence and social security	2,814,755	-	9,380	399
Education	157,333	1,085	75	-
Health and social security	474,933	608	2,807	-
Other communal, social and personal activities and services	1,278,521	10,970	214	-
Households with domestic staff	321	169	30	-
International bodies and other extraterritorial organisations	47	-	328	-
Total companies	**33,371,253**	**124,738**	**166,847**	**113,817**
Housing	32,534,272	22,656	145,792	-
Other private purposes	1,536,856	17,358	46,716	-
Total private customers	**34,071,128**	**40,014**	**192,507**	**-**
TOTAL	**67,442,381**	**164,753**	**359,354**	**113,817**

[1] The information on CGD, SA loans by type of customer refers to the domestic activity and Offshore Macau SOM.

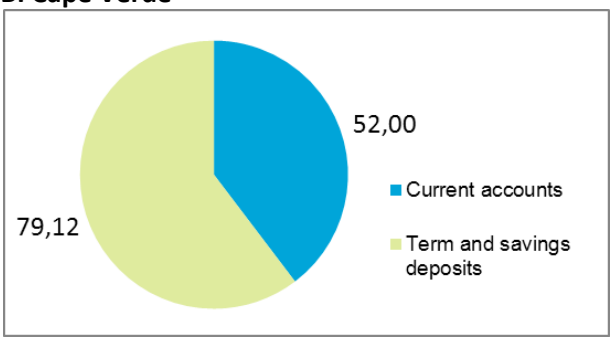
Graph 4: Deposits by type of customer and by country 2012 (EUR thousands) [2]

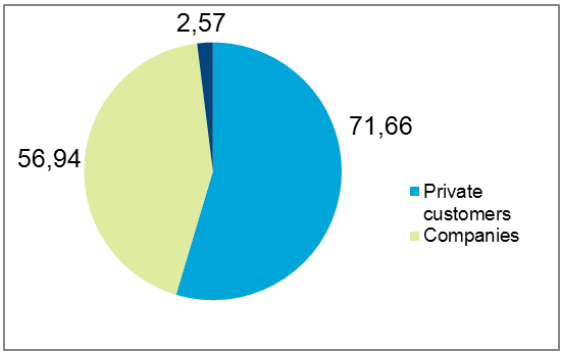
CGD SA



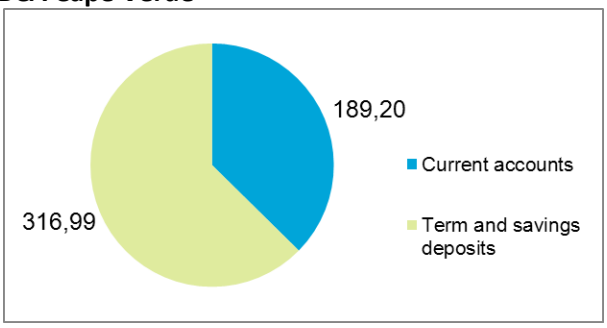


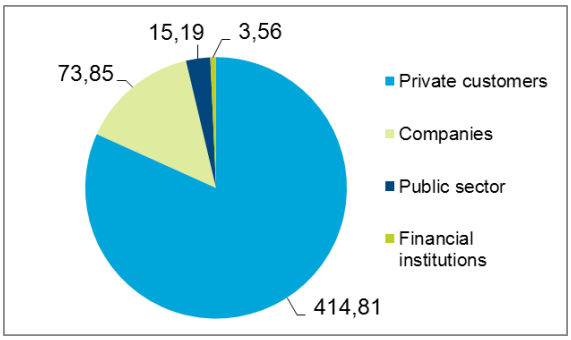
BI Cape Verde



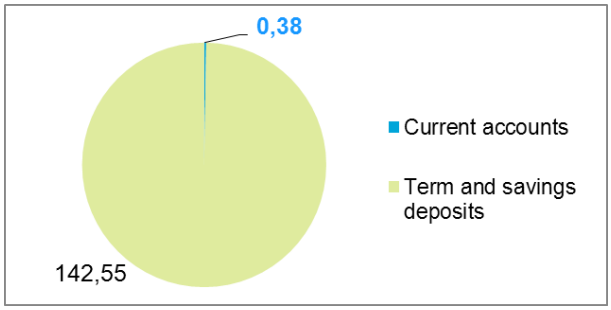


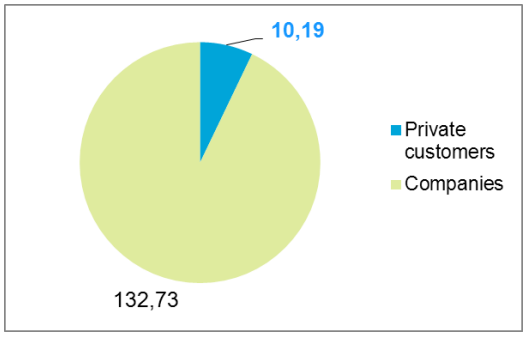
BCA Cape Verde





BCG Brazil





[2] The information on CGD, SA deposits refers to domestic activity + Offshore Macau SOM.

1.4 Corporate ethics

Ethics management in business has been of growing importance and is an essential tool in decision-making in a business context, as most of these decisions have an explicit or implicit ethics factor. It is therefore necessary for there to be instruments that formalise and implement this ethics management and our Code of Conduct is thus particularly important.

In this context, CGD continued to undertake organisational ethics initiatives aimed at reinforcing a culture based on ethical principles and compliance with the law, regulations and good practices.

Commitments - Responsible banking			
To include sustainability in the CGD governance model	Underwrite the commitment letter of financial sector companies for the sustainable development agenda	2011-2011	⌛ Under way
	Subscribe to the United Nations Global Compact principles	2011 - Ongoing	⌛
To ensure implementation of the Code of Conduct management model	To implement a three-year ethics and code of conduct training plan To provide employees with knowledge and skills on business ethics and codes of conduct	2012-2014	⌛ Under way
☑ **Done**	☒ **Not done**	⌛ **In progress**	

In 2012, CGD adopted the new Code of Conduct, as defined in 2010, in all the CGD Group structures to which it applies.

Code of Conduct management model

CGD has put in place a management model for this code in order to ensure its effective implementation. This model includes intervention initiatives, specific goals and measures in the most critical areas.

The Code of Conduct's impact on its targets (i.e. members of CGD's corporate bodies, employees, interns, service providers and representatives) has been calculated in three dimensions:

- “knowing the code” - being familiar with its values, principles and standards of professional conduct
- “know-how” - knowing what to do in practical situations in accordance with the code
- “commitments” – committing to CGD's values and principles.

These dimensions include ethical performance indicators that are intended to contribute the periodic revision of the CGD Code of Conduct management model.

A three-year (2012–2014) training programme in ethics and the Code of Conduct for central departments began in March 2012.

Data for 2012:

- 40 training courses
- 114 training hours
- 666 classroom participants

The employees who participated recognised this training as a highly positive commitment to reinforcing the principles and values of the CGD brand.

In 2012 training was also given on Ethics and the Code of Conduct for commercial departments, managers and other employees in the commercial network.

- 56 training courses
- 303 training hours
- 1,133 classroom participants
- 3,100 employees through cascade training *

* the classroom participants repeated the training for the employees in their work areas.

In October 2012, CGD's GFC organised a workshop for Compliance Officers at CGD entities, which was attended by 23 Compliance Officers. This training addressed some important, topical issues in compliance risk management, including ethics and the code of conduct.

Subscription of codes

Regarding ethics and responsibility in its activity, CGD subscribes to codes and promotes initiatives aimed at compliance with principles that are relevant to its economic, environmental and social performance. They include:

- Principles of Good Governance for Companies in the State Corporation Sector (Council of Ministers Resolution 49/2007)
- The European Voluntary Code of Conduct on Pre-contractual Information on Home Loans
- The Code of Conduct of Instituto Civil da Autodisciplina da Publicidade
- United Nations Environment Programme — Finance Initiative
- Enterprise for Health — a European network of healthy companies, of which CGD is a founding member
- Charter for Responsible Business of the World Savings Banks Institute/European Savings Banks Group (WSGI/ESBG)
- Commitment Letter of Associação Portuguesa de on responsible communication.

CGD also belongs to the UNICRI Advisor Committee (the United Nations Interregional Crime and Justice Research Institute), through its Prevention, Security and Business Continuity Office (GPS). CGD is a member of the technical coordination team of UNICRI Portugal, which subscribes to UN Global Compact's Principles.

1.5 Dialogue with stakeholders

Commitments: Responsible banking			
Guarantee the implementation of our stakeholder engagement strategy	Listen to stakeholders regularly to hear their expectations and priority issues for sustainability	2010 - ongoing	☑
Promote sustainable development Use all CGD's communication channels to promote sustainable development	Guarantee communication on sustainability on cgd.pt in Portuguese and English	2010 - ongoing	☑
☑ **Done**	☒ **Not done**	⌛ **In progress**	

CGD pursued its stakeholder engagement strategy and still maintains different direct channels to ensure ongoing, effective dialogue with the different groups of stakeholders.

Figure 7: CGD's strategic stakeholders

The forms of relationship used are shown in the table below.

Table 4: Channels for dialogue with stakeholders

Stakeholder	Forms of relationship	Frequency
Shareholder / state	General Meeting	Annual
	Reporting	Quarterly
	Sustainability survey	Annual
Customers Private customers	Satisfaction surveys	Six-monthly
	Cx magazine	Quarterly
	CGD website	Ongoing
	Micro-site residents abroad	Ongoing
	Vantagens Caixa portal	Ongoing
	Social networks	Ongoing
	Espaço Cliente (Customer Area) – suggestion and complaint service	Daily
	Commercial network	Daily
	Communication campaigns	Whenever opportune
	Sustainability survey	Annual
Corporate customers	Satisfaction surveys	Six-monthly
	Caixa Empresas magazine	Bimonthly
	Cx magazine	Quarterly
	CGD website	Ongoing
	Vantagens Caixa portal	Ongoing
	Social networks	Ongoing
	Sustainability survey	Annual
Regulators	Specific instructions from regulators	Ongoing
	Clarification requests	Ongoing
	Participation in working groups	Ongoing
	On-site supervision	Ongoing
	Public consultations	Ongoing
	Reports	Ongoing
	Sustainability survey	Annual
Suppliers	Periodic meetings and contacts	Four-monthly
	Sustainability survey	Annual
Community	Fundação CGD Culturgest	Daily
	Agreements with higher education establishments	Annual
	Sustainability survey	Annual
	Open Boards	Four-monthly
	Caixa Fã (Caixa Fan) fund	Six-monthly
Employees	Workers' Committee	Monthly
	Intranet	Daily
	Caixapessoal portal	Daily
	Caixa Notícias newsletter	Monthly
	Training courses	Whenever opportune
	Performance evaluation	Annual
	Organisational climate surveys	Whenever opportune
	Sustainability survey	Annual
	Caixa de Ideias (Ideas Box) competition	Annual
	Nós Caixa (in-house magazine)	Quarterly
	Nós Caixa micro-site	Ongoing
	Cx magazine	Quarterly
	In-house publications (brochures, guides, manuals, leaflets and posters)	Whenever opportune

Main organisations to which CGD belongs

In its relations with stakeholders, CGD plays an active role in the associations and organisations to which it belongs and sits on the boards of some of them.

AEP – Associação Empresarial de Portugal http://www.aeportugal.pt/	Associação Industrial Portuguesa www.aip.pt http://www.aip.pt	Associação Portuguesa de Anunciantes (APAN) http://www.apan.pt
APQ – Associação Portuguese para a Qualidade http://www.apq.pt	Associação Portuguesa de Bancos http://www.apb.pt	BCSD – Business Council for Sustainable Development http://www.bcsdportugal.org
Centro Nacional de Cultura http://www.cnc.pt	COTEC* http://www.cotecportugal.pt	CPLP - Business Council of the Community of Portuguese-speaking Countries http://www.cplp.org
EBA – Euro Banking Association https://www.abe-eba.eu	EBA – Clearing https://www.ebaclearing.eu	ECBC - European Covered Bond Council http://ecbc.hypo.org
EFMA - European Financial Management & Marketing Association http://www.efma.com	ELO – Associação Portuguesa para o Desenvolvimento Económico e a Cooperação* http://www.elo-online.org/	ESBG - European Savings Bank Group http://www.esbg.eu
Fórum para a Competitividade http://forumcompetitividade.org	Business Forum of economics of the sea http://feemar.weebly.com/	Fundação Portugal África* http://www.fportugalafrica.pt

Fundação Portuguesa " A Comunidade contra a Sida" http://www.fpccsida.org.pt/	Fundação de Serralves SERRALVES http://www.serralves.pt	ICAP -Instituto Civil da Autodisciplina da Publicidade http://www.icap.pt
IFB - Instituto de Formação Bancária http://www.ifb.pt/lista-cursos	IIF – Institute of International Finance http://www.iif.com/	Instituto Português de Corporate Governance http://www.cgov.pt
IPAI – Instituto Português de Auditores Internos* http://www.ipai.pt	IPQ – Instituto Português para a Qualidade http://www1.ipq.pt	JAP – Junior Achievement Portugal http://portugal.ja-ye.org
LBG – London Benchmarking Group http://www.lbg-online.net	UNEP FI – United Nations Environment Programme – Finance Initiative http://www.unepfi.org	

* Organisations of which CGD is a member and holds positions in their governance bodies

Annual opinion gathering from stakeholders

In order to guarantee a coherent response to the needs and expectations of the different groups of stakeholders, CGD regularly assesses the materiality of issues relevant to them by hearing their views on sustainability matters.

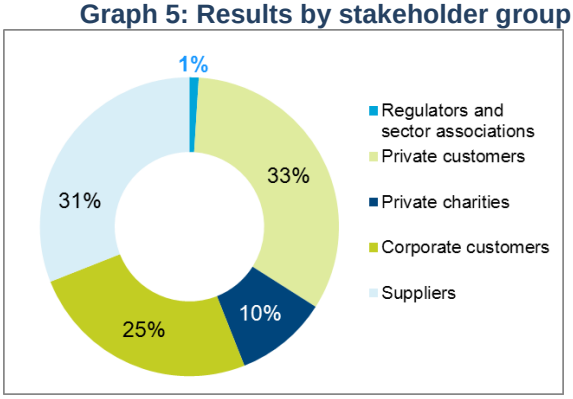
In early 2012, CGD conducted a sustainability survey of strategic stakeholders to assess their perception of CGD and identify the opportunities for improvement, as well as to serve as a basis for the relevant issues to be addressed in the annual Sustainability Report.

Sample

In-house response rate: 32%
3,374 responses from employees

External response rate: 76%
147 responses from external stakeholders

Graph 5: Results by stakeholder group



A materiality matrix was drawn up on the basis of the results. It illustrates how important employees and external stakeholders feel that CGD's economic, environmental and social performance is.

Figure 8: Materiality matrix

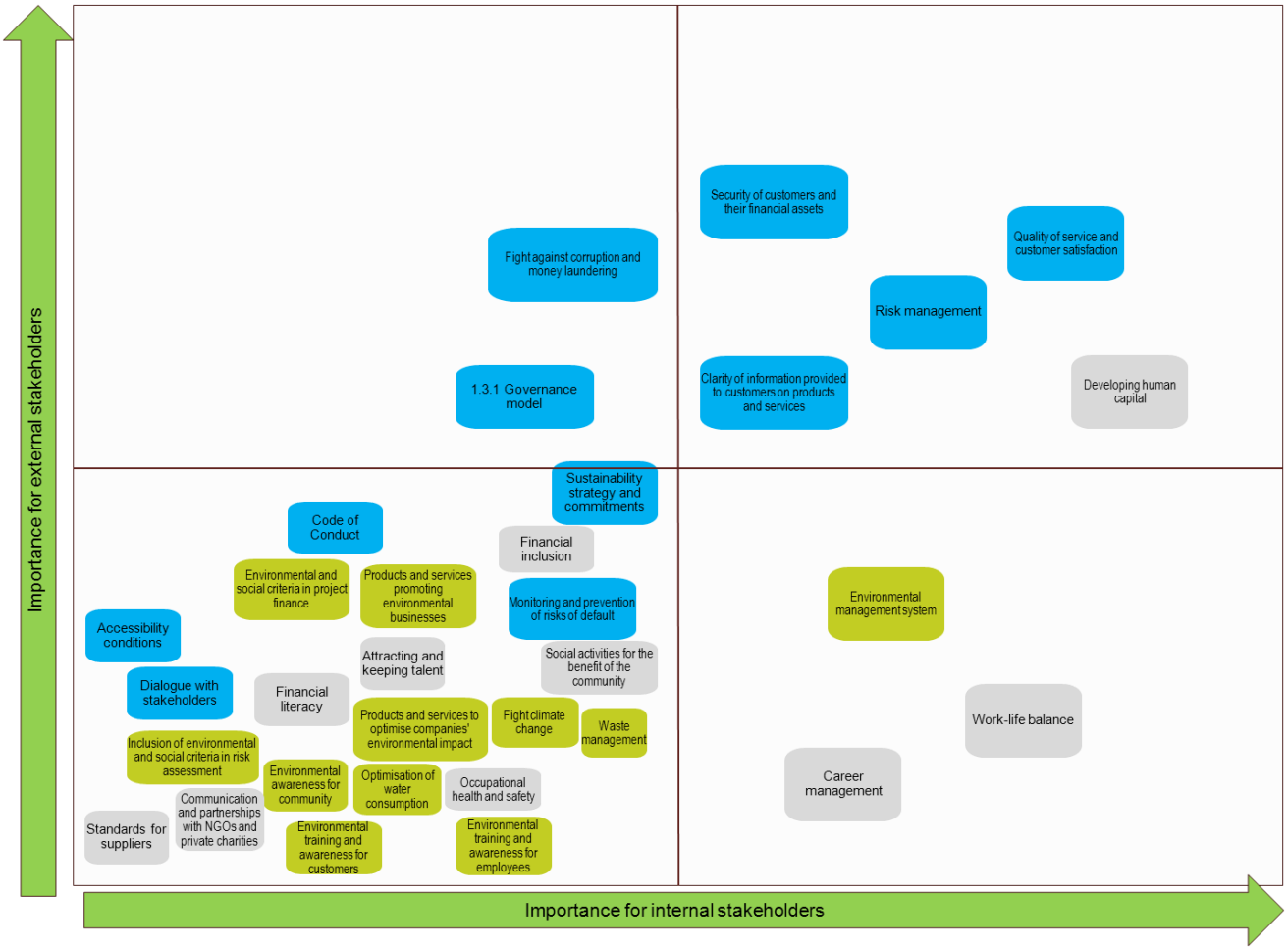


Table 5: Relevant issues from the 2011/2012 stakeholders survey

Sustainability	Important issues	CGD's responses
Economic	Security of customers and their financial assets	53,87-88
	Preventing corruption and money laundering	40-41
	Quality of service and customer satisfaction	45-48
	Risk management	36-42
	Clarity of information given to customers on products and services	43-44
	Governance model	18-19
	Code of conduct	28-29
	Sustainability strategy and commitments	22-23
	Financial inclusion	54, 59-60
Environmental	Environmental management system	89
Social	Developing human capital	77-83
	Work-life balance	78-79
	Career management	77-83
	Social activities for the benefit of the community	105-126

CGD uses dialogue with stakeholders to incorporate relevant issues and expectations from its activity in its overall strategy. The opinion gathering process is therefore a very important tool in supporting its business decisions.

2. Sustainability in the business

Sustainability in the business highlights – 2012

91% of the commercial network with full accessibility	84% average customer satisfaction with CGD service models	24% increase in active contracts in the caixadirecta online service and 9.2% in the e-banking service

2.1 Risk management

Commitments: Responsible banking			
Promote sustainability in the supplier chain	Gradually include environmental and social criteria in management of suppliers	2011 – ongoing	☑
Commitments: Promotion of the future			
Incorporate environmental and social criteria in company credit risk assessment	Implement the UNEP-FI programme – information on environmental risks for Portuguese banks and companies Distribute questionnaire on environmental risk to institutional customers (local authorities)	2012-2013	☑

☑ **Done** ☒ **Not done** ⌛ **In progress**

The CGD Group has a policy of proactive risk management in line with the sustained, diversified growth of the business. It has a consistent attitude with an appropriate degree of aversion to risk in the products to which it is exposed, though it is committed to innovation and market monitoring.

The main risks of CGD's activity are:

- Worsening of the country's macroeconomic conditions and the respective impact on banking, especially in generating profits and in default
- Excessive regulation with consequences on profit generation, capacity to recover from default and on the cost structure owing to the multiplicity and complexity of the reporting activities
- Potential for non-alignment of the bank's situation with society and the market's expectations
- Potential financial risks due to social and environmental factors by customers
- Potential decrease in the satisfaction level perceived by the customer with regard to service quality

In order to mitigate these risks, CGD seeks to ensure an appropriate internal control environment by using a risk management system, the Operational Risk and Internal Control Programme (ROCI), an efficient information and communication system and an effective monitoring process, in accordance with the Banco de Portugal eligibility requirements and best practices.

The method used by the Group for operational risk management is integrated in the assessment of the internal control system. In order to guarantee continuity of its activities, CGD has a general business continuity strategy, based on two fundamental pillars: operational continuity and technological recovery. This strategy is in line with the Recommendations on Management of Business Continuity in the Financial Sector.

Prevention of the default risk

The CGD Group has a system for identifying, assessing and controlling the risk of its credit portfolio. It covers all customer segments and is active when the loan is granted and in monitoring the risk throughout the life of operations.
In recent years, CGD has invested in the prevention and handling of defaults by private and business customers.

Monitoring private customers

CGD has a partnership relationship with its customers, as shown by its continuous search for extrajudicial solutions aimed at maintaining the CGD - customer relationship to the advantage of both parties.

CGD was a pioneer in changing its approach to credit recovery and has favoured negotiated solutions rather than legal action. The recovery model, procedures and solutions in effect at CGD are reflected in the legislation on the matter published in 2012[3].

CGD has measures in place for preventing and reducing default and activates procedures to assist its customers in the event of signs of financial problems – Default Risk Action Plan.

Customers with difficulties are identified using 11 risk alerts in our computer system. These alerts apply to private and business customers who have been flagged as being in potential financial stress.

In addition to the prevention and regularisation of defaults on mortgages, CGD has shown a constant concern for lightening households' burden, minimising monthly repayments and adapting them to households' disposable income, to ensure that they are able to keep their home.

In addition to revising the mortgage conditions, CGD has developed the House Swap scheme. This entails giving the customer the choice of:

– Selling their home to real estate rental investment funds, which are described in point 2.3 Sustainable products and services, and leasing another from the fund's portfolio for a lower rent, resulting in an expense compatible with their budget

– Exchanging their current home for another, cheaper one owned by the CGD Group, meaning that their monthly repayments are compatible with their budget

– Selling their home to real estate rental investment funds and then leasing the same home, which now belongs to the fund, at a rent lower than their mortgage repayments.

The commercial network was given greater autonomy in decision-making to solve these situations.

In 2012, the private customer business area restructured 617.8 million euros in liabilities and is currently handling 13,700 customers with 998.9 million euros that entered the Extrajudicial Programme for Regularisation of Defaults on 1 January 2013.

Monitoring business customers

The current economic crisis has resulted in an exponential increase in defaults on loans to companies. This made it essential to reformulate CGD's approach to the business sector, especially the most vulnerable sectors.

In 2012 CGD therefore created the Company Service Department (DAE). It monitors and recovers loans granted to companies and their groups with involvement in CGD of more than 5 million euros, with impairments of 10% or more or, regardless of the amount of the impairment, that belong to high-risk sectors (construction, real estate, hospitality and tourism). CGD thereby ensures:

[3] Decree-Law 227/2012 of 25 October on the Default Risk Action Plan and Extrajudicial Procedure for Regularisation of Defaults, which came into effect on 1 January 2013 and Law 58/2012 of 9 November, which set up an extraordinary regime for mortgagees in very difficult economic circumstances.

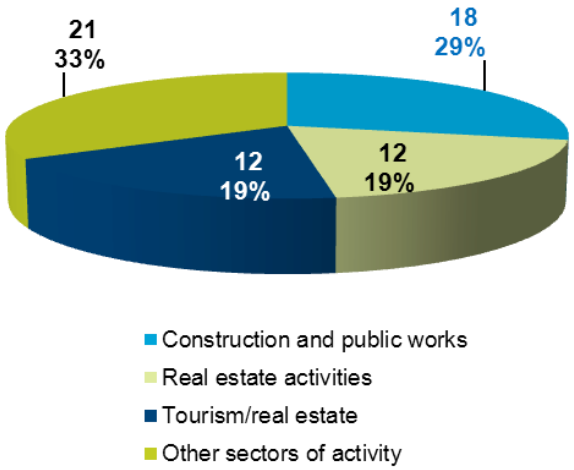
- deleveraging of large amounts of exposure and high-risk activities

- reinforcement of guarantees

- prevention of litigation, seeking management solutions with companies to make them solvent.

As at 31 December 2012, the Company Assistance Department had in its portfolio:

Graph 6: Dossiers by economic sector



CGD proposed solutions and formalised operations for around 80% of its portfolio of business groups in the DAE up to October 2012. In view of the market trend and the substantial contraction in the domestic market in construction and public works, which has required the main players in this sector to reposition, we negotiated transfers of assets to recovery and real-estate funds.

CGD has also been playing an increasingly active part in the negotiation of cases of companies that apply to the Special Company Revitalisation Programme[4].

[4] This special process was set out in the Company Insolvency and Recovery Code in 2012 and is intended for any debtor in proven economic difficulties or at imminent risk of insolvency, but still recoverable.

Figure 9: Solutions for DAE customers (dossiers closed as at 31 December 2012)

Prevention of money laundering

The prevention of money laundering and funding of terrorism is a priority goal for CGD, as it is essential in preserving its integrity and the trust placed in it by customers.

CGD has a programme for the prevention of money laundering and funding of terrorism. It identifies, mitigates and manages these risks based on internal control mechanisms and procedures establishing guidelines to ensure compliance with the law and regulations.

The policies, principles and procedures in place in this area extend to all the CGD Group's international operations and are enforced by the Compliance Officers in permanent articulation with the Compliance Office (GFC).

Units based abroad are centrally monitored by the GFC and assessed in periodic visits to verify the effectiveness of prevention and control of money laundering and funding of terrorism.

All CGD employees are obliged to know and abide by laws and regulations applicable to their work and all the internal rules and procedures governing their activity. Specific training in different formats is available. There is a general and a quick-reference manual on the prevention of money laundering and funding of terrorism. The latter is distributed to all CGD employees. All regulations are made available to the CGD Group structures so that they can be adapted to each reality.

The first and most important prevention agents are the people in the CGD Group's departments and structures, regardless of their duties, position, category, type of contract or placing, as it is their duty to help prevent money laundering and funding of terrorism.

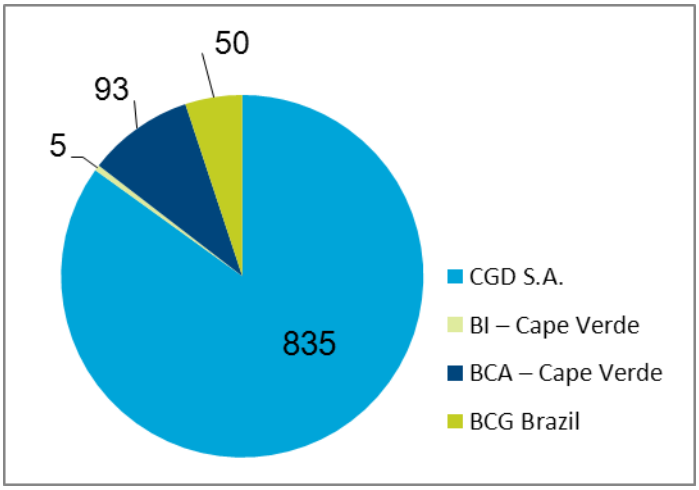
All employees must report what they feel are suspicious operations to the GFC accompanied by any relevant documentation.

CGD has taken stricter measures to prevent the risk of the CGD Group's involvement in money laundering and funding of terrorism, whenever it enters into correspondent relationships with institutions located in non-EU countries or on specific lists.

At the same time, CGD refuses to initiate or carry on correspondent relationships with banks established in jurisdictions in which they have no physical presence and are not part of regulated financial groups (shell banks).

Provision of IT tools for the prevention of money laundering and funding of terrorism is another constant concern at CGD. It has a number of systems, including monitoring accounts and customers classified as high risk and a system for filtering out sanctioned people and entities and identifying politically exposed people.

Graph 7: Total employees trained in the prevention of money laundering and funding of terrorism by country in 2012



Raising awareness of environmental risks – Banca & Ambiente (banks and the environment) – UNEP-FI

Since 2009, CGD has been involved in the initiative Banca & Ambiente – Financing the Environment in Portugal under the aegis of UNEP-FI. Its aim is to educate banks and the business sector on environmental risks with a view to the gradual inclusion of companies' environmental risks in banks' credit analyses.

After a series of workshops on the subject, in 2012 CGD sent out the UNEP-FI questionnaire on environmental risks adapted to institutional customers (local authorities).

The questionnaire on environmental risks was sent to local authorities and 104 replies were received, a response rate of around 34%.

Local authorities are involved in environmental sustainability issues in their compliance with national and international regulations and regulate and supervise economic activities in their areas of influence.

Promotion of sustainability in the supply chain

CGD have been rationalising its procurement policies for goods and services through Sogrupo Compras – Serviços Partilhados, ACE, which is subject to internal and external regulations.

Supplier management is an integral part of CGD's sustainability strategy. Many of CGD's social and environmental impacts arise indirectly from the actions of its suppliers and can be significant.

CGD therefore considers it necessary to manage the risks in the value chain by promoting the principles of sustainability upstream.

CGD has transparent procedures for service contracts based on awarding criteria guided by principles of economy and efficacy.

Assessment of service providers includes analysis and justification of any deviations in the service provided in terms of time, cost or quality.

CGD has been gradually including sustainability criteria in the selection of suppliers and sharing their performance and good practices.

Code of Conduct	Contractual clauses	Visits to suppliers
• Given that the code of conduct does not apply to CGD employees only, but also to service providers, included subcontracted services, CGD progressively promotes the sustainable development along its value chain, including the prohibition of discrimination. • CGD is currently developing a code for suppliers, which defines a set of sustainability principles that suppliers must abide by.	• CGD's contractual clauses with suppliers include sustainability issues. CGD's minimum expectations with regard to suppliers are linked to the applicable legislation in force; CGD expects compliance with environmental and social standards that may go beyond that defined in legislation and which represent minimum direct and indirect risks for CGD.	• CGD organises visits to suppliers on a periodic basis during which suppliers are made aware of CGD's sustainability practices.

2.2 Customer relations

The protection of bank customers has been the centre of attention of national and international supervisory authorities in recent years. Legislation and regulations have focused on information provided to customers and their basic aims are:

- To provide all the necessary information to make an informed, reasoned decision
- To provide information before a contract is signed to give time for reflection and comparison of different offers
- To adapt the level of information to the customers' knowledge and the complexity of the product
- To contribute to the trust and security of customers and the financial system.

Process quality

One of CGD's priorities is to improve the quality of customer service by boosting productivity and efficiency in operating processes. In line with this principle, it has been implementing a quality management system to disseminate a culture of quality and foster ongoing improvement in processes.

6 New Projects of quality systems began phase I (diagnosis)	**3 Projects** began phase II (implementation)	**3 Certified areas** Phase III (maintenance)	**800 employees** directly involved in the process quality projects

Commitments: Responsible banking			
Process quality and certification	Implement and certify a quality management system for key business processes	2010 - ongoing	☑
☑ **Done**	☒ **Not done**	⌛ **In progress**	

In 2012, CGD worked towards process quality and certification, including the following activities:

- Implement a quality management system in the certification phase of the Customer Support and Complaints Service
- Define a system (diagnosis, documentation, indicators and satisfaction survey) and monitor levels of service agreed upon to implement and certify the QMS in the card-issuing process
- Diagnose, analyse, measure and set levels of service for company loans process
- Define the system for implementing a quality management system and certification of back office processes (DSO)
- Define, implement and improve the system with a view to implementing and certifying the QMS at the Contact Centre - Inbound (DCE)
- Keep up certification of the QMS for portfolio management, financial markets and prevention and safety.

Responsible communication

CGD pursues goals of profitability associated with those of quality, customer satisfaction, fair price and strict compliance with the rules of competition and protection of bank customers based on responsible marketing and sale of products.

Transparency of information, especially regarding service conditions and the institution's performance, acting truthfully and clearly, is one of the values set out in the CGD Code of Conduct in its relations with customers.

In addition to the provisions of the code, CGD constantly monitors the publication of new legislation and regulations and recommendations and good practices circulated by the supervisory authorities, in order to comply with them.

For example, in 2012 Banco de Portugal Notice 15/2012 of 13 December laid down the duty of information governing credit institutions providing minimum banking services in publicising their membership of the scheme and conditions of access and provisions of these services and CMVM Regulation 2/2012 of 26 November on information and advertising of complex financial products, one of whose goals is to increase the transparency and accuracy of information that credit institutions give to customers.

CGD promotes and collaborates directly in ensuring the transparency of sales practices for investment and savings products and services, for example by constantly improving the contents of information and contracts in all channels for attracting bank deposits.

CGD published its product and service policy in July 2012. This policy recognises that balanced, transparent relationships with its customers and the contribution made by banking to sustainable development to promote a better future are fundamental pillars of its activities.

This policy, in line with the CGD brand's values, sets out guidelines on adapting products and services to the needs of different customer profiles, boosting business activity and the creation of wealth and combating social and economic exclusion. It makes fundamental commitments, such as clear, transparent communication in the sale of financial products and services that allow customers to make a free, reasoned choice.

The issue and advertising of financial products and services from CGD are governed by the following general principles:

- Principle of identification
- Principle of veracity
- Principle of transparency
- Principle of balance
- Principle of clarity

CGD also advertises its products and services in clear, transparent language to make it easy for customers to read and understand, as set out in the CGD Code of Conduct, and in compliance with the duty of information and transparency established by law and regulations. All forms of communication are submitted to the Compliance Office, the Risk Management Department and the supervisory authorities in the case of complex products and services.

CGD's advertising of products and services from other Group units or third parties requires validation by their compliance structures for their products.

In 2012 the Compliance Office approved 100% of new products and services (60 new products and 609 advertising campaigns), in terms of conformity with regulations, legislation and CGD's in-house principles on the information given to customers.

Service quality evaluation methods

CGD operates in line with the contributions and results of its different service quality assessment methods, always focusing on proposals of value and levels of service suited to customers' requirements.

Improving customer experience is an ongoing job that depends on all employees. CGD takes a holistic view of the customer experience (360º vision) in order to ascertain customers' satisfaction and the quality of their experience in the different service models.

A wide range of methods and studies are used for regular assessment and monitoring of quality of service and the customer experience in order to achieve the best results and draw conclusions. Mystery shoppers, satisfaction programmes, online surveys, focus groups, private and business customer barometers (BASEF, ECSI, Netsonda and DataE) and other sporadic, qualitative methods were used, especially to assess key moments in interaction with CGD and suitability of value proposals.

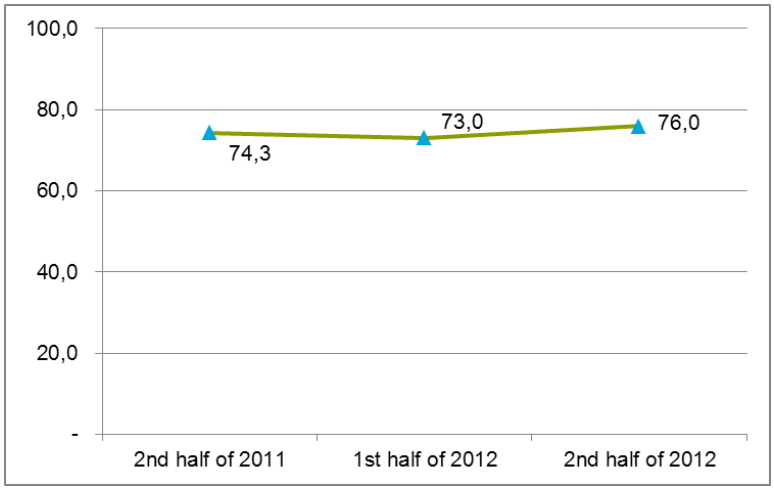
In 2012, the main activities were two waves of mystery shoppers at branches and continuation of quality and customer satisfaction programmes, which assessed 10 CGD service models (including branches, remote banking and offices). These programmes have constituted a fundamental tool in encouraging better performance by branches, sales staff and managers in the different service models and sales employees' alignment with best practices in their sales force.

The universe of customers per service model to be contacted for each quality and satisfaction programme is selected in advance from the database, which gradually weights percentages of the universe, contacts generated and success rates, thereby excluding incorrect contact details and previous rejections.

Main results of the CGD branch mystery shopper programme

The results of the mystery shopper programme improved in the second half of 2012, coming close to the performance goal of 78 points (on a scale of 0 to 100).

Graph 8: Mystery shopper programme (%)



Dimensions assessed

- logistical and environmental conditions
- quality of customer care
- performance management

In order to align mystery shopping with the critical success factors in the customer experience, the programme focuses on behavioural attitudes, commercial pro-activeness and closure of deals.

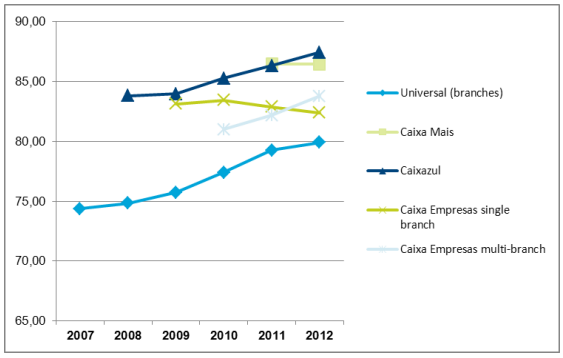
The mystery shopper programme received 76 points in the second half of 2012, the third best result ever, in spite of testing a company scenario and a change in weighting of indicators in the first half.

Main results of quality and customer satisfaction programmes

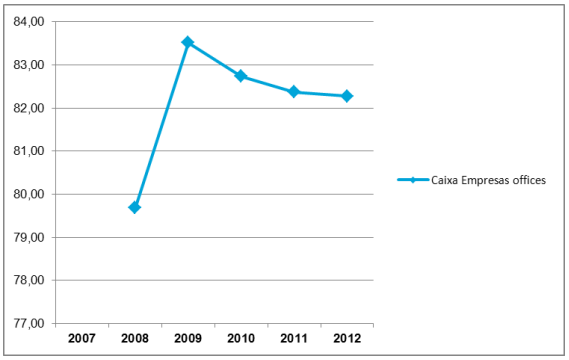
Ten CGD service models were assessed in quality and customer satisfaction programmes in the second half of 2012. In spite of the current socioeconomic context, most of the service models showed an overall improvement, which shows a growing concern and focus on quality of service and reinforces customer recognition of improvements in the service provided.

Graph 9: Customer satisfaction (%)

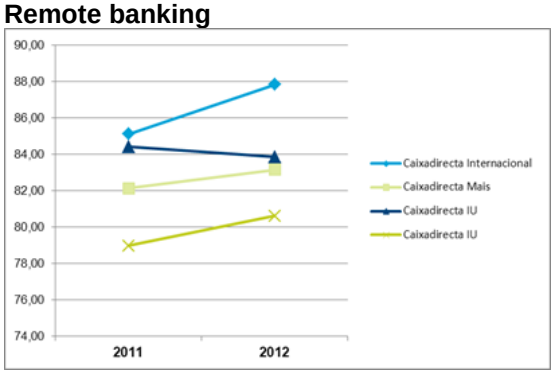
Branches and their service models



Offices



Remote banking



The results are generally positive and reinforce customers' recognition of the consistent improvement in the service provided at CGD. There was progress in the branch network, offices and remote banking throughout the year.

CGD took the following measures to optimise customer relations in 2012:

- Sharing of mystery assessment shopping charts with the managers of each branch evaluated as a team management tool
- Disclosure of each branch's and employee's results on a special online platform on the intranet to identify individual opportunities for improvement
- Inclusion of results in commercial network training courses
- Inclusion of results in commercial network's goals and incentives
- Indication of reasons for recommending or not recommending CGD in focus group interviews of private customers, and

- Collection of suggestions and comments from the commercial network in the pre- and post-launch phases of products and services by regularly gathering commercial feedback and interacting personally with commercial departments.

Some figures on assessment of quality of service and customer satisfaction

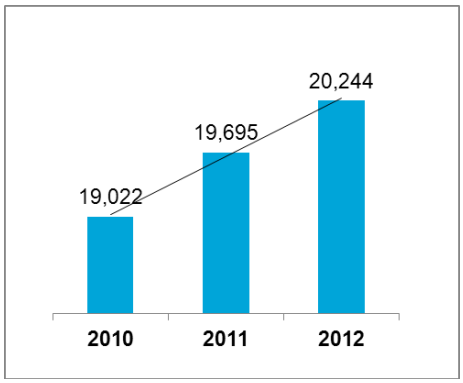
The data guarantee the representativity of the sample and provide results down to the individual performance level of each branch, office and employee assessed, thereby fuelling the commercial networks' incentive system every six months (personally – branches and offices – and remotely). This positions CGD as a reference at national and international level in service quality management and customer satisfaction.

Espaço Cliente (Customer Area) – suggestion and complaint service

In 2012, CGD stepped up advertising of its Espaço Cliente - suggestion and complaint service on the cgd.pt website. It posted FAQ to answer customers' questions.

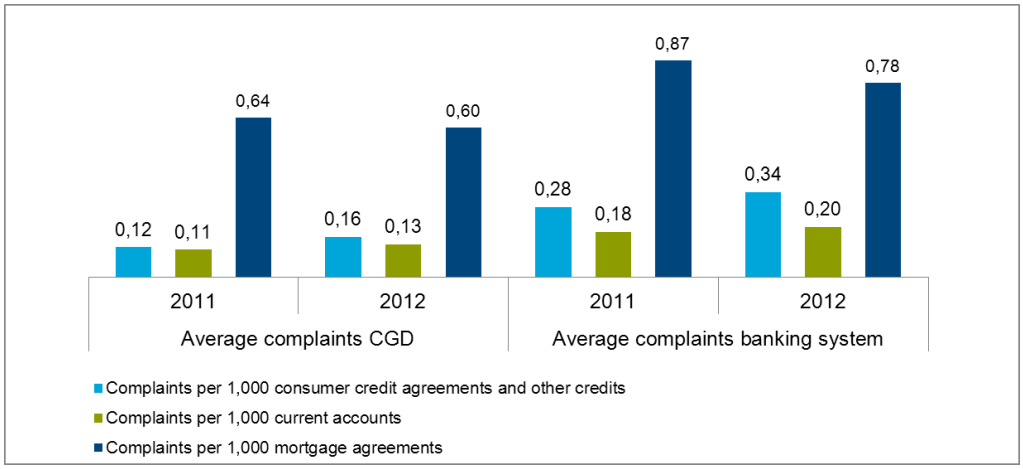
The fact that there are several free ways in which CGD customers can give their opinions and ask questions, ease of access and the reputation and credibility of the service are reflected in the growth in the number of communications from customers.

Graph 10: Number of suggestions and complaints



The issues addressed most in complaints were debit cards (23%), the Caixadirecta online service (12%) and mortgages (10%).

Graph 11: Results of Banco de Portugal Behavioural Supervision Report



In 2012, we conducted a satisfaction survey of customers who had submitted complaints as part of our monitoring of the efficacy of the Espaço Cliente. It can be summarised as follows:

Universe: 5,010 resident private customers who received a response from CGD between April and December 2012 (Customer Support Office) to their first complaint (except errors in machines) **Sample:** 1,852 customers selected at random, 900 of whom completed the interview **Information gathering:** phone interviews	**Scope of analysis:** • Customer's knowledge of the suggestion and complaint service • Quality of service in the commercial network in a context of dissatisfaction • Quality of handling of complaint • Impact of handling of complaint in image of and relationship with CGD and customer's evaluation of the different attributes of a service of this kind.

Main conclusions:

1. The cgd.pt website has been of growing importance in publicising the suggestion and complaint service as a channel to access CGD, facilitating the process, and in access to important information, boosting more appropriate, informed use of the services and therefore satisfaction.
2. Most customers turn to this service to revive the business relationship that they have with their branch.
3. Customers value the support and reception of their complaint.
4. Of the factors that determine their satisfaction with this service, customers most appreciate prompt solution of the problem.
5. They feel it is important to be told about measures taken to make improvements following the cases they report.

Financial accessibility

In 2012, CGD's commercial network continued to play a fundamental role in financial accessibility and inclusion, especially in sparsely populated or economically disadvantaged areas. In spite of a reduction in the number of branches, CGD continues to cover the whole of Portugal and is present in all the country's districts, including the autonomous regions.

CGD is the only bank in Portugal to have branches in the Lojas do Cidadão (one-stop shops), thereby stepping up its proximity to the public.

Around 91% of the commercial network (734 branches) has full accessibility for customers with reduced mobility.

In view of the market's challenges, in 2012, CGD continued to invest in bringing the CGD Group closer to customers by stepping up its multichannel strategy and seeking to meet expectations with quality and in line with customers' new needs, preferences and behaviour.

In 2012 cgd.pt's maximum levels of accessibility remained unchanged, i.e. it was leader of the financial category as the only 3A accessible banking or financial website and compliance with the W3C rules. It maintained its AAA classification from W3C at national and international level and was certified by the UMIC - Agência para a Sociedade do Conhecimento, IP.

Internet banking

CGD provides customers with a range of internet banking services.

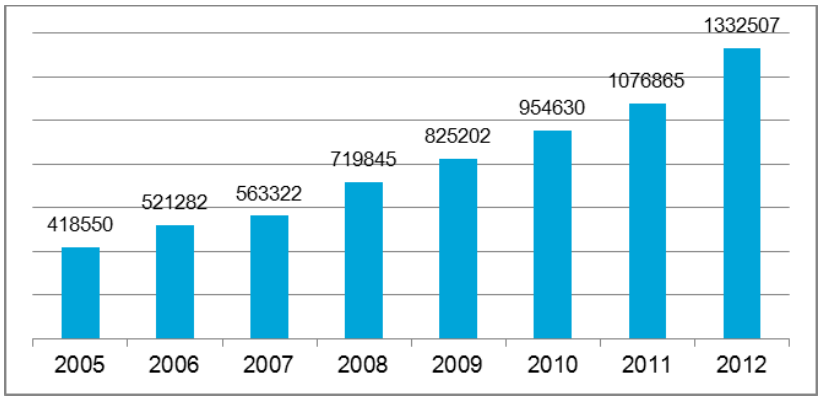
Private customers	Business and institutional customers
• Caixadirecta *on-line* • Caixadirecta *invest* • Caixadirecta sms • Caixadirecta *mobile* • APP Caixadirecta para Windows 8	• Caixa e-*banking* • Caixa *e-banking mobile*

Caixadirecta on-line service

CGD is market leader in the use of home-banking services according to a Marktest survey (January to November 2012). Caixadirecta on-line was the website with the largest number of pages visited (405 million).

The Caixadirecta on-line service allows customers with internet connections to access their accounts, perform operations and access Caixadirecta invest, their online manager, free of charge or at lower cost than at a branch.

Graph 12: Number of active Caixadirecta e-banking service contracts



The number of customers using this service continued to grow and the on-line ativo (online active) channel grew around 24% against 2011.

New service in 2012, App Caixadirecta Windows 8

At the invitation of Microsoft, CGD developed a Caixadirecta Service Windows 8 app and joined the international launch of the new system, available on tablets and PCs. Since its introduction the app has been a success and was the top free financial app in the rankings of downloads from the Windows Portugal store.

Data for 2012 (launched on 26 October 2012):

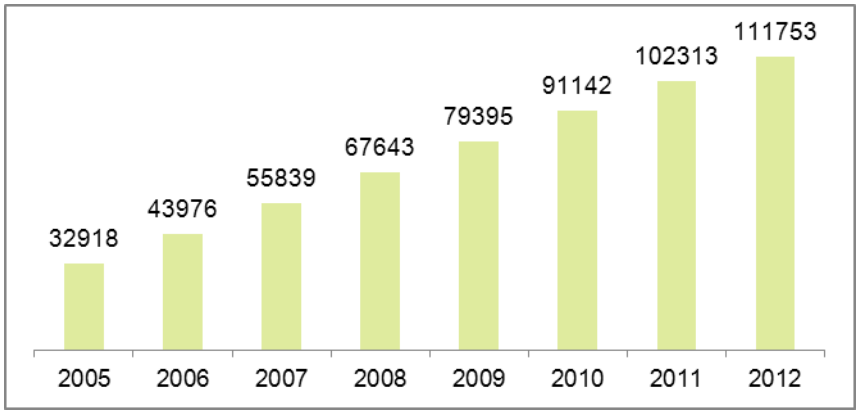
7793 downloads	4,922 active users	6,070 financial transactions

In addition to popularity with customers, with a score of 4.5 stars out of 5 in 2012, the quality, innovation and novelty of the Caixadirecta app were also recognised by the international financial sector. It came first in The Best Mobile Banking App awards from EFMA – European Financial Management & Marketing Association.

Caixa e-banking service

This e-banking service allows business customers to perform banking operations and access online information on a PC or mobile phone, Smartphone or PDA.

Graph 13: Number of active Caixa e-banking contracts



The service continued its growth trend in 2012 and there was a 9.2% increase in active contracts.

Telephone banking

Caixadirecta

CGD's Caixadirecta phone banking service is available 24 hours a day and allows customers and non-customers to access CGD directly. It is a safe, convenient way of performing operations, reporting the thefts or loss of means of payment and obtaining loan simulations.

It also offers automated interaction in different languages (Portuguese, English, French and Spanish) using
interactive voice response (IVR) and personalised service from an assistant 24/7 on mobile and landline phones.

Data for 2012:

More than 2 million calls received	Approximately 1.8 million calls made

In addition, in 2012 CGD developed a helpline citizens deaf, which is aimed at implementing a phone line for deaf customers and non-customers in 2013.

Remote banking

Remote banking includes services for assisting and managing strategic customers - students, recent graduates and residents abroad and had around 200,000 customers in 2012.

Caixadirecta IU service

The Caixadirecta IU Service is designed to meet the needs of university customers who want remote service and specialised monitoring from the bank's commercial department. The service

offers personalised care by phone or home-banking; special access to products and services for students and 24/7 access to the service.
Customers can access it by phone or text and online and also have a dedicated portal – www.caixaiu.cgd.pt.

Caixadirecta Internacional (Caixadirecta International) service

The Caixadirecta Internacional service is for customers living abroad, such as in Germany, Belgium, Spain, France, the Netherlands, Luxembourg, UK, Switzerland, South Africa, Brazil, USA, Canada and Venezuela.

The service is available 24/7 on six free, exclusive lines for customers with Caixadirecta contracts.

Caixadirecta Mais service
This remote management service was introduced in 2010 and has reached its consolidation phase. It is currently aimed at recent graduates in their first jobs. Customers can use the Caixadirecta Mais service by phone 24/7.

Self-service network

CGD's Self Service network involves management of its Multibanco ATM network and the Caixautomática service, a private machine network for passbook users, accessible only to customers.

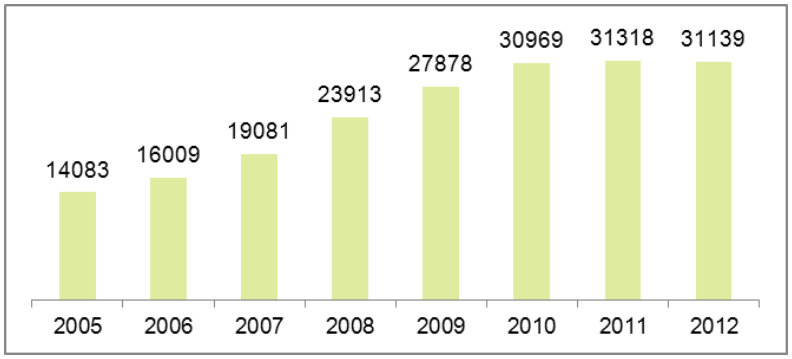
Data for 2012:

4,843 POS	272 million transactions

netcaixa solution

CGD has a complete acquiring service called netcaixa that enables retailers to accept electronic payments with Multibanco debit cards and Portuguese or foreign VISA and MasterCard debit and credit cards on Point of Sale terminals (POS). Netcaixa has a 24/7 phone helpline.

Graph 14: Number of POS



Security of information in online channels

In line with best security practices CGD offers solutions based on innovation, convenience and usability and attributing greater value to its relationship with its customers.

In 2012, measures were taken to increase security of information in electronic channels, including regular news items and warnings on phishing attacks and attempted fraud in remote channels:

- Review and standardisation of limits per operation of Caixadirecta channels
- Update of daily limits in Caixa e-banking contracts in accordance with the company's use history, in which daily limits were altered centrally for all contracts, thereby preventing the maintenance of inappropriate limits that might expose customers' assets unnecessarily
- Prevention of simultaneous use of on-line and mobile Caixadirecta channels (under development).

2.3 Sustainable products and services

Commitments: Promotion of the future			
Development of environmentally and socially responsible products and services	Creation of new financial products and services or inclusion of environmental and/or social component in existing products and services to produce direct environmental and social benefits and/or minimise negative environmental and social impacts	2009 – ongoing	☑
Incorporation of environmental and social criteria in company credit risk assessment	Identification of environmental and social criteria that can be included in the assessment of credit risks and project finance	2010 – ongoing	☑
☑ **Done**	☒ **Not done**	⌛ **In progress**	

CGD's product and service policy was published in 2012, as mentioned above, and springs from the CGD Group's marketing and commercial policy. It applies to all products, segments and channels, in line with our sustainability policy, particularly:

- Support the Portuguese economy and companies
- Promote savings
- Create mechanisms for financial inclusion
- Promote entrepreneurship
- Foster knowledge in the academic communities with products and partnerships
- Develop products and services oriented to social and environmental responsibility goals

CGD strengthened its key position as the "Portuguese family bank" and also business with all the company segments. It devoted particular attention to SMEs in the tradable sector, due to their importance to the country's economic recovery, which reflects close articulation between business goals and the commitment to sustainability.

Support for Portuguese business – SMEs

CGD has established a relationship with business customers that allows it to get a good idea of their needs and the type of support they prefer. This helps CGD to develop products and services that they appreciate.

At the same time as it favours stable, mutually beneficial relationships with its customers, CGD has been offering a number of essential instruments to support entrepreneurship, helping to capitalise and finance companies, given the contribution that they can make to restore the national economy.

The work done by the commercial network has been visible in increased approaches to companies to help develop their capacity for entering and staying in new markets, including additional efforts made with the CGD foreign network in detecting opportunities and supporting exports and internationalisation.

CGD has support manuals to help SMEs enter new markets and sectorial and geographical market surveys of interest to Portuguese companies.

CGD's increased focus on developing business with companies necessarily includes fostering entrepreneurship – from start-ups (based on an innovative idea) to the creation of self-employment by starting a small business for the unemployed and the development of new products and markets constituting new business areas for established companies.

In this context, CGD undertakes to support viable, sustainable business projects, which generates multiplying effects by creating jobs and boosting the economy.

CGD has been supporting a number of initiatives to encourage entrepreneurship, as described in Chapter 5 – Responsible citizenship.

Caixa Empresas Service

CGD provides a specialised service from a dedicated team of managers.

Specialised managers: CGD has a personalised customer care and advisory service for companies, using specialised managers who introduce them to the financial solutions most suited to their needs.

Caixa Empresas network: The Caixa Empresas office network provides exclusive services to small and medium-sized enterprises and constantly seeks to improve its close relationship with customers.

Services for entrepreneurs and small companies: For sole traders and small companies, CGD has a customer care and advisory service with financial solutions for their business.

Support for Portuguese business is reflected directly in the commercial supply of CGD.

Recapitalisation of companies and entrepreneurship

For the recapitalisation of companies, in October 2012 CGD set up Linha Caixa Capitalização, to reinforce the permanent capital of companies with recognised management ability and prospects of growth and/or diversification of markets.

Caixa Capitalização Line

For the recapitalisation of companies, in October 2012 CGD set up Linha Caixa Capitalização, to reinforce the permanent capital of companies with recognised management ability and prospects of growth and/or diversification of markets.

Where support for entrepreneurship was concerned, CGD introduced Cartão Caixa Empreender (Caixa Enterprise Card), to cover cash-flow needs of small and micro-companies in all sectors that have been operating for at least two years.

Caixa Works Empreender Card

52,554 thousand euros traded [5] in 2012

Via Caixa Capital, the CGD Group is involved in starting up companies and holdings in emerging businesses in the Caixa Empreender+ competition, with an initial budget of 25 million euros. More than 750 high-potential projects were analysed.

Support for exports

With a considerable international platform (see Figure 1), CGD is thus a strong partner for Portuguese companies that want to expand abroad, including emerging markets and Portuguese--speaking countries.

In response to the demands of the current context, in which exports are essential to the Portuguese economy, as a business development agent CGD offers solutions designed to help companies export.

Its extended export support programme includes the new Linha Caixa Empresas Exportações (Caixa Company Export Line) designed to make the cash situation of exporting companies and producers of tradable goods that replace imports more flexible.

Linha PME Crescimento (SME Growth Line) 2012

194,953 thousand euros of credit granted in 2012

CGD signed an agreement with mutual guarantee companies, IAPMEI and PME Investimentos to improve access conditions to finance by Portuguese SMEs. The agreement involves making the PME Crescimento line available to companies in order to create jobs and support economic growth via investment or exports.

Caixa PME Líder (Caixa SME Leader)

CGD has special products and services for SME Leader companies with good ratings in the FINCRESCE Programme, a package of products in the areas of current management, short-term finance, support for exports and investment finance.

On 31 December 2012, CGD achieved second place in the PME Líder rankings. 2,306 companies were allocated PME Líder status by CGD, 1,217 more than in 2011.

[5] Amount traded = sum of value of debit and credit operations

Sectorial products and services

Primary sector

317 thousand euros in credit granted in 2012

CGD has special lines of credit for the primary sector to support production capacity and boost the cash flow of companies in farming, stockbreeding and fisheries.

Line of credit for tourism

6,000 thousand euros in credit granted in 2012

In 2012, CGD signed memoranda of understanding with Turismo de Portugal to provide lines of credit to meet the needs of companies in the tourism sector, including creating new and conversion of existing complexes and food and beverage companies of interest to tourism and renewal of regions, thereby contributing to improving the quality, innovation and competitiveness of tourism in Portugal.

PARES line of credit

Line of credit to finance investment projects in the Social Facility Network Expansion Programme (PARES) submitted by private charities or equivalent organisations — agreement with Instituto de Segurança Social, I.P. (ISS).

Micro-savings

Automatic savings mechanisms

In a difficult macroeconomic framework in which unemployment has reached all-time highs, promotion of saving has been a crucial challenge, and so CGD has been conscientiously introducing products that meet the needs and expectations of a society whose habits have changed rapidly.

Based on joint use of the main banking means used - savings accounts, automatic transfers, cards, discounts from partners – a CGD customer can achieve financial benefits every day.

In accordance with this principle, in 2012 CGD increased these mechanisms from nine to 10, on introducing Serviço Caixa Família (Caixa Family Service), an innovative saving concept for families. It helps create a multi-generational relationship that encourages saving with benefits for all involved.

CGD stepped up its role as booster of savings and there was a 9.3% increase in savings accounts between October 2011 and December 2012.

Savings simulators

In 2012 CGD introduced a savings calculator on the cgd.pt website enabling customers to find out how much they can save with automatic savings mechanisms. This tool is organised by customer profile to encourage saving.

My Baby products and services

My Baby is an innovative solution of financial products and advantages to facilitate meeting the specific needs after the birth of a child and its first few months. Its aim is to encourage saving for the baby's future and effective management of the household budget. It offers advantages like health discounts and partners of interest to the parents.

In 2012, CGD stepped up its presence at events such as the "Cuidar de nós, Cuidar do nosso bebé" conference and "Barrigas de Amor".

Microcredit, microfinance and entrepreneurship

CGD's products and services to support entrepreneurship and the start-up of companies include its own solutions and partnerships with third parties. Around 1,300 microcredit and entrepreneurship projects have been financed through CGD.

Caixa Jovem Empreendedor (Caixa Young Entrepreneur)

1,102 thousand euros in credit granted in 2012

For young people up to the age of 40 wishing to start their own business, the Caixa Jovem Empreendedor solution finances the purchase of equipment or other investment components necessary to set up or develop small businesses.

In 2012 this microfinance and entrepreneurship solution grew more than 28% in number of projects/operations

Agreements

CGD's Agência Central de Microcrédito (Central Microcredit Branch) is responsible for managing agreements in this area.

Data from Agência Central para o Microcrédito 2012:

779 operations since 2006 to a total sum of 10.5 million euros	564 active processes in 2012	148 processes contracted in 2012 to a total sum of 1.9 million euros

ANJE line of microfinance - agreement with Associação Nacional de Jovens Empresários

The basic aim of this agreement is to facilitate self-employment and the creation of small businesses by ANJE members and investment in the expansion and modernisation of their companies. The conditions are the same as for Caixa Jovem Empreendedor.

ANDC Microcredit - agreement with Associação Nacional de Direito ao Crédito

811 thousand euros in credit granted in 2012

This agreement set up a cooperation commitment between CGD and the ANDC to develop microcredit goals, such as economic and social integration of people involved in business projects.

It is designed to allow credit for the people who are or may soon be in a state of economic and social exclusion and have no access to conventional bank loans via normal mechanisms. This creates the right conditions for them to develop a small, sustainable business and thus their own employment.

Microinveste and Invest+ lines of credit - agreement with Instituto de Emprego and Formação Profissional (IEFP)

1,092 thousand euros in credit granted in 2012

The Microinvest and Invest+ are lines agreed upon by CGD, Instituto de Emprego and Formação Profissional (IEFP), mutual guarantee companies and Sociedade de Investimento (SPGM).
These lines have low, attractive interest rates and are designed to support viable business ideas that will create and maintain sustainable jobs. They are for all people with an entrepreneurial profile who have special difficulties in finding work and are at risk of social exclusion– unemployed and young first job-seekers.

Financial inclusion

Minimum banking services

1,632 active accounts at end of 2012

Under the agreement signed by CGD, the government and Banco de Portugal on 27 November 2012, CGD began to provide minimum banking services pursuant to the new law (Decree- Law 225/2012 of 17 October)

To access these services, customers enter into a contract by opening a minimum banking services current account (or converting an existing account), obtaining a debit card and subscribing to the Caixadirecta service.

This type of product is designed to combat social and financial exclusion (considering that not having a bank account is an impediment in the acquisition of goods and services).

CGD also introduced Pacote Zero to provide a basic service at zero cost to these customers.

This banking service is free and consists of a current account with domiciled income. These customers have access to the Caixadirecta online service, where they can make domestic transfers between CGD accounts and receive a free digital statement. They also receive an annuity-free debit card that they can use to shop and withdraw cash in Portugal.

Inclusion of the disabled

CGD solutions for customers with officially documented disability of 60% or over, regardless of age, to ensure the inclusion of people with disabilities in banking. It consists of a term deposit for holders with disability of 60% or more:

- **Mortgages for the disabled**
  5,870 thousand euros in credit granted in 2012

  This low-interest mortgage loan allows disabled civilians and armed forces disabled to buy or build their own homes.

- **Caixa Poupança Rumos**
  62 thousand euros in balances at year end in deposits set up in 2012
  It is a very flexible, renewable, six-month term deposit with a passbook for customers with a disability of 60% or more.

Senior segment

Caixa Activa

This is for customers aged over 55 and includes personal loans for general goods and services and investment opportunities to meet their needs, including renewable energy.

In 2012 CGD stepped up communication with this customer segment. The monthly newsletter was enhanced with information of a more intergenerational nature and family relationships.

Immigrant segment

CGD has a branch at Centro Nacional de Apoio ao Imigrante (CNAI) in Lisbon. Using a similar service model to Loja do Cidadão, it receives and integrates foreign residents in Portugal.

This centre is sponsored by the High-Commission for Immigration and Intercultural Dialogue and provides centralised support to immigrants and ethnic minorities. It also fosters dialogue between cultures, ethnicities and religions.

BCA – Cape Verde

For the purpose of financial inclusion, at the BCA cheques and payment orders for €15 or less for family support of their beneficiaries are exempt from commissions and handling fees.

Student and young people's segment

In 2012 investment in the youth segment included initiatives and campaigns, such as the one at the CGD branch at KidZania, and the "Multiplica os teus Cifrões" (Multiply your euros) campaign aimed at informing parents of the benefits of products and services that foster medium- and long-term saving via efficient management of pocket money.

Cartão LOL Junior (LOL Junior Card)

71 thousand euros traded [6] in 2012

This allows parents or guardians to closely monitor their children's financial needs and teach them about saving as they manage their pocket money.

The **student segment** is strategic for CGD. 2012 was another year in which CGD asserted its leadership of the student market, with more than 180 academic establishments covered by active agreements and a portfolio of around 250,000 customers in Portugal, channelling benefits to the academic community in general.

CGD has 20 university branches located at the main campuses and they continued a hands-on approach plus remote service (Caixadirecta IU service).

Continuing its introduction of the new Caixa IU brand from 2011, CGD sponsored more than 120 events in addition to other regional or national initiatives such as student union celebrations, summer festivals and Liga Pro Surf, including the 18th Campanha da Nova Época Universitária (New University Season Campaign) 2012.

The segment's website www.caixaiu.pt was redesigned and Caixa IU was launched on Facebook.

CGD financed degree courses, master's programmes, PhDs and MBAs, rewarding academic merit with discounts on spreads via Crediformação and student loans with mutual guarantees.

Crediformação Caixa

9,155thousand euros in credit granted in 2012

The aim of this solution is to help finance students' course fees and purchase of materials. For studies in Portugal, the loan is for up to €30,000 and abroad up to €50,000 with a maximum repayment time of 14 years.

[6] Amount traded = sum of value of debit and credit operations

Student loans with mutual guarantee

9,279thousand euros in credit granted in 2012

This line of credit is to finance the costs of degree courses and is exclusive to students at schools covered by Universitários Caixa IU agreements.

In 2012 CGD introduced a new savings product, Caixapoupança Superior, which facilitates continuous small savings (accepting deposits of 1 euro or more) and also rewards having CGD as the student's main bank.

Caixapoupança Superior

211thousand in deposits at end of 2012

This savings scheme facilitates continuous small savings (accepting deposits of 1 euro or more). It is for holders of the Caixa IU, ISIC or Caixa Académica Estudante student cards.

It continued to offer debit and credit cards to meet students' needs.

Caixa IU card

515,037 thousand euros traded in 2012

It is a debit card for students that offers discounts on a number of cultural activities, among other benefits.

Caixa ISIC (ISIC + ISIC DD) cards

17,101thousand euros traded in 2012

These credit cards for students act as ID card and offer discounts on health, sports, and IT, for example.

Caixa ITIC card

14,330 thousand euros traded in 2012

This credit card has official recognition of faculty status offering discounts and benefits

Residents abroad

CGD recognises the importance of the emigrant segment to attract savings to Portugal and undertook campaigns aimed at residents abroad to stimulate the growth of savings.

CGD also continued to focus on complementarity between the network of branches, subsidiaries and representation offices abroad and remote channels, especially the Caixadirecta Internacional service.

BCA – Cape Verde

In 2012, the BCA tightened relations with the community living outside Cape Verde with meetings with emigrants on holiday in all municipalities in and outside the country. In the diaspora, it is a partner in "Hello Cape Verde in the USA"; a meeting with the Cape Verdean communities in Lisbon and Paris, and participated in the Entrepreneurship Fair in Paris.

The BCA also has a partnership with Amado Enterprise in Boston, USA, which assists Cape Verdean emigrants in their dealings with the bank.

The BCA has a free phone line (617 979 74 33) for emigrants and residents in the USA, at the cost of a local call.

Health

CGD considers access to health an asset for all and an important factor in the construction of a sustainable society. It has reflected this premise in its products and services and offers solutions in the area of access to health and medical care. In 2012 it introduced Crédito Pessoal Saúde Emergência (Personal Health Emergency Loan) exclusively for low-income customers with attractive prices and repayment times.

Crédito Pessoal Saúde Emergência

362 thousand euros in credit granted in 2012

This loan is for goods and services to meet health needs and is for customers with a monthly income of three times the national minimum wage or less.

HPP Saúde card

668 thousand euros traded in [7]2012

This card offers discounts and special conditions at HPP Saúde health units.

[7] Amount traded = sum of value of debit and credit operations

Funding of renewal of urban centres

By offering a wide number of products for urban renewal, in recent years CGD has been reasserting its commitment to these important, decisive sectors, not only for the national and local economy, but also to improve people's living and hygiene conditions.

This commitment is based essentially on four components:

Line of credit for urban renewal	JESSICA urban development fund	Real estate investment funds for residential rentals (FIIAH)	Social rental programmes

Line of credit for Reabilitação Urbana (Urban Renewal)

The Reabilitação Urbana line of credit involves long-term financing for restoration of buildings to improve their habitability and energy efficiency. It is for private customers, members of the professions, companies, condominium associations, municipalities, urban renewal and other municipal companies and private charities.

JESSICA Urban Development Fund

The JESSICA initiative, introduced by the, European Commission and European Investment Bank in collaboration with the Council of Europe's Development Bank, is a financial engineering instrument that promotes urban renewal projects aimed at social cohesion and sustainability by boosting business activity and thus repopulation in city centres.
This initiative in Portugal will be promoted by three urban development funds (UDFs)), one of which, the Fundo de Desenvolvimento Urbano JESSICA/CGD, is managed by CGD.

In terms of investment areas, the JESSICA/CGD UDF will fund projects aimed at:

- Urban renewal in medium and large sized cities
- Energy efficiency and renewable energy
- Economic revitalisation of city centres for SMEs and innovative companies
- Dissemination of information and communication technologies
- Investments fostering social integration, cultural development, sport and leisure facilities, business support facilities, modernisation of urban infrastructure and public spaces, etc.

The UDF under CGD management includes the Norte, Centro and Alentejo Regional Operational Programmes.

In order to pursue the UDF investment policy, CGD developed an equity fund and two special lines of credit for eligible JESSICA projects and supplementary funding for the non-eligible components. This scheme is for companies, institutional customers (local authorities), urban renewal companies, private charities and real estate investment funds.

The JESSICA/CGD UDF is currently analysing the framework of over 40 projects, which demonstrates the high potential and interest of investing in urban renewal projects.

Real estate investment funds for residential rentals (FIIAH)

CGD was a pioneer in developing real estate investment funds for residential rentals, financial instruments set up by Law 64-A/2008 to stimulate the residential rental market and offer a less costly alternative to households wishing to convert their mortgage contracts into rental agreements, while still maintaining the option to repurchase their home.

CGD has been stepping up these vehicles, which serve an economic and social purpose. On the one hand, they are a solution for owners and financial institutions to profit from their properties by placing them on the rental market. On the other, they allow families unable to meet their financial burden to satisfy their housing needs by renting.

In 2012 CGD offered two of these funds, which are essential vehicles in stimulating the residential rental market.

Caixa Arrendamento	1,215 properties to a value of 80.9 million euros 86% of properties resulting from default to a value of 68.7 million euros 114,483 thousand euros under management at the end of 2012	**Caixa Imobiliário**	281 properties resulting from default to a value of 41.8 million euros 46,341 thousand euros under management at the end of 2012

Social rental programmes

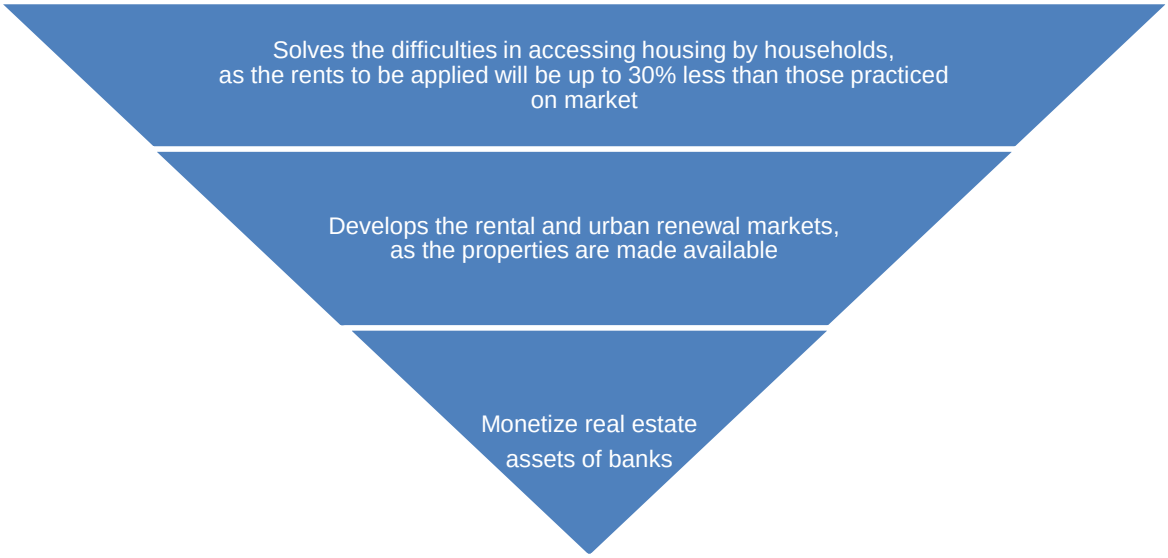
Social rental market

In 2012, in answer to an invitation from the Ministry of Solidarity and Social Security, CGD joined the social rental market" initiative, one of the government's measures in the Social Emergency Programme.

This initiative benefited from the start from the CGD Group's know-how and the experience gained from the Arco-íris – Novos Horizontes para o Arrendamento Programme, between Fundimo (now Fundger) and Vila Nova de Gaia Municipal Council.

The social rental market is a partnership between the state, subscribing municipalities, Instituto da Habitação e da Reabilitação Urbana (IHRU), Instituto de Gestão Financeira da Segurança Social (IGFSS) and seven credit institutions, including CGD.

It is aimed at social classes that have incomes too high to qualify them for social housing but cannot afford to rent a home on the free market. It therefore offers a threefold benefit:



After a call for tenders, management of these homes was awarded to Norfin – Sociedade Gestora de Fundos de Investimento Imobiliário, S.A., through Fundo de Investimento Imobiliário para Arrendamento Habitacional Solução Arrendamento.

In 2012 CGD underwrote 9,220 thousand euros in deeds and 5,587,000 in available funds.

The FIIAH rental solution was awarded the best Real Estate Investment Fund at the Lisbon 2012 Real Estate Fair

Agreements with municipalities

Also as part of the social rental market, CGD has been entering into agreements with some municipalities, in which properties are placed on the market by the local authorities in a win-win solution.

- The Arco-Íris – Novos Horizontes para o Arrendamento Programme, which has been in place since 2011, arose from an agreement between the CGD Group and Gaia Social, EEM. Similarly to the social rental market, the aim is to provide housing for families that have incomes too high to qualify them for social housing but cannot afford to rent a home on the free market.

- In 2012, CGD signed rental contracts with Coimbra Municipal Council for it to sublet.

In 2012 these two initiatives made 64 properties available.

Financing a low-carbon economy

CGD plays an essential role in financing a low-carbon economy and helping to reduce its customers' greenhouse gas emissions.

As part of its environmental strategy, in 2012 CGD continued to offer specific financial solutions with preferential conditions for private, business and institutional customers in access to more carbon-efficient goods and services.

Personal loans – renewable energies [8]

2,329 thousand euros in credit granted in 2012

This credit for private customers is to fund the purchase and installation costs of renewable energy generators (solar thermal or photovoltaic collectors, wind turbines or others, heat pumps and support or connection equipment).

Cartão Caixa Carbono Zero (Caixa Carbon Zero card)

1,237 thousand euros traded [9] in 2012

The Caixa Carbono Zero card offers carbon credits to its customers. It is the only card that offsets CO2 emissions by afforesting areas in mainland Portugal, such as Tapada Nacional de Mafra (Floresta Caixa).

In motor finance, CGD encourages the purchase of environmentally friendly vehicles (with low CO_2 emissions) by reducing the spread.

Line of financing for electric vehicles

XXX thousand euros in credit granted in 2012

This is a special line for private customers and companies to buy electric vehicles and connect to the grid to charge them, including the car park in the CGD head office building.

In the area of renewable energy, agreements were maintained with different entities for the purchase and installation of ecological equipment and foster changes in behaviour to reduce energy consumption and value the role of forests.

Energias Renováveis (Renewable Energy) personal loans – agreements BP, EFACEC, VISABEIRA, GALP Gás Natural, Sport Lisboa e Benfica, EDP Services, SA and Parceria Yunit agreements

1,664 thousand euros in credit granted in 2012

[8] Line of credit suspended as of 1 March 2012.

[9] Amount traded = sum of value of debit and credit operations

Solutions for companies

In 2012, CGD continued to assist companies that decided to invest in better energy efficiency, use of renewable energy and micro-generation (solar, wind and hydroelectric).

Solução Caixa Empresas – Energias Renováveis

839 thousand euros in credit granted in 2012

This solution promotes company investment in renewable energy – solar thermal and photovoltaic, hydroelectric and wind power. Eligible investments are aimed at energy saving, micro-generation and power farms.

Integrated CGD EE/ER solution

As part of Portugal Eficiência 2015, which has 12 programmes for different boosters of energy efficiency aimed at technology: Indústria Sistema (energy efficiency in industry)

EIB lines of credit

As part of its company-oriented activity, CGD has negotiated credit lines with the European Investment Bank (EIB) to promote investment in Portugal on special conditions, e.g. EIB XV and MIDCAP I.

EIB lines - investment in environment / EIB MIDCAP I line

9,677 thousand euros in credit granted in 2012

This line funds investments in environmental sustainability projects, especially quality of life, environment and energy saving and efficiency.

EIB lines - investment in environment / EIB XV lines

10,698 thousand euros in credit granted in 2012

This line finances investments in energy economy and environmental protection (SMEs and other bodies, including central and local government).

Project finance

CaixaBI – Banco de Investimento, SA (CaixaBI) is the CGD Group company that handles project finance.

One of CaixaBI's constant concerns is to abide by social and environmental legislation in full. Environmental and social risks of project finance are assessed in three stages: during due diligence, construction and operation.

In the first two stages, the risks are monitored by independent technical and legal consultants. There are social and environmental criteria in attracting and setting up operations, when projects and applicants are being analysed, in accordance with an environmental opinion required by law in the

form of an environmental impact statement or environmental impact assessment for all main infrastructure financing projects.

No finance is provided unless environmental licensing has been confirmed in the due diligence process. The technical consultants make an independent, exclusive assessment of the technical and environmental conditions of projects (including licences) necessary during construction and operation. In the last stage the parties are obliged to provide constant information on matters covered in the contracts, including environmental and social risks.

The main project financed in 2012 was Luanda Shopping, which received an environmental licence from the Republic of Angola. It falls into the category of projects that best help improve overall sustainability conditions. The CGD Group invested around **28.8 million euros** in the project. It is a structural project in its area. It complies with environmental legislation and will lead to the creation of a large number of jobs in the region.

The refinancing of the five EuroWatt wind farms in France and of Tagusgás was also completed.

CaixaBI also has a venture capital department, which manages two sustainable funds, as identified below. During the year, 133 investment opportunities were analysed and 23 operations were approved to a total of 91 million euros. A total of 34 investments were made involving 13 million euros and nine disinvestments totalling 31 million euros at the time.

BCG Brasil

BCG Brasil financed several infrastructure projects with environmental benefits in 2012, particularly:

- Financing / port infrastructure in Brazil: 325 billion euro participation in financing by Banco Interamericano de Desenvolvimento for the Embraport Project to build and operate a container terminal in the Port of Santos (the largest in Latin America and Brazil's most important port)
- Financing / sanitation: 38.5 billion euros in the F.AB Project Western area - BCG-Brazil acted as short-term financer and financial consultant to attract long-term finance for F.AB. Western area (Odebrecht group), the largest private sanitation concession in Brazil, located in the western part of Rio de Janeiro
- Bridging loan / sanitation: 7.4 billion euros CAB Mato Grosso Project - BCG-Brasil participated in the bridging loan for the water and sewage concession of CAB-Mato Grosso, a subsidiary of CAB Ambiental (Galvão Engenharia group), which manages and operates five concessions for the supply of water and collection and treatment of sewage in the central western part of Brazil.

BCG Brasil is a financial institution accredited by Banco Nacional de Desenvolvimento Económico e Social (BNDES), which fosters innovation, local and regional development and social and environmental development in the undertakings that it finances: The following lines of finance with social benefits were the most important offered by BCG Brasil in 2012:

- BNDES *Finame – caminhões*, 1.034 billion euros
- BNDES *Finame* – acquisition worth 2.935 billion euros
- BNDES *Exim* - pre-shipment to the amount of 7.407 billion euros

Sustainable funds

CGD has two investment fund managers: Caixa Capital, the CGD Group's venture capital fund manager and CaixaGest, the CGD Group company that manages real estate investment funds and performs discretionary portfolio management.

These CGD companies offer investors a variety of financial products to meet their specific interests and have been promoting responsible investment through investment funds with environmental and social benefits.

Fundo de Capital de Risco Energias Renováveis – Caixa Capital (Renewable Energy Venture Capital Fund – Caixa Capital) was a fund for investment in companies with high development potential that operated in the generation of electricity from renewable energy sources, in order to help them grow. The fund was dissolved and liquidated in the first quarter of 2012 and some its investments were transferred to Fundo de Capital de Risco Grupo CGD.

Fundo Especial de Investimento Caixagest Energias Renováveis (Caixagest Special renewable Energy Investment Fund)

21,654 thousand euros under management at the end of 2012

It is a special investment fund that only invests in renewable energy and related activities The fund's main purpose is to provide investors with access to a diversified portfolio of assets directly or indirectly associated with renewable energy, environmental quality and carbon assets.

Fundo de Capital de Risco Caixa Empreender+ – Caixa Capital

15 million euros of realised capital to a total subscribed of 25 million euros of CGD participation at the end of 2012

This fund finances high-potential projects in growth or expansion phases representing innovation and sustainability by investing in their capital

3. Our employees

CGD's human assets - 2012

387,603 training hours

316 in-house trainers

287 internships

3.1 Our human assets

Equal opportunities

CGD is a socially responsible institution and bases its actions on full respect for human rights and equal opportunities for men and women. This is reflected in its approach to human asset management through good non-discrimination practices not only in hiring but also in employees' remuneration and career progression.

CGD takes measures to ensure equal opportunities. They are described in our 2012 Corporate Governance Report (point 3.2.4.1)

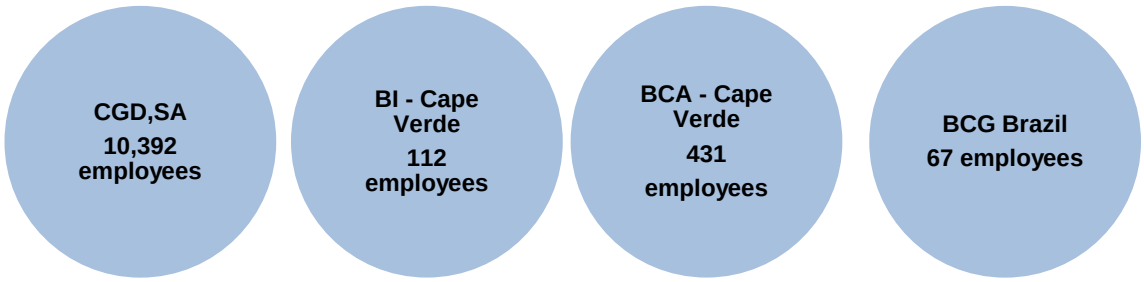


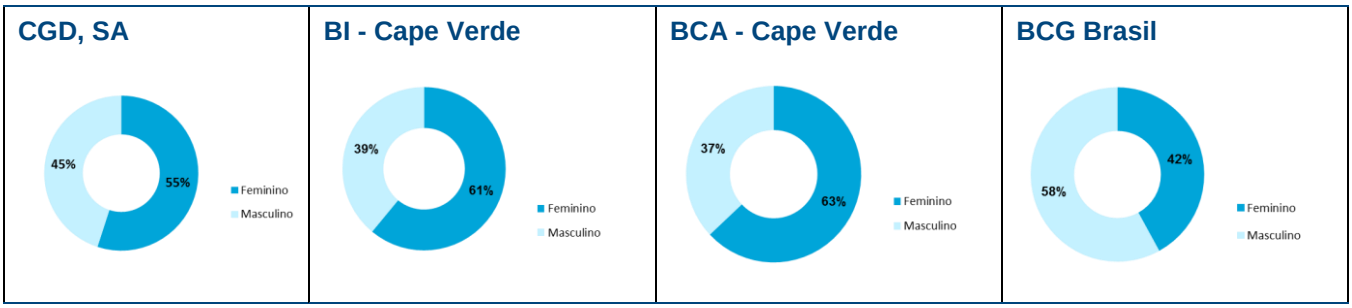
Table 6: Number of CGD, S.A. employees by country

Portugal	10,324	Belgium	1	USA	1	Mozambique	11
South Africa	1	Brazil	2	France	2	São Tomé e Príncipe	2
Germany	1	Cape Verde	3	United Kingdom	4.	Switzerland	3
Angola	12	Canada	3	Luxembourg	2	Timor	7
Algeria	1	Spain	5	Macao	6	Venezuela	1

The CGD Group has an inclusive policy and hires people with physical disabilities without discrimination and ensures technical assistance and the necessary accessibility for their full integration and development.

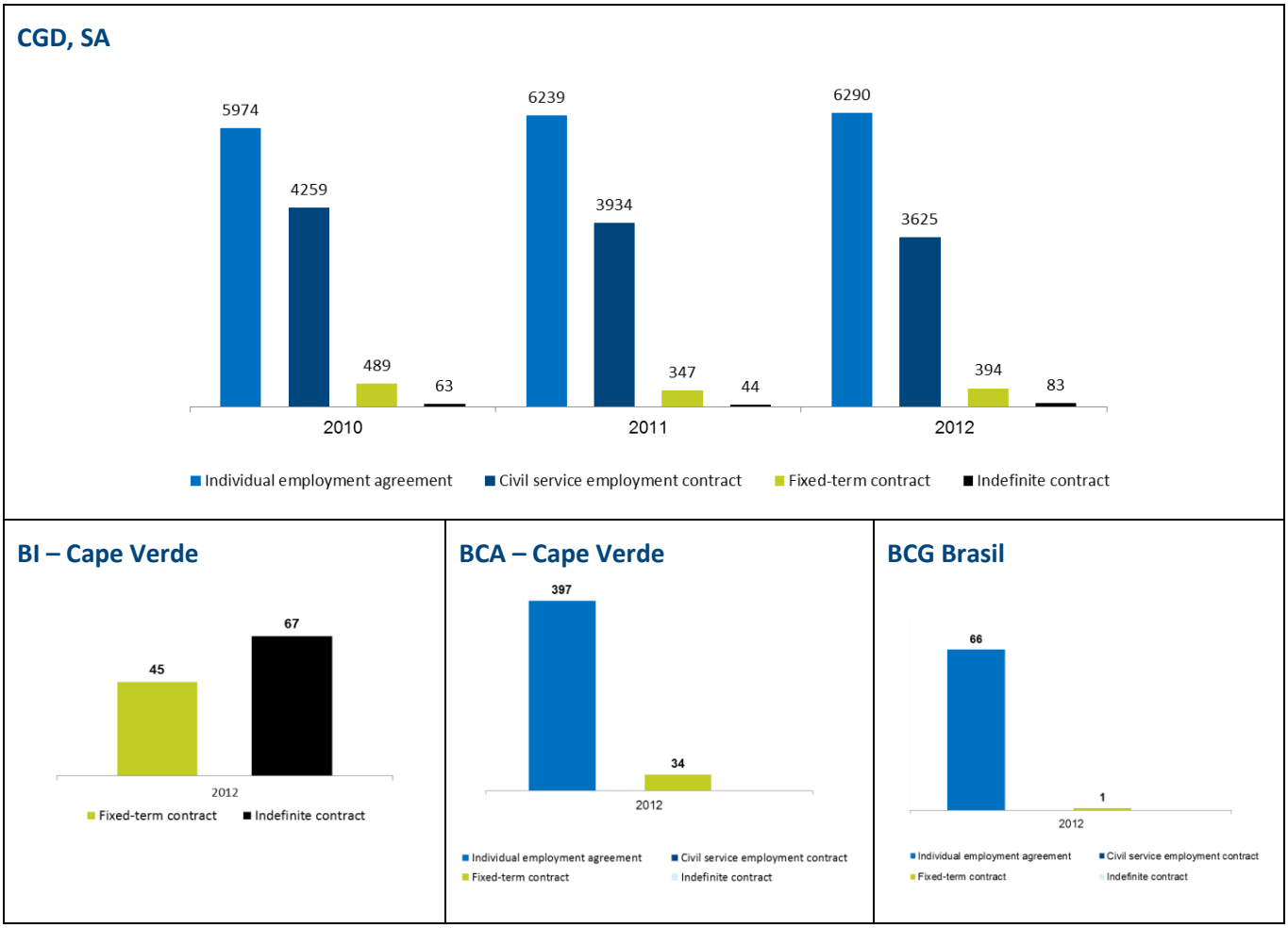
In 2012, CGD had 129 employees with physical disabilities (71 women and 58 men) and BCA – Cape Verde and BI – Cape Verde had one.

Graph 15: Employees by gender



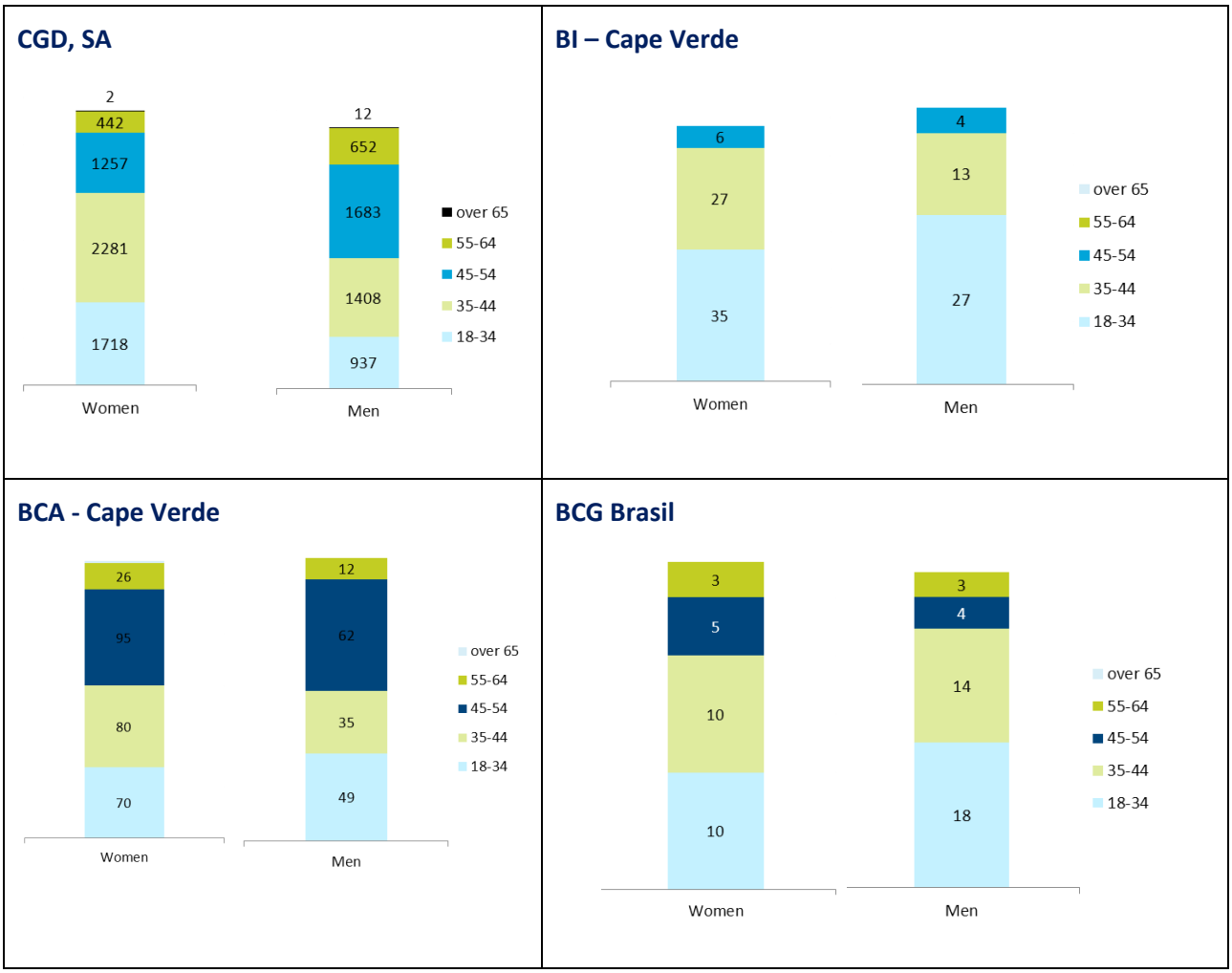
At CGD,SA and the other subsidiary banks there is a gender balance among employees.

Graph 16: Direct employees by type of contract

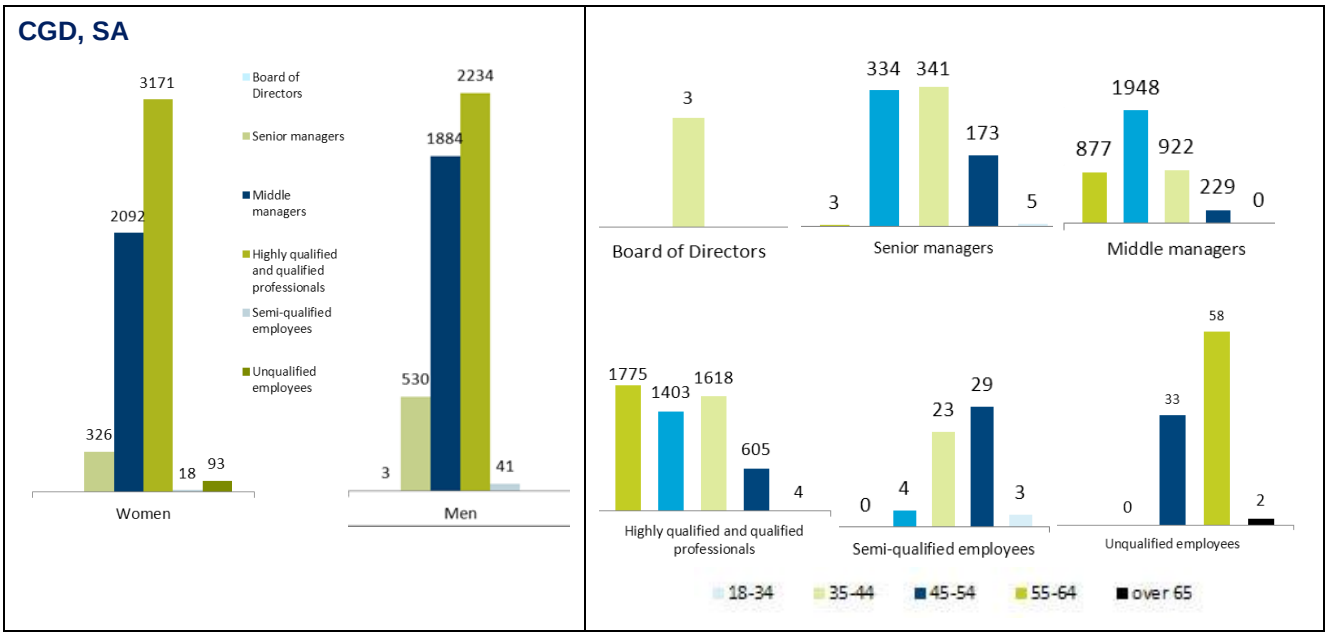


99% of CGD, SA employees are full-time and 1% part-time. At the subsidiary banks covered by this report, 100% of employees are full-time.

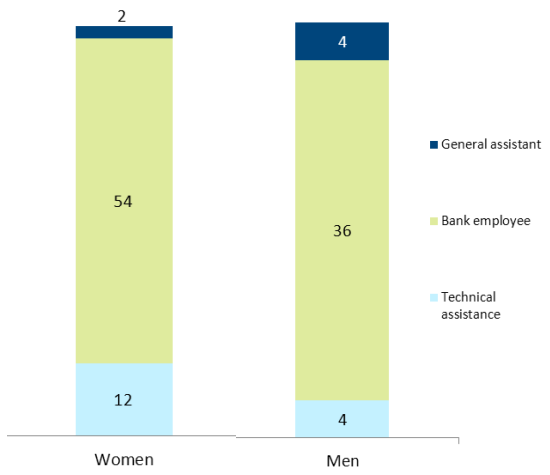
Graph 17: Employees by gender and age group (2012)

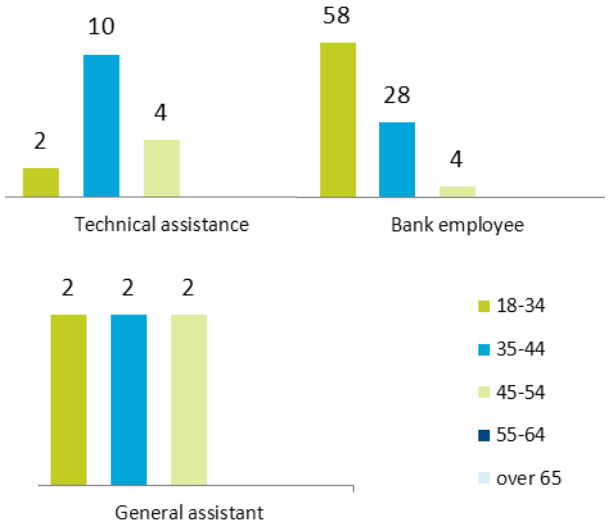


Graph 18: Employees by gender and job category (2012)

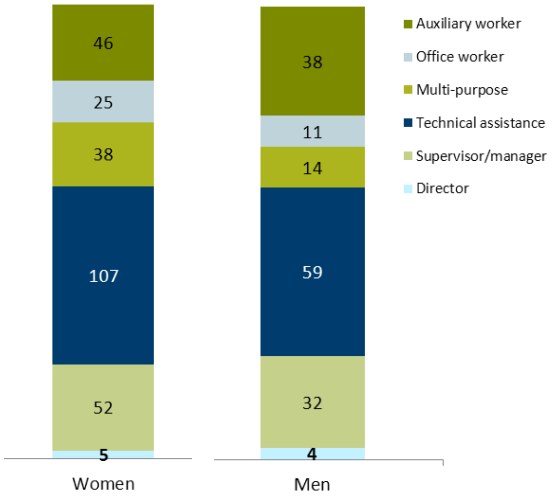


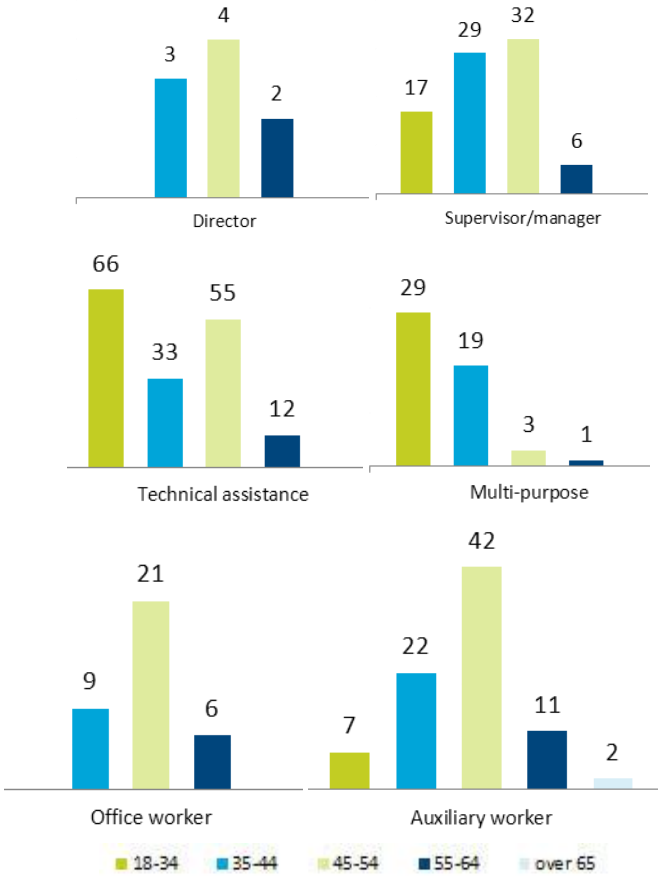
BI – Cape Verde

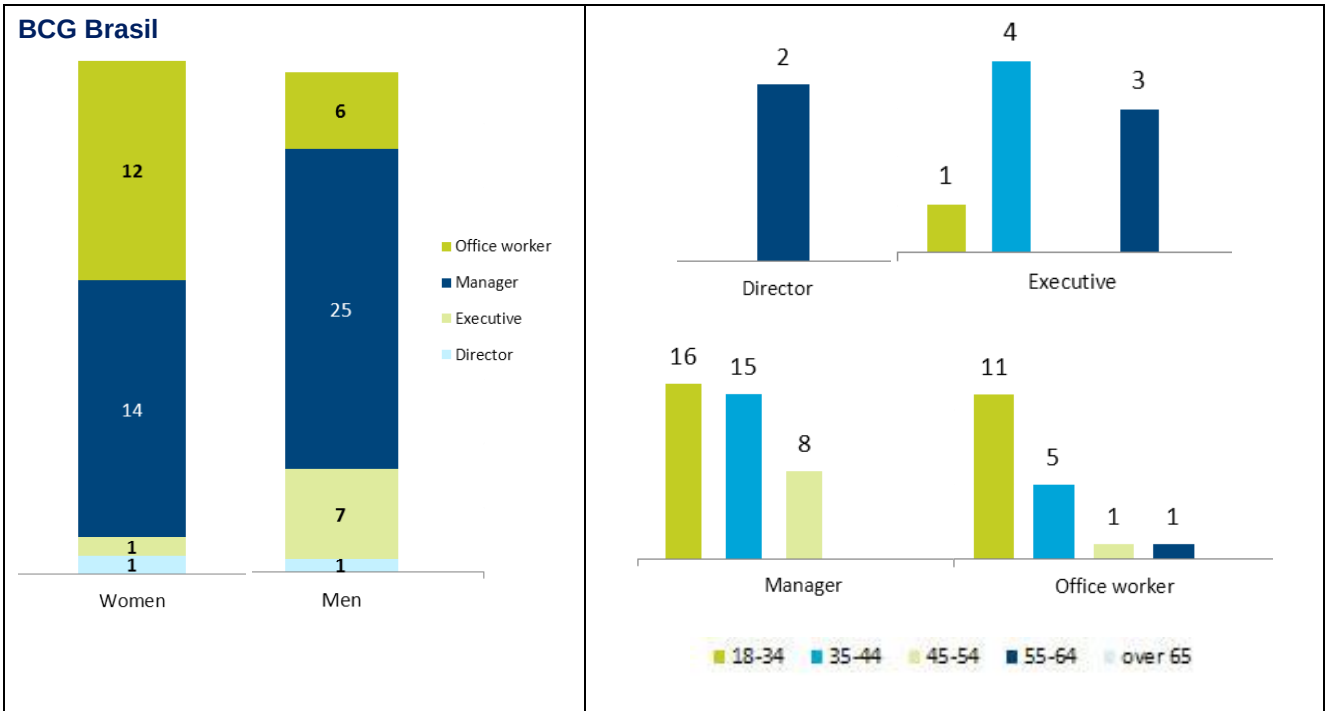




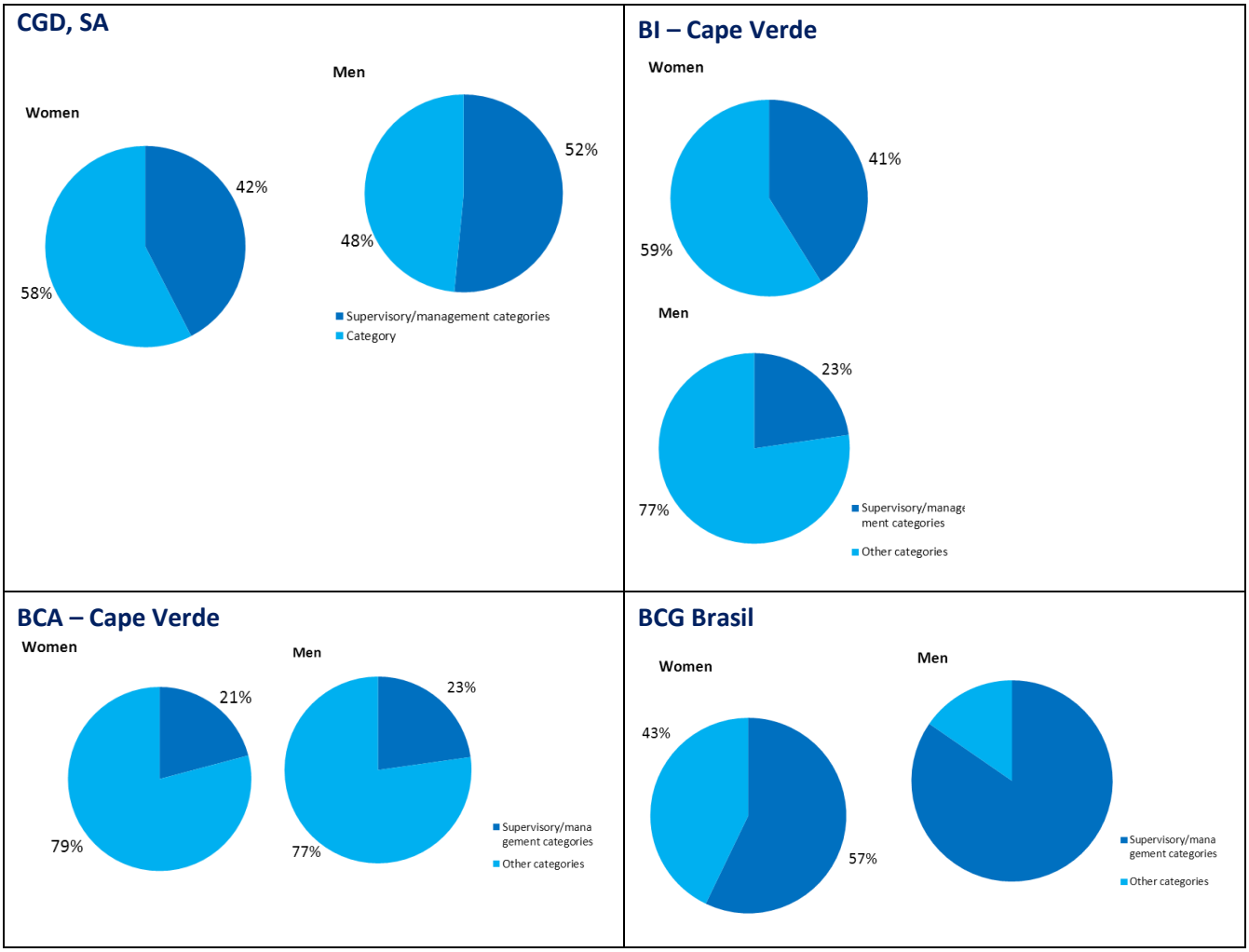
BCA – Cape Verde



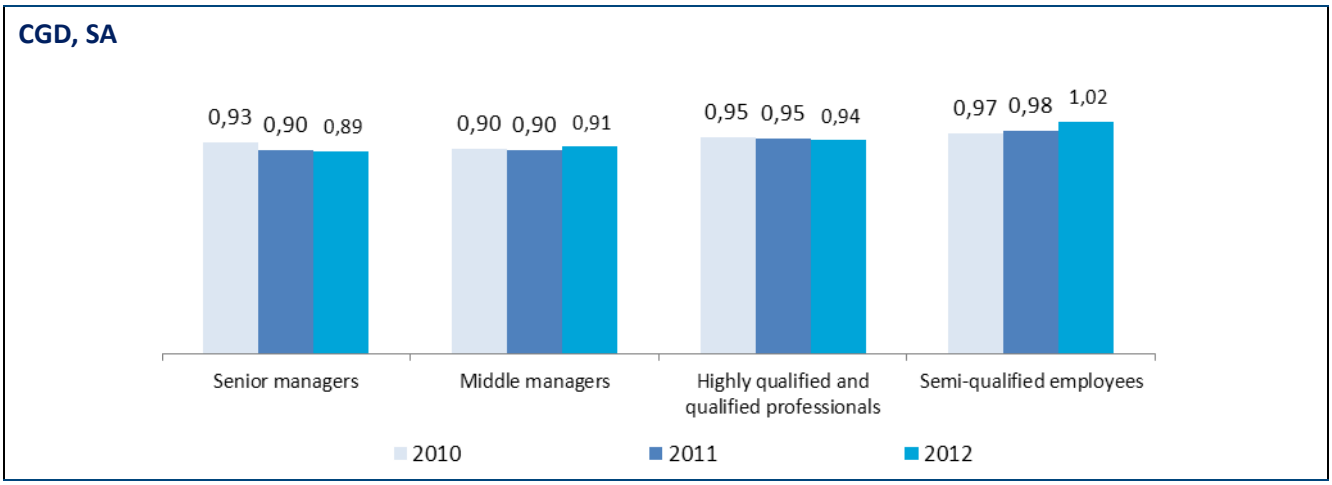




Graph 19: Supervisory categories by gender (2012)



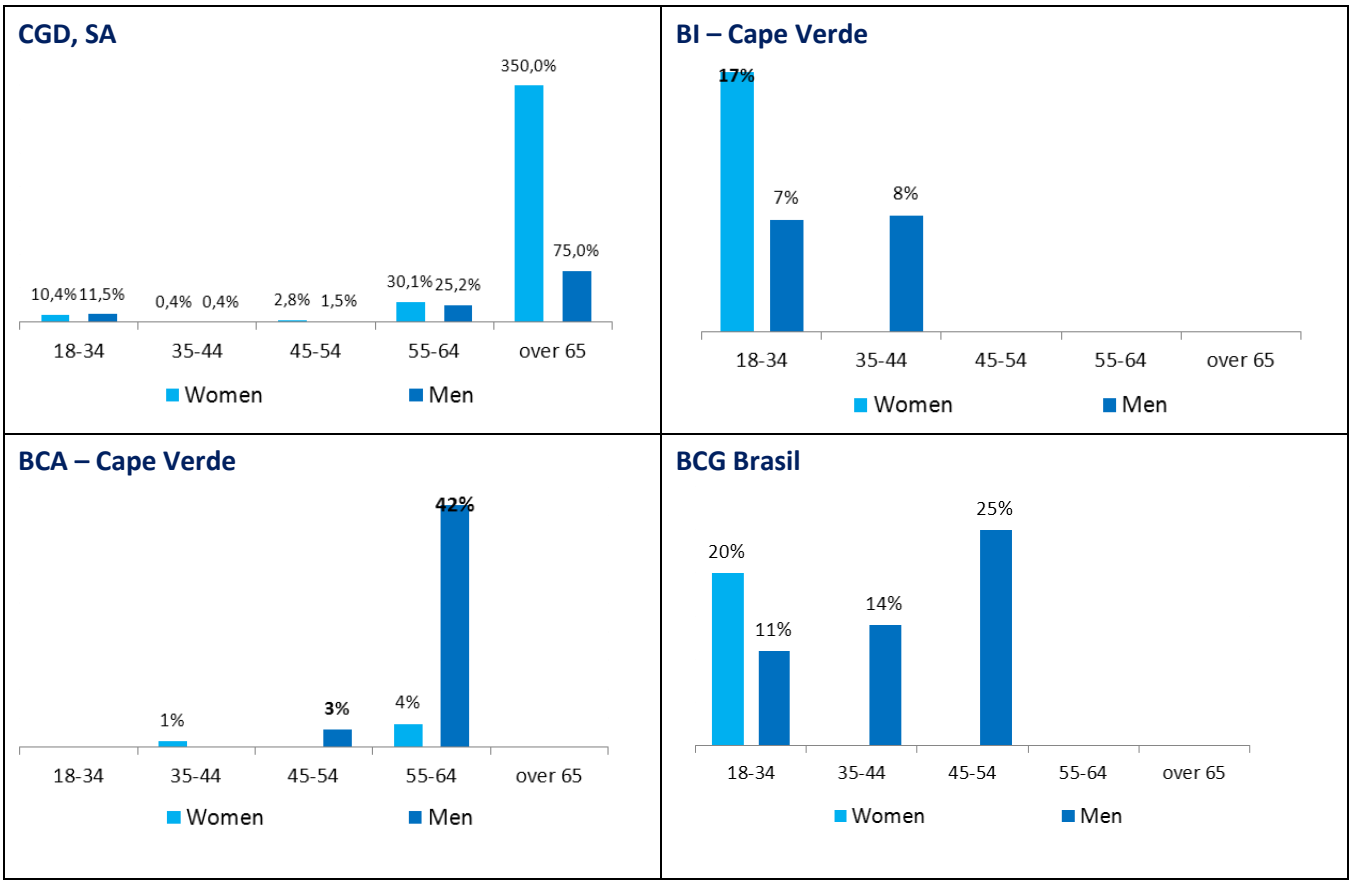
Graph 20: Proportion of basic salary between men and women by job category (2012)



At CGD, SA, BI – Cape Verde, BCA – Cape Verde and BCG Brazil the basic remuneration paid to employees is defined in a pay scale based on level for each job category and does not distinguish between genders.

As in previous reports, CGD,SA calculated the proportion of men and women by job category and found some differences between genders. This was due exclusively to the fact that there are differences in the number of employees by gender at the different levels. Equal basic pay is guaranteed for employees at the same level and in the same job category, regardless of gender.

Graph 21: Turnover by gender and age group



3.2 Attracting and keeping talent

The requirements of the change in paradigm in the banking business mean that CGD has to cast a permanent, knowledgeable, up-to-date eye on its human capital, especially with regard to each employee's occupational skills in their current job or in terms of career development potential, so that we can manage talent effectively.

Commitments: Human asset management			
Managing talent	Manage employees' motivation and personal development	2010 - ongoing	☑
	Set up development programmes devoted to CGD in articulation with higher education establishments	2009 - ongoing	☑
	Assist employees in completing the second Bologna cycle (master's degrees)	2012 - ongoing	☑
	Increase dissemination of national and international internal mobility opportunities	2009- ongoing	☑
Monitoring the social climate	Conduct employee satisfaction survey	2010 - whenever opportune	☒ Not done in 2012 for circumstantial reasons
☑ **Done**	☒ **Not done**	⌛ **In progress**	

Recruitment

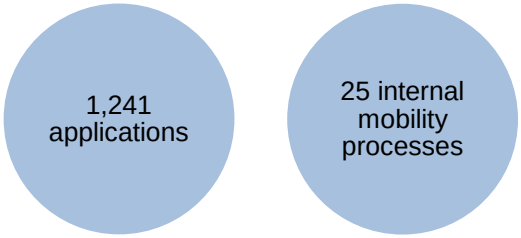
In-house recruitment

The development of CGD employees' careers has been expedited by internal mobility processes, through which employees with the most appropriate profiles are selected for important positions in the Group.

CGD considers it essential to monitor, guide and boost employees' careers.

Concerning critical jobs in the private customer business - managers, assistant managers and customer managers –employees with potential for these jobs are identified in tests and placed in the **Internal Recruitment Pool (IRP).** This makes it possible to identify areas for improvement and draw up personal development plans in partnership with supervisors.

When appointed to a new job, employees from the IRP go into a **job internship plan** - a specific training programme including face-to-face teaching, e-learning and on-the-job training, the purpose being to provide employees with the essential skills and knowledge to be able to do their job properly.



External recruitment

Under its policy of proximity to the academic world, CGD has progressively strengthened relations with higher education establishments either through setting up agreements or through its presence at job fairs organised by the various schools, which has resulted in us maintaining a pool of candidates for future recruitment drives. Likewise, the summer internships and academies have a dual advantage, as for CGD they are ways of attracting talent and for the academic community they provide an initial contact with the banking business and job opportunities for final-year students.

Figure 10: N.o of internships in 2012

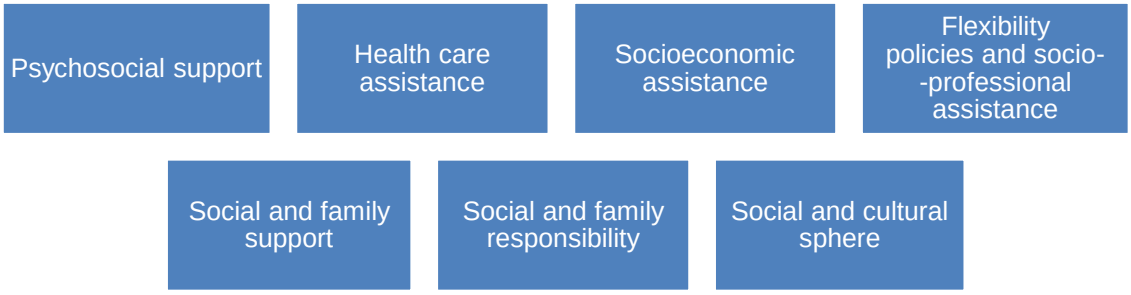
CGD,SA	BI – Cape Verde	BCA – Cape Verde	BCG Brasil
287 internships 62% curricular and 38% vocational 115 interns at the end of the year	**23** internships 39% curricular 61% vocational 6 interns at the end of the year	44 internships 36 interns at the end of the year	17 vocational internships 15 interns at the end of the year

Work-life balance

CGD's action towards gender equality entails recognising and valuing the many social roles that its employees play, especially with regard to their work-life balance.
There are therefore a number of support measures in place for employees, in order to promote a climate of wellbeing. They include the following:

- Geographical and functional mobility based on a policy of conjugating CGD's interest and employees' personal and family needs
- Prolongation beyond the normal period of family assistance due to illness or an accident without loss of pay in cases of exceptional social necessity
- Maternity support, providing temporary parking spaces during pregnancy and breastfeeding, maintenance of the breastfeeding support project and ongoing availability of birth planning and preparation consultations and consultations for newborns.

CGD stepped up measures to foster work-life balance in the following areas:



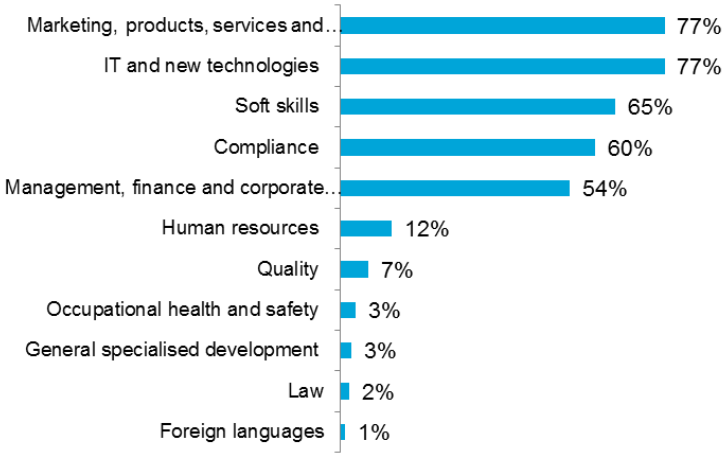
These measures are detailed in the Corporate Governance Report (point 3.2.4.2).

Knowledge management

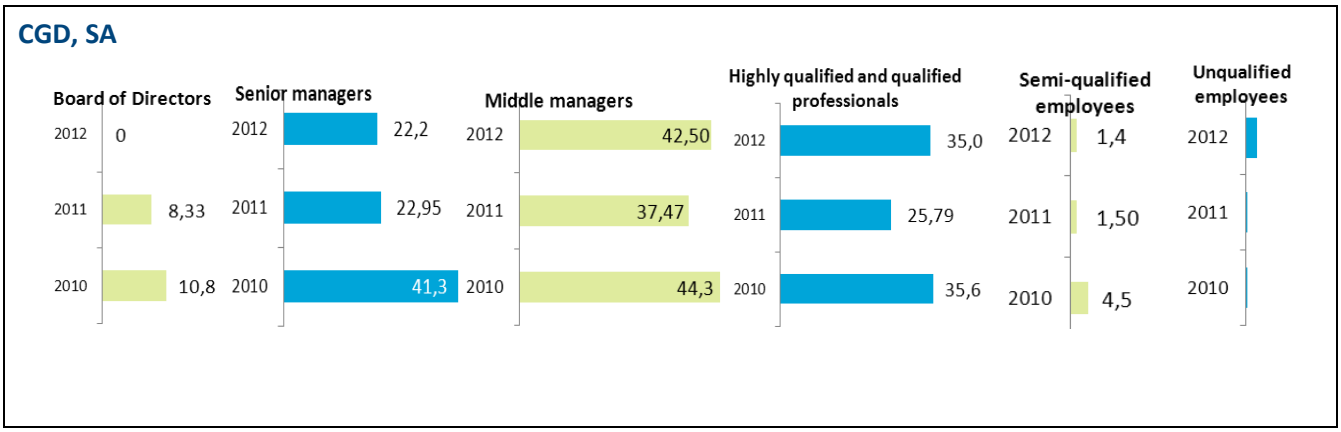
Commitments: Managing human assets			
Managing knowledge	Guarantee an average of at least 35 hours' training per employee	2009 - ongoing	☑
	Consolidate in-house trainer pool	2012 - ongoing	☑
	Create knowledge certification mechanisms	2012 - ongoing	☑
☑ Done	☒ Not done	⌛ In progress	

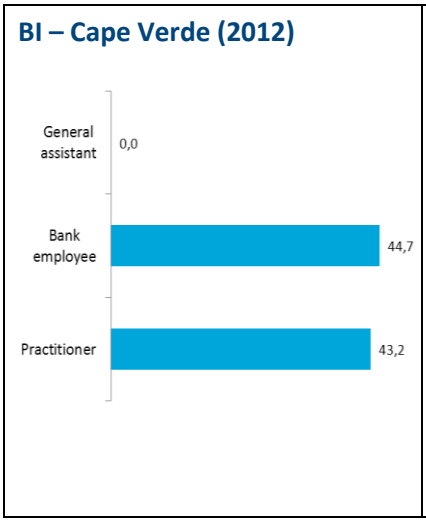
CGD provided its employees with access to classroom training and e-learning, in a total of 387,603 hours in 2012. In 2012, employees received an average of 37.3 hours of training. From the workforce at the end of the year, the percentage of CGD employees who participated in the different training areas was as follows:

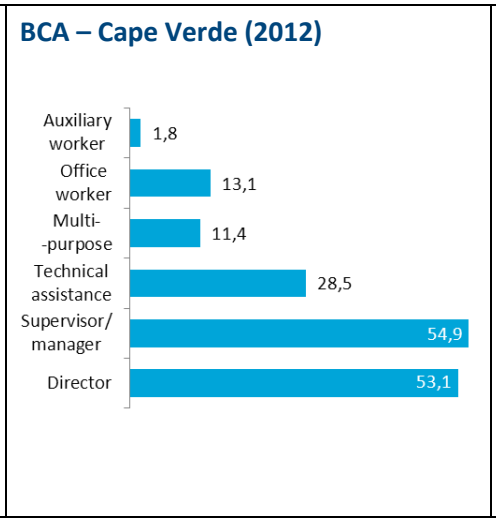
Graph 22: CGD trainees by subject area



Graph 23: Average hours of training per employee by job category







* There was a 21.52% variation in total CGD,SA training hours from 2011 to 2012. This variation was due to differences in the highly qualified and qualified professionals (30%) and middle managers categories (16.6%). There was an increase in training hours in the highly qualified and qualified professionals group, due to Qualification and Certification - insurance brokers connected" in which there were 80 hrs/participation in 2012 and the Local Impetus Courses totalling 8,016 hours.

Main training programmes in 2012

In 2012 training management was based on the strategic guidelines for 2011-2013, in line with the needs of the banking business and aimed at developing employees' potential. In some cases, training programmes were developed with schools.

Trainee satisfaction with training improved and 96% of the courses received very high assessments.

Main training courses 2012

Leading Change

- Geared towards CGD's managerial posts, as executive training
- Sought to support three vectors: leading change, strengtheningCGD's financial health and livening the business segment

Developing integrated teams

- To increase local training through the preparation of local in-house trainers and the availability of training material.
- Enabled a swifter dissemination of knowledge, adjusted to the local needs, better support of strategic guidelines and on-the-ground monitoring of the implemenation of the knoweldge acquired.

Strengtening key competences

- Enabled the continuity of the capacitation of the branch netwrok in key competences in the field of businesses, including credit recovery.

Participating in the sales and innovation chain

- Geared to the business support areas, which in 2012 basically meant neuro-leadership and personal efficacy.

Capactitating and certifying

- A programme for the assistance of the internship training plan for commercial jobs, as well as the preparation of sales assistants and vocational internships.

Training offer across the board

- An ongoing training offer in e-learning and tutorials on: banking culture, products and services, systems and applications, security and safety, IT, languages and others.

This last programme includes high specialisation training, which is designed to encourage the professional development of high-potential employees. In 2012, 125 employees received funding for post-graduate and master's courses and the degree in bank management from the Bank Training Institute (IFB).

In-house trainer pools

CGD continued to step up training by in-house trainers in 2012, involving 1,152 courses and 89,002 participations.

Certification of knowledge

In 2012 CGD introduced a certification mechanism as part of the on-the-job internship plan for managers, assistant managers and business and private customer managers.

The process was created in partnership with the IFB and consisted of a test on theory and a practical test.

Four pilots were conducted in 2012 and after implementation the process led to the certification of 30 employees.

Performance management

The main goals of CGD's performance evaluation system are:

- To foster sharing of CGD's goals and a culture of individual and team responsibility
- To align the assessment and management cycles by articulating the definition and monitoring of individual goals with business goals
- To foster the supervisor / employee relationship, promote managers' roles as advisors of the people in their sections and establish a chain of commitment to achieving CGD's goals
- To conduct objective, transparent evaluations of employees' performance
- To recognise and reward individual and team contributions
- To identify employees' needs so that appropriate action can be taken for their professional development.

CGD employees undergo an annual evaluation of their skills, attitudes and fulfilment of goals in order to contribute to their professional development, motivation and recognition of merit, in a cascade process.

Relationship managers

CGD has introduced the position of relationship manager to foster proximity in the relationship with employees in terms of support in motivation and career development and provide specialised support to all departments in human resource management matters.

3.3 In-house communication

Since communication with employees is a relevant aspect in managing human resources at CGD, in 2006 the HR Communication Unit was created within the Personnel Department (DPE). At the same time, CGD placed a portal totally devoted to human resource management matters at its employees' disposal: Caixapessoal. Over time this portal has been a fundamental tool in the daily management of HR, enabling access to personalised information and human resource applications in order to disseminate knowledge and assist employees in their professional and personal development.

In 2012 there was an average of about 8,000 daily visits to Caixapessoal, which was the result of a policy of active livening and management of content with interest, as well as making available relevant features for the life of each employee, such as access to news on HR matters, access to communities for sharing information on in-house training projects and the dissemination of campaigns that offer benefits to employees (car leasing, travels, IT, telecommunications, etc.).

Caixapessoal is also available online and each employee can access the contents at his/her convenience (namely at home). This factor is particularly relevant when it comes to remote learning (e-learning courses and/or training tutorials). In 2012 there were approximately 100 thousand accesses to the portal, and of these, around 3,000 were made outside of the organisation (at the weekend).

In situations where the employee cannot find the information he/she is looking for on the portal, or needs to contact the DPE for any request on HR matters, he/she can use the Caixapessoal online Helpdesk. In 2012 there were4 around 500 requests made using the Helpdesk, whose level of satisfaction with the service provided was 4.2 on a scale of 1 to 5.

The attention given to this ongoing dialogue with employees is undoubtedly one of CGD's Human Resource Management's strategic commitments.

In addition to the portal, CGD offers internal communication media, as shown in the table below.

Table 7: Main CGD in-house communication media

Medium	Goals	Scope	Regularity	Frequency
Intranet	• To distribute institutional and commercial information to all employees	All CGD employees	79 million page views in 2012	Daily updates
CaixaNotícias newsletter	• A single medium is used to circulate information on all areas of interest at CGD. It is considered CGD's official newsletter.	All CGD employees and some Group companies	—	Monthly
Nós Caixa micro-site	• To provide non-commercial or institutional information of interest to employees	All CGD employees	1 million page views in 2012	Updated weekly
In-house publishing – nóscaixa magazine	• To strengthen employees' ties and feeling of belonging to the CGD Group • To identify employees with the organisation's values	All CGD employees	–	Quarterly

Communication by email – CaixaInfo	• To circulate occasional information using a recognised medium	Defined group in the CGD universe	–	–
In-house posters	• Reinforcing messages at the head office building with posters in circulation areas	Employees at head office building		As scheduled in in-house and external campaigns

BCA – Cape Verde

BCA introduced a new form of in-house communication, a bimonthly newsletter, “Nôs Banco”.

Human asset management			
Raising employee awareness of sustainability	To train and raise employee awareness of sustainability matters	2009 - ongoing	☑
	Develop in-house communication on sustainability	2012 - ongoing	☑
☑ **Done**	☒ **Not done**	⌛ **In progress**	

In 2012, CGD used different forms of in-house communication to raise employees' awareness of the issues in the Corporate Sustainability Programme.

There were also initiatives das like the Caixa de Ideias (Ideas Box) competition, celebration of CGD's anniversary and publication of the children's book *Uma árvore diferente*.

Caixa de Ideias competition

This CGD in-house competition is for all its employees and encourages them to create and submit original, innovative ideas in areas that are strategic to CGD. Its aim is to allow employees to play an active part in CGD's strategic challenges by suggesting solutions for improving procedures, processes, products and services.

In 2012, the competition had a single theme, “Preparing CGD's sustainability and competitiveness in terms of organisation and business model, focusing on banking to strengthen it and adapt it to the new bank reality”. Multidisciplinary teams were encouraged to participate, with a strong didactic component and focusing on the demonstration and valuation of in-house talent in order to boost more visible, usable results.

Six ideas went into the final of the competition and the winner was the idea “From Synergy to Leadership” from a team from the Commercial Department in Lisbon. The idea is commercial activity aimed at creating synergies between the business and private segments to improve efficiency in attracting funds.

CGD’s 136th anniversary

“United We Stand" was the motto of CGD's 136th anniversary celebration. The idea was to involve all employees and invite them to take part in a contest in which teams had to send a photo with a caption reflecting the values, motivation and spirit that make the large CGD family proud.

An individual contest called "Strength Comes from Within!" was the theme for an online word game. A word illustrating the CGD team's values was posted on the intranet every day for a week. Participants had to write a creative sentence with each one to show the institution's strength. The best sentence was chosen each day and the winner had a choice of prizes.

Publication of the children's book *Uma árvore diferente*

CGD sponsored the publication of a story written by the children of employees from the Beja area. The initiative was organised by the area's Social Services Delegation to stimulate children's imagination and creativity.
They were given a small text and a drawing, which grew successively as each child added a text, drawing or both. During the construction phases, the book went to 30 homes of employees from branches in the Beja area who had children aged 3 to 12.

3.4 Occupational health and safety

Commitments: Human asset management			
Guaranteeing occupational health and safety	Promoting prevention and safety events	2011 - ongoing	☑
	Conduct new safety satisfaction survey in branch network and ensure that that the initiative can be extended to buildings in future	2011 - ongoing	☑
☑ **Done**	☒ **Not done**	⌛ **In progress**	

Occupational health

CGD's occupational health policy requires an integrated prevention approach to occupational hazards by all employees to ensure healthy working conditions and maintain the physical, psychological and social wellbeing of its employees.

This programme is implemented by a multidisciplinary team (doctors, nurses, psychologists and office workers) that provides personalised, hands-on service aimed at guiding, monitoring, rehabilitating and reintegrating employees, in collaboration with management when required.

This activity is undertaken in close collaboration with the safety area of the Social Action Unit and also uses specialised external consultants whenever necessary.

In 2012, CGD had a series of occupational health programmes going beyond legal obligations and which cover CGD and Group companies in Portugal:

Programme	Beneficiaries
Education and training	Employees
Counselling	Employees
Risk prevention and control	Employees and their families
Treatment	Employees and their families

Table 8: Health assistance programmes [10]

	No. of exams and consultations	No. of employees covered
Psychological and psychiatric exams	41	41
Gynaecological and breast consultations	174	135
Anti-smoking clinic – cardiovascular, respiratory disease and cancer prevention	42	20
Dietary consultation – nutritional education	446	193
Traveller Support Clinic	150	64
Breastfeeding clinic	6	6
Gynaecological and breast consultations (with necessary scans)	174	135
Seasonal flu vaccines	—	4,189

Occupational medicine admission and periodic exams (8,086) include a clinical examination and diagnostic tests to screen for alterations in organs (haematological and metabolic disorders, kidney and liver disease, dyslipidemia, electrocardiograms and chest x-rays) for early referral for treatment of as-yet asymptomatic conditions requiring it.

In addition to fulfilling this legal obligation, occupational medicine also offers consultations for obesity prevention, giving up smoking and employees travelling on business (advice, vaccinations and medication packs).

Lactating employees continued to be provided with a Breastfeeding Corner to express and store their milk.

There were also prevention campaigns for dietary education, stress management, prevention of high blood pressure, prevention of a sedentary lifestyle and for travelling employees (support manual and emergency medication).

Safety and security Prevention

Under its safety and security risk prevention and management policy (PPGRS) for people, assets and valuables, CGD's Prevention and Safety Office (GPS) assessed the impacts of CGD operations on the health and safety of employees and customers.

CGD continued to work to find the best safety and security solutions with a view to the use of new technology and user friendliness.

[10] Some employees benefited from more than one healthcare programme.

In 2012, CGD engaged in activities aimed at the safety of employees and customers and incorporated the best practices from OHSAS 18001, such as:

- **Technical occupational safety audits:** risk assessment of workplaces based on three-monthly planning, followed by a final report recommending preventive and corrective measures
- **Analysis and management of occupational accidents:** analysis of the circumstances of the accident and production of a report recommending preventive and corrective measures, when applicable
- **Analysis and management of incidents:** analysis of the circumstances of the incident and promotion necessary measures to reduce its impact and prevent future incidents
- **Analysis of works plans** and proposals to eliminate or reduce any risks
- Update of internal **emergency plans** for head office and 5 de Outubro building as required by law
- **e-learning and face-to-face prevention and safety training courses:**
    - over 90% of the members of the primary intervention teams with basic training in fire safety and first aid
    - Six prevention and safety training courses were given as part of five professional internships and one summer academy

- **CaixaSegura programme:** As part of the Caixa Segura (Safe Caixa) programme (fire safety, evacuation, first aid and introduction to natural disasters), training courses are given to early intervention teams and emergency response teams to teach them what they need to know to act with maximum effectiveness in an emergency.

- **Total and partial drills in CGD buildings:** Total and partial building evacuation drills to assess activation of the business continuity plan and Crisis Office, test the different aspects of the internal emergency plan and foster operational articulation with the Joint Operational Command Post made up of civil defence personnel.

- **Safety and security visit:** Reconnaissance visit to the head office building to inform all new residents of basic emergency procedures.

- **Signing of cooperation agreement with Regimento de Sapadores Bombeiros (fire brigade**) for training in fire-fighting.

- **Automatic External Defibrillator Programme:** Automatic external defibrillators at the head office and Av. 5 de Outubro buildings (Lisbon) and Av. dos Aliados (Porto). The device is operated by members of the emergency response team who have passed a course on basic life support and automatic external defibrillation approved by Instituto Nacional de Emergência Médica (INEM).

- **Proximity (Security) Programme:** The programme involves the presence of a security guard in the commercial network (Lisbon and Porto districts) to prevent theft, fraud, threats to customers and employees.

Results of survey of satisfaction with security in the branch network

In 2012, CGD analysed the results of the security satisfaction survey conducted between August and December 2011. Its main purpose was to assess the measures implemented by the GPS and their contribution to the respondents' satisfaction.

The response rate was around 70% and the main conclusion was branches' overall satisfaction with security and the rapid response from CGD in solving problems whenever a non-conformity was detected.

Another valued aspect was encouraging employees to adopt safe behaviour and familiarity with in-house security rules.

Attendance of seminars

CGD participated in the International Symposium on Occupational Safety and Hygiene – SHO 2012 in Guimarães, co-organised by Sociedade Portuguesa de Segurança e Higiene Ocupacionais (SPOSHO) and the Production and Systems Department of the School of Engineering at Universidade do Minho. It also had the collaboration of the Faculty of Engineering at Universidade do Porto, the Human Kinetics Faculty at Universidade Técnica de Lisboa and Universitat Politècnica de Catalunya**.**

4. Environmental Performance

Under its environmental policy, CGD has made a number of commitments and guidelines based on three fundamental pillars:

- compliance with environmental legislation and other applicable requirements
- a proactive attitude to prevention of pollution
- ongoing improvement in environmental performance.

Environmental performance in focus – 2012

9% reduction in water consumption	**7% reduction in electricity consumption**	**11% reduction in GHG emissions**	**22% increase in waste sent for recovery**

4.1 CGD's environmental strategy

Commitments: Environmental protection			
Ensure implementation of environmental strategy	Implement environmental management system (EMS)	2010 - ongoing	⌛ CGD began planning and developing its EMS in accordance with ISO 14001 so that it can be implemented in 2014.
☑ **Done**	☒ **Not done**	⌛ **In progress**	

In 2012 CGD continued to implement its environmental strategy in order to manage the environmental impacts directly associated with its activity by monitoring and optimising the following aspects:

Energy consumption	GHG emissions	Materials consumption	Water consumption	Waste production and treatment

Energy consumption

Table 9: Direct energy consumption by primary energy source

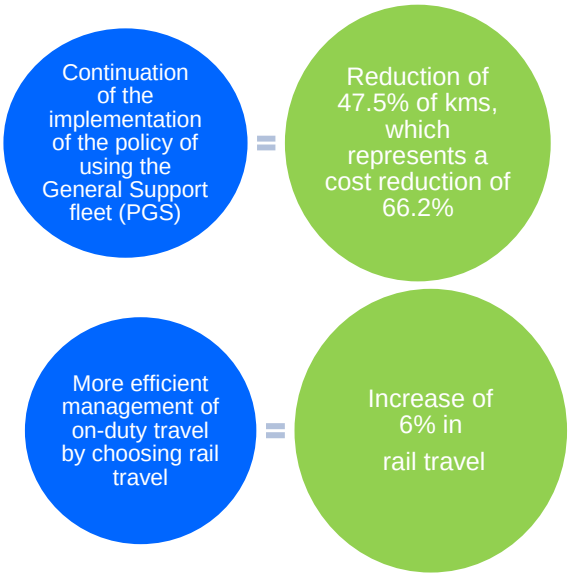
	CGD, SA				BI – Cape Verde	BCA–Cape Verde	BCG Brasil
	2010	2011	2012	Variation 2012/2011	2012		
Direct energy consumption in buildings (GJ)							
Diesel	256	229	161	-30%	112	1,723	0.25%
Natural gas	1,403	1,156	1,492	29	-	-	-
Total	**1,659**	**1,385**	**1,653**	**19%**	**112**	**1,723**	**0.25**
Fuel consumption by CGD vehicles (GJ)							
Petrol	2,981	2,952	1,883	-38%	57	2,058	150
Diesel	51,933	55,497	54,875	-1%	443	6,839	-
Total	**54,914**	**58,449**	**56,758**	**-3%**	**500**	**8,897**	**150**
Consumption of total energy purchased	**56,573**	**59,834**	**58,411**	**-2%**	**612**	**10,620**	**150.25**
Direct primary energy generated and sold (GJ)							
Thermal energy Central Manor Headquarters CGD\ [GJ]	3,258	3,541	3,422	-3%	-	-	-
Photovoltaic Power Commercial Network \ [GJ]	1,428	1,251	1,590	27%	-	-	-
Total energy generated	**4,686**	**4,792**	**5,012**	**2%**			
Photovoltaic Power Commercial Network \ [GJ]	1,428	1,251	1,590	27%	-	-	-
Total energy sold	**1,428**	**1,251**	**1,590**	**27%**	**-**	**-**	**-**
Total direct energy used	59,831	63,375	61,833	-2%	612	10,620	150.25

Regarding fuel consumption at CGD premises, the boilers use natural gas and consumption rose in 2012 (+29%), due to longer operation times in winter.

There was a significant reduction in fuel consumption by CGD vehicles (-38%), thanks to the change in policy on vehicle purchases. The number of diesel vehicles increased, to replace hybrid cars. This

increase in diesel vehicles was not accompanied by an increase in diesel consumption due to reduction in activity.

Where on duty travel is concerned, CGD continued to take measures to encourage the use of public transport, such as rail travel, and the efficient management of CGD vehicles as opposed to the use of private cars.



Renewable energy has also been a CGD focus since 2008. The head office building has the largest solar thermal plant in the country, which generated 950,650 kWh in 2012. It substantially satisfies the building's energy needs by heating water for the restrooms and powering the centralised HVAC system.

The branch network has a solar photovoltaic micro-generation project, which generated 441,775 kWh in 2012. The power is sold to the national grid. This type of generation reduces the carbon content of the national electricity system.

CGD investment fund bets on solar energy in Oeiras

Fundger, the CGD Group's real estate investment fund manager set up three solar photovoltaic systems in Oeiras municipality.

“Solar investment is a way of making buildings profitable by putting unused areas to work and achieving returns much higher than those in this sector at a much lower risk,” said José Pires Ferreira, Assistant Director of Fundger. He also stressed the importance of these projects in reducing the country's energy dependency and creating a cleaner environment.

These systems will reduce CO2 emissions by 28 tonnes a year, equivalent to planting five hectares of forest.

There are now buildings using solar plants to generate their own power. The investment by CGD's investment fund will produce around 300 MWh a year, the energy necessary to supply 75 homes.

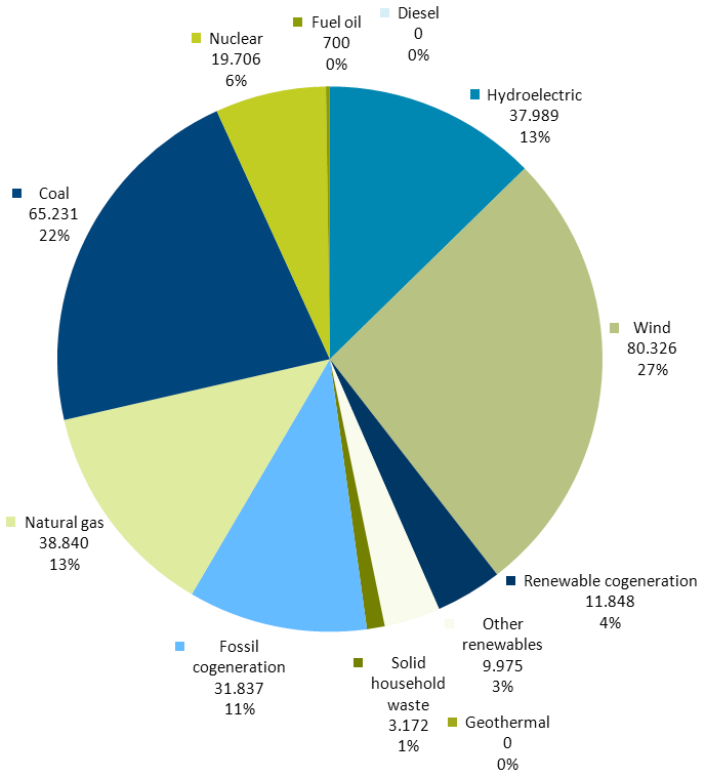
The projects have been located in the Greater Lisbon area and estimated rate of return on the investment is around 15.5% over an average period of six and a half years.

The indirect energy used at CGD is electricity.

Table 10: Electricity consumption at premises (GJ)

	CGD, SA				BI– Cape Verde	BCA – Cape Verde	BCG Brasil
	2010	2011	2012	Variation 2012/2011			
Central buildings	168,229	149,486	140,951	-6%	0.56	3,304.20	1,080
Commercial network	190,126	172,615	158,673	-8%	1.15%	6,138.41	-
Total	**358,355**	**322,101**	**299,624**	**-7%**	**1.71**	**9,442.61**	**1,080**

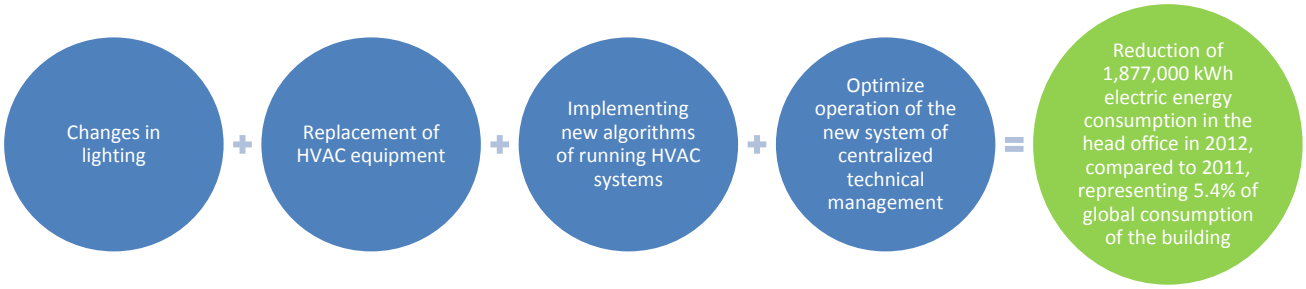
Graph 24: CGD,SA electricity consumption at premises by primary energy source (%)



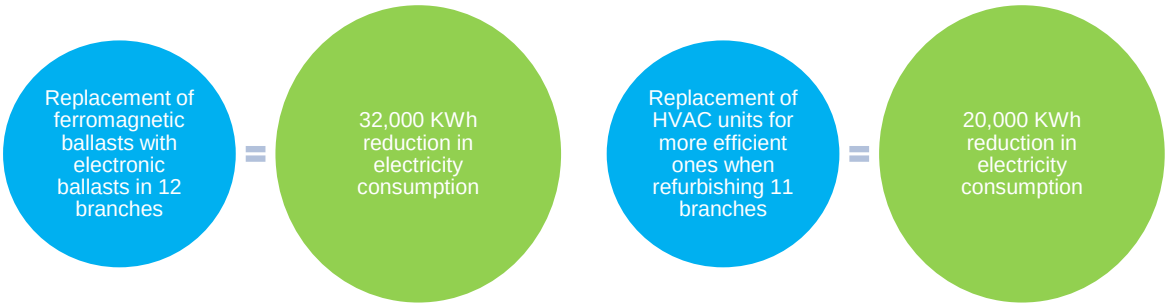
In 2012 there was a 7% reduction in electricity consumption by CGD,SA against 2011, as a result of measures over the years.

Figure 11: Reduction of environmental impact by energy efficiency initiatives at CGD,SA in 2012

Head office building



Commercial network

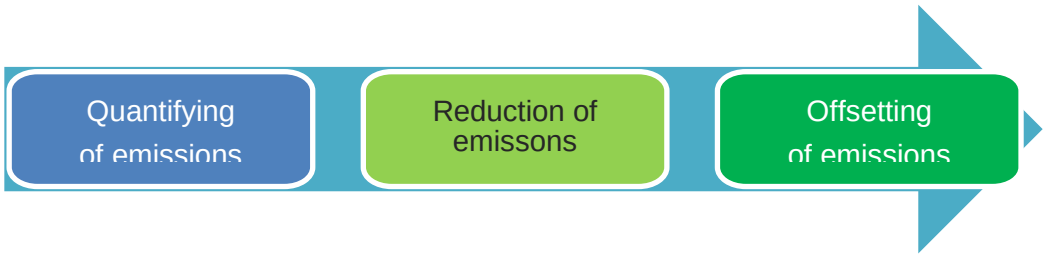


Certification of building energy and air quality at some CGD buildings was maintained – head office building and central buildings at Av. 5 de Outubro, Av. dos Aliados, Pç. da Liberdade and Av. França.

Greenhouse gas emissions

Greenhouse gas (GHG) emissions are one of the main direct and indirect environmental impacts from CGD's activity. Reducing them is one of its essential environmental initiatives.

CGD therefore has a low-carbon programme based on the following aspects:



In 2012, CGD performance in fighting climate change was once again recognised externally by the distinguished **Carbon Disclosure Project**. CGD received the top rating (A) for performance and entered the Carbon Performance Leadership Index, which includes companies that prove to have a strong strategic approach to the fight against climate change and emissions reduction. In 2012, a Portuguese company, CGD, qualified for inclusion in this index for the first time, thereby becoming the leader in performance in the financial sector in the Iberian Peninsula and fourth best among all Iberian companies. This result was achieved by continuous implementation of GHG emission reduction goals and measures, with special focus on energy efficiency, employee mobility, waste management, reuse of resources and minimisation of waste.

Commitments: Environmental protection			
Guarantee implementation of environmental policy	**Quantifying CGD's emissions:** Conduct an annual GHG emissions inventory (including FundaçãoCaixaGeral de DepósitosCulturgest, Lisbon and Porto)	2007 - ongoing	☑
	Extend quantification of GHG emissions to other CGD Group entities	2012 - ongoing	☑
	Reduce emissions: 15% reduction in overall carbon emissions by employee (tCO_2e/FTE) 4% reduction in energy consumption at its premises, excluding the Data Centre, per employee (kWh / FTE) against 2006	2011-2015	☑
	Offset of CO_2e emissions Offset of emissions from Fundação Caixa Geral de Depósitos Culturgest Lisboa, CGD vehicles and publications, Fundação Caixa Geral de Depósitos Culturgest Porto and treatment of waste from head office building	2010 - ongoing	☑
☑ **Done**	☒ **Not done**	⌛ **In progress**	

Quantification of CGD emissions

CGD's GHG emissions inventory is conducted in accordance with the Greenhouse Gas Protocol (GHG Protocol), the method of reference for quantifying GHG emissions.

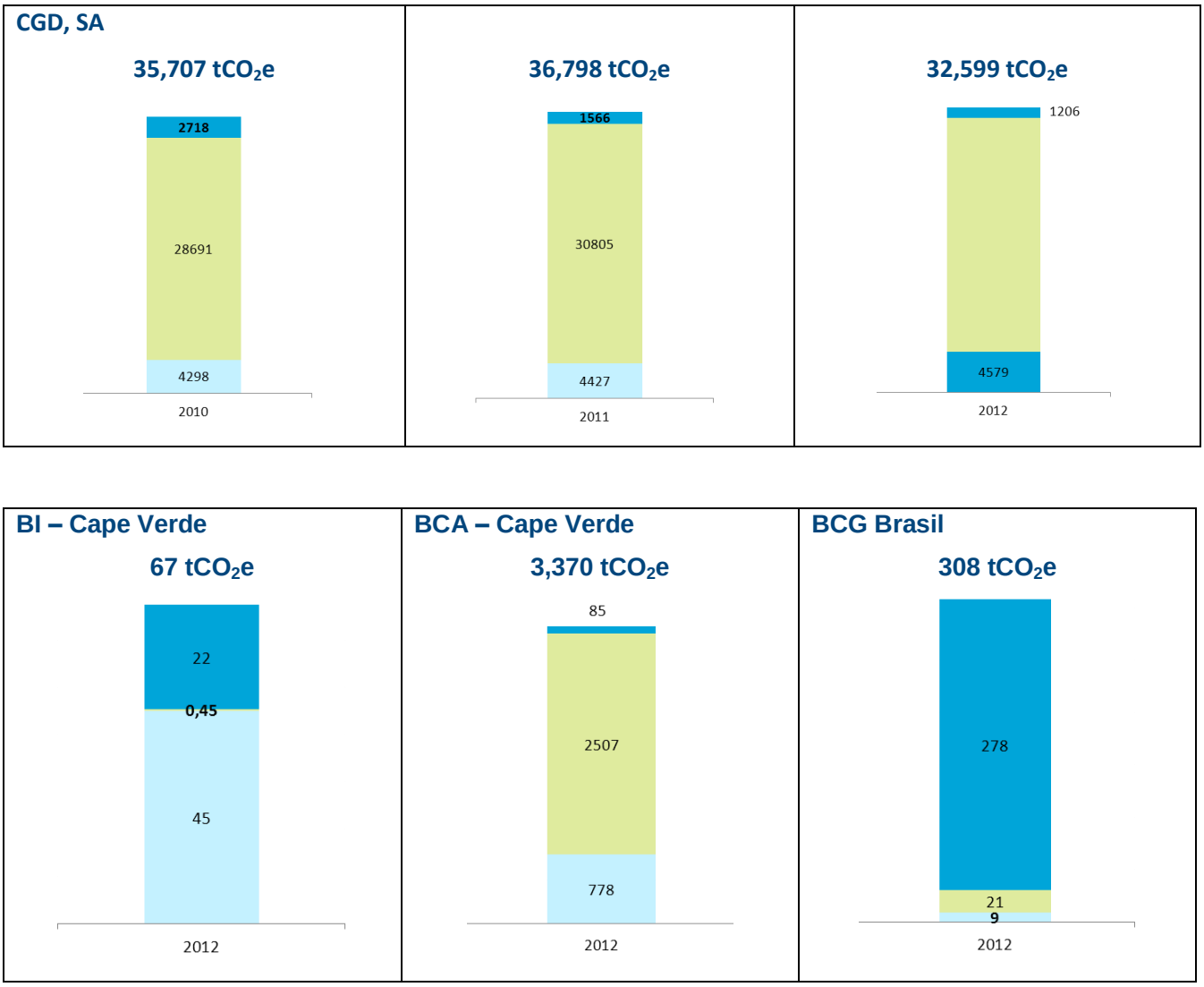
CGD's GHG emissions inventory covers all of the bank's activity in Portugal and includes fuel consumption in central buildings and company cars, cooling leaks, electricity consumption, travel in private vehicles and treatment of waste produced at the head office building, Fundação Caixa Geral de Depósitos Culturgest Lisbon and Porto. In 2012 the scope of waste treatment was increased to include Fundação Culturgest Porto.

The preparation of the inventory since 2006 has made it possible to assess CGD's carbon footprint over the years and also evaluated reduction measures taken.

Table 11: GHG emissions by source (tCO_2e)

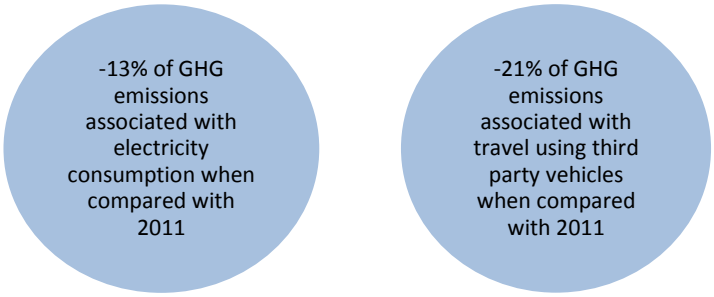
	2010	2011	2012	Δ12/11
Scope 1 **(t CO_2e)**	4,298	4,427	4,579	3%
Fuel consumption at central buildings	100	84;	96	15%
Fuel consumption by CGD vehicles	3,975	4,058	4,198	3%
Cooling and HVAC gas leaks from facilities (central buildings and commercial network)	223	285	285	0%
Scope 2 (t $CO2_{e\ in\ 2011}$	28,691	30,805	26,812	-13%
Electricity consumption at premises	28,691	30,805	26,812	-13%
Scope 3 **(t CO_2e)**	2,718	1,566	1,206	-23%
On-duty travel in non-CGD vehicles	2,623	1,505	1,189	-21%
Air	1,968	1,097	909	-17%
Rail	67	47	49	4%
Cars	588	361	231	-36%
Treatment of waste produced at facilities	95	61	17	-72%

Graph 25 Total GHG emissions by scope (tCO_2e) 2012



Emissions reduction

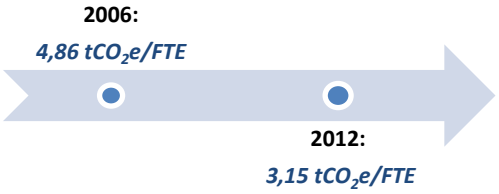
In 2012, emissions from CGD activity totalled 32,599 t CO_2e, which was 11% less than in 2011. This result is thanks to a variety of reduction measures taken by CGD, in terms of energy efficiency, waste management and on-duty travel [11].



[11] In 2012, CGD changed methods in the part of on-duty travel and waste treatment that influence the result in some way. See methological notes.

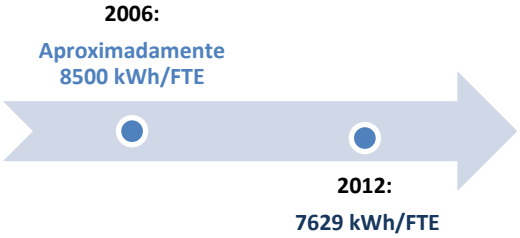
Thanks to its GHG inventory, CGD can monitor fulfilment of goals for reducing its carbon emissions and energy consumption by 2015, against 2006 figures.

- **15%** reduction in overall carbon emissions per employee (t CO2e / FTE)



↓**35%** between 2006 and 2012

- **4%** reduction in energy consumption at its premises, excluding the data centre, per employee (kWh / FTE)



↓**10%** between 2006 and 2012

In 2012, CGD is achieving the reduction expected in relation to 2006 and substantially exceeded its targets. CGD will continue to monitor goals in order to meet its commitment.

Emissions offset

CGD offset 3,784 tonnes of CO_2e from its activity that it was not possible to reduce or avoid in 2012. It particularly offset emissions from fuel in company vehicles, electricity consumption at Culturgest in Lisbon and Porto, CGD publications and treatment of waste from the head office building and Culturgest (Lisbon and Porto).

CGD offset its emissions using credits generated by a project with Voluntary Carbon Standard certification that reduced emissions by replacing fossil fuel at a paper mill in Brazil, where the CGD Group is also present.

CGD also used credits generated by the Floresta Caixa Carbono Zero project, which consists of new forest areas at Tapada Nacional de Mafra that meet the requirements for effective offset of emissions.

Offset projects are selected on the basis of criteria defined by CGD to increase environmental and social benefits. Attached is the CGD GHG Emissions Offset Report, which identifies the scope of emissions offset, quantification methods and the process for selection and management of carbon credits. This document receives external assurance.

Consumption of materials

In 2012, CGD continued to invest in paper reduction, with effective results, as shown in the figures.

Table 12: Raw materials consumed, in tonnes (2012)

	CGD,SA				BI – Cape Verde	BCA – Cape Verde	BCG Brasil
	2010	2011	2012	Variation 2012-2011	2012	2012	2012
White photocopy paper	775	508	452	-11%	5.3	4.9	4.14
Paper envelopes	300	250	298	19%	0.4	0.0011	-
Paper and cardboard for passbooks	47	44	41	-7%	0.1	0.0002	-
Plastic in the form of bank cards	24	13	13	2%	-		-
Advertising material: posters and leaflets	N.A	17	16	-1%	-		-
Brochures	N.A	3	2	-38%	-		-

CGD implemented a paperless programme for work processes in the CGD Group to reduce paper use to minimum needs. This medium/long-term programme involves Group processes and departments and its benefits are not only ecological, but also involve cost reduction, a positive impact on productivity, better quality customer service and a better Group image in terms of environmental responsibility and innovation.

Of the initiatives undertaken, the ones with the greatest impact in the commercial network were replacement of paper forms by digital documents and progressive replacement of handwritten customer signatures by a digital signature.

The reduction in consumption of photocopy paper by around 11% was made possible by restricting colour copies and instructions to print front and back, which reduced paper costs by around 6.7%.

CGD also reduced consumption of paper and cardboard in the form of passbooks by about 7.2% by combining different banking operations when printing them in passbooks.

There was a 19% increase in consumption of envelopes, due to two extra communications sent to 4 million customers.

CGD also now sends digital card statements for Caixadirecta online (homebanking) customers to replace the monthly printed document, thereby saving tonnes of paper and millions of euros (720,000 hard-copy statements were sent every month).

Advantages of digital statements

- Swift: the documents are made available to the customers on Caixadirecta on-line about 4 days before paper statements are received, since the mail time is saved
- Comfort: Available when and where the customer desires. He/she may copy, save or print the statements at any time
- Security: total privacy in accessing financial information, thereby avoiding mail tampering
- Easy filing: according to the customer's need: on his/her computer or on any other digital format without accumulating paper
- Ecological: contributes to environmental protection through the reduction of paper consumption and transport

Water consumpton

Water consumption in CGD's central buildings totalled 175,877 m^3 in 2012, which was 9% less than in 2011.

Water used at CGD,SA central buildings comes exclusively from the mains and mostly correspond to consumption in restrooms, irrigation systems and restaurants. Given CGD's high geographical dispersion, it does not monitor mains water consumption.

The rationalisation of irrigation water consumption and change in the operation of the HVAC cooling towers reduced consumption by 3,950 m3 at the head office building, 2.5% of its total.

In 2012, water consumption at BI – Cape Verde totalled 644 m^3, 49.5% was by branches and 50.5% by head office.

BCA – Cape Verde consumed 5,636 m^3 of water, 75% at branches and 25% at head office.

All the water consumed at both banks' head offices and commercial networks comes from the municipal mains supply.

Waste management

In 2012 CGD's reporting of waste production was extended to Fundação Culturgest Porto and the medical centres at the Social Services. This resulted in a 20% increase in waste produced, against 2011.

The implementation of the waste management plan increased by 8% of quantities of recoverable waste, especially paper and cardboard, plastic and glass.

Table 13: Waste produced in 2012 (tonnes)

		CGD, SA
Non-hazardous waste	Paper and cardboard	624.1
	Glass	30.9
	Plastic	62.5
	Metal	13.2
	Wood	46.2
	Other household and similar waste	58.9
	Equipment	60.7
	Other	104.2
Total		**1000.6**
Hazardous waste	Equipment	2.4
	Aqueous suspensions	0.2
	Hospital waste	3.2
Total		**5.8**

Table 14: Disposal method and quantity of waste (tonnes)

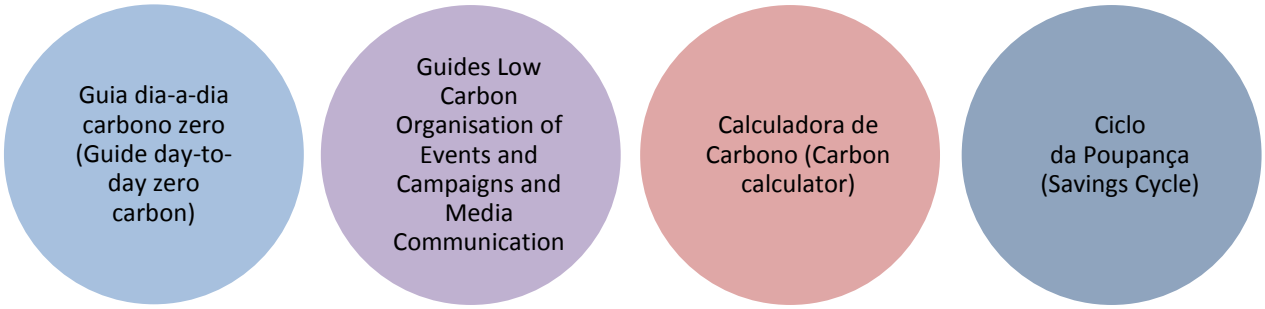
	CGD,SA			
	2010	**2011**	**2012**	**Variation 2012-2011**
Recovery (including recycling)	648.1	771.2	941.5	22%
Elimination (including landfills and physical chemical treatment)	100.4	64.2	64.9	1%
Total	**748.4**	**835.4**	**1006.4**	**20%**

4.2 Environmental awareness

CGD has been raising its employees' awareness of individual environmental responsibility in internal communication and has been undertaking and participating in environmental awareness initiatives with a wide range of stakeholders, such as customers and the community.

Commitments: Environmental protection			
Educating customers, employees and the community on the need to preserve the environment	Step up the environmental sustainability component in CGD communication media	2010 - ongoing	☑
	Promote reuse and recycling of waste in-house	2011 - ongoing	☑
	Foster polar scientific research	2010 - ongoing	☑
	Promote the Portuguese native forest through Floresta Caixa to guarantee a heritage for future generations	2007 - ongoing	☑
	Plant as many trees as CGD has child customers	2011-2014	☑
☑ Done	**☒ Not done**	**⌛ In progress**	

CGD fosters more environmentally aware behaviour and provides online tools to calculate and identify tips for reducing environmental impact, such as:



Polar scientific research

In the current framework of climate change, research in general and polar in particular is at the front line of global scientific efforts to find and publicise new data.

The “Nova Geração de Cientistas Polares” (New Generation of Polar Scientists) research grant programme is the result of a partnership between CGD and Comité Português para o Ano Polar Internacional which took place in 2007-2008.

The programme entails giving research grants to young polar scientists studying distinct, strategic aspects of Antarctica, all directly related to the problem of climate change – cryosphere and climate change, biological sciences and atmospheric physics, among others.

Programa Nova Geração de Cientistas Polares

In 2012, 21 mobility grants were awarded for international travel for internships and participation in campaigns and conferences on the subject.

In addition, CGD sponsored events on the theme in 2012:

- Portuguese Antarctic Campaign 2011/2012, which brought together personalities linked to the subject and as organised by the Portuguese Polar Programme at Instituto Hidrográfico.
- 4th Portuguese Polar Science Conference on “International Consolidation Portuguese Polar Science" at Instituto Superior Técnico.

Floresta Caixa (Caixa Forest)

The forests are one of the planet's main renewable resources and are vital in maintaining biodiversity, preventing soil erosion, correcting water systems and air and water quality.

Floresta Caixa represents a series of CGD initiatives aimed at contributing to the construction of a new forest in Portugal, a forest made up of native species and managed actively and sustainably.

Under this project CGD has set up partnerships for the recovery and afforestation of a number of areas in Portugal. It undertook the following initiatives in 2012:

Floresta Caixa

Floresta Caixa – A tua Árvore, a Nossa Floresta (Your Tree, Our Forest) project

Symbolic start to the planting of 50,000 native trees in Pampilhosa da Serra, on World Native Tree Day

This project was devoted to children (one tree for every CGD child customer). It involved a seminar and planting campaign attended by 100 children from Pampilhosa da Serra schools.

157,000 trees were planted and the commitment to plant a tree per child customer was achieved to the tune of 76% in 2012.

Awareness Campaign – Quercus

CGD was the main patron of the seminar and workshop “Ecosystem Markets and Services”. Forest: Global Trends and Local Practices" organised by Quercus

Movimento ECO – Companies against Fires awareness campaign

Support for the campaign “Portugal without fires depends on us all”, to raise public awareness of the need to protect forests, the importance of reforestation and preservation of existing forests.

***O Ambúzio* magazine awareness campaign**

Support for Ílhavo Municipal Council in the publication of *O Ambúzio,* an environmental education activities magazine. 2,800 free magazines were handed out on World Day of the Child.

Presence in the media

CGD has also been using the media to mark its position in stakeholders' awareness of the need to preserve the environment. It was involved in the following initiatives in 2012:

- Patron of Quercus's TV programme *Minuto Verde* adapted to the environment in Cape Verde and Mozambique, with 20 programmes devoted to each country and broadcast on RTP1, RTP Informação, RTP África and RTP Internacional.
- Sponsor of the Green Savers, an online portal providing information on sustainability that fosters the inclusion of good, sustainable practices in the everyday lives of companies and people. CGD on the Green Savers Facebook page generated 109,820 views. Thirty-six articles published on CGD totalled 9,084 views.
- Advertising and content on the environment in the three editions of *Ambiente Magazine* in 2012, with a print run of 5,000 each.

Presence at national and international events

Sustainable development conference and Green Project Awards

In partnership with *Diário Económico* CGD organised the conference “Sustainable Development” at Fundação Caixa Geral de Depósitos – Culturgest, in Lisbon The conference had a varied panel of personalities and addressed subjects such as the green economy, entrepreneurship and social innovation. The Green Project Awards were also presented.

European Mobility Week 2012

As part of European Mobility Week 2012, CGD joined Lisbon Municipal Council (CML) in promoting more sustainable mobility.

Aware that non-motorised mobility plays a central role in the competitiveness of cities, people's quality of life and as a way of encouraging the use of bicycles for its employees' commute, CGD increased security at the bicycle park at its head office building.

CML postcards promoting better forms of mobility in the city, such as car parks combined with the public transport network were distributed in the Lisbon branches to foster involvement with the community. Park & Ride maps were also handed out for better links between private cars and public transports and cost/price ratio.

During the week, employees were invited to come to work by bike and participate in Green Day in the gardens of Museu da Eletricidade in Lisbon.

The Green Day initiative was the result of a partnership with Verde Movimento and CML to promote a more simple, responsible and healthier lifestyle.

CGD was present at Green Day with a number of initiatives:

1. Waste sculpture area: Eco-Art - ground sculpture built by children, and the Savings Cycle Game;
2. "The world we want to have", mural where everyone could leave a message
3. "Living Better" area with a learn to save workshop
4. "Volunteering" area, where CGD employees volunteered in activities.

International seminar "Climate change and its socio- environmental repercussions"

At international level, CGD sponsored NEREA – Investiga, Associação Internacional de Investigadores em Educação Ambiental, in organising an international seminar "Climate change and its socio-environmental repercussions". The event had 280 participants and was held in São Tomé. One of the speakers was the Chairman of the Executive Committee of Banco Internacional de São Tomé e Príncipe, in the CGD Group.

Awareness of energy efficiency

CGD participated in awareness raising initiatives for energy efficiency, renewable energy and indoor air quality and was present at two events at respected higher education institutions – Universidade de Aveiro and Instituto Superior Técnico, to share the good energy practices that they have in place.

Instituto Politécnico de Leiria also visited the head office building to see its good practices at the CGD facility.

Internal awareness

In addition to the above initiatives, in which employees are involved and informed, CGD conducts environmental awareness campaigns for them. Not only are there articles on the environment in CGD publications, information is also provided directly on the cgd.pt website and on the intranet.

Where information technologies are concerned – Green Programme – employees were made aware of a number of environmental issues, such as recycling, water resources and CO2 emissions.

They were informed about preservation of the environment and encouraged to participate in volunteer work organised by CGD, such as clearing beaches and forests, as described in Chapter 5 – Responsible Citizenship.

Environmental awareness in CGD Group structures

BCA – Cape Verde

The BCA recognises the environment as a key sustainability and development factor in the country and supported environmental initiatives in 2012, such as:

- Inauguration of the works to restore the “mar di baxu beach” in Mangue, one of best beaches on Santiago Island in partnership with Tarrafal Municipal Council and the solar lighting works in Praça Alexandre Albuquerque in Praia

- Partnership with the Directorate-General for the Environment in the fight to preserve sea turtles, an endangered species, considered by the Cape Verde government to be the heritage of all Cape-Verdeans thereby helping Cape Verde to remain the third most popular egg-laying site for the loggerhead sea turtle (Caretta caretta), the only species to nest all over the country
- Partnership with Parque Natural de Serra da Malagueta – creation of a BCA flowerbed for endemic Cape Verde species

- Sponsorship of the Associação de Defesa do Ambiente e Desenvolvimento “Plastic-free Island” project. The project raises Cape-Verdean society's awareness of the environmental impact of plastic bags littering nature (on land and in the sea and air) all over the country and fosters their replacement with paper bags.

5. Responsible citizenship

Commitments: Community engagement			
Ensure implementation of the community engagement policy	Monitor the social impact of CGD's investment in the community using the London Benchmarking Group tool	2012 - ongoing	⌛
☑ Done	☒ Not done	⌛ In progress	

As part of its community engagement policy, CGD follows good social innovation practices that boost management models capable of adding value to society.

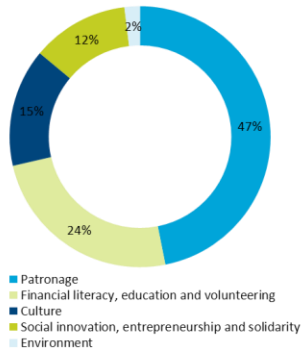
It has therefore committed to creating solutions that meet emerging social needs, thereby reinforcing its key position in social matters, including education and financial literacy, ongoing support of social and cultural activities, in which Fundação Caixa Geral de Depósitos – Culturgest has been a vital cultural agent.

Highlights of responsible citizenship – 2012

5.7 million euros in direct investment in the community	**964,394 thousand euros traded via Caixa Fã card**	**4,758,233 views of Saldo Positivo, CGD's financial literacy programme**	**64,836 participants in Fundação CGD Culturgest cultural events**

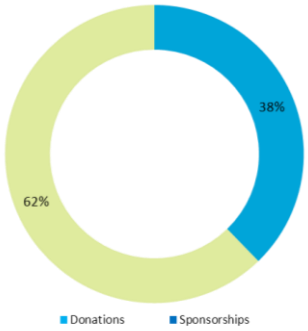
Graph 26: Direct investments in the community in 2011 (%) by country

CGD, SA and Fundação CGD Culturgest, Portugal 5,747,388 euros



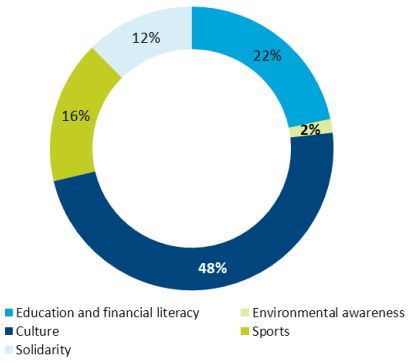
BI – Cape Verde

84,136 euros



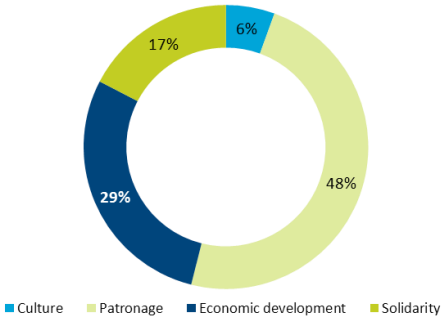
BCA – Cape Verde

7,680 euros



BCG Brasil

167,981 euros



These figures reflect the investment that CGD,SA and Fundação Caixa Geral de Depósitos - Culturgest make in initiatives with an impact on the community, reflecting their five strategic areas.

5.1 Education and financial literacy

In the course of its activity, in 2012 CGD continued to invest in education and financial literacy involving different stakeholders, in order to improve understanding of financial concepts and foster abilities and confidence in decision-making.

Education and financial literacy, a subject on the international political agenda and in the OECD programme since 2006, is currently a decisive factor in sustainable development.

Commitments: Community engagement			
To promote financial literacy: To play an active part in the financial education of customers and the community	Promoting financial education for a wide audience of private and business customers and non-customers	2008 - onging	☑
☑ **Done**	☒ **Not done**	⌛ **In progress**	

Financial literacy Programme – Saldo Positivo

CGD has been increasing its investment in financial education on the basis of its Saldo Positivo (Positive Balance) programme.

The goal of reaching 3,800,000 views in 2012 was widely exceeded and totalled 4,758,233.

The Saldo Positivo website is for private customers and non-customers and its aims are:

- To promote financial literacy by teaching financial terminology
- To combat families' over-indebtedness
- To encourage saving and investment
- To provide a tool for improving household budget management.

CGD maintained Saldo Positivo and highlighted CGD products with links to the cgd.pt website, which has detailed information on the products, in line with Banco de Portugal standards. New types of contents were also included slideshows and videos, and a Saldo Positivo channel was set up on YouTube.

No. of single visitors in 2012: 462,053

No. of single visitors in 2011: 266,830

No. views in 2012: 4,455,122

No. views in 2011: 1,801,161

In 2012, the average number of views was almost 400,000 a month, which was 163% up on 2011.

Financial literacy for companies

In May 2012, CGD introduced a new, exclusive Saldo Positivo area for companies – Saldo Positivo Empresas (Positive Balance Companies). This ground-breaking programme in Portugal is for entrepreneurs and SMEs.

CGD's Saldo Positivo Empresas provides essential support in the financial capacity building of companies and promotion of management practices that facilitate sustainable economic growth, innovation, risk management and return on capital.

Saldo Positivo Empresas

No. of single visitors in 2012: 30,773

No. views in 2012: 303,111

Expresso Guide – *Expresso* Savings Initiative

For the third year running, CGD joined *Expresso* in commemorating Saving day and for four weeks it sponsored an editorial on savings in the economy section. It ended with publication of a supplement that gave educational examples of ways of saving for different consumer profiles.

The initiative was quoted by the consultants Return On Ideas as an effective example of financial advice and product communication.

Iniciativa Poupança Expresso

Print run of 100,000 with *Expresso* newspaper.

In 2012, the guide was also included in *Exame* magazine with an extra print run of 25,000.

BI – Cape Verde

BI posted sections of financial education on its website as part of the Banco de Cape Verde Financial Education Programme. The aim of the programme is to ensure a solid base of financial education while promoting services to the community and helping step up citizenship.

Financial education for children and young people

CGD continued its **initiatives for children and young people**.

Educação + Financeira Exhibition

CGD, in partnership with Universidade de Aveiro, organised a travelling financial literacy exhibition from north to south of the country. It was divided into three modules for different audiences:

I - What is money for? For primary and lower secondary students to give them a vision of the history of currency and trade using games and conversion tables.

II - How do I spend money? The main target was upper secondary students to raise their awareness of the need for responsible spending, the importance of work and saving habits.

III - Should I buy or not? The games in this module are more extensive so that the students and general public can be made aware of personal budget management, possible loans and personal expenses and can reflect more conscientiously on borrowing, multiple loans and over-indebtedness.

In 2012, the exhibition travelled to 24 places and received over 26.000 visitors.

Kidzania theme park – Savings Week

CGD kept up its presence at Kidzania with a bank for children, where they learn the basic rules of financial management. For the third year running, CGD and KidZania organised Savings Week from 1 to 4 November to instil saving habits in youngsters.

The KidZania CGD had games to promote financial literacy and teach the children the concept of interest.

Total visitors to the park during Savings Week

2012: 7,108

(61% aged 3-15)

11% increase in visitors against 2011

Ciclo da Poupança (Savings cycle)

Ciclo da Poupança is a microsite for children aged 6 to 12 and raises their awareness of the need to preserve the planet by linking the concepts of saving resources and saving money.

On World Savings Day and Day of the Child there were games with prizes for the best works and performances.

Ciclo da Poupança

Visitors: 12,721

Views: 38,445

87% increase in visitors and 60% in views against 2011

The European Banking Federation (EBF) published a report in English on the financial education of children and young people. The EBF mentions the efforts made by national associations in member countries and highlights four initiatives organised or sponsored by CGD with a great impact on Portuguese children and young people: Kidzânia (theme park), Educação +Financeira Exhibition, Ciclo da Poupança and Saldo Positivo.

This mention in an international report is recognition of CGD's work in fostering young people's financial knowledge and building a more sustainable society.

BCA – Cape Verde

World Savings Day

The BCA organised a visit by schoolchildren to its facilities in all municipalities. The idea was to teach them about the concept of saving and the value of money, promote saving, and warn of the importance of starting financial and resource management early.

5.2 Social innovation

CGD believes that its initiatives and solutions should be created with its stakeholders, to guarantee a response to social problems that cannot be solved individually.
In 2012 it therefore continued to support social innovation initiatives.

Commitments: Community engagement			
Social innovation: Invest in improving everyone's daily lives and contribute to social inclusion	Keep up support for the Social Stock Exchange as its official bank	2011-2012	☑
	Participate in Action Tank Portugal: Contribute to social inclusion with an approach based on new corporate models and initiatives	2010 - ongoing	☑
	Foster entrepreneurship	2012 - ongoing	☑

CGD Official Bank of the Social Stock Exchange

CGD has been the official Social Stock Exchange (SSE) bank since July 2010 in order to mobilise society, by publicising the project at its branches, on information platforms and to partners and customers.

The SSE replicates the environment and concept of a traditional stock exchange to benefit social organisations. It helps private charities to achieve a new vision of sustainability for their projects.

By fostering social investment the SSE aims for support for civil society organisations to be given not as charity but as an investment generating a new type of profit: social profit.

Caixa Fã (Caixa Fan) fund

Under CGD's Corporate Sustainability Programme, Fundo Caixa Fã was founded in 2008. Every year, the fund supports structural social intervention projects undertaken by institutions with credibility and execution capacity. The projects supported every year are publicised on cgd.pt and quoted on the SSE, which allows the general public to participate in the social investment achieved.

The Caixa Fã card is also available to customers wishing to make individual contributions to the accounts of charities promoting projects. Use by its holders generates funds that go to charitable institutions.

Considering the amounts generated by use of the card and the number of applications to the Caixa Fã Fund, there was an urgent need to implement effective monitoring of the projects supported and measure the social impact of donations.

In 2012, the Caixa Fã Fund assisted nine projects, as described in the table below.

Table 15: Caixa Fã Fund - institutions and projects supported in 2012

Entity	Support granted	Description
Associação Juvenil Soltar os Sentidos	30,000 euros	**Nós e os Laços Project** It is based on a philosophy of improving the parenting skills in families with disabled or special needs children or young people by developing the family's skills.
CADIn – Centro de Apoio ao Desenvolvimento Infantil	29,434 euros	**Capacitar para o Trabalho Project** The aim is to create a service to help young people with autism to develop skills and attitudes suited to the job market.
Associação para o Desenvolvimento da Costa Norte da Madeira	29,898 euros	**65+ Sem Limites Project** It helps set up a dynamic bank of technical assistance in which equipment (aids for mobility and personal and health routines) is loaned in rotation by people who need it, controlled by the community.
Associação para o Estudo e Defesa do Património Natural e Cultural do Concelho de Mértola	29,920 euros	**Encaixa-te Project** Its idea is to include people with special needs by fostering empathy and interaction between people. It raises awareness of and contact with the "world of darkness" and "world of silence" for three age groups: children, adults and elderly.
Associação Portuguesa de Doentes de Parkinson do Sotavento Algarvio	13,260 euros	**Projeto Passo Solidário pelos doentes de Parkinson (PSDPk)** Continuing the project to create and empower the Sotavento Algarvio Branch to assist Parkinson's sufferers and their families who need social, health, occupational and training support after being diagnosed.
Associação Portuguesa de Familiares, Amigos e Pessoas com Epilepsia	29,823 euros	**Project: Gabinete Pró-Emprego** This is an occupational guidance service for people with epilepsy to help them learn about the occupational situation in their area and identify motivations and skills to guide their choice. It also provides training and assists employers and organisations that meet job, occupational and training requirements.
SEA-Social Entrepreneurs Agency	17,500 euros	**Garage Incubator Project** This is an incubator for individual and collective micro-business initiatives for the creation of jobs and generation of income by the unemployed. It takes in people from vulnerable groups and meets their specific needs by minimising the risks (e.g. loss of benefits) and fixed costs of the start-up phase. The project boosts the SEA's intervention in Marvila.
Associação Pelo Prazer de Viver	30,000 euros	**Projeto Agrícola de Inserção Social Profissional** This involves setting up an organic farming company, making three beneficiaries independent each year.
Banco do Bebé – Associação de Ajuda ao Recém-Nascido	30,000 euros	**Projeto Apoio Domiciliário e Formação Parental** The project has a training component for parents and volunteers to buy management hardware and software to control goods provided to families and install them in a new place and extension of support to three new hospitals (Dona Estefânia, Beatriz Ângelo and Santa Maria).

Bem Comum (Common Good) venture capital fund

The Bem Comum Fund is an initiative of the ACEGE – Associação Cristã de Empresários e Gestores, in which CGD has invested since 2010. This venture capital fund focuses on funding projects that have growth prospects and create jobs in any sector. It is for people aged over 40 with work experience and its aims are:

- To encourage qualified managers who are unemployed or in precarious jobs to undertake business projects
- To fund projects with growth potential and provide technical assistance to ensure the sustainable creation of jobs
- To provide a broad platform for support and information for senior entrepreneurship

Action Tank Portugal

Action Tank Portugal – Empresas para o Desenvolvimento (ATP) is an alliance of 11 companies, one of them being CGD, which undertake experimental projects in collaboration.

The ATP was born in 2011 in the conviction that traditional solutions for fighting poverty and social exclusion were not enough and that new sustainable business models were needed, though their targets would not only be return on investment but also the social impact.

With the mission of contributing to social inclusion with an approach based on new business models and initiatives, particularly inclusive business, social business and social entrepreneurship, the ATP brings together these organisations, which feel the urgency of social innovation in their business setting.

2012 was a year of consolidation and implementation of the first projects. The ideas focused mainly on the following areas:

- unemployment (youth and long-term),
- ageing population (improving seniors' quality of life),
- access to certain services (by the social sector and its beneficiaries), and
- social finance

Bolsas Sociais EPIS

CGD funded the Bolsas Sociais EPIS – Empresários para a Inclusão Social project in partnership with the Ministry of Education in order to codify good practices at Portuguese and foreign schools for future application to the state school network. Its goal is to help create a new generation of schools – EPIS schools for social inclusion.

The EPIS social grants help schools with an effective strategy and proven results for fostering social inclusion. Six schools receive two €400 grants for three years to help disadvantaged students.

Young VolunTeam Programme

The EU study *Volunteering in The European Union* shows very low figures for young Portuguese volunteers. On the other hand, the European Union considers it necessary to create a society

favourable to entrepreneurship based on an integrated policy for improving people's skills in this area. The promotion of entrepreneurship among young people is a key element in business.

CGD therefore believes that the promotion of skills by involving young people in volunteering develops entrepreneurial skills. In 2012, CGD started a pioneering education programme at 25 upper secondary schools, Young VolunTeam, in partnership with Sair da Casca and Entrajuda with the support of the Directorate-General for Education at the Ministry of Education and Science.

With this project, CGD is fostering best practices in meeting the challenges of Portuguese society and its goals are to attract the school community to volunteering as an expression of citizenship and encourage young people to recognise the skills essential to their professional future in different areas: entrepreneurship, social inclusion, education, employment and citizenship.

Beta-i – Promotion of entrepreneurship

CGD joined Beta-i – Associação para a Promoção do Empreendedorismo e da Inovação to assist in the development of a more entrepreneurial culture. This consisted of programmes to accelerate start-ups and events promoting entrepreneurship.

Beta-start

In 2012, CGD sponsored Beta-start, providing regular, consolidated support to Portuguese business, nurturing new businesses and implementing good ideas.

Beta-start is a programme to accelerate Beta-i start-ups and is designed to help entrepreneurs convert their ideas into successful business models. For 50 hours over six weeks, the entrepreneurs in the programme were encouraged to develop their ideas, improve their prototypes and business models with assistance of mentors, trainers and a hands-on approach.

During Beta-start, the entrepreneurs also had the chance to present their ideas to potential customers, partners, co-founders and investors.

Beta-talk

Beta-talks are monthly events where experienced entrepreneurs share their ideas and stories with future entrepreneurs.

Beta-i has CGD's support and in two years:

- Received 400 applications,
- Undertook 70 projects,
- 120 participants, 150 mentors and specialists, 40 investors on demo day
- More than 35 start-ups created
- There were 12 beta-talks in 2012 involving around 70 participants each and 24 respected Portuguese speakers.

Following its strategy of ongoing support for innovation and entrepreneurship projects, CGD also supported other Beta-i events:

Silicon Valley

Silicon Valley comes to Lisbon took place at Fundação Caixa Geral de Depósitos – Culturgest in Global Entrepreneurship Week.

Start-up Weekend

Start-up Weekend in Lisbon and Portimão is a global event aimed at setting up a company in 54 hours on a campus devoted to entrepreneurs and their ideas. These meetings establish a bond between local developers, creators and entrepreneurs, who have the chance to develop their ideas with the help of mentors (successful entrepreneurs and present them to a panel of judges (professional investors), helping to create start-ups in the local community.

Projeto Energia de Portugal

CGD sponsored the Energia de Portugal Project, an *Expresso* initiative that demonstrates the importance of creating new businesses and demystifying the difficulties in starting up a company. The project converted ideas into business models and validated them by interaction with customers, in three phases:

- Phase 1 – dissemination and selection of candidates - finding people and ideas
- Phase 2 – 8 boot camps to work on ideas
- Phase 3 – Investment Pitch – presentation of ideas to investors by 15 teams in the final to obtain finance for their business.

The winning team's mentor, who contributed support and know-how during boot camp to develop the idea was Ricardo Torgal, from Caixa Capital.

AconteSer – Liderar com Responsabilidade Project

In its commitment to spreading good practices that boost management models that can add value to society, CGD supported AconteSer – Liderar com Responsabilidade project, undertaken by Associação Cristã de Empresários (ACEGE).

The programme's aim was to raise business leaders' awareness of the need to change ingrained patterns of behaviour that jeopardise competitiveness and sustainability of the Portuguese economy.

AconteSer operated in seven main areas: leader, company employees, community, suppliers, customers and eco-efficiency. It includes sessions to launch Liderar com Responsabilidade (50 sessions in 10 districts), distribution of thousands of kits with information for business leaders, publication of a synthesis of good practices in SME management and workshops all over the country.

BI – Cape Verde

World Entrepreneurship Week

The BI has sponsored World Entrepreneurship Week since the first High Level Round Table on entrepreneurship organised by AJEC – Associação de Jovens Empresários, a private association that defends the interests of young entrepreneurs by bringing them close and support private enterprise, promoting its members' vocational training and integration into the business world via training, information, technical support, general representation of their interests and identification and provisions of resources and tools for the operation and development of their business.

5.3 Promotion of knowledge

Sustainable development requires active, informed citizenship and so CGD has positioned itself as the knowledge support bank. It has therefore been supporting education in general and higher education in particular and also scientific projects.

Support for higher education

CGD has devoted special attention to higher education since 1994 and strengthened relationships in Portugal.

2012 was another year of affirmation of CGD's leadership in the university market, as a business partner of most institutions of higher education (IHEs).

CGD's three main areas of action in the university market were:

- Promoting knowledge and academic merit by awarding research grants, monetary prizes for the best students and academic internships, with IHEs with agreements being included in CGD's recruitment of high-potential employees
- Fostering entrepreneurship by sponsoring competitions and offering specific financial solutions for young entrepreneurs (Soluções Caixa Empreender, supporting creation of self-employment and business projects)
- Meeting students' financial needs during their studies and when they begin their career.

CGD still has a portal for university and post-grad students– Portal Caixa IU, which is an academic and social meeting point for them to find information and tools of practical interest that are useful in their everyday lives.

National science competitions 2012

In 2012, CGD once again sponsored the national competitions organised by the Matemática Ensino (Maths Teaching) (PmatE) Project in partnership with Universidade de Aveiro, by awarding study grants and other benefits to the best students.

This initiative for more than 13,000 students is one of the largest events in Portugal in compulsory and upper-secondary education in the following areas: Maths, Biology, Physics, Geology and Portuguese.

Promotion of the maritime economy

CGD supported events on the maritime economy in 2012, considering that it gives Portugal a unique competitive advantage that should be exploited and capitalised in order to contribute to the country's economic development.

For the third year running, CGD sponsored *Tanto Mar* Week, a distinctive initiative focusing on the potential of the sea and raising children and young people's awareness of the subject in order to awaken new generations' interest in the sea and help value the economic and cultural importance of Portugal's reunion with the sea.

Tanto Mar Week focused on the strategic role of the sea and stressed the importance of the Peniche area as an essential part of a cluster of knowledge of the maritime economy.

CGD sponsored Fórum do Mar for the second year running. This forum has been regularly involved in initiatives to nurture the maritime sector with a sustainable response to the national economy's challenges.

CGD also sponsored the issue of *Guia das Profissões do Mar* during Futurália – Feira de Educação, Formação e Orientação Educativa. This is the second edition of the guide, which is published annually for upper secondary education students. It gives information about the different career options associated with the sea, training schools and potential employers. The guide was distributed free of charge at Futurália and is currently being distributed to 400 upper secondary schools all over the country.

Knowledge of Portugal's economic reality

The Portugal Economy Probe project was launched in 2012, sponsored by CGD. It is a civic initiative with no commercial purpose and was born from a concern by important national institutions about the lack of technical knowledge about Portugal and its economy abroad, mainly as a result of the difficulty in accessing fast, up-to-date, comprehensive, objective information about the Portuguese economy.

Cidades e Desenvolvimento (Cities and Development) Study

In 2012, CGD formed a partnership with INTELI, a think and do tank devoted to innovation and sustainable development. Among other activities, it developed the Índice de Cidades Inteligentes (Smart Cities Index) in 20 cities in the RENER network – Living Lab for urban innovation.

CGD places itself as a driver for sustainable development in Portuguese cities. This partnership has contributed to consolidating further the coherence of this path, thereby strengthening CGD's historic role in developing Portuguese municipalities.

CGD Design Bank

CGD kept up its partnership with Centro Português de Design in 2012, enabling several initiatives to support creation in an environment to develop excellence in this field of knowledge and innovation through concrete action.

It also remained the official sponsor of ExperimentaDesign, which includes in a multidisciplinary way the areas of industrial design, architecture, fashion design, multimedia design, set design and the new media, among others. It has proven to be a major event
which, due to its scale and opportunity, has placed Lisbon and Portugal
on the map of the most active European artistic panorama.

CGD signed an agreement with the Architects' Association, becoming a privileged partner of this professional class and ensuring its presence in all the national fairs organised by the Association, as well as in other initiatives or projects of common interest.

Research CGD

As a knowledge bank, CGD plays a decisive role in the sharing of knowledge and dissemination of information that can leverage people's participation in the economy, social entrepreneurship and construction of a better future, thereby contributing to building active, informed citizenship.

In 2012, the CGD Study Office issued a note devoted to **North Africa: A New Front for Challenges and Opportunities** is a study intended to serve as an additional tool to identify possible opportunities for diversification of customers for Portuguese exporters.

View CGD's studies and notes here.

5.4 Volunteering

Commitments: Community engagement			
Promote volunteering	Draft a volunteer guide for all those wishing to join in volunteer work.	2010-2013	⌛
	Foster volunteer work:	2010 - ongoing	☑
☑ **Done**	☒ **Not done**	⌛ **In progress**	

The aim of volunteering at CGD is to encourage employees to participate in the community and give an image of the CGD Group as a close, responsible institution.

CGD's strategic volunteering goals are:

- To help volunteer work boost the areas of social intervention that are strategic to CGD, such as the environment, the sea, financial literacy and entrepreneurship, among others
- To achieve institutional acclaim for volunteer work
- To undertake volunteer work all over the country and give all working and retired employees the chance to participate
- To increase the number of active volunteers
- To create an online structure to support all volunteer work
- To achieve a uniform social impact in areas of intervention at national and local level.

In 2012, CGD continued to encourage volunteering, and corporate volunteering in particular, among its employees, allowing them to participate in initiatives, such as environmental protection, financial education and social work.

Hundreds of employees, family members and friends took an active part, confirming that there is increasing awareness that everyone can make a difference and contribute to a better, fairer society.

CGD's volunteering enjoys the valuable participation of:

- CGD Social Services blood donor group, which organised a platelet and bone marrow drive in 2012
- ANAC - Associação Nacional dos Aposentados da CGD
- Séniamor (Lisbon and Porto), a group that plays an important role in in-house solidarity by preventing isolation after retirement
- Social Services delegates
- Banco do Tempo (Time Bank)

Volunteer pool – Entrajuda

In 2012, CGD once again made a monetary donation to Entrajuda for the volunteer pool project.

The Volunteer Pool is an online platform that acts as a meeting point for supply and demand of volunteers. It articulates the need for volunteer work (by area) with available individuals and organisations.

This project has been growing since it was set up, especially in terms of technological platforms, and is now available on Facebook and via an app (the first in the third sector) developed for Windows 8.

CGD has been the main partner of this project since it began.

Junior Achievement Portugal (JAP) – Education for Entrepreneurship

Education for Entrepreneurship is a corporate social responsibility project of Junior Achievement Portugal, which CGD joined for the second year running. Its main goal is to allow volunteers to help implement programmes for students of different ages at Portuguese schools.

The concepts taught to the students ranged from such vast topics as financial literacy and citizenship to the promotion of entrepreneurship ,which are not covered by school syllabuses.

Junior Achievement Portugal – Education for Entrepreneurship

No. of volunteers 2012/2013: 66 employees (one took part in two programmes and four programmes had volunteers in teams of two)

CGD volunteers participated in the eight JAP programmes, as follows:

The family – 4

The community – 14

Economics for success - 7

Banks in action – 4

Companies – 5

Braço direito (Right Arm) – 27

No. of hours of volunteering 2012/2013 436

No. of beneficiaries: 36 school classes all over the country reaching over 750 students aged 6 to 18, 29 teachers and around 1,500 parents.

Young VolunTeam Programme

In addition to the JAP programme CGD volunteering at schools also includes the Young VolunTeam Programme.

The participating students act as ambassadors and agents of change during the school year and give training on volunteering to students from other levels and do volunteer work in their own schools and in the community. Participants in the programme receive a certificate to enhance their CVs.

The involvement of teachers and the whole school structure is essential to the programme. CGD volunteers are the sponsors of student teams and are responsible for accompanying the schools and liaising between the different entities involved.

The participating schools conduct volunteering awareness campaigns and volunteer work, such as goods and food collection campaigns, visits to old people's or children's homes and the installation of a charity shop in the school, where students can donate clothes and take something they need.

Young VolunTeam Programme

No. of participating schools 25, with a total of 21,542 students

No. of CGD volunteers: 9.

No. of hours' volunteering: 108

No. of beneficiaries 686 students, teachers, parents and staff

101 students responsible for projects at schools

Over 1,200 members of the page of the educational programme www.facebook.com/CGDyoungvolunteam

Beach cleaning

Volunteer work was done to clean beaches as part of the environmental pillar of our Corporate Sustainability Programme.

Once again CGD got its employees and their families together in a volunteer scheme to clean Praia da Sereia, Costa da Caparica - an initiative involving around 150 volunteers

Clean Beaches

No. of CGD volunteers: 54 employees and 91 friends and family members

No. of hours' volunteering: 504

They collected 500 kg of waste, which was sent for recycling.

Forest clearing

This initiative was organised and undertaken by CGD employees in Viana do Castelo and consisted of clearing the local picnic area. In around 90 minutes they collected dozens of bags of refuse. The work involved a great team spirit and raised awareness of Portuguese forests.

There was a total of 105 hours' volunteer work.

Assistance for the homeless – preparation and distribution of meals

CGD conducted is first volunteer initiative for the homeless in partnership with Comunidade Vida e Paz in 2012. The work was done on two different days of the week and involved preparing and distributing meals, with 54 volunteers.

Assistance for the homeless

No. of CGD volunteers: 42 employees and 12 friends and family members

No. of hours' volunteering: 316.5

5.5 Culture and historical heritage

Fundação Caixa Geral de Depósitos – Culturgest

Fundação Caixa Geral de Depósitos – Culturgest organises activities in the arts – theatre, dance, all musical genres, multidisciplinary performances and those that cannot be classified in traditional categories, performance cinema, new circus and visual arts, in addition to literature, science and thought.

The foundation has an Education Service that manages CGD's art collection and holds exhibitions at Fidelidade Mundial's Chiado 8.

Around 64,836 people of all ages attended and participated in cultural events organised by the foundation at CGD in 2012.

Table 16: No. of Fundação CGD Culturgest events and spectators (2012)

	No. of events	No. of sessions	No. of spectators
Dance	8.	26	4,886
Theatre	9	45	3,860
Music	27	29	6,072
Circus	1	4.	1,970
Cinema	4.	142	24,232
Lectures and readings	14	52	6,096
Performance art and staged visits	–	6	263
Exhibitions	10		17,457
Exhibitions at Chiado 8	5		6,081
Travelling exhibition of CGD's art collection in Lisbon	–	–	2,964

In 2012, CGD's Education Service organised activities that were attended by 7,471 people of all ages. They included visits to exhibitions, birthday parties, school holiday workshops, contemporary art classes for teachers, art history classes, education on museums and activities for children's parents and companions.

The foundation received 1,053 pre-school children, 2,558 primary school children, 965 5th to 9th grade students, 502 upper secondary students and 62 university students. 2,326 adults and 73 schools and institutions participated in the activities.

Partnerships and agreements with CP and the CML Culture Bus made it possible provide cheaper transport for schools.

CGD continued to support the design of educational activities around the IndieJúnior and DocLisboa festivals and new partnerships were formed with teachers' associations (APECV) and art schools (António Arroio), for activities to meet these groups' needs.

Historical heritage

CGD's historical heritage consists of two areas, the historical archives and museum. They hold historical documents (from the 16th century to the present day) and a large collection of items that were used in daily banking over the years.

The historical archives and museum have taken special care to disseminate the contents in the publications of studies resulting from research in digital format and hard-copy publications. In 2012, 21 studies were published on the website, plus some smaller monthly publications.

Another form of dissemination that CGD has used is exhibitions of the original documents and pieces. CGD held an exhibition to commemorate the 100th anniversary of BNU in Timor and another for BNU's 110th anniversary in Macao.

Collaboration with outside entities has been a way of promoting the bank’s historical heritage. From requests to the loan of furniture and pieces for films to the loan of pieces for temporary exhibitions. The partnership agreement signed with Museu da Moda e Design and the loan of pieces to reconstitute the BNU governors' offices in the Rua Augusta building (former BNU head office) are examples.

Media library network

The media library network springs from an agreement between the former IPAD and CGD to foster the economic, social and cultural development of the people in the countries where the libraries are set up, also promoting the Portuguese language, which creates a bond between Portugal and these countries.

By facilitating access to information and knowledge, providing scarce resources in regions and using the synergies of the commercial structure, CGD has helped to optimise human capital, fully develop populations and disseminate the Portuguese language and its use thereby fulfilling its social responsibility.

Media libraries were set up in three continents:

- Africa: two media libraries in Mozambique (Maputo and Beira), Cape Verde with three (Praia, Mindelo and Espargos) and S. Tomé e Príncipe, with one.
- Asia: a media library in Dili, East Timor
- Europe: a media library in the City of Luxembourg

More than 1.5 million people have visited the media libraries since the project began in 1997 with the opening of the Maputo library. Around 200,000 visits were in 2012.

Orquestras CGD (CGD Orchestras) Project

This project involves patronage of four orchestras – Orquestra Metropolitana de Lisboa, Orquestra do Norte, Orquestra do Algarve and Orquestra Clássica do Centro – to promote concerts and educational activities and cultural decentralisation.

In 2012, there were 57 events from north to south of the country and more than 18,000 spectators. Twenty-nine of them were essentially educational to encourage new audiences and cultural habits in families (educational activities, family concerts and promenade concerts).

5.6 Solidarity

Goods donated

Every year, CGD donates office furniture that is in good condition but no longer used. In 2012 it donated 2,596 items to 93 institutions.

It also made a donation to ANAC – Associação Nacional dos Aposentados da CGD – of around 50 computer work stations and gave DAS – Parque de Campismo de Salgueiros, 100 pieces of furniture for social areas of reopened facilities.

Sponsorship of charity events

In 2012, CGD also joined other charity events:

– Light it up Blue - as part of the World Autism Awareness Day, CGD lit some of its branches blue.

– **Fifth fundraising concert for Associação Portuguesa Contra a Leucemia** (APCL) - CGD sponsored this concert raising essential funds for the continuation of many APCL projects that are crucial to the survival and operation of the institution.

– **Dress for Success Lisbon** – at the CGD head office there was a campaign to collect women's clothes suitable for work for this non-profit organisation that promotes the economic independence of disadvantaged women by providing outfits for job interviews, a support network and the necessary tools for their careers.

Employees and their families and friends made a considerable contribution, as shown by the results: 1,526 garments donated

– Grande Gala da Solidariedade - CGD sponsored this charity gala for the European Solidarity Year to fight discrimination and poverty.

BCG Brasil

In 2012, BCG sponsored social projects, such as:

Special education and social inclusion for blind children and adolescents – Fundação Dorina Nowill

BCG Brasil sponsored the production and distribution of children's books in Braille, print and audio for children aged 6 to 10 with and without visual impairment. They were taken to 12,000 schools and libraries in the São Paulo municipality and benefited around 550,000 children. The aim of the project is to introduce teachers, students and society to the concept of inclusion and respect for diversity.

Quixote Project – Another story

BCG Brazil supported this project to integrate high-risk young people into society by working on issues like violence, abandonment, education, health and drug abuse by caring for 600 children and young people The project is recognised nationwide and is key in the sector. It has received awards from a number of organisations, including UNICEF.

The project's main aims are to provide a space for 600 children and young people so that it can house art, education and technology workshops to further their cultural knowledge, raise their awareness of environmental action at individual and community level and offer social, educational and medical care.

Introduction to karate-do for intellectually challenged young people – Instituto Olga Kos

This project is to rescue and raise public awareness of cultural diversity via art, culture and sports for children with Down Syndrome and mental disabilities.

BI Cape Verde

Aldeias Infantis SOS (SOS Children's Villages)

Founded in 1949, SOS Children's Villages is a private, non-profit international organisation that fosters social development and works essentially to defend, guarantee and promote the rights of vulnerable children, adolescents and young people. The villages provide children in difficulties with a home and help them build lasting relationships in a family.

As part of its social responsibility policy, Banco Interatlântico has supported this cause since 2008 with an annual donation of around 5,000 euros.

Escola Achada Grande Frente and Escola SOS

BI Cabo Verde supported these schools under a partnership between the bank and Cape Verde National Commission for UNESCO. In the case of Escola SOS Lavadouro (integrated basic education), it sponsored the creation of a multimedia library and for Escola Secundária de Achada Grande Frente it funded the renovation of the canteen, which is used by around 170 basic education students.

ANNEX A – GLOSSARY

Climate change – is planet-wide variations in the climate over time. The latest United Nations report confirms the scientific evidence of current changes in the climate and explicitly points to greenhouse gas emissions from human activities as the main factor for global warming.

HVAC – is heating, ventilation and air conditioning.

Biodiversity - is 'variability among living organisms from all sources (...). This includes diversity within species, between species and of ecosystems'.

Biomass – is a total dry mass of biological material, a biodegradable fraction of products and waste from farming and forestry (cereals, pasture, starchy and oleaginous products, wood and fibre, etc) and industrial and household waste.

Carbon - is the generic name for greenhouse gases.

Cogeneration – is the simultaneous generation of electricity and thermal energy in a single process.

Offset of emissions – is the acquisition by an organisation or individual of emission reduction units (carbon credits) generated by external projects in a quantity equivalent to their emissions, thereby cancelling out the effect on the climate.

Carbon credits – are reductions in greenhouse gases expressed in equivalent carbon dioxide units generated by selected projects and traded on special markets. A carbon credit corresponds to one tonne of reduced equivalent carbon dioxide and can be acquired by organisations or individuals to offset their emissions.

CO2e: Equivalent carbon dioxide – is a reference unit to quantify greenhouse gases. It converts emissions of different types of gas into carbon dioxide emissions with a contribution similar to the greenhouse effect. The standardisation of units is done by applying the respective Global Warming Potential.

Low-carbon economy – is an economy that seeks to minimise greenhouse gas emissions in order to reduce climate change, while also fostering sustainable development. A low-carbon economy is based, among other things, on more rational use of energy resources and the use of renewable energy sources.

Ecosystem – is a complex that includes the living community, its environment and interactions and functions as an ecological unit in nature.

Greenhouse effect – is a natural process that keeps the average temperature in the troposphere relatively stable over time, given the presence of greenhouse gases in the atmosphere (without it the temperature on the earth's surface would be about 34ºC colder than it is today). This process creates a balance between incident solar radiation absorbed and irradiated solar radiation in the form of infrared rays (heat). (see greenhouse gases)

Electricity generated from renewable sources - is electricity generated by plants that only use renewable energy, such as the share of electricity from renewable sources at hybrid power stations that also use conventional sources, including renewable electricity used to fill storage systems and excluding that generated as a result of storage system.

Social finance – is a form of financial activity to serve institutions prepared to meet certain social needs that cannot be satisfied by conventional finance or investments.

Greenhouse gases (GHG) - are gases that partially retain the heat from solar radiation on the earth's surface. Without them, the planet's temperature would be about 30ºC lower. Some of these gases, such as carbon dioxide (CO2), methane (CH4) and nitrous oxide (N20) occur naturally. Others are of industrial origin, like hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF6). Their concentration in the atmosphere has been increasing as a result of human action resulting in an unwanted intensification of the greenhouse effect.

GRI (Global Reporting Initiative) - is an initiative that was set up in 1997 by CERES – Coalition for Environmentally Responsible Economies, in cooperation with UNEP – United Nations Environment Programme. It has cooperated with the United Nations Secretary-General ever since. The main goal of the GRI system is to produce guidelines to contribute to the standardisation and transparency of global reporting of socially responsible activities. There are three GRI levels, A, B and C. The communication criteria set out in each level reflect increasing application or degree of coverage.

GHG Protocol – the Greenhouse Gas Protocol.

Global warming potential (GWP) – potential for global warming

Gwh/h – stands for gigawatts per hour.

Emissions inventory – is the periodical quantification of greenhouse gas emissions from a certain activity or organisation. Emission sources for organisations vary according to their sector, though they generally include energy consumption at their facilities and employee travel. The results make it possible to monitor carbon performance and measure the efficacy of reduction measures.

Environmental impact – is favourable or unfavourable changes in environmental and social parameters in a particular area over a certain period of time as a result of a project, compared to the situation that would occur in the same period and area if the project had not taken place.

Private charities – are institutions taking social action to prevent and assist in situations of vulnerability, exclusion and human need. They promote inclusion and social integration by assisting children and young people, families, youth, the elderly, disabled and people in need in general.

ISO (International Organization for Standardization) – is a non-governmental organisation operating in 164 countries. It remit is to standardise goods and services in order to promote the quality of products.

KWh – stands for kilowatts.

Mitigation – is human intervention to reduce the concentration of greenhouse gases in the atmosphere by reducing emissions at source (e.g. cutting down fossil fuel consumption) and increasing the capacity of carbon sinks (e.g. promoting afforestation projects).

NGO – stands for non-governmental organisation.

Carbon footprint – is the measurement of all greenhouse gas emissions occurring throughout the life cycle of a product or service, from raw materials to disposal of the waste generated at the end of its life. The expression is often used for organisations in a similar sense to emissions inventory.

Rating – is the risk classification of a company or institution. The assessment may be generic, taking account of a company or institution's economic and financial situation and profit prospects, or specific, referring to its credit risk, considering its ability to service its debts.

Recycling – is when the materials making up a component are used to make new components, thereby reducing energy associated with their manufacture in most cases.

Waste – is any substances or objects of which a holder disposes or has the intention or obligation to do so.

Reuse – is putting components to similar use without alterations, whenever possible.

Stakeholder – according to Freeman, who popularised the concept in 1984, these are people or groups who affect or are affected by a company's goals. Stakeholders may, for example, be shareholders, employees, suppliers, customers, government or society.

tCO2e – stands for tonnes of equivalent carbon dioxide.

ANNEX B: METHODOLOGICAL NOTES

EN1

At CGD, SA the unit weight of materials reported was calculated by direct weighing.

Banco BI Cabo Verde also reported other materials that it considered relevant, such as poster and gift vouchers, though it was not possible to quantify them in the correct reporting unit (tonnes).

Banco BCA Cabo Verde also reported other materials that it considered relevant, such as flyers, leaflets and posters though it was not possible to quantify them in the correct reporting unit (tonnes).

BCG Brasil only considers photocopy paper consumption relevant.

EN3

CGD, SA's consumption of diesel, petrol and natural gas was converted into energy units (GJ) using the following conversion factors:

Conversion factor	*Factor*	*Value*	*Source*
Electricity (MJ/kWh)	**kWh-->GJ**	**0.004**	International Energy Agency
Diesel	**PCI (GJ/ton)**	**42.6**	Agência Portuguesa do Ambiente, 2012 (Portuguese Environmental Agency) - Portuguese National Inventory Report on Greenhouse Gases 1990-2010, 2012
	Density (kg/l)	**0.833**	Repsol - fuel specifications (diesel)
Petrol	**PCI (GJ/ton)**	**44**	Agência Portuguesa do Ambiente (Portuguese Environmental Agency) - Portuguese National Inventory Report on Greenhouse Gases 1990-2010, 2012
	Density (kg/l)	**0.748**	Repsol - fuel specifications (EFITEC 95)
Natural gas	**PCI [GJ/((N)m^3 x 10^3)]**	**38.46**	Agência Portuguesa do Ambiente (http://www.apambiente.pt/_zdata/DPAAC/CELE/tab_val_PCI_FE_FO.pdf)

Consumption of fuel by BI Cabo Verde was converted into energy units (GJ) using the following conversion factors:

	Unit	Conversion factor	Source
Diesel	kg/l	0.84	http://www.ghgprotocol.org/calculation-tools/all-tools
	TJ/Gg	43.0	

Conversion and emission factors for fuel consumption by CGD vehicles

	Unit	Light vehicles	Source
Petrol	kg/l	0.74	Repsol - fuel specifications (EFITEC 95)
Diesel	kg/l	0.84	Repsol - fuel specifications (diesel)
Petrol	TJ/Gg	44	Agência Portuguesa do Ambiente (Portuguese Environmental Agency) - Portuguese National Inventory Report on Greenhouse Gases 1990-2010, 2012
Diesel	TJ/Gg	43	

Consumption of fuel by BCA – Cape Verde was converted into energy units (GJ) using the following conversion factors:

Conversion and emission factors for fuel consumption in buildings

	Unit	Conversion factor	Source
Diesel	kg/l	0.84	GHG Protocol (August 2012) http://www.ghgprotocol.org/calculation-tools/all-tools
	TJ/Gg	43	

Conversion factors and emission for fuel consumption by CGD vehicles

	Units		Source
Petrol		0.0328%	http://www.ghgprotocol.org/calculation-tools/all-tools
Diesel	GJ/litre	0.0361	

Consumption of fuel by BCG Brasil was converted into energy units (GJ) using the following conversion factors:

	Unit	Conversion factor	Source
Fuel consumption in buildings			
Diesel	kg/l	0.84	Programa Brasileiro GHG Protocol – IPCC 2006
	GJ/t	43.0	
Fuel consumption by company vehicles			
Petrol A	kg/l	0.74	Programa Brasileiro GHG Protocol – IPCC 2006
	GJ/t	44.3	

EN4

In mid-2012, CGD,SA changed its energy supplier for central buildings and the commercial network from EDP to Endesa.

Only data from EDP Serviço Universal and EDP Serviço Comercial were considered to determine the energy mix, as per information from ERSE - Entidade Reguladora dos Serviços Energéticos (http://www.erse.pt/pt/desempenhoambiental/rotulagemenergetica/comparacaoentrecomercializadores/Paginas/default.aspx).

On the date of writing of the Sustainability Report, data on the 2012 energy mix for Endesa are not yet available.

The figures shown do not reflect losses from the distribution and transmission of electricity in the grid or losses from limitations on efficiency in the generation of the electricity used by CGD, as it was not possible to obtain updated figures combining all these components from public sources.

The figures shown for electricity consumption in CGD,SA central buildings refer to: Av. João XXI – Lisbon (head office), Av. 5 de Outubro, 175, Lisbon; Av. D. João I); Av. França- Porto; Pç. Da Liberdade – Porto; Camões – Porto; R. 31 Janeiro – Porto; Sapadores – Lisbon; Cabo Ruivo – Lisbon; Arquivo Alves Redol – Lisbon.

The conversion factor used for CGD,SA, BI – Cape Verde, BCA – Cape Verde and BCG Brasil was:

Conversion factor	Factor	Value	Source
Electricity (MJ/kWh)	KWh - GJ	0.0036	International Energy Agency

EN8

The figures shown for water consumption in central buildings refer to those in Av. Av. João XXI – Lisbon (head office), Av. 5 de Outubro, 175, Lisbon; Av. Aliados - Porto (Pç. D. João I); Av. França- Porto; Pç. Da Liberdade – Porto; Camões – Porto; R. 31 Janeiro – Porto; Sapadores – Lisbon; Cabo Ruivo – Lisbon; Arquivo Alves Redol – Lisbon.

EN16

Conversion and emission factors for fuel consumption in buildings

CGD, SA	Unit	Conversion factor	Source
Natural gas	GJ/(Nm3 x10^3)	38.5	Agência Portuguesa do Ambiente (http://www.apambiente.pt/_zdata/DPAAC/CELE/tab_val_PCI_FE_FO.pdf)
Diesel	kg/l	0.83	*Repsol - fuel specifications (diesel)*
	GJ/t	42.6	Agência Portuguesa do Ambiente (Portuguese Environmental Agency) - Portuguese National Inventory Report on Greenhouse Gases 1990-2010, 2012
	Unit	**Conversion factor**	**Source**
Natural gas	kg CO2/GJ	56.1	Agência Portuguesa do Ambiente (Portuguese Environmental Agency) - *Portuguese National Inventory Report on Greenhouse Gases* 1990-2010, 2012
	kg CH4/GJ	0.0012	
	kg N2O/GJ	0.0014	
Diesel	kg CO2/GJ	74.1	
	kg CH4/GJ	0.0006	
	kg N2O/GJ	0.0006	

Global warming potential (GWP) factors considered in f-gas emissions in cooling and HVAC equipment

	GWP	Note
R134 A	1,300	These figures are established by the IPCC and currently only apply to the activity of CGD,SA.
R402 A	2,500	
R404 A	3,784	
R407 C	1,653	
R410 A	1,428	
R417 A	2,235	
R422 A	3,043	
R422 D	2,623	

BCA and BI – Cape Verde	Unit	Conversion factor	Source
Diesel	kg/l	0.84	GHG Protocol (August 2012) http://www.ghgprotocol.org/calculation-tools/all-tools
	TJ/Gg	43.0	
Diesel	kg CO2/TJ	74,100	GHG Protocol (August 2012) http://www.ghgprotocol.org/calculation-tools/all-tools
	kg CH4/TJ	10	
	kg N2O/TJ	1	

BCG Brasil	Unit	Conversion factor	Source
Diesel	kg/l	0.84	Programa Brasileiro GHG Protocol - IPCC 2006
	GJ/t	43	
Diesel	kg CO2/litres	2.7	Programa Brasileiro GHG Protocol - IPCC 2006
	kg CH4/litres	0.00036	
	kg N2O/litres	0.00002	

Conversion and emission factors for fuel consumption by company vehicles

CGD, SA	Unit	Conversion factor	Source
Petrol	kg/l	0.75	Repsol - fuel specifications (EFITEC 95)
Diesel	kg/l	0.83	Repsol - fuel specifications (diesel)
Petrol	GJ/ton	44	Agência Portuguesa do Ambiente (Portuguese Environmental Agency) – Portuguese National Inventory Report on Greenhouse Gases 1990-2010, 2012
Diesel	GJ/ton	43	
	Unit	Emission factor	Source
Petrol	kg CO2/GJ	73	Agência Portuguesa do Ambiente (Portuguese Environmental Agency) – Portuguese National Inventory Report on Greenhouse Gases 1990-2010, 2012
Diesel	kg CO2/GJ	74	

BI and BCA – Cape Verde	Unit	Conversion factor	Source
Petrol	GJ/litre	0.0328	GHG Protocol (August 2012) http://www.ghgprotocol.org/calculation-tools/all-tools
Diesel	GJ/litre	0.0361	

	Unit	Emission factor	Source
Petrol	kg CO2/TJ	69,300	GHG Protocol (August 2012) http://www.ghgprotocol.org/calculation-tools/all-tools
	kg CH4/TJ	10	
	kg N2O/TJ	1	
Diesel	kg CO2/TJ	74,100	
	kg CH4/TJ	10;	
	kg N2O/TJ	1	

BCG Brasil	Unit	Conversion factor	Source
Petrol A	kg/l	0.74	Programa Brasileiro GHG Protocol - IPCC 2006
	GJ/t	44.3	

	Unit	Emission factor	Source
Petrol A	kg CO2/litres	2.27	Programa Brasileiro GHG Protocol
	kg CH4/litres	0.00	
	kg N2O/litres	0	

Conversion and emission factors for electricity consumption

CGD, SA	Emission factor (g/kWh)	Source
EDP Serviço Universal	229	Emission factor updated to 2012, considering information provided by ERSE - http://www.erse.pt/pt/desempenhoambiental/rotulagemenergetica/Paginas/default.aspx
EDP Comercial - Empresas	427	

BI and BCA – Cape Verde	Emission factor (tCO2/MWh)	Source
Other Africa (2009 factor)	0.956	GHG Protocol (August 2012) http://www.ghgprotocol.org/calculation-tools/all-tools

BCG Brasil	Emission factor (tCO2/MWh)	Source
Sistema Interligado Nacional do Brasil	0.069	Emission factor updated to 2012, considering the information provided by the Brazilian Ministry of Science, Technology and Innovation http://www.mct.gov.br/index.php/content/view/321144.html#ancora

EN17

The calculation of GHG emissions from air travel at CGD,SA was altered against 2011. We considered the classes defined by Defra (2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting) with the following distances: Domestic <463 km, short-haul <3700 km, long-haul ≥ 3700 km. These data are in the size of the flight classes set out in the GHG Protocol.

The 2012 figure does not include the RFI factor, which refers to emissions at altitude (takeoff and landing) as there is no internationally accepted method.

Indirect emissions from on-duty travel in non-company vehicles

CGD,SA BI and BCA – Cape Verde BCG Brasil		Emission factor			Source
	Unit	CO2 (kg CO2)	CH4 (kg CO2e)	N2O (kg CO2e)	
Domestic air travel (<463 km)	Pkm	0.165	0.0001	0.00163	2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting
Short haul air travel *(> 463 km and < 3700 km)*	Pkm	0.094	0.00001	0.00093	
Air - short haul - Economy Class	Pkm	0.09	0.00001	0.00088	
Air - short haul - Business Class	Pkm	0.135	0.00001	0.00133	
Air travel - long haul (≥3700 km)	Pkm	0.108	0.00001	0.00106	
Air - long haul - Economy Class	Pkm	0.079	0.00000	0.00078	
Air - long haul - Business Class	Pkm	0.228	0.00001	0.00225	
Rail	Pkm	0.043			CP - Comboios de Portugal – Sustainability Report 2007/2008
Taxi	Vkm	0.205	0.00005	0.00177	2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting
Car- (fuel unknown)	Km	0.194	0.00011	0.00108	
Boat	Pkm	0.019	0.00001	0.00015	

The scope of reporting on waste treatment at CGD,SA was extended to Fundação Cultugest Porto. CGD produces waste that is sent for recycling (R) and energy reclaim or landfill disposal (D). Emissions from recycling and energy reclaim are considered to be zero as they are allocated to production sectors. Emissions from landfill disposal (D) were determined by using the emission factor published in Defra (emission factor for municipal waste).

Emission factors for treatment of waste produced at facilities

	Unit	Average emission factor	Source
Landfill solid household waste	kg CO2/t RSU	290	2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting

Note: CO_2emissions and emissions from treatment of waste produced at BCG Brasil premises were not calculated as it was not possible to determine the quantity of waste accurately.

EN22

Quantities of plastic, paper and cardboard packaging waste and other equivalent household waste from Fundação Culturgest Porto are estimated (based on the number of exhibitions in Porto in 2012 and the specific waste they produced) from the amount of waste sent to the central building's refuse centre.

EN28

CGD SA considers significant any fines of €15,000 or more.

LA1

There are no subcontracted employees at CGD, SA, BI – Cabo Verde, BCA – Cabo Verde or BCG Brasil. The number of internships at BCG Brasil during the year is the same as the average active internships at the end of each month in 2012.

LA2

The following formula was used to calculate turnover rate:

Turnover = [(number of employees leaving)/(number of employees at end of period)]*100 for each age group

For CGD,SA, the figures refer only to people leaving in Portugal.

LA7

Lost days due to occupational accidents are counted from the actual day or the day after the accident depending on the time it occurred. For example, if an accident occurs when an employee is travelling home from work, the lost day is classified on the following day.

CGD considers an “occupational accident" to be one involving medical leave.

Lost days only include business days.

The following formulas were used to calculate the rates for this indicator:

Rates	Formula
Occupational accident frequency rate	(No. of occupational accidents with sick leave /MAP)* 1,000,000
Severity rate	(Lost days due to occupational accident or illness /MAP)*1,000,000
Occupational disease frequency	(No. occupational diseases /MAP)*1,000,000
Absentee rate	(Total lost hours/MAP)*100

In which MAP = Total employees in reporting year * No. Hours' work a day * [no. of business days in year - 25 days' holiday].

In 2012, the severity rate in the formula was revised.

Calculation of the absentee rate did not include absences for maternity or paternity leave, studies, holidays, marriages or bereavement.
In terms of absentee rate, absences of up to one day at BCG Brasil are controlled by the manager and HR has no control over this information.

LA10

Data on training include in-house and external training.

The following formula was used to calculate the average number of hours' training per employee and job category:

Average hours' training per employee and job category = total hours' training by job category / total number of employees in each category.

LA13

The management categories at CGD,SA include directors, senior managers and middle managers.

At BI – Cape Verde, the following management and supervisory categories were considered: manager, assistant manager, coordinator, director, sector head, administrative under-manager and director.

At BCA – Cape Verde the following management and supervisory categories were considered: director and manager

At BCG Brasil, the management categories include directors, executives and managers.

LA14

For CGD,SA employees' basic salary was used to calculate the average basic salary by gender and job category. The ratio was obtained from the women's average basic salary for each job category divided by the men's average basic salary in the same category.

It was not possible to calculate the ratio for directors and unqualified workers because only one gender predominates in each of these categories.

SO3

In addition to the 50 direct employees at BCG Brasil, six interns also received anti-corruption training in 2012

ANNEX C

GLOBAL REPORTING INITIATIVE INDEX

	GRI INDICATOR	Assurance	LOCATION
	STRATEGY AND ANALYSIS		
1.1	Statement by the Chairman of the Executive Committee		Pages 4-9
1.2	Description of key impacts, risks and opportunities		Pages 15, 20-23, 36-42
	ORGANISATIONAL PROFILE		
2.1	Name of the organisation		Page 3.
2.2	Primary brands, products and/or services		Page 15, 54 Products and services for private customers on: https://www.cgd.pt/Particulares/Pages/Particulares.aspx Products and services for business customers on: https://www.cgd.pt/Empresas/Pages/Empresas.aspx
2.3	Operational structure of the organisation including main divisions, operating companies, subsidiaries, joint ventures		Operational structure of CGD Group, operators, subsidiaries and joint ventures and % of the actual holding are described in the 2012 Annual Report and Accounts (point 1.4.4 - CGD Group Structure – Recent Developments)
2.4	Location of organisation's headquarters		CGD's head office is at Avenida João XXI, 63, 1000-300 Lisbon
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report		Page 16
2.6	Nature of ownership and legal form		CGD is a public limited company owned by a single shareholder, the Portuguese state The Minister of Finance appoints the shareholder's representative at General Meetings.
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries)		Page 16
2.8	Scale of the reporting organisation		Pages 15, 24-27, 71
2.9	Significant changes during the reporting period regarding size, structure, or ownership		Pages 18-21, 24
2.10	Awards received in the reporting period		Pages 10-12
3.1	Reporting period for information provided		Page 3
3.2	Date of most recent previous report		Page 3
3.3	Reporting cycle		Page 3
3.4	Contact point for questions regarding the report or its contents		Page 3
3.5	Process for defining report content		Pages 30-35

3.6	Boundary of the report		Page 3
3.7	Any specific limitations on the scope or boundary of the report		Page 3
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations		Page 3 The report covers the activity of Caixa Geral de Depósitos, SA, and its subsidiaries abroad and the activities of its affiliates Banco Interatlântico, S.A., Banco Comercial do Atlântico, SARL - both from Cape Verde - and Banco Caixa Geral Brasil, S.A.
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report		Pages 129-135 (Annex B Methodological Notes)
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement		Page 133 (Annex B Methodological Notes)
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report		Page 3
3.12	Table identifying the location of the Standard Disclosures in the report		This table
3.13	Policy and current practice with regard to seeking external assurance for the report		Page 3
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight		Page 18-20 Corporate Governance Report 2012 – point 3.5 Company model
4.2	Chairman's role		Corporate Governance Report 2012 – point 3.5 Company model
4.3	Independent and/or non-executive board members		Corporate Governance Report 2012 – point 3.5 Company model
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body		Pages 31, 83-84 The shareholder's formal communication with the Board of Directors is at the General Meeting of Shareholders, the powers of which are described in the 2012 Corporate Governance Report– point 3.5 Company model
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including decision-making arrangements), and the organisation's performance (including social and environmental performance)		Corporate Governance Report 2012 – point 3.6 Remuneration of members of corporate bodies The Board of Directors is assessed on the basis of CGD's economic performance and there is no variable component of the directors' compensation that depends on social or environmental performance. However, since 2009, the Brand and Communication Department has allocated six employees to sustainability. The evaluation of these employees' performance is indexed to the fulfilment of specific sustainability goals.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided		Corporate Governance Report 2012 – point 3.5.8 Prevention of conflicts of interest CGD's Code of Conduct also demonstrates its strong commitment to avoiding conflicts of interest. Any CGD

			employee who does not comply with this code may be subject to a disciplinary procedure and resulting sanctions, depending on the gravity of the situation. For more information, see: https://www.cgd.pt/Investor-Relations/Governo-Sociedade/Regulamentos/Codigo-Conduta/Pages/Codigo-Conduta-CGD-Introducao.aspx
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics		Applicable legislation is respected and there are no rules on the selection of directors depending on environmental or social criteria. Corporate Governance Report 2012 – Annex 1 – Curriculum Vitae of members of corporate bodies
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation		Page 28-29
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles		Pages 18- 21 In addition to its sustainability management model, CGD's governance model is designed for effective supervision of its identification and management of performance and business risks and opportunities. It is described in detail in point 3.5 Company Model, of the Corporate Governance Report 2012
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance		The Audit Committee is responsible for drafting an annual report on compliance with economic goals set for the Board of Directors by the shareholder. Corporate Governance Report 2012 – point 3.5 Company model
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation		After joining the United Nations Environment Programme - Financial Initiative (UNEP-FI) in April 2009, CGD made a commitment to respect the precautionary principle. In addition, CGD's climate change strategy has introduced environmental variables in its approach to risk management, operational planning and the development and introduction of products and services.
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses		Page 29
4.13	Memberships in associations and/or national/international advocacy organisations		Pages 32-33
4.14	List of stakeholder groups engaged by the organisation		Page 30
4.15	Basis for identification and selection of stakeholders with whom to engage		Page 30 Page 28 of 2009 Sustainability Report–Technical Section via link https://www.cgd.pt/Institucional/Sustentabilidade/Relatorio/2009/Pages/Relatorio-Sustentabilidade.aspx
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group		Page 31

4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting		Pages 33-35
	ECONOMIC MANAGEMENT APPROACH		
	Goals and performance	✓	Pages 15, 23-27
	Policies	✓	Page 22, 36
	Organisational responsibility	✓	Page 18-19, 21
	Training and awareness	✓	Page 41, 80-83
	Monitoring and follow-up	✓	Pages 20- 21

ECONOMIC PERFORMANCE INDICATORS

EC1	**Essential**	Direct economic value generated and distributed	✓	Page 24 Total investments in the community are in indicator EC8 (see answer to indicator EC8) **Scope:** CGD,SA + affiliated banks
EC2	**Essential**	Financial implications and other risks and opportunities for the organisation's activities due to climate change	✓	CGD did not invest in carbon credits in 2012 It still has credits purchased in 2011 Page 41, 66-68, 93-96 **Scope:** CGD, SA
EC3	**Essential**	Coverage of the organisation's defined benefit plan obligations	✓	2012 Annual Report and Accounts, Point 2.1 Notes to the individual financial statements - Note 34 Retirement pensions and other employee benefits **Scope:** CGD, SA
EC4	**Essential**	Significant financial assistance received from government	✓	In 2012, CGD, S.A. received 11,156,175.51 euros in tax benefits. These benefits arose from current tax law, the Tax Benefit Statutes (EBF) and Company Income Tax Code (CIRC) for: Portuguese-speaking African countries (EBF), membership fees and donations (CIRC and EBF) and costs of net creation of new jobs (EBF). **Scope:** CGD, SA
EC6	**Essential**	Policies, practices and proportion of spending on locally based suppliers at significant locations of operation	✓	In its relations with suppliers, CGD complies with legislation applicable to the state corporate sector. CGD sends enquiries to selected suppliers after a prior analysis based on market and risk criteria and compliance with the law on taxation and social security. Decisions to enter into contracts are based on a separate technical and financial analysis of quotes and are then confirmed in a contract or similar legal document. We normally hire local (Portuguese) suppliers based on the normal criteria of economic rationality. **Scope:** CGD, SA
EC7	**Essential**	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	✓	CGD has no local hiring procedures in place **Scope:** CGD, SA

EC8	**Essential**	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement	✓	Page 105-106 **Scope:** CGD,SA + affiliated banks
	ENVIRONMENTAL MANAGEMENT APPROACH			
		Goals and performance	✓	23
		Policies	✓	22, 89
		Organisational responsibility	✓	18-19, 21
		Training and awareness	✓	80-83, 103-104
		Monitoring and follow up	✓	21

ENVIRONMENTAL PERFORMANCE INDICATORS

EN1	**Essential**	Material used by weight or volume	✓	Page 97 and 129 (Annex B Methodological Notes) **Scope:** CGD,SA + affiliated banks
EN2	**Essential**	Percentage of materials used that are recycled input materials	✓	There are no data on the quantity or percentage of recycled materials as CGD does not use recycled paper. At CGD, A4 and A3 paper is certified by the Forest Stewardship Council, thereby guaranteeing that the forests from which it comes are managed sustainably and strictly comply with international criteria **Scope:** CGD,SA
EN3	**Essential**	Direct energy consumption by primary energy source	✓	Pages 90, 129-130 (Annex B Methodological Notes) **Scope:** CGD,SA + affiliated banks
EN4	**Essential**	Indirect energy consumption by primary energy source	✓	Pages 92 and 130 (Annex B Methodological Notes) **Scope:** CGD,SA + affiliated banks
EN8	**Essential**	Total water withdrawal by source	✓	Page 98 and 131 (Annex B Methodological Notes) At BCG Brasil, there is no available information on total water consumption, as BCG shares the building with other companies and they do not have individual meters. Furthermore, the commercial network's water consumption is considered immaterial **Scope:** CGD,SA + affiliated banks
EN11	**Essential**	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	✓	This indicator is therefore not considered relevant to CGD, as it operates in urban areas The risk of being located in protected areas or adjacent to areas of high biodiversity value is nil. However, CGD undertakes biodiversity initiatives, through the Floresta Caixa Project, which is part of its climate change strategy, which helps to minimise environmental impact and instils goods practices in its employees, customers and society as a whole, in a vision of social responsibility and sustainable development

				Pages 101-102 **Scope:** CGD,SA
EN12	**Essential**	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	✓	CGD operates in urban areas and so the risk of being located in protected areas or adjacent to areas of high biodiversity value is nil. However, CGD's Floresta Caixa Programme protects the Portuguese forests and biodiversity by planting native species Pages 101-102 **Scope:** CGD,SA
EN16	**Essential**	Total direct and indirect greenhouse gas emissions by weight	✓	Pages 94-95, 131-133 (Annex B Methodological Notes) **Scope:** CGD,SA + affiliated banks
EN17	**Essential**	Other indirect greenhouse gas emissions	✓	Page Page 95, 133 (Annex B Methodological Notes) **Scope:** CGD,SA + affiliated banks
EN19	**Essential**	Emissions of ozone-depleting substances by weight	✓	According to the GRI guidelines, ozone-depleting substances in products or equipment resulting from use or disposal are not covered by this indicator. This indicator is therefore not considered relevant to CGD **Scope:** CGD,SA
EN20	**Essential**	NOx, SOx, and other significant air emissions by type and weight	✓	Emissions of this type of substance arise from the use of emergency generators and CGD vehicles. Considering that the energy consumption from these sources is insignificant, CGD does not consider this indicator to be relevant. **Scope:** CGD,SA
EN21	**Essential**	Total water discharge by quality and destination	✓	CGD's premises are located in urban areas that have sewage and rainwater collection systems. There are no discharges of water and so CGD considers that this indicator is not applicable **Scope:** CGD,SA
EN22	**Essential**	Total weight of waste by type and disposal method	✓	Page 98-99 and page 134 (Annex B Methodological Notes) BI Cabo Verde and BCA Cabo Verde do not report this indicator as they have not yet processed the information. BCG Brasil does not report this indicator as the bank's head office is in a condominium and it currently has no way of accounting for the waste produced Scope: CGD,SA + affiliated banks
EN23	**Essential**	Total number and volume of significant spills	✓	CGD does not monitor this type of information, as its activity does not cause spills with environmental impacts. CGD therefore does not consider this indicator to be material
EN26	**Essential**	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	✓	Pages 90-91,93,96-98 **Scope:** CGD,SA

EN27	**Essential**	Percentage of products sold and their packaging by category	✓	Due to the nature of its activity, CGD does not reclaim products or packaging. However, all plastic reclaimed from cancelled credit cards is sent for recycling (see indicator EN22) **Scope:** CGD,SA
EN28	**Essential**	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	✓	There were no occurrences in 2012 Page 134 (Annex B Methodological Notes) **Scope:** CGD,SA

LABOUR MANAGEMENT APPROACH

	GRI INDICATOR	Assurance	LOCATION
	Goals and performance	✓	Pages 15, 23
	Policies	✓	Pages 22, 71
	Organisational responsibility	✓	Pages 18-19, 21
	Training and awareness	✓	Pages 80-83
	Monitoring and follow-up	✓	Page 21

LABOUR PERFORMANCE INDICATORS

LA1	**Essential**	Total workforce by employment type, employment contract, and region	✓	Pages 71, 72, 78 and 134 (Annex B Methodological Notes) **Scope:** CGD,SA + affiliated banks
LA2	**Essential**	Total number and rate of employee turnover by age group, gender, and region	✓	Pages 77 and 134 (Annex B Methodological Notes) **Scope:** CGD,SA + affiliated banks
LA4	**Essential**	Percentage of employees covered by collective bargaining agreements	✓	All employees are covered directly by collective bargaining agreements under the agreements or under internal regulations determining their application to the remaining universe **Scope:** CGD,SA
LA5	**Essential**	Minimum notice periods regarding operational changes, including whether it is specified in collective agreements	✓	The minimum notice periods for collective dismissal are those set out in the Labour Code (15 to 75 days depending on years of service). The company agreements do not establish a period. However, in the event of complete closure of an establishment, CGD is obliged to post its employees at another or with companies that are legally or financially associated or economically interdependent. It is only if this new posting is completely impossible that the company can start collective dismissal procedures (see Clause 30 of the company agreements) **Scope:** CGD,SA
LA7	**Essential**	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	✓	**Occupational accident frequency rate** CGD,SA: 2.63 BI: 0 BCG Brasil:0 **Severity rate** CGD,SA: 52.46 BI: 0 BCG Brasil: 0 **Absentee rate:** CGD,SA: 3.32 BI: 1.26 BCG Brasil: NA **Occupational disease frequency rate:** CGD,SA: 0.06 BI: 0 BCG Brasil: 0 **Number of work-related fatalities:** CGD,SA: 0 BI:0 BCG Brasil:0

				Page 134 (Annex B Methodological Notes) **Scope:** CGD,SA + affiliated banks
LA8	**Essential**	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases	✓	Pages 86-87 **Scope:** CGD,SA
LA10	**Essential**	Average hours of training per year per employee by employee category	✓	Pages 80-81 and 134 (Annex B Methodological Notes) **Scope:** CGD,SA + affiliated banks
L13	**Essential**	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	✓	Pages Page 72-76, 135 (Annex B Methodological Notes) **Scope:** CGD,SA + affiliated banks
LA14	**Essential**	Ratio of basic salary of men to women by employee category	✓	Pages 76, 135 (Annex B Methodological Notes) **Scope:** CGD,SA

HUMAN RIGHTS MANAGEMENT APPROACH

	GRI INDICATOR	Assurance	LOCATION
	Goals and performance	✓	Page 23
	Policies	✓	Pages 22, 41, 71
	Organisational responsibility	✓	Pages 18-19, 21
	Training and awareness	✓	Pages 28-29, 80-83
	Monitoring and follow-up	✓	Page 21

HUMAN RIGHTS PERFORMANCE INDICATORS

HR1	**Essential**	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	✓	The CGD Group's project finance portfolio mainly focuses on projects in the Iberian Peninsula. The safeguard of human rights is given in these countries' legislation and economic agents must comply with them. In other areas in which the CGD Group operates, such as Brazil and Africa, the projects financed that directly or indirectly include human rights clauses have to do with operations in which multilateral institutions take part. There are not many, if we consider the total number of projects monitored by the Project Finance Department. BI – Cabo Verde and BCA – Cabo Verde do not report this indicator as they do not yet process this information. All operations contracts signed by Banco Caixa Geral Brasil S.A have clauses holding the customers responsible for any noncompliance with any legislation, including that on human rights **Scope:** CGD,SA + affiliated banks

HR2	**Essential**	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	✓	CGD is committed to treating all suppliers fairly, on the basis of the principles of good governance of companies in the state sector. Although there have been no specific evaluations of suppliers regarding human rights, this aspect is one of CGD's concerns. **Scope:** CGD,SA
HR4	**Essential**	Total number of incidents of discrimination and actions taken	✓	At CGD, SA there is no record of any case of discrimination between employees or potential employees that has been duly proven by final legal decision. There were no cases of discrimination in the reporting period at BI – Cabo Verde or BCG Brasil. BCA – Cabo Verde does not report this indicator as they do not yet process this information. **Scope:** CGD,SA + affiliated banks
HR5	**Essential**	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	✓	At CGD, there are no impediments to freedom of association or collective bargaining. This is demonstrated by the labour agreements signed and the high number of workers belonging to trade unions. Nonetheless, non-union members are covered by the internal rules agreed upon with the unions. **Scope:** CGD,SA
HR6	**Essential**	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	✓	As required by the Labour Code, the minimum age for admission in the company agreements is: 18, or 16 years for the offspring of deceased or incapacitated workers There is therefore no risk of child labour. No operations with a risk of child labour were identified at BI – Cabo Verde. This bank undertakes to comply with the legislation forbidding child labour, in accordance with Chapter II of Legislative Decree 5/2007 of 16 October, which approved the Cape Verde Labour Code. Also at BCG Brasil, no operations with a risk of child labour were identified, as hirers at BCG Brasil must undertake to respect Brazilian law, which forbids it. BCA Cabo Verde does not report this indicator as they do not yet process this information **Scope:** CGD,SA + affiliated banks
HR7	**Essential**	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour	✓	At CGD there is no risk of forced or compulsory labour. If there were, the Workers' Committee and trade unions would be the first to blow the whistle and this has never happened. **Scope:** CGD,SA

SOCIAL MANAGEMENT APPROACH

	GRI INDICATOR	Assurance	LOCATION
	Goals and performance	✓	Page 23
	Policies	✓	Pages 22, 105
	Organisational responsibility	✓	Pages 18-19, 21
	Training and awareness	✓	Pages 80-83
	Monitoring and follow-up	✓	Page 21

SOCIAL PERFORMANCE INDICATORS

SO1	**Essential**	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	✓	With regard to the opening and closing of branches and offices and as these decisions are part of its strategic growth and consolidation of levels of customer service (in a decision process involving opinions from different areas), CGD conducts studies of their impact on the region's economy and economic development and on the local community, which are then set out in a business plan. It analyses a number of factors, such as the present and future size of the region and the community's socioeconomic conditions, existing business activity, the needs of local SMEs, the existing competition and potential complementarity and improvement of services already available in the commercial network. After these analyses, it may happen that, even though the business growth prospects at the location are not good, CGD chooses to open a branch anyway in order to diversify its presence at a variety of points in the country, thereby fostering access to banking services for more people, even in places with low population density and purchasing power. These practices are closely linked to the fact that CGD always seeks to establish lasting, personalised business relationships with corporate and private customers. This means that, when entering or exiting, the interests considered include employees, customers and the rest of the community. In fact, CGD has moved a few branches. In these cases, there has always been a guarantee of better working conditions for employees and quality of service for customers, in terms of access (public transports and parking) and of privacy and comfort in customer service areas. **Scope:** CGD,SA
SO2	**Essential**	Percentage and total number of business units analysed for risks related to corruption	✓	In 2012, the Internal Audit Department conducted the following audits: • **Commercial network:** a) On site: 269 branches, 23 company offices and 8 region OE b) Follow-ups: 100 follow-ups and 13 reports • **Central departments:** 1 follow-up • **Processes, products and operations:**24 audits and 11 follow-ups • **Compliance and independent revision of processes:** 8 audits • **Information systems:**8 remote audits and 4 follow-ups • Branches: 2 audits and 3 follow-ups • **Subsidiaries and agencies:** 2 audits and 2 follow-ups • **Outsourced audits (CLF):** 4 audits and 5 follow-ups • **Outsourced audits (CxA):** 3 audits and 1 follow-up **Scope:** CGD,SA

SO3	**Essential**	Percentage of employees trained in organisation's anti-corruption policies and procedures	✓	At CGD,SA around 8.04% of employees received anti-corruption training: 6.88% managers and supervisors and 1.15% of other employees At BI – Cabo Verde around 4.5% of employees received anti-corruption training: 3.57 % managers and supervisors and 0.89% of other employees At BCA – Cabo Verde around 21.6% of employees received anti-corruption training: 8.4% managers and supervisors and 13.12% of other employees At BCG Brasil around 75% of employees received anti-corruption training: 55% managers and supervisors and 19% of other employees **Scope:** CGD,SA + affiliated banks
SO4	**Essential**	Actions taken in response to incidents of corruption	✓	There were no cases to which this indicator applied. **Scope:** CGD,SA
SO5	**Essential**	Public policy positions and participation in public policy development and lobbying	✓	In 2011, CGD took positions on public policies regarding: **1. CMVM -** (CP 1/2012) Draft regulation on information, advertising and marketing of complex financial products: a) considerations on the draft regulation expressing disagreement with some proposals and suggesting changes to others; b) request for clarification on scope of application of some concepts; c) suggestion of an extended *vacatio legis* period to allow proper implementation of measures required to execute it **2. BdP** - Good practices on management of default on personal loans: a) considerations on the draft regulation expressing disagreement with some proposals and suggesting changes to others; b) request for clarification on scope of application of some concepts; c) suggestion of an extended *vacatio legis* period to allow proper implementation of measures required to execute it **3. EBA** - Draft Regulatory Technical Standards on the capital requirements for CCPs under the draft Regulation on OTC derivatives, CCPs and Trade Repositories: a) suggestion of more details on some proposals ***4. ESA's (ESMA, EBA and EIOPA)*** *- Joint Discussion Paper on Draft Regulatory Technical Standards on risk mitigation techniques for OTC derivatives not cleared by a CCP under the Regulation on OTC derivatives, CCPs and Trade Repositories*: a) in answer to the questions asked in the document in public consultation, considerations about the draft and identification of the main impacts of the measures in question ***5. European Commission*** *- General Data Protection Regulation: a*) suggestion of greater definition and detail on scope of application of some concepts; b) suggestion of changes to some proposals Note: response sent to APB for inclusion in its answer **6. CMVM - (CP 2/2012)** Transposition of Directive on the prospectus and transparency harmonisation requirements: a) request for clarification on scope of application of some concepts and conjugation of standards; b) suggestion of changes to some standards Note: response also sent to APB ***7.*** **CNSF - (CP 1/2012)** Preliminary draft law amending the Legal Regime of Collective Investment Undertakings: a) considerations on the preliminary draft expressing disagreement with some proposals and suggesting changes to others; b) request for clarification on scope of application of some concepts; c) suggestion of an extended *vacatio legis* period to allow proper implementation of measures required to execute it. Note: response sent to BdP and CMVM. *8*. **Under-Secretary of State for the Economy and Regional Development** - draft law on minimum banking services: a) request for clarification on scope of application of some concepts and standards; b) specific proposal of date of entry into force of law Note: response

				sent to APB for inclusion in its answer **9. EBF - Response to FATF/GAFI survey on new means of payment:** a) response to survey, describing implementation of different requirements at CGD; b) suggestions on scope of implementation of some proposals Note: response sent to APB for inclusion in its answer **10. Conselho Nacional do Consumo -** default on loan agreements: a) request for clarification on scope of application of some concepts and conjugation of standards; b) suggestion of changes to some standards Note: response sent to APB for inclusion in its answer **11. BdP** - Draft notice on resolution plans: a) request for clarification on conjugation of some standards; b) suggestion of clarification on content of some standards; c) suggestion to extend proposed time limit for reporting information Note: response sent to APB for inclusion in its answer **12. BdP** – Draft notice and instruction on prevention and regularization of default: a) considerations on the preliminary draft expressing disagreement with some proposals; b) suggestion to extend proposed time limit for reporting information. Note: response sent to APB for inclusion in its answer **13. APB** - Transposition of Directive on the prospectus and transparency harmonisation requirements and Omnibus I Directive: a) suggestions to clarify the wording of some standards. **14. EBF** - Confidentiality of supervisory Reporting Data: a) considerations about content of draft and suggestion of more detail on some of the proposed options Note: response sent to APB for inclusion in its answer **15. CMVM** - Draft instruction on reporting requirements in complex financial product: a) suggestions of clarification in wording of some standards; b) suggestion on date for start of reporting **Scope:** CGD,SA
SO8	**Essential**	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	✓	In the two suits brought by the CMVM reported in 2011 CGD was ordered to pay a fine of 200,000 euros, suspended for two years. In 2012, Banco de Portugal brought a suit which has not been given a final decision. **Scope:** CGD,SA

PRODUCT RESPONSIBILITY MANAGEMENT APPROACH

	GRI INDICATOR	Assurance	LOCATION
	Goals and performance	✓	Page 23
	Policies	✓	Pages 22, 43-44, 54
	Organisational responsibility	✓	Pages 18-19, 21
	Training and awareness	✓	Pages 80-83
	Monitoring and follow-up	✓	Page 21

PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS

PR1	**Essential**	Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of main categories of products and services subject to such procedures	✓	Pages 88-89 **Scope:** CGD,SA
PR3	**Essential**	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	✓	Pages 43-44 **Scope:** CGD,SA

PR5	**Complementar**	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	✓	Pages 45-48 **Scope:** CGD,SA
PR6	**Essential**	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	✓	Page 45 Without prejudice to recourse to complaint settlement procedures set out in its compliant management procedure or legal means, CGD provides customers with extrajudicial channels for complaints and settlement of disputes emerging from payment services. In 2012, CGD published an in-house rule defining the general principles of its advertising, setting out the responsibilities of the units involved and establishing the need for validation by the responsible body for advertising of financial products and services marketed in Portugal and abroad by CGD or third parties. **Scope:** CGD,SA
PR9	**Essential**	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	✓	There are two pending cases brought by Banco de Portugal in 2011. In one of them CGD was acquitted, while no final decision has been made in the other. **Scope:** CGD,SA

MANAGEMENT APPROACH TO ENVIRONMENTAL AND SOCIAL IMPACTS OF PRODUCTS AND SERVICES (FINANCIAL SERVICES SECTOR SUPPLEMENT)

	GRI INDICATOR	Assurance	LOCATION
	Goals and performance	✓	Page 15, 23
	Policies	✓	22,54, 89, 105
	Organisational responsibility	✓	Pages 18-19, 21
	Training and awareness	✓	Pages 80-83
	Monitoring and follow-up	✓	Page 21

FINANCIAL SERVICES SECTOR SUPPLEMENT PERFORMANCE INDICATORS

FS1	**Sectoral**	Policies with specific environmental and social components applied to business lines	✓	In 2012, CGD formalised its product and service policy, recognising that balanced, transparent, responsible relations with its customers and its banking operations' contribution to sustainable development for a better future are essential pillars of its activity. In addition to the above policy, CGD has formalised its sustainability policy , which applies to all Caixa Geral de Depósitos, S.A. activities, products and services in Portugal. CGD plans to act in five key areas in order to pursue the goals of this policy Responsible banking, promotion of the future; protection of the environment, stakeholder engagement and human assets management CGD also has an environmental policy and a community engagement policy . Responsibility for implementing these three policies and the underlying management model articulates with the departments appointed by CGD in terms of sustainability. Strategic functions are therefore the responsibility of the Executive Committee and General Sustainability Committee, which regulates CGD's corporate sustainability programme and has powers to define, monitor and implement initiatives **Scope:** CGD,SA
FS2	**Sectoral**	Procedures for assessing and screening environmental and social risks in business lines	✓	CGD respects its commitments and has progressively included environmental and social aspects when assessing credit risk and selecting operations to finance. It informs its different stakeholders of the environmental and social risks. Pages 22, 37-42, 68-69 **Scope:** CGD,SA
FS3	**Sectoral**	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	✓	Warnings and financial stress indicators in mortgage loans are periodically issued to prevent future defaults or over-indebtedness. Loan renegotiation solutions are studied and presented to customers proactively in order to reduce their monthly burden and adapt it to their income, thereby reducing the risk of default. Pages 37-40 **Scope:** CGD,SA
		GRI INDICATOR	**Assurance**	**LOCATION**
FS4	**Sectoral**	Processes for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	✓	Pages 80-83 **Scope:** CGD,SA
FS5	**Sectoral**	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	✓	Pages 41, 54, 68-70, 100-104, 111-116, 119-122 BI – Cabo Verde and BCA – Cabo Verde do not report this indicator as they do not yet process this information. Banco Caixa Geral - Brasil signed sponsorship contracts for socio-cultural projects, including cultural exhibitions and charity events totalling an investment of almost 168,000 euros. There is no specific unit that coordinates socio-environmental risk activities and they are assessed in advance by the Compliance, Legal and Credit units. The events mentioned above involve the Communication Unit and approval of the Executive Board **Scope:** CGD,SA + affiliated banks
FS6	**Sectoral**	Percentage of the portfolio for business lines by specific region, size and by sector	✓	26-27 **Scope** CGD,SA + affiliated banks

FS7	**Sectoral**	Monetary value of products and services designed to deliver a specific social benefit for each business line	✓	Pages 55-66 68-70 **Scope:** CGD,SA
FS8	**Sectoral**	Monetary value of products and services designed to deliver a specific environmental benefit for each business line	✓	Pages 66-70 **Scope:** CGD,SA +BCG Brasil
FS9	**Sectoral**	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedure	✓	CGD does not have specific audits for assessing the implementation and fulfilment of environmental, social or sustainability policies. Periodic communication and reporting of environmental and social performance and management practices by CGD are essential in meeting goals, and ensuring all stakeholders' involvement. This ensures that the progress achieved in different areas of the policies is reported. This reporting process undergoes external assurance and audits. The Sustainability Committee monitors the status of these policies. For the pursuit of these policies implementation plans are established and regularly reviewed. They have clear goals and targets directly related to significant environmental and social aspects of CGD's activity. CGD's sustainability policy undertakes to progressively include environmental and social aspects in credit risk assessment and the selection of companies and projects to be funded. CGD respects its public commitments and has progressively included social aspects in credit and risk assessment. Environmental and/or social risks are analysed in project finance operations (see answer to FS2) **Scope:** CGD,SA
FS10	**Sectoral**	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	✓✓	CGD's sustainability, environment, community engagement and product and service policies are implemented throughout the CGD Group, in companies involved in the corporate sustainability programme and the affiliated banks in Cape Verde (BI and BCA) and Brazil (BCG Brasil) **Scope:** CGD,SA + affiliated banks
FS11	**Sectoral**	Percentage of assets subject to positive and negative environmental or social screening	✓	In 2012 the only product that selected assets on the basis of environmental criteria was the Fundo Especial Investimento Caixagest Energias Renováveis special investment fund, which accounted for 0.09% of total assets under Caixa Gestão de Ativos. In the social component of assets based on an assessment using social criteria, the Imobiliário Fechado para Arrendamento Habitacional Caixa Arrendamento and Caixa Imobiliário real estate funds accounted for 0.46% and 0.19% respectively. **Scope:** CGD,SA
FS12	**Sectoral**	Voting policies applied to environmental or social issues for shares over which the reporting organisation holds the right to vote or to support voting decision.	✓	When necessary, CGD exercises its voting right while taking account of the implications of decisions with direct social and environmental impacts. In general, CGD exercises its voting right for formal company aspects that have no direct effects on environmental or social issues **Scope:** CGD,SA
FS13	**Sectoral**	Access points in low-populated or economically disadvantaged areas.	✓	In 2012, CGD increased its stake in adapting its different channels to customers' needs. Given its market profile, CGD still has a matchless distribution network, particularly in terms of coverage of the regions and municipalities in the country, including the islands. CGD plays a fundamental role in financial inclusion, especially in sparsely populated or economically disadvantaged areas. In addition to optimising coverage

				and physical presence, in 2012 CGD continued to consolidate its service models and proposals of value for customers, such as: - Extension of the new customer care model to 12 new units so that it is now in place in 80% of branches - Expansion of the Caixazul Service for high-value customers at 11 new places - Caixa Empresas Service in almost the entire branch network (22 more than in December 2011). The service is provided by managers based at a single branch and by multi-branch managers - Extension of the Caixa Mais service to 99 new locations. It is now present at 678 branches - Consolidation of Caixazul Internacional/Caixadirecta Internacional, Caixadirecta IU and Caixadirecta Mais serviços, which are models for customers living abroad, university students and recent graduates, respectively, who prefer remote banking - Reinforcement of multi-channel relationship management, now available to all private customers in the main channels of interaction with the bank (branch and Caixadirecta on-line, mobile and telephone) - Presence of customer care management system at 309 points of sale The main goal of the above initiatives is excellence of customer service in and outside the branch (access areas prepared for the disabled, +pleasant waiting area, privacy and comfort) and in remote operations **Scope:** CGD,SA
FS14	**Sectoral**	Initiatives to improve access to financial services for the disadvantaged	✓	Pages 49 and 51 **Scope:** CGD,SA
FS15	**Sectoral**	Policies for the fair design and sale of financial products and services	✓	In the design and marketing of products and services, CGD has a concern for avoiding potential conflicts of interest between the institution and its customers, thereby fostering balance between stakeholders without losing sight of respect for legal and regulatory requirements issued by the supervisory bodies. Code of Conduct (Article 26) and the principles of good governance and to which CGD is subject ensure that its interests and those of its employees are in line with its customers' expectations. In June 2011, CGD published an in-house rule defining the general principles of its advertising, setting out the responsibilities of the units involved and establishing the need for validation by the responsible body for advertising of financial products and services marketed in Portugal and abroad by CGD or third parties. In July 2012, CGD set out and published its product and service policy, from the point of view of sustainability, which also reflects its commitment to fair creation and marketing of financial products and services with stakeholders' interests in mind. **Scope:** CGD,SA
FS16	**Sectoral**	Initiatives to enhance financial literacy by type of beneficiary	✓	Page 106-110 **Scope:** CGD,SA

ANNEX D: COMPLIANCE WITH PRINCIPLES OF GOOD GOVERNANCE

Mission, goals and general principles	
Obligation to fulfil, respect and disseminate CGD's mission, goals and policies, for itself and its subsidiaries fixed in a way that is economically, financially, socially and environmentally efficient, taking account of strict quality parameters, in order to ensure and expand their competitiveness, with respect for the principles of social responsibility, sustainable development and satisfaction of community needs	Pages 14-15 Corporate Governance Report 2012 – points 3.1.1 to 3.1.3
Draw up budgets and plans of activity suited to available resources and sources of finance in view of their mission and goals	Pages 22-23 Corporate Governance Report 2012 – point 3.1.4
Defining sustainability strategy in the economic, social and environmental field	Pages 22-23 Corporate Governance Report 2012 – point 3.9
Adopt equality plans in order to achieve equal treatment and opportunities between men and women, eliminate sex-based discrimination and allow a work-life balance	Pages 71-76 Corporate Governance Report 2012 – point 3.2.4.1 and 3.2.4.2
Draft annual reports for CGD's supervising ministry and the general public on pursuit of mission, fulfilment of goals, compliance with social responsibility and sustainable development policy and safeguard of competitiveness (through research, innovation, development and new technologies in the production process)	Pages 22-27 Corporate Governance Report 2012 – points 3.1.3 and 3.9
Compliance with legislation and regulations, by means of ethically irreprehensible behaviour in tax matters, prevention of money laundering, competition and environmental, labour and consumer protection	Pages 28-29, 43-44, 68, 89 Corporate Governance Report 2012 – points 3.2.3.1 to 3.2.3.5
Obligation to treat all employees with respect and integrity and contribute to their personal fulfilment	Pages 80-86 Corporate Governance Report 2012 – point 3.2.4.3
Obligation to give equal treatment to customers, suppliers and other holders of legitimate rights, establish and disseminate procedures in the acquisition of goods and services, abide by contract criteria based on principles of economy and efficacy that guarantee efficient transactions and equal opportunities for all those involved and, every year, disclose all transactions that did not abide by market conditions and a list of suppliers accounting for more than 5% of external supplies and services (if % exceeds 1 million euros)	Pages 41-49 Corporate Governance Report 2012 – points 3.3 and 3.4
Conduct all the company's business with integrity (having or abiding by a **code of ethics** requiring strictly ethical behaviour and disseminating it).	Pages 28-29, 43-44 Corporate Governance Report 2012 – point 3.2.2
Management and supervisory structures	
Have no more members than comparable privately owned companies of a similar size in the same sector	Corporate Governance Report 2012 – point 3.5.2
Segregate management and supervision (larger, more complex companies must have a specialised audit or financial committee)	Page 18-19 Corporate Governance Report 2012 – point 3.5
Issue an annual report evaluating the performance of executive managers and have the members of the supervisory body assess its governance structures and mechanisms	Corporate Governance Report 2012 – point 3.5.3.1

Larger, more complex companies' accounts must be audited by independent bodies with the same standards as those for companies admitted to trading on regulated markets and the members of the supervisory body must be responsible for selecting, endorsing and hiring auditors, approving any services other than auditing and be the interlocutors between company and auditors	Page 3 Corporate Governance Report 2012 – point 3.5.5
Implement a control system that protects the company's assets and investments and covers all its relevant risks	Pages 36-37 Corporate Governance Report 2012 – 3.7.1 and 3.7.2
Rotate and limit terms of office of members of the supervisory body	Pages 18-19 Corporate Governance Report 2012 – 3.5
Remuneration and other rights	
Disclose total annual fixed and variable remuneration of each member of the Board of Directors	Corporate Governance Report 2012 – point 3.6 and Annex II
Disclose annual remuneration **of each member of the supervisory body**	Corporate Governance Report 2012 – point 3.6 and Annex II
Disclose other benefits (health insurance, company vehicle and other benefits) every year	Pages 78-79 Corporate Governance Report 2012 – point 3.6 and Annex II
Prevention of conflicts of interest	
Obligation of members of corporate bodies not to take part in decisions that involve their own interests	Corporate Governance Report 2012 – point 3.5.8
Obligation of members of corporate bodies to declare any substantial holdings in the company	Corporate Governance Report 2012 – point 3.5.8
Obligation of members of corporate bodies to declare relationships with suppliers, customers, credit institutions or others that may cause conflicts of interest	Corporate Governance Report 2012 – point 3.5.8
Disclosure of relevant information	
Immediately announce all information of which they become aware that may **significantly affect the company's assets or economic and financial situation**	Corporate Governance Report 2012 – points 3.8.1 to 3.8.3
Provide for disclosure on the state-owned companies' website, clear, relevant, up-to-date information already provided, the company's historical and current financial information and the CVs of all members of its governing bodies	Page 31 Corporate Governance Report 2012 – point 3.8.4
Include a point on corporate governance in the annual report (internal and external regulations to which it is subject, information on relevant transactions with related parties, remuneration of members of corporate bodies, sustainability analysis and assessment of compliance with principles of good governance)	Pages 22-23 Corporate Governance Report 2012 – point 3.8.6
Appoint customer ombudsman, if justified	Page 47 Corporate Governance Report 2012 – point 3.10

ANNEX E: EXTERNAL ASSURANCE

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REVIEW REPORT

Translation of a report originally issued in Portuguese.

To the Executive Committee of
Caixa Geral de Depósitos, S.A.

Introduction

1. We have performed a review of the Sustainability Report 2012 of Caixa Geral de Depósitos, S.A. ("CGD") that covered its compliance with the disclosure of information requirements defined by the Guidelines for Sustainability Reporting of the Global Reporting Initiative, version 3.0 of 2006, including the Financial Services Sector Supplement ("GRI Guidelines"), for the A+ application level, as well as the reliability of the strategy and profile information and the core performance indicators defined by these guidelines, as identified in the "Global Reporting Initiative Index".

Responsibilities

2. The Board of Directors of CGD is responsible for preparing the 2012 Sustainability Report, as well as defining, implementing and carrying out adequate processes, procedures and criteria for collecting, processing, presenting and validating the information contained therein. Our responsibility is to issue a report, based on the procedures referred to below, on the information referred to above.

Scope

3. We conducted our review in accordance with the International Standard on Assurance Engagements 3000 – ISAE 3000, issued by the International Auditing and Assurance Standards Board, for Assurance Engagements other than Audit or Limited Reviews of Historical Financial Information, for a limited level of assurance.

4. This standard require that we plan and perform procedures and apply audit skills and techniques, in order to obtain an adequate understanding of the subject matter and, considering the circumstances, to obtain sufficient and appropriate evidence on which to base our opinion. In a limited assurance engagement, the procedures performed consist primarily of inquiries of CGD personnel and analytical procedures, including tests on a sample basis, and therefore, less assurance is obtained than in an engagement aimed at obtaining reasonable assurance.

A expressão Deloitte refere-se à Deloitte Touche Tohmatsu, uma Swiss Verein, ou a uma ou mais entidades da sua rede de firmas membro, sendo cada uma delas uma entidade legal separada e independente. Para aceder à descrição detalhada da estrutura legal da Deloitte Touche Tohmatsu e suas firmas membro consulte www.deloitte.com/about

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Member of Deloitte Touche Tohmatsu

Deloitte.

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5. The main procedures performed were:

- Interview of those responsible in CGD for the sustainability management and for the preparation of the Sustainability Report, in order to know and understand the management and reporting principles, as well as the systems and procedures applied;

- Review of the processes, criteria and systems used to collect, accumulate, present and validate the 2012 data, relating to the information reviewed by us;

- Analytical data review and tests, on a sample basis, of the CGD´s calculations relating to the quantitative data subject to our review, as well as tests to confirm the quantitative and qualitative data included in the scope of our work, as referred in paragraph 1 above, through obtaining evidence thereof;

- Review the compliance of the Sustainability Report content, in accordance with the "Global Reporting Initiative Index" with the GRI Guidelines information disclosure requirements for level A+; and

- Verification of the consistency of information included in the Sustainability Report with the results of our work, and with relevant information included in CGD Management Report and Financial Statements for 2012.

Opinion

6. Based on the work performed, as described in paragraph 5 above, which was executed to obtain a moderate level of assurance, nothing has come to our attention that causes us to believe that in all material aspects the information referred in paragraph 1 above, has not been reliable and consistently prepared and that it does not conform with the disclosure requirements of the GRI Guidelines for the A+ application level.

Independence of the team

7. We comply with the policies of Independence of Deloitte, which are in all respects similar to the Code of Ethics of the International Ethics Standards Board for Accountants, set by the International Federation of Accountants.

Lisbon, 22 August 2013

Deloitte & Associados, SROC S.A.

Deloitte & Associados, SROC S.A.
Represented by João Carlos Frade

ANNEX F – GHG emissions offset report– CGD 2012

As part of its Baixo Carbono (Low Carbon) Programme, CGD offsets inevitable GHG emissions associated with its activity. CGD was the first bank in Portugal to implement a programme that includes quantification and reduction of emissions, placing on the market low-carbon products and financial solutions and raising environmental awareness involving all stakeholders and society as a whole.

CGD has therefore introduced good reduction practices and measures to improve its environmental performance. They include renewable energy, changes in efficient equipment, a more efficient lighting system, employee awareness of on-duty travel and a waste management policy. Between 2006 and 2012, CGD reduced electricity consumption at premises by 19%.

There are, however, GHG emissions that are inevitable, despite CGD's good performance. This is why, in 2010, it undertook to offset these emissions by collaborating in projects that reduce emissions overseas and contribute to the sustainable development of the communities to which they belong and renovation of national forests.

In this report CGD informs its stakeholders of emissions offset and, as a form of transparency, also describes the quantification method used, the selection criteria and carbon credit management in place.

Offset scope

This is the third year running that CGD has offset the emissions that it cannot reduce after quantification of greenhouse gas emissions generated by its activity in Portugal. Offsetting covers CGD's activity in the reporting period of the sustainability report (1 January to 31 December 2012)

In 2012, it extended the scope of emissions to be offset, as set out in the 2011 sustainability report, covering the following activities or emission sources:

- CGD's commercial vehicles: offset of direct GHG emissions from combustion of petrol and diesel in CGD vehicles
- Fundação Caixa Geral de Depósitos Culturgest Lisbon and Porto: -offset of indirect GHG emissions from electricity consumption and treatment of waste produced at these premises, head office building (Lisbon) and Avenida dos Aliados (Porto)
- Head office building: offset of indirect GHG emissions from treatment of waste
- Publications: offset of indirect GHG emissions from production of the following publications (paper paste and printing): Cx with supplement Nós Caixa; Annual Report and Accounts; Caixa Woman; Caixa Activa; Caixa no Mundo; Azul and Caixa Empresas.

Carbon footprint – offset

CGD's carbon footprint was calculated in accordance with the Greenhouse Gas Protocol guidelines developed by the World Business Council on Sustainable Development and World Resources Institute. Emissions are determined by applying emission factors to consumption during CGD activity as obtained from the Inventário Nacional de Emissões (NIR)[12] de Portugal, published in 2012. The

[12] *Portuguese National Inventory Report on Greenhouse Gases*, 1990 – 2009, Agência Portuguesa do Ambiente, 2011

NIR is based on methods proposed by the Intergovernmental Panel for Climate Change (IPCC), a document adapted annually to the situation in Portugal by Agência Portuguesa do Ambiente (APA). In addition, if there are no emission factors in the above sources of information, the emission factors published by Defra in 2012 were considered[13].

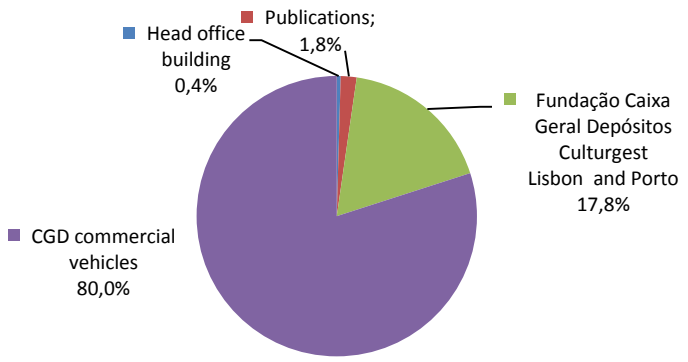
As a result of the above, the emissions to be offset considered the following information:

- CGD's commercial vehicles Diesel and petrol consumption by commercial vehicles collected from petrol card records
- Fundação Caixa Geral de Depósitos – Culturgest Lisbon and Porto Electricity consumption in Lisbon and Porto based on estimates Overall consumption in the two central buildings in Lisbon and Porto were considered in the calculation, applying the percentage in area that they occupy at the central buildings
- Waste: Amount produced at Fundação Caixa Geral de Depósitos Culturgest Lisbon and Porto and head office building based on SIRAPA data and estimates[14]
- Publications: Survey of printed publications based on technical characteristics (weight, width, length, number of copies and number of pages)

During the above activities, following CGD's inventory of GHG emissions, 3784 tonnes of CO_2e were offset in 2012.

		GHG emissions (t CO_2e)
CGD's commercial vehicles	Fuel consumption	3,025.98
Fundação Caixa Geral de Depósitos Culturgest Lisbon and Porto	Electricity	670.86
	Waste treatment	1.06
Head office building:	Waste treatment	16.82
Publications	Production	69.4
	Total offset	**3,784.12**

Emissões de GEE



[13] 2012 *Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting*
[14] Fundação Caixa Geral de Depósitos Culturgest Lisbon and Porto are located at the head office building and Avenida dos Aliados, respectively Paper, plastic and household waste consumption was calculated on the basis of the number of performances and exhibitions in 2012.

Carbon credits–selection

CGD has a set of criteria to guarantee the use of carbon credits of high integrity to offset its emissions and boost the environmental and social benefits.

- Guaranteed effectiveness, measurability, additionality, permanence, absence of double counting and external assurance
- Preference for renewable energy and energy efficiency projects CGD also considers agro-forest projects meeting certain eligibility criteria, showing high contributions to sustainable development and ensuring appropriate reversibility risk management mechanisms

Carbon credits – projects

CGD also used credits generated by a technological project for replacing fossil fuel by biomass in Brazil (Voluntary Carbon Standard certification), complemented by credits generated by the Floresta Caixa Carbono Zero project in Tapada Nacional, Portugal.

CREDIT GENERATING PROJECTS

BIOMASS PROJECT - BRAZIL

It consists of the installation at Nobrecel Celulose e Papel, S.A. in Pindamonhangaba, Brazil, of a cogeneration system that uses biomass waste as fuel. The system made it possible to replace the fuel oil boilers and reduce consumption of grid electricity. This generated a reduction in emissions of $CO_2$and emissions from operation of the mill.

The project contributed to local environmental sustainability by replacing fossil fuels with a renewable energy source and ensuring good use of wood waste and chippings that previously released methane when decomposing.

TAPADA NACIONAL DE MAFRA PROJECT, PORTUGAL

Tapada Nacional de Mafra is a unique natural, historical and cultural heritage site in Portugal with a number of traditional Portuguese flora species. It is also the stage for community environmental awareness activities and encourages visits from schools, communities and the general public.
The intervention funded by CGD covers an area of 50 hectares affected by a fire in 2003. This project will ensure proper management of the natural regeneration process and of the recently planted stands totalling more than 10,000 trees. The aim is to increase protection against fire, guarantee sustainable forest management and foster biodiversity

Management system

CGD has a system in place to ensure that the selected credits are acquired, registered and controlled in accordance with certain requirements. At any time, it is possible to determine: i) the quantity of available credits; ii) the quantity of credits allocated, by project, emission offsets and their sources of emission. The system also ensures that, once allocated to offset the emissions from an activity, the carbon credits are not used again by CGD for offset purposes.

These procedures undergo annual external assurance to check the accuracy and transparency of the offset process.

Recalculation policy

The quantity of emissions offset may be revised whenever the emissions determined by the CGD inventory are recalculated. The recalculation policy covers changes in the emissions calculation method or an increase in the accuracy of data, if they are material to the total emissions calculated.

If this recalculation affects activities within the scope of the commitment to GHG emissions to be offset, the following procedure is used:
1. If there is an increase in emissions to be offset, CGD undertakes to allocate the necessary carbon credits to cover the increase.
2. If there is a decrease in emissions to be offset CGD will release the resulting credits and can use them to offset other activities.

In 2012 there was a change in the method for calculating GHG emissions from treatment of waste produced at facilities. This change had to do with the use of a different emission factor.

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REVIEW REPORT

Translation of a report originally issued in Portuguese.

To the Executive Committee of
Caixa Geral de Depósitos, S.A.

Introduction

1. We have performed a review of the GHG emissions offset report – CGD 2012 that covered the reliability of the contents related to the functioning of the offset process of greenhouse gas emissions (GHG) carried out by Caixa Geral de Depósitos, S.A. ("CGD") during the year of 2012, as well as if it is coherent, in general terms and taking into account the circumstances, the presentation of this information in accordance with the concept, criteria and relevant methods for its functioning, identified by CGD in the report.

Responsibilities

2. The Board of Directors of CGD is responsible for preparing the GHG emissions offset report – CGD 2012, as well as defining, implementing and carrying out adequate processes, procedures and criteria for collecting, processing, presenting and validating the information contained therein. Our responsibility is to issue a report, based on the procedures described below, on the information referred to above.

Scope

3. We conducted our review in accordance with the International Standard on Assurance Engagements 3000 – ISAE 3000, issued by the International Auditing and Assurance Standards Board, for assurance engagements other than audit or limited reviews of historical financial information, for a limited level of assurance.

4. This standard require that we plan and perform procedures and apply audit skills and techniques, in order to obtain an adequate understanding of the subject matter and, considering the circumstances, to obtain sufficient and appropriate evidence on which to base our opinion. In a limited assurance engagement, the procedures performed consist primarily of inquiries of CGD personnel and analytical procedures, including tests on a sample basis, and therefore, less assurance is obtained than in an engagement aimed at obtaining reasonable assurance.

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5. The main procedures performed were:

- Interview of those responsible in CGD for the management of the greenhouse gas offsets, for the preparation of the Report and for the data reported therein;

- Review of the criteria and systems in place to:
  - Quantify the GHG emissions associated to the offset processes;
  - Assess and select the credits generated by reduction projects and/or the forest areas chosen to compensate those emissions;
  - Estimate the offset capacity of those forest areas; and
  - Obtain and allocate credits in sufficient amount to ensure the compensation of the above referred emissions;

- Analysis of coherence of the processes, criteria and systems described in the Report and confirmation of their effective realization; and

- Analytical data review, and tests on a sample basis of the calculations made by CGD related to the quantitative data subject to our review, as well as tests to verify the quantitative and qualitative information included in the scope of our work, by obtaining and reviewing evidence.

Opinion

6. Based on the work performed, as described in paragraph 5 above, which was executed to obtain a moderate level of assurance, nothing has come to our attention that causes us to believe that in all material aspects, the information referred in paragraph 1 above, has not been reliable and consistently prepared and that it does not conform with the concept, criteria and relevant methods of the offset process of greenhouse gas emissions, identified by CGD in the GHG emissions offset report – CGD 2012.

Independence of the team

7. We comply with the policies of Independence of Deloitte, which are in all respects similar to the Code of Ethics of the International Ethics Standards Board for Accountants, set by the International Federation of Accountants.

Lisbon, 22 August 2013

Deloitte & Associados, SROC S.A.

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Deloitte & Associados, SROC S.A.
Represented by João Carlos Frade