



SUSTAINABILITY REPORT

2016



TABLE OF CONTENTS

SUSTAINABILITY AT CAIXA

Table of contents.....	2
About this report	5
Highlights for 2016	6
Value creation	7
Sustainability Management.....	8
Sustainability Strategy (2015-2017)	11

A – RESPONSIBLE BUSINESS

1. Ethics and Compliance	13
2. Customer relationship management	15
3. Risk Management	17
4. Human capital development.....	21
5. Responsible Supplier Management	29

B – COMMUNITY

6. Social and financial inclusion	32
7. Financial education and literacy	36
8. Support for Social Economy.....	38

C – ENVIRONMENT

9. Eco-efficiency.....	45
10. Adapting to climate change.....	53

APPENDIX

Statement of verification	59
---------------------------------	----



CGD adopts ColorADD

ColorADD, Universal Colour Identification System

CGD is the first bank to adopt ColorADD, a single colour identification code, a 100% Portuguese innovation.

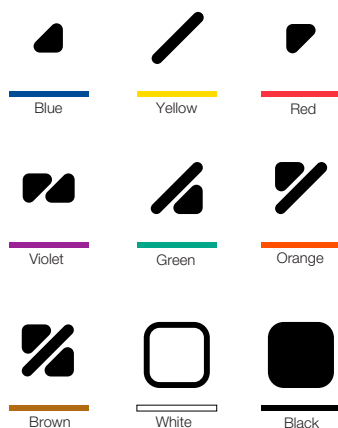
ColorADD is a single, inclusive, universal, horizontal code system, ensuring full integration of people with colour interpretation issues. It seeks to make the world more accessible and egalitarian, promoting social responsibility of all for all.



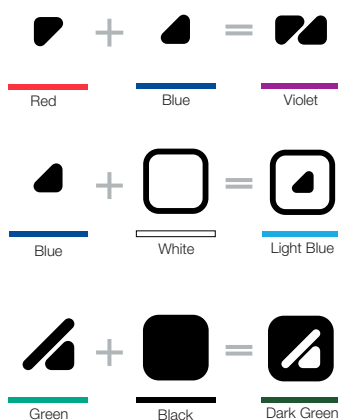
PRIMARY COLORS | WHITE AND BLACK



COLOUR | SYMBOLS



ADDITIVE METHOD



ColorADD, Universal Colour Identification System

ColorADD is essential whenever colour is a critical factor for identification, orientation or choice.

It works as a simple system, based on 3 graphic symbols representing the 3 primary colours, supported upon the “Colour Addition” Concept. To these, are added Black and White, appearing to guide the dark and light shades. This relationship between symbols and colours turns reading the ColorADD code into a “mental game” that allows quick and intuitive identification of all colours.

It is a tool that seeks to ensure full integration into society of 10% of the male population (about 350 million individuals) unable to interpret colours, namely the colour-blind. Its implementation includes several areas of activity, particularly Hospitals, Public Transports, Schools, Universities, Local Authorities, as well as Companies.



SUSTAINABILITY AT CAIXA



ABOUT THIS REPORT

In this document, Caixa Geral de Depósitos, S.A., hereinafter referred to as CGD or CGD, S.A., publishes its annual Sustainability Report, concerning its activity in 2016.

The quantitative data refer to the period from 1 January to 31 December 2016, including information relating to previous years, in order to provide a perspective of the evolution of CGD's performance.

The sustainability information reported mainly concerns CGD's operations in Portugal and information is also reported on the sustainability performance of the following CGD Group entities:

- CGD Group Companies: Caixa – Banco de Investimento, SA; Caixa Gestão de Activos, S.G.P.S.; Economic Interest Grouping: Sogrupos Compras e Serviços Partilhados, ACE and Sogrupos Sistemas de Informação, ACE; and
- Affiliate Banks – Banco Interatlântico, S.A. and Banco Comercial do Atlântico, S.A., both from Cabo Verde; Banco Caixa Geral Brasil, S.A.; and Mercantile Bank Holdings Limited, in South Africa.

For the second straight year, CGD adopted an integrated reporting model, including relevant sustainability information in its Annual Management Report and Accounts. The aim is to keep track of best practices and trends in reporting, including Directive 2014/95/EU on non-financial reporting by public interest entities. This directive is in the process of being transposed into national law and is mandatory as of the financial year beginning on 1 January 2017 or during the 2017 calendar year.

In this regard, the 2016 sustainability report consists of several documents. In addition to this Report, additional information is provided on policies, practices and

performance of the company at cgd.pt: Annual Report 2016, GRI Index 2016, Sustainability Indicators 2016 and Methodological Notes.

Matters relating to sustainability were addressed in accordance with the guidelines of the Global Reporting Initiative (GRI), in their latest version (GRI Standards), including the financial supplement for the “comprehensive” option. The topics addressed in this report were identified as part of the materiality analysis resulting from the periodic process of internal and external stakeholder consultation.

This report is included as part of the 2016 sustainability information verification issued by Caixa Geral de Depósitos, S.A., carried out by Deloitte & Associados, SROC, S.A.

For more information, refer to the declaration of verification of non-financial information (Independent Reliability Assurance Report) included in CGD's Management and Accounts Report 2016.

The scope of reporting, in the case of CGD, S.A., is in line with the materiality results obtained, whereas affiliate banks report some indicators according to their reporting and monitoring capacity, as duly identified in the GRI table, available at <https://www.cgd.pt/Institucional/Sustentabilidade-CGD/Reporting-Desempenho/Pages/Reporting-desempenho.aspx>

CGD is a signatory of the Global Compact Principles and the Sustainable Development Goals, both of the United Nations. Throughout the report, initiatives that attest to the alignment with these principles and goals are identified.

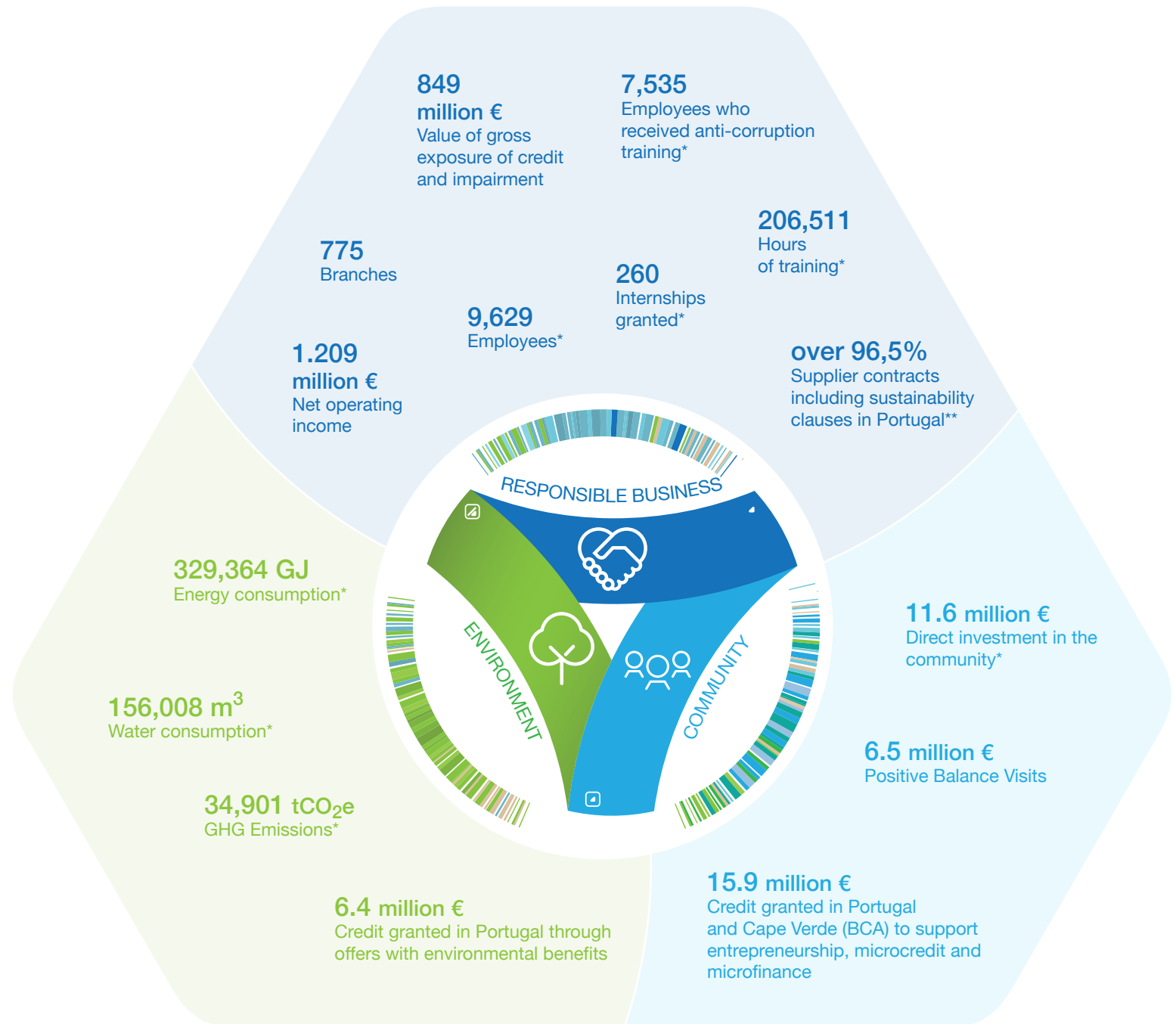
Relevant topic:
ADAPTING TO REGULATORY TRENDS

For CGD to continue improving its corporate reporting, it remains open to feedback from readers. Feel free to contact CGD through the following email: sustentabilidade@cgd.pt.





HIGHLIGHTS FOR 2016



* does not include the Mercantile Bank; ** Suppliers contracted by Sogruppo - Compras e Serviços Partilhados, A.C.E.








VALUE CREATION

CGD's business model seeks to create value for its stakeholders in a sustainable way and in the long term, which calls for a sustainable management of its resources.

CREATION AND SHARING OF VALUE BY STAKEHOLDERS – CGD, S.A. AND AFFILIATED BANKS – 2016 (in thousands of euros)

Relevant topic:
ECONOMIC PERFORMANCE

HOW DOES CGD CREATE VALUE?	TO WHOM DOES IT DISTRIBUTE THE VALUE CREATED			ECONOMIC VALUE ACCUMULATED:
<div>Business areas:</div> <div>Commercial banking</div> <div>Investment banking, venture capital and brokerage</div> <div>Asset management</div> <div>Specialised credit</div> <div>Ancillary services</div> <div>Shareholding management</div>	<div></div> <div>Government</div> <div>CGD: 70,630 BCA: 673 BI: 48 BCG Brasil: 3,478 Mercantile Bank: 5,578</div>	<div></div> <div>Employees</div> <div>CGD: 474,774 BCA: 11,541 BI: 2,236 BCG Brasil: 10,768 Mercantile Bank: 17,601</div>	<div></div> <div>Shareholder Capital Provider</div> <div>CGD: 0 BCA: 836 BI: 0 BCG Brasil: 0 Mercantile Bank: 2,037</div>	
	<div></div> <div>Suppliers</div> <div>CGD: 321,970 BCA: 5,493 BI: 3,101 BCG Brasil: 13,494 Mercantile Bank: 16,768</div>	<div></div> <div>Community</div> <div>CGD: 6,477 BCA: 78 BI: 98 BCG Brasil: 9 Mercantile Bank: 86</div>		
<div>DIRECT ECONOMIC VALUE GENERATED NET OPERATING INCOME:</div> <div>CGD, S.A.: 1,097,874 BCA: 23,270 BI: 6,546 BCG Brasil: 30,236 Mercantile Bank: 54,508</div> <div>TOTAL: 1,212,434€</div>	<div>ECONOMIC VALUE DISTRIBUTED:</div> <div>CGD, S.A.: 873,852 BCA: 18,621 BI: 5,483 BCG Brasil: 27,749 Mercantile Bank: 42,070</div> <div>TOTAL: 967,774€</div>			



SUSTAINABILITY MANAGEMENT

DIALOGUE WITH STAKEHOLDERS

CGD considers that the continuous dialogue with its stakeholders is key to the sustainable development of its activity. The various relationship channels with stakeholders were maintained, in order to ensure a continuous and effective dialogue with the various groups.

The rules governing relationships with the different groups of stakeholders in the respective frequency are outlined in the Management Report and Accounts 2016 – chapter 1.8.2 Sustainability.



Relevant topic:
DIALOGUE WITH STAKEHOLDERS





MATERIALITY ANALYSIS

CGD conducts a materiality analysis, under which the information gathered in the stakeholder consultation, in addition to being processed and incorporated into the management by the relevant CGD Divisions, is also integrated into the structures in charge of implementing the Corporate Sustainability Programme and the sustainability strategy, with a view to ensuring the continuous improvement of CGD's performance in this area. In this regard, all relevant material topics identified in the stakeholder survey held in 2015 are included in the 2015-2017 Sustainability Strategy. The material topic Economic Performance is considered transversal to several strategic axes. In 2016, BCA carried out a process of consultation on sustainability among its strategic stakeholders (Employees, Associations/NGOs, Regulators, Private Institutions, Suppliers and Government Entities). BCA's relevant topics are identified in the matrix below.

LOW PRIORITY	MEDIUM PRIORITY	HIGH PRIORITY
<ul style="list-style-type: none"> • Communication and partnerships with NGO/IPSS 	<ul style="list-style-type: none"> • Products with environmental benefit • Career management, compensations and incentives • Environmental training and awareness • Financial inclusion products for clients • Combat climate change and energy efficiency, CO2 emissions and alternative energies • Sustainability strategy • Dialogue with Stakeholders • Innovation and research • Financial literacy • Information security culture • Environmental and social criteria in the analysis of credit/project finance risk • Environmental management system • Occupational health and safety • Balancing personal and professional life • Social activities in benefit of community • Responsible supplier management • Accessibility • Diversity and equal opportunities • Sector financing policies • Public policies participation • Human rights • Eco-efficiency 	<ul style="list-style-type: none"> • Customer safety and of their financial assets • Risk management • Governance model • Economic performance • Service quality and customer satisfaction • Practices against corruption and money laundering • Talent attraction and retention • Support to SMEs, institutional customers and answers to society's emerging challenges • Clarity of information provided to customers on products and services • Brand and reputation management • Code of conduct • Human capital development • Monitoring and prevention of non-compliance risks over responsibilities • Information security management system • Adaptation to regulatory trends

IMPACT AND IMPORTANCE LEVEL





SUSTAINABILITY GOVERNANCE MODEL



Relevant topic:
GOVERNANCE MODEL

GENERAL ASSEMBLY

Chairman: Paulo Cardoso Correia Mota Pinto
Vice-Chairman: Elsa Roncon Santos
Secretário: José Lourenço Soares

BOARD OS DIRETORS

Chairman: António Domingues
Vice-Chairman:
Emílio Rui da Veiga Peixoto Vilar
Voting Members: João Paulo Tudela Martins, Tiago Ravara Belo de Oliveira Marques, Pedro Humberto Monteiro Durão Leitão, Paulo Jorge Gonçalves Pereira Rodrigues Silva, Emídio José Bebiano e Moura da Costa Pinheiro, Henrique Cabral de Noronha e Menezes, Angel Corcostegui Guraya, Pedro Lopo de Carvalho Norton de Matos, Walter Herbert.

EXECUTIVE COMMITTEE:

Chairman: António Domingues
Voting Members: Emídio José Bebiano e Moura da Costa Pinheiro, Henrique Cabral de Noronha e Menezes, João Paulo Tudela Martins, Paulo Jorge Gonçalves Pereira Rodrigues da Silva, Pedro Humberto Monteiro Durão Leitão e Tiago Ravara Belo de Oliveira Marques.

▣ SUSTAINABILITY BOARD (CDSU):

an advisory body to the Executive Committee, responsible for assessing, deciding, discussing and monitoring the implementation, from a corporate perspective, of the Sustainability strategy for CGD and for the Branches and Subsidiaries of the CGD Group, including the maintenance of the environmental Management System (EMS).

▣ COORDINATING TEAM:

in charge of coordinating and monitoring the Corporate Sustainability Programme and streamlining work group operations.

▣ AMBASSADORS AND PERSONS IN CHARGE:

Persons in charge of examining and validating proposals generated by GTs to be put forth to the CDSU.

▣ WORK GROUPS (GT)

Comprising heads of various Divisions, Which develop specific topics

1 General Assembly members, Board of Directors and Executive Committee who assumed functions after august 31, 2016.



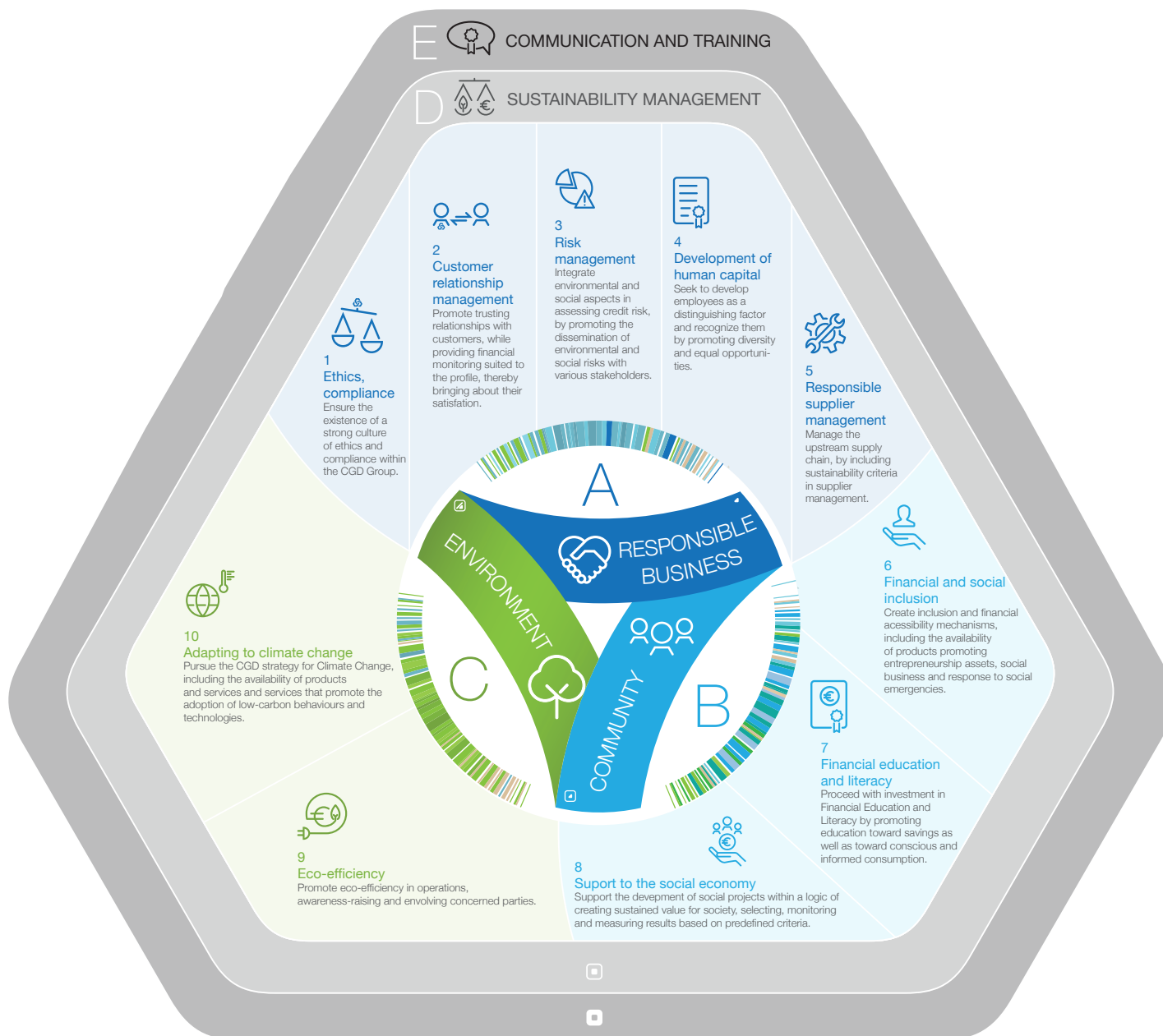
SUSTAINABILITY STRATEGY (2015-2017)

In 2016, CGD continued to implement its Sustainability Strategy for the 2015-2017 triennium. This strategy is based on 5 strategic axes that are part of CGD's sustainability vision – 3 topic-specific and 2 across the board, in 10 intervention areas, for which a set of initiatives and voluntary targets was outlined, which go beyond CGD's legal and compliance obligations.

The completion status of the initiatives outlined for each axis is reported throughout the document, in alignment with the United Nations' Sustainable Development Goals

Relevant topic:
**SUSTAINABILITY STRATEGY
PARTICIPATION IN PUBLIC POLICIES**

Since 2 March 2016, CGD has been a member of the Portuguese Coordinating Committee of the Alliance for the United Nations' SDG - Sustainable Development Goals..




A. RESPONSIBLE BUSINESS

"I believe we can create a world without poverty"
Muhammad Yunus





1. ETHICS AND COMPLIANCE

AREAS OF ACTION	IMPLEMENTATION STATUS
1.1 Definition of the Corruption Prevention Policy (2015)	<p>Accomplished</p> <p>CGD has formalised its Policy on the Prevention of Corruption and Related Offences</p>
1.2 Review of the Code of Conduct (2015-2016)	<p></p> <p>In progress</p> <p>From a perspective of continuous evolution, in 2016, the evaluation of the possible need to revise the Code of Conduct was continued, taking into account the opportunities for improvement that have been identified in some of the topics.</p>
1.3 Preparation of the Prevention Plan Against Corruption Risks and Related Offences (2015-2016)	<p>Accomplished</p> <p>CGD has formalised its Policy on the Prevention of Corruption and Related Offences</p>
1.4 Reporting of breaches of the Code of Conduct (2015)	<p>Accomplished</p> <p>CGD reports this issue to the public in its Annual Report</p>
1.5 Training and internal communication on ethics and conduct (2015)	<p>Accomplished</p> <p>Several training courses were conducted on ethics and conduct. From a perspective of gearing towards a culture of quality and business ethics, the training course initiated in 2015, which included 203 CGD Directors and 91 Group companies, was continued.</p>

Relevant topic:
CODE OF CONDUCT

SUSTAINABLE DEVELOPMENT
GOALS (SDG):



ANTI-CORRUPTION

Principle 10:

To work against corruption in all its forms, including extortion and bribery.



CODE OF CONDUCT MANAGEMENT MODEL

In the exercise of its activity and in its relationship with the various stakeholders, CGD abides by the values, operating principles and rules of professional conduct set out in its Code of Conduct.

Therefore, it is essential to constantly assess the Code's influence on the Institution's activity, in order to identify improvement opportunities.

The Code of Conduct Management Model is a self-analysis tool for the Code of Conduct, which aims at ensuring the implementation, operation, monitoring and continuous improvement of this Code, by applying a set of measures and evaluating ethics and conduct performance indicators and goals.

As for the goals set for the recipients of the Code (i.e. members of CGD's governing bodies, employees, trainees, service providers and representatives), they take on three dimensions:

- **Knowing the Code** – Knowledge of the Code of Conduct and the values, operating principles and rules of professional conduct that it enshrines;
- **Know-how** – Knowing how to act in practical situations, in accordance with duties established; and
- **Commitment** – Commitment to CGD's values and principles.

These dimensions include ethical performance indicators which allow assessing the level of knowledge and application of the Code of Conduct and contribute to the periodic review of its Management Model.

One of the ethical performance indicators assessed is the number of violations of labour duties by workers, considering that such violation constitutes disciplinary infractions and, ultimately, violations of the Code of Conduct. In 2016, 14 disciplinary sanctions were applied, 5 of which resulted in the employee's dismissal.

TRAINING ON ETHICS AND ON THE CODE OF CONDUCT

Throughout the year, CGD provided training on Ethics and the Code of Conduct to new employees, held a training course called "Compliance Officers Workshop" for all Compliance Officers of CGD Group Entities, the "Workshop for Compliance Officers," for Compliance Officers appointed at all CGD Divisions and provided training to other CGD employees. Also following the "Ethics in Organisations" seminar, held in 2015, the training called 'Ethics and Conduct at CGD – Discussion of Ethical Dilemmas' was also administered, also directed at CGD and CGD Group Managers in Portugal.



ANTI-CORRUPTION TRAINING IN 2016

7.535

(employees that received training)



85%

(employees CGD, S.A.)



7%

(employees BI)



49%

(employees BCA)




100%

(employees BCG Brasil)



2. CUSTOMER RELATIONSHIP MANAGEMENT

AREAS OF ACTION	IMPLEMENTATION STATUS
2.1 Outlining the Privacy Policy (2015)	 <p>In Progress Draft cookie policy.</p>
2.2 Measurement of the ratio between income generated and customer retention (2015)	<p>Accomplished.</p> <p>This indicator is already being monitored by CGD, although it is not publicly reported.</p>
2.3 Streamlining financial accessibility channels (2015-2016)	<p>Accomplished</p> <p>CGD has implemented a number of measures to streamline electronic channels both for businesses and individuals: added features in Internet Banking and customer loyalty campaigns that enhance the use of contracts at Caixadirecta Online</p>
2.4 Integration of environmental, social and governance (ESG) aspects into investment products (2015-2017)	<p>Accomplished.</p> <p>In early January 2017, CGD launched the Caixagest Socially. Responsible Investment Fund</p>

Relevant topic:

**CLARITY OF THE INFORMATION
PROVIDED TO CUSTOMERS ON
PRODUCTS AND SERVICES**

**SERVICE QUALITY
AND CUSTOMER SATISFACTION**

ACCESSIBILITY

INFORMATION SAFETY



SDG:
HUMAN



HUMAN RIGHTS

Principle 1:

To support and respect the protection of internationally proclaimed human rights.

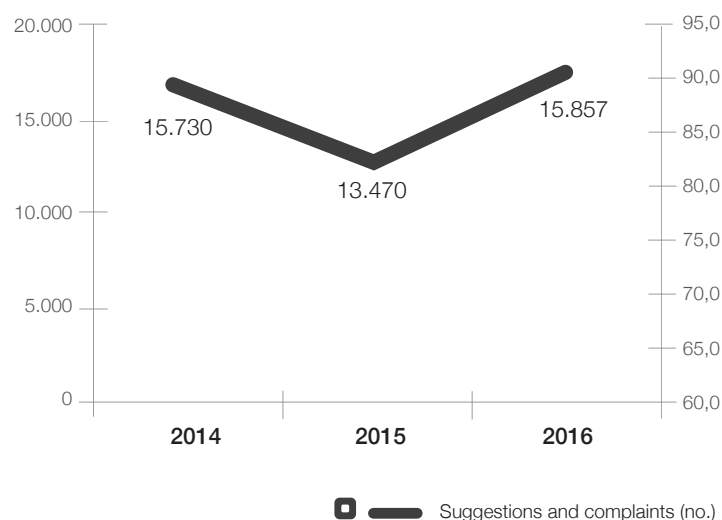


QUALITY ASSESSMENT

The evaluation of service quality and customer satisfaction is one of the strategic pillars supporting CGD's value propositions. In 2016, through the reformulation of several processes, CGD reaffirmed the methodology by which it monitors its service quality, with a view to improving customer experience and identifying best practices, following an evaluation programme that focuses on three areas:

- Customer Interviews, focused on assessing the perceived service quality and on needs and expectations;
- Mystery customer visits to the entire Branch Network, aimed at analysing the quality of the service provided and identifying possible opportunities for improvement;
- Monitoring perceived quality through the analysis of external indices related to service quality, in relation to both Private and Corporate Customers.

SUGGESTIONS AND COMPLAINTS – CGD, S.A. (NO.)



Following the declines observed in the three previous years, in 2016 there was a 17.7% increase over 2015, for a total of 15,857 complaints, most of which related to 'Payment Methods' (29%) and 'Deposits' (27%), both with a slight increase when compared to 2015. In 2016, BI did not conduct any customer satisfaction surveys. However, it registered 105 complaints, most of which related to credit and payment methods. BCA recorded 119 complaints – 27% concerning deposits and financial investments, 24% concerning credit and 20% concerning payment methods. In 2016, no customer satisfaction surveys were conducted. On the other hand, BCG Brasil did not record any feedback from customers/users regarding satisfaction with the service, even though a form was available for users of the customer service/ombudsman office.

ACCESSIBILITY

With regard to initiatives aimed at improving access to financial services by disabled citizens, in 2016, 94.2% of CGD's branch network had fully accessible premises. The bank provides a Customer Service Hotline for Deaf Citizens – a helpline implemented at the Caixa Contact Center, intended for the hearing-impaired. The service is mediated by a sign language interpreter (Serviin). The contact channel provides informative information. Moreover, since 2013, CGD has adopted the ColorADD code, and continues to gradually incorporate it in its informative and advertising media. The inclusion of this code provides colour-blind customers and employees a full grasp of the messages conveyed in these media.



FINANCIAL ACCESSIBILITY

Eletronic channels 2016

CGD

(contrats with frequent use of Caixadirecta online)

920,113 private customers

95,255 corporate customers

BI

(ative customers BIN@NET)

12,627 private customers

2,417 corporate customers

BCA

(ative customers BCA directo)

34,820 private customers

4,071 corporate customers

BCG BRASIL






(ative customers - BCG Brasil direto)

378 private customers

97 corporate customers



3. RISK MANAGEMENT

AREAS OF ACTION	IMPLEMENTATION STATUS
3.1 Integration of social and environmental risks into CGD risk policies, including training for the teams involved (2015-2017)	 In progress.
3.2 Integration of environmental and social criteria into credit risk assessment (2015-2016)	 In progress.
3.3 Definition of sector financing policies (2015-2016)	 In progress.
3.4 Assessment of the energy situation and environmental risks of the real estate portfolio (2016-2017)	 Under analysis the feasibility of implementation of this initiative
3.5 Integration of reputational risk and long-term emerging risks in the risk management framework (2015-2016)	 In progress
3.6 Identification and definition of measures to enhance the risk management culture (2015-2016)	Accomplished CGD has implemented risk management culture measures.

Relevant topic:
RISK MANAGEMENT

SDG:



HUMAN RIGHTS

Principle 1:

To support and respect the protection of internationally proclaimed human rights.



RISK GOVERNANCE

The risk management function at the CGD Group is supported by a governance model that is designed to comply with the best practices in this field, as set out in Community Directive 2013/36/EU, and to ensure a sound and efficient system for the identification, measurement, monitoring, reporting and control of credit, market, liquidity and operational risks incurred by the Group. The Board of Directors, supported by the Risk Committee, establishes the institution's risk appetite, which is implemented by the Executive Committee, with the support of specific committees and control and business divisions.

Risk management is centralised and supported by a dedicated structure – the Risk Management Division (DGR) –, under the responsibility of CRO. With a view to establishing the principle of role segregation between the risk model owner roles and the quality assessment role, the Model Validation Office was created at the end of 2016, dedicated to the internal validation of the risk assessment models used by the CGD Group.

PREVENTION OF CREDIT DEFAULT RISK

CGD continued to invest in the areas of default prevention and control, continuing to carefully monitor the risks and associated costs. In order to do so, two specialised divisions were assigned this task: the Retail Customer Monitoring Division and the Companies Monitoring Division. The Management Report and Accounts contains more detailed information on this topic.

ENVIRONMENTAL RISK ANALYSIS IN LENDING

Credit risk assessment (of companies and project finance) already includes environmental and social aspects. The methodology used in project finance credit risk assessments includes the analysis of each project,

the category related to Sustainability and the Environmental and Social Impacts of the project, which aims to analyse the different project finance policy areas, which are based on four key positioning axes, namely: economically profitable, financially viable, socially fair, environmentally correct. The corporate credit risk assessment also considers the company's credibility in terms of social and environmental aspects.

The CGD Group's Project Finance portfolio is particularly focused on projects based on the Iberian Peninsula. Safeguarding a set of obligations at the environmental and social levels is a legal precept in these countries, and compliance is mandatory for the respective economic agents. The CGD Group's project finance portfolio mostly contains projects developed on the Iberian Peninsula, where the safeguarding of a set of environmental and social aspects is a legal obligation, and its compliance by the respective economic agents is mandatory. Confirmation that the environmental licensing of a given project was duly obtained is a mandatory pre-condition for obtaining funding.

For the assessment of environmental and social risks, Caixa BI hires an independent technical consultant. Only when it is justified in terms of risk is there an audit exclusively focused on the social and/or economic aspect of a given project. Within the context of greater involvement by Multilateral Institutions, as potential funders of projects advised by CaixaBI, the Bank, anticipating the information needs of such institutions, requests that the promoters examine the sustainability of the project, and describes/assesses its social and environmental impact.

Typically, the following factors are taken into account: impact of the project on the creation of local jobs; sharing of management practices associated with the project with the local community – spillover effects; and human resource hiring practices in line with those of the promoter's country of origin. This reality applies to mandates concerning projects in countries such as Angola, Mozambique and Brazil.

Relevant topic:
**MONITORING AND PREVENTION
OF NON-COMPLIANCE RISKS OVER
RESPONSIBILITIES**



INTERNATIONAL STRUCTURES

BANCO INTERATLÂNTICO

As part of its environmental and social risk policy, outlined under the signature of the 2nd line of credit with the French Development Agency (FDA), Banco Interatlântico recognises that the main environmental and social impact that a bank can have on society is associated with the way financing is used. This policy is incorporated into the Bank's overall risk and sustainability policies, and its scope of application includes business projects whose amount is equal to or greater than fifty million CVE (about 453,000 euros), and which turn to credit from the Bank for their full realisation or implementation. This policy sets out the implications to the credit review process, as well as a list of activity sectors not qualified for financing. Therefore, it has in place procedures and controls in line with current legislation and regulations on social and environmental responsibility, also observing the best market practices on the subject. In order to integrate those guidelines, it has formalised two socio-environmental responsibility policies, one of which applies to the operations involved.

BANCO COMERCIAL DO ATLÂNTICO

As part of the protocol signed between *Banco Comercial do Atlântico* and *AFD*, lines of credit have been made available, which are still in the *disbursement phase, with a view to supporting* local government. The protocol signed with AFD sets *out a series of actions that must be followed by the* financial intermediaries it finances, *including the drafting of a* Sustainability Policy and an Environmental and Social Risk Policy, *for which a proposal was developed*, whose revision is planned for 2017. *Several actions have been implemented* over the years, since the protocol was *established, including the providing of* general training for all employees on *sustainability, as well as specific* training on social and environmental risks for *a more restricted group of employees*. This policy proposal, together with the actions *implemented, provided for* greater knowledge and a valid contribution to the awareness *of the importance of these issues*. As a result, as of the end of 2014, part of the actions proposed *for* the sustainability policy have been implemented, namely, the *reduction of water, electricity* and fuel consumption, among others.



BCG BRASIL

In terms of sustainability, BCG Brasil is committed to promoting economic development on a sustainable basis, while protecting the environment and the communities with which it interacts, either directly or indirectly. The sustainability principles adopted by the bank aim at promoting sustainable development in partnership with stakeholders, through specific lines of financing for projects that promote an ethical and transparent relationship, the preservation of the environment for future generations, respect for diversity and the promotion of the reduction of social inequality. BCG Brasil assumed the responsibility of developing and implementing a Social and Environmental Responsibility Policy and Programme (PRSA) that is in line with international best practices, including the standards of the International Finance Corporation (IFC) and current regulations (Resolution No. 4327/2014 of the National Monetary Council).


Therefore, it has in place procedures and controls in line with current legislation and regulations on social and environmental responsibility, also observing the best market practices on the subject. In order to integrate those guidelines, it established two environmental responsibility policies – one geared towards operations involving IFC resources, and a more simplified one, for other operations that require special attention on the topic but that do not involve IFC resources. The latter is available to the public, at the following link: <https://www.bcgbrasil.com.br/Documents/Responsabilidade%20Socioambiental%20no%20BCG-Brasil.pdf> For the management of environmental risk, the Bank adopts social and environmental parameters in the risk analysis conducted for granting credit and accepting new customers, including a list of prohibited and restricted activities. In addition to minimising the financial risk of the business, the socio-environmental analysis prevents BCG Brasil from financing activities that are not in compliance with current legislation and/or that endanger public health and the environment.

MERCANTILE BANK

As a member of the South African Banking Association, the Mercantile Bank subscribes to the Code of Conduct for Environmental and Social Risk Management. The sustainability topics addressed by the Bank – the environment, society and governance – are based on the recommendations set out in King III, taking into account the size of its business, the community and the industry in which it operates. The Bank is aware of the fact that, through its lending practices, it indirectly affects the environment. The assessment and management of environmental risks associated with a given private customer or a credit application are considered in the credit-granting decision process. In order to apply the environmental principles, the Mercantile Bank has in place an environmental risk management policy, which integrates elements of the International Finance Corporation Sustainability Framework (which includes the Equator Principles). The Mercantile Bank also has in place a financial aid denial policy applicable to any organisation that it considers to be involved in activities that, from a social, moral or environmental point of view, are reprehensible, and only funds projects in category A (high risk) under exceptional circumstances and only after duly weighing all associated risks, including reputational. The Bank is committed to complying with the environmental legislation and regulations applicable to all its operations, as well as to incorporating best practices, if applicable.

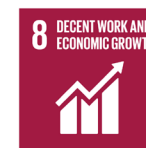


4. HUMAN CAPITAL DEVELOPMENT

AREAS OF ACTION	IMPLEMENTATION STATUS
4.1 Development of a Leadership Programme (2015-2017)	<p><u>Accomplished.</u></p> <p>A Leadership Training Programme was launched, targeting all elements with hierarchical functions at Caixa and focusing on performance management as a team monitoring and development tool.</p>
4.2 Training for the branch network (2015-2017)	<p><u>Accomplished.</u></p> <p>The 1st Caixa Global Initiative was held, bringing together around 900 employees in a corporate event that aimed at strengthening the sense of commitment and bridging the gaps between the branch network and support areas.</p>
4.3 Definition of sustainability objectives in the performance management system (2015-2017)	 <p>In progress</p> <p>The Communication and Brand Division has a performance goal associated with the results of the DJSI evaluation.</p>
4.4 Assessment of the Effectiveness of Training (2015-2017)	<p><u>Accomplished.</u></p> <p>In 2016, there was a greater focus on increasing the comprehensiveness of the Training Effectiveness Evaluation process.</p>
4.5 Monitoring return on investment in human capital (2015-2017)	<p><u>Accomplished.</u></p> <p>This indicator is already being monitored internally, although it is not publicly available.</p>
4.6 Assessing employee satisfaction (2015-2017)	<p><u>Accomplished.</u></p> <p>In 2015, CGD held a Social Climate Study, based on a survey intended to measure employee satisfaction. A new study is expected to be carried out for 2017.</p>

Relevant topic:
DIVERSITY AND EQUAL OPPORTUNITIES

SDG:



LABOUR PRACTICES

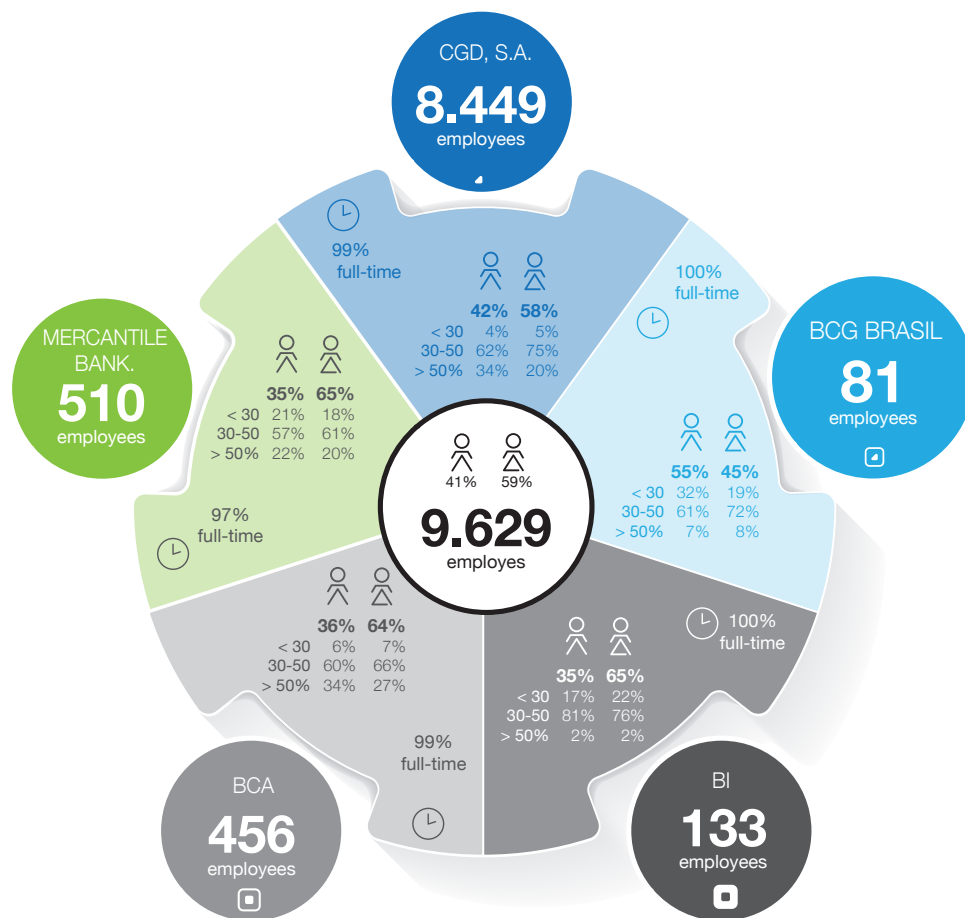
Principle 6:

To support the elimination of discrimination in respect of employment and occupation.



CGD TEAM

CGD continues to pursue an inclusive policy based on equality in the management of its key asset (its staff), grounding its activity on the implementation of best practices in matters of non-discrimination, social responsibility and upholding of high ethical standards and trust values. In the exercise of its activity, as a socially responsible institution and complying with all legal requirements, CGD fully respects human rights, reflecting these principles in the management of its human assets, guaranteeing freedom of association and the prohibition of child and forced labour. CGD ensures an environment of equal treatment and opportunities for men and women, through strict compliance with equality principles, both in terms of hiring and career development, and in terms of employee remuneration policies. CGD strives to ensure the company's internal stability, something that is reflected in the type of contracts concluded with its staff members.



EMPLOYEES

CGD, S.A.

75%

on individual employment contracts
24% on provision contracts
1% on fixed-term contracts

BI

71%

on individual employment contracts
29% on fixed-term contracts

BCA

87%

on individual employment contracts
13% on fixed-term contracts

BCG BRASIL

99%

on individual employment contracts
13% on fixed-term contracts

Mercantile Bank

97%

on individual employment contracts
3% on fixed-term contracts

Relevant topic:
HUMAN RIGHTS



In 2016, CGD, S.A. had 137 staff members with physical disabilities (48 men and 89 women), BI had one male staff member with disabilities, BCA had 2 staff members with physical disabilities and the Mercantile Bank had 6 disabled employees (2 men and 4 women). At BCG Brasil, there are no physically disabled employees.

In terms of remuneration, CGD has in place an effective policy of equal pay for men and women, making no gender-based distinctions (for more information on wage equality, by professional category and gender, please refer to the Sustainability Indicators, available at cgd.pt).

TALENT ATTRACTION AND MANAGEMENT

At CGD, recruitment and selection practices are solely based on candidates' curricula and skill profiles, gender being irrelevant. Career advancement analyses are carried out based exclusively on merit and competence criteria. In terms of remuneration, CGD has in place an effective policy of equal pay for men and women, making no gender-based distinctions.

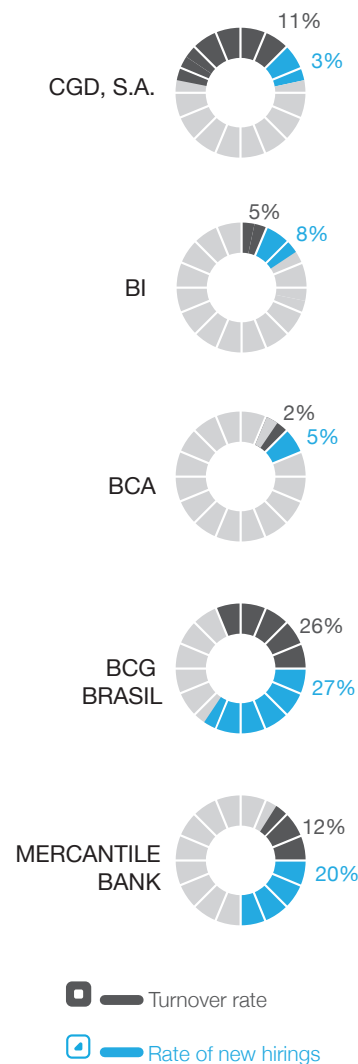
During the year 2016, with a view to optimising its establishment plan, CGD continued its Internship Program, operating based on the promotion of the values and culture of the CGD Group and on the involvement of the entire Organisation with the strategic goals set. This programme represents a twofold benefit: it is a tool for attracting talent, strengthening the CGD brand and also of social responsibility, as it integrates young university students into the working life. In this context, the policy adopted involved recruiting the best workers and creating the right conditions for their development, being careful during selection processes and generating opportunities for personal and professional development.

In addition to curricular and vocational internships, in 2016, the 8th edition of the Summer Academy was held: this is a short-term internship involving 60 university students, based on the new on-boarding and training model implemented in the previous year, which focused on developing the trainees' skills, both in terms of professional specialisation and their involvement with the Bank.

CGD maintained its focus on qualifying and rejuvenating its staff. The strategy of proximity with universities, particularly those known to offer study programmes in areas of interest to banking, has proven crucial. To this end, and as in previous years, CGD maintained its presence at job fairs promoted by vocational offices and student associations of various universities.



TALENT ATTRACTION AND RETENTION



260 INTERNSHIPS GRANTED IN 2016

CGD, S.A. 230 INTERNSHIPS

141 curricular internships
89 professional internships
78 interns at the end of the year

BI 5 INTERNSHIPS

1 curricular internships
4 professional internships
1 interns at the end of the year

BCA 6 INTERNSHIPS

6 curricular internships
9 interns at the end of the year

BCG BRASIL 19 INTERNSHIPS

2 curricular internships
17 professional internships
23 interns at the end of the year



Internal Recruitment Pool

In terms of internal recruitment, some opportunities for domestic mobility were disclosed, which allow the appreciation of employees and that reflect the investment in their career development and the fulfilment of their expectations, in line with the Institution's strategy.

Skill Management

In 2016, CGD took a few steps aimed at strengthening the knowledge management and skill management areas.

Thus, the new Assessment Programme was implemented and developed, whose main goal was to map out the skill and attitude profiles of identified employees. This Programme was an important tool for managing internal human resources and talent, in view of the development of employees and the advancement of their careers.

Knowledge Management Training and Caixa Academia

2016 was the maturation year for CGD's Training Academy in the fields of development, in which continuous training initiatives for employees were diversified and programmes were introduced to reinforce the Caixa Culture, which also integrates the area of Internal Communication of Human Resources. In order to strengthen an inclusive and continuous human capital training policy, through training on key skills (technical and behavioural) for the different business areas, as well as meeting the various regulatory requirements, and those resulting from ongoing certification processes, the following initiatives stand out:

- Initiatives to improve cross-curricular competences – maintaining foreign language, office and other computer-based training programmes, with an emphasis on content customisation and on the action-training aspect.

- Training for business support, with a focus on topics related to sales techniques and training on products and services and improvement of operational efficiency in customer follow-up and credit recovery.
- Training programmes on basic skills for employees appointed to new roles, with highlight, in 2016, to the revision and adjustment of training in its classroom and e-Learning aspects and strengthening of on-the-job training. In the context of these programmes, the certification process for sales roles (Manager, Deputy Manager, Caixazul Manager and Caixa Empresas Manager) was maintained.
- Completion of 4 Executive Training Programmes, involving 120 staff members, which included an aspect of practical work applied to strategic challenges faced by the bank.
- Training related to operational risk and compliance issues, namely with a cross-cutting offer concerning business continuity, information security and prevention of money laundering.
- Reinforcement of the training offer related to productivity and efficiency tools and methodologies, namely in the "Time Management" component.
- Design and launching of a structuring programme based on the development of Leadership Skills, geared to around 1,450 employees in intermediate management roles, accompanied by a top-down communication plan aimed at altering and ritualising behaviours.
- Implementation of the first stage of a training course on the new Performance Management System, geared to the global universe of employees.



TRAINING IN 2016

🕒 **191,412 h**
(hours of training)

🕒 **CGD, S.A.**
181,599 hours of training
21,5 hours of training, on average

🕒 **BI**
874 hours of training
6,6 hours of training, on average

🕒 **BCA**
6,514 hours of training
14,3 hours of training, on average

🕒 **BCG Brasil**
2,425 hours of training
29,9 hours of training, on average



INTERNATIONAL STRUCTURES

- At BI, several training initiatives are provided annually to the employees of the different areas in order to manage and maintain continuous learning. In 2016, several training initiatives were developed, including on sustainability reporting.
- BCA has in place a Strategic Training, Knowledge and Innovation Plan for 2015-2017, which is geared to all Employees. Each year, an Annual Training Plan is prepared, which considers the Strategic Plan, the improvement actions identified in the employee performance evaluations and the very training plans prepared by training providers.
- BCG Brasil's training and development policy sets forth that the training process allows improving the employees' level of knowledge and performance, by identifying individual and team strengths, and encouraging their enhancement. It is up to the managers to evaluate and request training for their employees, according to the needs and opportunities detected. Throughout 2016, the employees of BCG Brasil attended various training courses in several areas of competence.

PERFORMANCE MANAGEMENT SYSTEM

Through its Performance Management System, the CGD evaluates all eligible staff members in terms of Skills, Attitudes and Goal Fulfilment.

In 2016, it was decided to update the current system, separating the assessment of the development potential (Behavioural and Technical Skills) from the assessment of Performance (Goals), in order to better support human resources management processes.

A revision was also conducted on the mapping of the Bank's existing roles and the Skill Dictionary was updated in order to improve its suitability to current reality and requirements.

Throughout 2016, works were developed to adjust the application that will support the Performance Management Model, which is expected to be implemented by the 1st quarter of 2017, for the purpose of evaluating the performance of 2016.

In this respect, Caixa kept in place a commercial performance award policy for its Branch Network, subject to the limitations arising from the rules set out for the State Business Sector, which materialises into a Business Incentive process and in a Points-awarding process:

- The Incentive System that aims to reward Branch teams and/or Managers that stand out in the Degree of Achievement of the Goals proposed to them, with the attribution of an annual premium indexed to their remuneration; and
- The Points System, which distinguishes all employees of the Branch Network who sell or attract customers for the products considered in each quarter, which are converted into monetary prizes on a quarterly basis.

ASSESSMENT OF TRAINING EFFECTIVENESS

In 2016, there was a general investment in broadening the scope of the Training Effectiveness Assessment process, and for one of the larger programmes, a two-year impact assessment model was outlined and implemented.

INTERNAL TRAINER POOL

CGD has continued to strengthen internal knowledge sharing and the dissemination of best practices, promoting the involvement and participation of some of the Bank's employees in the capacity of content specialists and/or internal trainers, in some cases, adopting training models in a structured and pedagogically supported cascade.

At the end of 2016, CGD's Regular Internal Trainer Pool comprised 157 employees.



BALANCING OF PERSONAL-PROFESSIONAL LIFE

CGD's social and family responsibility policy reflects a human-centred management and a socially responsible leadership, involving all hierarchical levels of the Company in creating an inclusive environment, which supports the permanent integration and development of human capital and prevents a wide range of problems.

Given the social and economic crisis experienced over the last few years, with an across-the-board impact on many families, the bank strived to seek sustainable solutions to prevent risk and support solvency, combining the implementation of short-term financial support and saving promotion measures, with psychosocial support and budgetary advice.

Among the measures with an impact on the balance between personal, family and professional life implemented by CGD, which go far beyond legal obligations, highlight goes to the following:

- Psychosocial support
- Socio-economic support
- Health support
- Flexibility and socioprofessional support policies
- Cultural and sporting initiatives
- Social solidarity

The 2016 Corporate Governance Report (see page 699-702) includes more detailed information on the measures and policies implemented.

ACTIONS RESULTING FROM THE SOCIAL ENVIRONMENT SURVEY

The Social Environment Survey conducted in 2015, which consisted of the administration of a questionnaire to assess employee satisfaction, was extremely important in terms of the collection of information, its analysis and its application in policies and actions as part of Human Capital, namely some that were implemented in 2016.

The results obtained in questions related to "Personnel Management Practices," namely in terms of Leadership and Communication, were essential for the construction and implementation of a training programme based on the development of leadership skills.

During 2016, management developed and approved the new Performance Management System and the new Role Model, to be implemented in 2017, whose structure considered changes aimed at responding to aspects pointed out as less positive in the said Survey, namely with respect to team development, feedback processes and impacts on career development.



OCCUPATIONAL HEALTH

In 2016, CGD continued to carry out various health and safety initiatives among its employees.

In this respect, the multidisciplinary Occupational Medicine team (physicians, nurses, psychologists and administrative staff) provide a proximity-based, personalised service, promoting the comprehensive characterisation of situations, their coordination, and, where necessary, rehabilitation and professional reintegration services.

In addition to compliance with legal obligations, and from a global health standpoint, CGD's Occupational Health department, which develops its activity in close cooperation with the Occupational Safety Area and the Social Action Centre, integrates routine complementary diagnostic tests and speciality appointments, such as nutrition, business traveller support and breastfeeding support.

In the year 2015, in addition to the exams performed in compliance with legal requirements, CGD provided a number of additional initiatives in the field of health prevention. In the field of Psychology, the main lines of action for 2016 continued to be the characterisation and follow-up of problematic or crisis situations, as well as prolonged absenteeism due to illness (absence due to illness for more than 60 consecutive days):

- Identified problematic situations – intermittent absenteeism, presentism, interpersonal conflicts, dissatisfaction and lack of motivation – resulted in a total of 1,186 interviews;
- Crisis situations – (robberies – 23, mourning – 2): total of 25 interviews;
- Situations of prolonged absenteeism due to illness – total of 2,241 interviews.
- It should be noted that, in 2016, no occupational diseases were confirmed by the National Centre for Protection against Occupational Risks

OCCUPATIONAL SAFETY

In 2016, CGD developed several activities in the field of occupational safety, in line with current best practices.

- **Technical Occupational Health and Safety Audits:** – following the work carried out over the last triennium, in 2016, the model for planning worksite risk assessments was modified with a proposal for new preventive/corrective measures, whenever applicable: priority was given to facilities being refurbished and/or to layout changes with a direct impact on workstations. There were a total of 27 audits on the branch network, which corresponds to 285 workstations, 8 audits to central departments, corresponding to 1,169 workstations, and 9 audits to group companies, corresponding to 396 workstations (WS – employees + outsourcing);
- **Analysis and management of occupational accidents** – the circumstances of occupational accidents occurred in 2016 (119, of which 4 were not accepted by Fidelidade Mundial and 3 concerning group companies) were analysed and reports were prepared with proposals for preventive/corrective measures where applicable;
- **Incident analysis and management** – the circumstances in which the nearly 90 incidents reported occurred were analysed, and actions were taken to reduce the impact of those occurrences, as well as to prevent future incidents;
- **Ergonomic assessment and correction of workstations** – 115 workstations were the subject of an ergonomic study, which involved postural corrections and/or changes in the work equipment layout, as well as the proposal and implementation of measures aimed at eliminating/reducing risks at the source, as well as interventions aimed at improving working conditions;
- **Analysis of high-risk activities** – nearly 120 high-risk activities were assessed, for which individual protection equipment was outlined and necessary prevention measures were proposed;



OCCUPATIONAL HEALTH

7,517
medical examinations

CGD, S.A.

92% periodic examinations
1% interviews
1% occasional examinations
5% initial/admission examinations

The following initiatives were held with extra legal obligation character and in the field of health prevention:

- Nutritional oppointment
 - 1.253 weekly appointments with a nutritionist
- Business traveller support
 - 71 appointments
- Breastfeeding support - with the creation of the Breastfeeding Corner.

Relevant topic:
OCCUPATIONAL HEALTH AND SAFETY



- **Training courses in the field of Occupational Health and Safety** - 8 training courses were held for employees – 3 were developed as part of the new employee on-boarding plan; 1 initiative as part of seasonal support; 1 action within the new university season and 3 actions as part of the training plans developed for employees starting an internship in their role.
- **Promotion of** on-the-job training sessions during technical audits and/or whenever deemed relevant.

PREVENTION AND SAFETY (USERS AND CUSTOMERS)

CGD continued to develop several initiatives aimed at assessing the impact of its operations, through the Prevention and Safety Office (GPS), in terms of safety for its staff members and customers, under its Safety Risk Prevention and Management Policy (PPGRS), with regard to the safety of people and goods, assets and valuables. In 2016, GPS maintained the Certification of the Quality Management System and developed several initiatives.

- **Incident analysis and management** – following the reporting of incidents, GPS promoted the analysis of the circumstances in which each incident occurred and implemented the necessary improvement measures to reduce the impact of the event and, subsequently, prevent future incidents of a similar nature.
- **Training sessions as part of the Caixa Segura programme** – Over 90% of the members of First-Aid Groups (GPI) and Emergency Response Teams (ERE) currently receive updated training in the fields of fire safety and first-aid procedures. As part of the Caixa Segura Programme, GPS continues to promote training courses for First-Aid Groups (GPI) with the goal of providing trainees with theoretical and practical knowledge that allows them to intervene in the most efficient way in case of emergency: ensuring that all occupants leave the premises safely, providing first-

-aid to accident victims and intervening in the most efficient way with fire extinguishers in the event of a fire (202 trainees attended refresher courses in 2016);

- **Emergency drills at central buildings** – complete evacuation drills at central buildings, in order to assess the activation of the Emergency Management Office, test the Internal Emergency Plan in its various aspects and promote coordination, at the operational level, with the Operational Command Station as part of SIOPS (Integrated System for Relief and Protection Operations), which comprises civil defence agents.
- **Emergency drills at facilities with risk category 2, as part of the MAP** – and continuation of emergency and evacuation training and drills as part of the implementation of self-protection measures at facilities with risk category 2, in accordance with legislation in force;
- **Férias Seguras (Safe Holidays) Concept** – mandatory fact-finding visit to the head offices and to the buildings located at Av. 5 de Outubro and Av. dos Aliados, with the purpose of raising awareness and providing information on basic emergency procedures among new residents;
- **Férias Seguras (Safe Holidays) Concept and Crescer em Segurança (Growing up in Safety) Project** – consolidation of the protocol signed with the Lisbon Municipal Civil Defence Services, focused on collaboration and training on the protection of people and property, participation in emergency drills organised by CGD and availability to take part in the training provided to the children of employees as part of the **Férias Seguras** (Safe Holidays) Concept and the **Crescer em Segurança** (Growing up in Safety) Project;
- **Programa Proximidade (Proximity Programme) for the Branch Network** – consisting of the presence of a

Relevant topic:

CUSTOMER SAFETY AND THEIR FINANCIAL ASSETS

security officer at each branch (for the entire coastline, from Setúbal to Minho) in order to prevent/deter any situations of theft, fraud, threats, etc., that may threaten customers and staff at the branch network.



5. RESPONSIBLE SUPPLIER MANAGEMENT

AREAS OF ACTION	IMPLEMENTATION STATUS
5.1 Identification of suppliers with greater exposure to environmental and social risks in CGD's supply chain and definition of social and environmental criteria to be included in contracts (2015-2017)	In progress. Categories of critical suppliers were identified and a proposal was outlined for social and environmental criteria to be included in contracts.
5.2 Implementation of the supplier monitoring and compliance process with regard to CGD's requirements (2015-2017)	Under analysis
5.3 Involvement of strategic suppliers in the Sustainability Corporate Programme (PCS) (2015-2017)	<u>Accomplished.</u> CGD took part in the CDP Supply Chain programme in 2015, the results of which were communicated to participants in 2016. Ten of its suppliers were also involved in environmental assessments under the EMS.
5.4 Definition of incentives for compliance with sustainability requirements by suppliers (2015-2017)	Under analysis
5.5 Development of a portal for supplier management, integrating the various stages of the process (from qualification to evaluation) (2016-2017)	Under analysis

Relevant topic:
**RESPONSIBLE SUPPLIER
MANAGEMENT**

SDG:



HUMAN RIGHTS

Principle 2:

To make sure that they are not complicit in human rights abuses.

LABOUR

Principle 3:

To uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4:

To uphold the elimination of all forms of forced and compulsory labour;

Principle 5:

To uphold the effective abolition of child labour



SUPPLIER MANAGEMENT

CGD has in place transparent procedures regarding the purchase of goods and services, guided by principles such as economy and efficiency. As part of its sustainability strategy, and considering that a large part of the Bank's environmental and social impacts are indirectly manifested through the performance of its suppliers, CGD has promoted sustainability principles among these companies, as a way to mitigate environmental and social risks throughout its supply chain.

PROPORTION OF EXPENSES WITH DOMESTIC SUPPLIERS IN 2016 (%)

PORTUGAL	CAPE VERDE		BRAZIL	SOUTH AFRICA
CGD,SA	BI	BCA	BCG Brasil	Mercantile Bank
91.05%	76.43%	12%	100%	91%

In 2016, CGD had 810 active suppliers, and the most significant types of suppliers/service providers were associated with the following areas: Purchase and maintenance of automatic machines and IT equipment; printing, enveloping and multitasking services; supply of stationery items and advertising materials; water, electricity and fuels; cleaning and plant maintenance services; human surveillance; consultancy, audit, rating, dealing; outsourcing of back office services; advertising; insurance; storage and shipping of office supplies; mail transportation and processing; renovation works, among others, .

Supplier management is part of CGD's sustainability strategy. Many of CGD's environmental and social impacts are an indirect result of its suppliers' operations, and can be very significant. In this context, CGD takes on the role of an agent for change in the value chain, promoting sustainability principles upstream as a way of mitigating the environmental and social risks associated with its supply chain, namely through ethical principles and best business practices, in line with the principles of the Global Compact and the obligations set out in the environmental, health and safety best practice guide attached to contracts, as applicable to the nature of the service provided.



ZERO WASTE MOVEMENT

Maintenance of the collaborative action between CGD, Gertal and the Dar i Acordar Association, to provide social support to underprivileged citizens and minimise food waste.

The cooperation protocol signed between CGD and GERTAL and the Dar i Acordar Association, was maintained, aimed at donating food surpluses produced at CGD's refectory in the head office building in Lisbon to underprivileged citizens of the parish of Alvalade.

Thus, in 2016, as part the Zero Waste Movement, the Dar i Acordar Association received 7,369 food items from the vending machines operating at the CGD head office building, 1983 meat/fish servings, 711 vegetarian/grill servings, 4534 litres of soup, 1859 kg of pasta/side dishes, 103 kg of desserts and 103 kg of peeled fruit.



SUPPLIERS, CGD, S.A.

166

(contracted suppliers by Sogrupos - Compras e Serviços Partilhados, A.C.E. in the year)

89%

including environmental clauses

92%

including labour clauses

74%

including human rights clauses

75%

including clauses relating to impacts on society

+75%

of contracts included sustainability clauses

9 suppliers

subject to environmental assessments: 8 of them under the Environmental Management System (EMS)

B. COMMUNITY

“There is enough for everybody need and not for everybody's greed”

Mohandas K. Gandhi





6. SOCIAL AND FINANCIAL INCLUSION

AREAS OF ACTION	IMPLEMENTATION STATUS
6.1 Promotion of banking products that contribute towards fighting social and financial exclusion (2015-2017)	Accomplished. CGD continued to provide products that promote financial inclusion, having started the development of new products for this purpose.
6.2 Innovation in the financial offer with a greater focus on the bottom of the pyramid (2015-2017)	In progress. CGD is developing an offer dedicated to refugees
6.3 Alignment of CGD's offer with Portugal 2020, including the axis "Social Inclusion and Employment"- Caixa 2020 (2015-2016)	In progress. CGD is developing an offer associated with Portugal 2020, in its social inclusion aspect.
6.4 Development of a platform for centralising applications to microcredit/entrepreneurship (including training to teams involved) (2015-2016)	Under analysis the feasibility of implementation of this initiative.
6.5 Quantification of the impact of measures to support entrepreneurship (2015-2017)	In progress.
6.6. Development of corporate volunteering of skills, to support the establishment of 1st business (2015-2017)	Accomplished. CGD takes part in Junior Achievement Portugal and develops the Young VolunTeam Programme.

Relevant topics:

CUSTOMER FINANCIAL INCLUSION PRACTICES

PRODUCTS AIMED AT SUPPORTING SMES, INSTITUTIONAL CUSTOMERS AND ANSWERS TO SOCIETY'S EMERGING CHALLENGES

INNOVATION AND RESEARCH



SDG:



Sustainability is an integral part of CGD's business. Its Sustainability Policy, together with the other associated policies – Environmental Policy, Community Involvement Policy and Product and Service Policy - set forth the voluntary proceeding guidelines for the bank and for the development of its offer, in line with a commitment to sustainability. These policies are available at CGD's website, at <https://www.cgd.pt/Institucional/Sustentabilidade-CGD/Políticas-compromissos/Pages/Políticas-Compromissos.aspx>

CGD has developed a set of products that promote the financial inclusion of customers and contribute to addressing societal challenges – combating social exclusion, health, education, promotion of savings habits and inclusion of social economy.

COMMERCIAL BANKING - CORPORATE CUSTOMERS

- **Primary sector offer** (especially dedicated to farming and fisheries) – [69.3 million euros in loans granted in 2016.](#)
- **Tourism Credit Line** – [8.3 million euros in loans granted in 2016.](#)
- **Line of Credit to Support the Qualification of the Offer for Companies in the Tourism Sector 2016** – [618,000 euros in loans granted in 2016.](#)
- **PME Crescimento 2015 Credit Line** – designed to promote job creation and economic growth through investment, working capital support and exports – [286.2 million euros in loans granted in 2016.](#)
- **Comércio Investe Credit Line** – [140,000 euros in loans granted in 2016.](#)
- **QREN Investe Line** – [€2.4 million in loans granted in 2015.](#)
- **Caixa PME Líder Offer** – a package of products and services for the areas of everyday management, short-term financing, support to exports and investment financing, for companies with a good credit rating covered by the FINCRESCCE Programme.
- **Caixa 2020** – a global solution for financing and technical support, distinctive and with added value for companies, with a view to supporting applications for the Portugal 2020 Programme – [4.7 million euros in loans granted in 2016.](#)
- **Line of Credit with Mutual Guarantee** – IFD 2016 – 2020, of the Capitalizar Programme – [35,000 euros in loans granted in 2016.](#)

As part of solutions aimed at the inclusion of the entities that integrate the social sector, notably, the Social Investe line of credit – a protocol between CGD, CASES and IEFP, for entities that integrate the social sector, with a view to encouraging investment and increasing activities in existing areas or new areas of intervention, the modernisation of management and of the services provided to the communities and the increasing of cash availability. In 2016, 135,000 euros were granted in loans under this line of credit.

In 2016, CGD maintained its strategic guidelines for financing the Portuguese economy and its position as a “Bank for Companies,” with a particular focus on SMEs.

Relevant topics:

**CUSTOMER FINANCIAL
INCLUSION PRACTICES**

**PRODUCTS AIMED
AT SUPPORTING SMES,
INSTITUTIONAL CUSTOMERS AND
ANSWERS TO SOCIETY'S
EMERGING CHALLENGES**

- Lines associated with protocols aimed at supporting entrepreneurship and creation of self-employment – **ANDC Microcredit Line, ANJE Micro-financing Line, MICROINVESTE E INVEST+ Credit Lines:** 4.44 million euros in loans granted in 2016
- **Caixa Jovem Empreendedor (Young Entrepreneur)** – intended to finance the acquisition of equipment or other components necessary for the start-up of small businesses and especially designed for recent graduates – 851,000 euros in loans granted in 2016.
- **CaixaWorks Empreender Card** –intended to cover the cash needs of small- and micro-sized enterprises, in all sectors, operating for less than two years – 62.4 million euros transacted by private entities and 2.7 million euros transacted by enterprises in 2016.

CGD continued to provide solutions to support the recovery of urban centres, including Social Rent Programmes. In addition, through Caixa Capital, CGD provides its investors with funds that operate in several of the venture capital segments aimed at financing companies in the process of incorporation and SMEs. The 2016 Management Report and Accounts contains more detailed information on these products.

ENTREPRENEURSHIP, MICROCREDIT AND MICROFINANCING

CGD continues to play its role in terms of social responsibility and support to entrepreneurship, providing tools such as microcredit; in this way, it contributes to self-employment and to the fight against social and economic exclusion.

SUSTAINABLE OFFER IN INTERNATIONAL STRUCTURES

The CGD Group's affiliate banks in Cape Verde and South Africa also offer their customers a set of products aimed at enhancing social benefits.

BCA

- '1 Milhão de Contos' Credit Line: two lines of subsidised credit intended for micro-, small- and medium-sized enterprises and for micro-credit associations located in Cape Verdean territory, with a global amount of 1 billion Cape-Verdean escudos (CVE) – [13.7 million in loans granted in 2016](#). With a view to reactivating the national economy, BCA renewed this line of credit with an additional 3 million contos (3 billion CVE).
- 1 Milhão de Contos - NU PINTA NOS TERRACredit Line – intended to finance the refurbishment and painting of exterior walls of homes – [615,700 euros in loans granted in 2016](#).
- University Credit: [1.4 million euros in loans granted in 2016](#).
- Credit line with mutual guarantee for higher education students – [226,000 euros in loans granted in 2016](#).
- [45 free minimum banking services accounts opened in 2016](#), under Notice no. 1/2013 of the Bank of Cape Verde.
- BCA Poupança Jovem: account designed for young people up to the age of 30, which allows the accumulation of savings – [10 million euros in deposit balances at the end of 2016](#).
- Depósito Emigrante, under Decree-Law no. 53/95 of 26 September, which regulates the Emigrant Savings Programme in Cape Verde – [323 million euros in deposit balances at the end of 2016](#).

BI:


- **Crédito Formação Universitário (University Education Credit)** - [330,000 euros in loans granted in 2016](#).
- **Credit line with mutual guarantee for higher-education students** intended to finance expenses directly related to the attendance of vocational higher-education courses, BA's and MA's, preferably taught in Cape Verde, by Cape-Verdian students - [212,000 euros in loans granted in 2016](#).
- [3,482 accounts opened with free banking services in 2016](#) (under Notice no. 1/2013 of the Bank of Cape Verde).
- **BI Conta Poupança Jovem – Bipoupas:** account designed for young people up to the age of 30, which allows the accumulation of savings – [1.5 million euros in deposit balances at the end of 2016](#).
- **BI Trade Finance Line** - Credit line intended to finance imports – [942,000 euros in loans granted in 2016](#).

MERCANTILE BANK:

- Financing to SMEs under the Black Economic Empowerment (BEE) policy – [19,3 million euros in loans granted and 28,3 million euros in financing of BEE transactions in 2016](#)



7. FINANCIAL EDUCATION AND LITERACY

AREAS OF ACTION	IMPLEMENTATION STATUS
7.1 Promoting financial education within a broad group of customers and non-customers, both individuals and companies (2015-2017)	<p><u>Accomplished.</u></p> <p>The Saldo Positivo (Positive Balance) portal recorded the highest number of visits since it was launched.</p>
7.2 Strengthening the financial education of children and young people (2015-2017)	<p><u>Accomplished.</u></p> <p>CGD held the 'Festa da Poupança' (Savings Festival) Week at KidZania.</p>
7.3 Developing a corporate plan for financial education and literacy (2016-2017)	<p></p> <p>Under analysis</p>
7.4 Development of corporate volunteering of skills, in the field of financial literacy (2015-2017)	<p><u>Accomplished.</u></p> <p>CGD once again participated in the Junior Achievement Portugal initiative, where financial literacy is one of the topics on the work agenda.</p>

Relevant topics:

**FINANCIAL LITERACY
PRACTICES**

**SOCIAL ACTIVITIES IN BENEFIT
OF COMMUNITY**



SDG:



SALDO POSITIVO CGD'S FINANCIAL LITERACY PROGRAMME

CGD was a national pioneer in the launch of a specific website: Saldo Positivo – CGD's Financial Literacy Programme for Retail and Corporate Customers. Under Caixa's financial literacy programme, the Saldo Positivo portal continued to stand as a major tool to support the financial inclusion of the Portuguese people. The numbers show the importance that the project has achieved among Portuguese families and managers of micro-, small- and medium-sized enterprises in Portugal.

2016 was once again a year of consolidation and growth - with increased page views and visits.

The benefits of the project are not limited to the support provided by Saldo Positivo in terms of clarifying the doubts related to financial topics.

INTERNATIONAL STRUCTURES

BI sponsored the launch of the book '*Diplomacia Económica*' (Economic Diplomacy), with a view to promoting access to literacy, as this work presents the bases for the presentation of economic policies, strategies for attracting direct foreign investment and the operationalization of economic diplomacy in Cape Verde.



6.5 MILLION

(visits)

+13% against 2015



4.25 MILLION

(page views in the retail and corporate areas)

+12% against 2015

- Website divided into two separate areas (Retail Customers and Corporate Customers);
- A Facebook page, already with more than 132,000 fans;

8. SUPPORT FOR SOCIAL ECONOMY

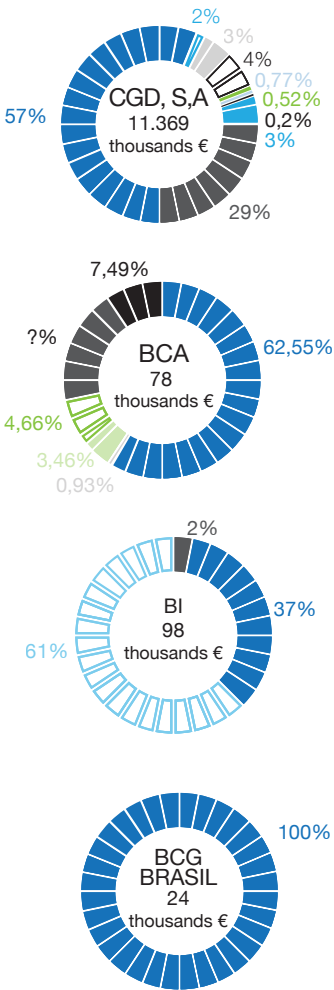
AREAS OF ACTION	IMPLEMENTATION STATUS
8.1 Implementation of the 'Comunidade' (Community) platform for the selection of social benefits to be granted and the respective follow-up, including its implementation by the branch network (2015)	Accomplished. In 2015, a tool for submitting applications and sorting benefits granted was implemented – available at cgd.pt .
8.2 Definition of a corporate volunteer plan by turning to collaborative initiatives with partner organisations, and in a decentralised manner in the branch network (2015-2017)	Accomplished. Some volunteer work actions were organised.
8.3 Creation of a pool of internal volunteers, and implementation of training initiatives (2015-2017)	Accomplished. CGD has a Volunteer Pool, to which employees can sign up to participate in volunteering activities.
8.4 Continuity of the YoungVolunTeam Programme in schools (2015-2017)	Accomplished. CGD held another edition (2015/2016) of the YoungVolunTeam Programme.
8.5 Extension of the YoungVolunTeam Programme to the university segment, as a way to promote social entrepreneurship (2015-2017)	Under analysis
8.6 Exporting of the YoungVolunTeam Programme to international structures (2015-2017)	Under analysis

SDG:



INVESTMENT IN THE COMMUNITY

CGD monitors investment in the community in order to understand its social impact and to focus and increase the efficiency of the support it provides. Since 2015, CGD provides a tool for screening the aids to be provided, available at www.cgd.pt, which is intended to make the aid granted more in line with the strategic priorities of the social pillar of its operation. Throughout the year, overall, CGD made direct investments in the community in the amount of 11,569 euros in several areas. In addition, CGD donated a total of 82 pieces of office furniture to 4 institutions – Penacova Volunteer Firefighters and Penacova Parish Council; Infante D. Henrique Nautical School and José Ferreira Pinto Basto EB23 School, in Ílhavo. It also donated 5,034 pieces of computer equipment to 3 institutions, namely Centro Cultural Azambujense, Serviço Jesuíta aos Refugiados (SJR) and ENTRAJUDA, to be donated to institutions in need.



- General Protocols
- Donations
- Social integration and Solidarity
- Promotion of Knowledge
- Promotion of Entrepreneurship
- Financial Literacy
- Promotion of Culture
- Patronage
- Raising Environmental Awareness in the Community
- Volunteer Work
- Sport
- Counties

Relevant topics:
**SOCIAL ACTIVITIES
IN BENEFITING OF COMMUNITY**



VOLUNTEER WORK

Young VolunTeam Programme

Young VolunTeam is a youth volunteer work programme promoted by CGD within the framework of its community engagement policy. Launched in 2012, it is a programme aimed at youths in primary and secondary school, developed in partnership with ENTRAJUDA and Sair da Casca, with the support of the Directorate General for Education of the Ministry of Education, the Portuguese Institute of Sports and Youth, the European Commission Youth in Action Programme and SEA – Social Entrepreneurs Agency. Since its 2014/2015 edition, it has warranted the High Sponsorship of His Excellency, the President of the Republic, which attests to the value of this project, reiterating the goal of supporting the materialisation of ideas that have Portugal's future as their basic and primordial element.

The 2015/16 edition of Young VolunTeam involved 200 schools and 2,185 young 'ambassador' leaders, impacted more than 9,000 students and raised over 25,000 euros and one ton of teaching materials.

The final ceremony of this edition took place in July at Culturgest, where awards were handed out to the winning schools of this edition: Jacôme Ratton Secondary School, Cooperativa de Ensino Didáxis, São Roque do Pico Elementary and Secondary School, Fernão Mendes Pinto Secondary School and Ribatejo Technical Vocational School.

In 2016, Young VolunTeam was distinguished in the volunteer work category of the Reconhecimento PRÁTICAS RS recognition initiative, organised by APEE – Portuguese Association of Business Ethics.

JUNIOR ACHIEVEMENT PORTUGAL

Education for Entrepreneurship

CGD's collaboration with Junior Achievement Portugal began in 2011. Since then, 3,581 students have been impacted, by a total of 2,474 hours of volunteer work. CGD is a member of Junior Achievement Portugal and takes part in several programmes dedicated to teaching various concepts of financial literacy and entrepreneurship.

In the 2015/2016 school year:

IMPLEMENTED PROGRAMS

- FAMILY
149 students/6 volunteers/63 volunteer hours
- COMMUNITY
92 students/4 volunteers/36 volunteer hours
- BUSINESS
179 students/8 volunteers/88 volunteer hours
- ECONOMY - 313 students/12 volunteers/143 volunteer hours
- PATERNERSHIP
3 students/3 volunteers/24 volunteer hours
- COMPANY
77 students/4 volunteers/100 volunteer hours



YOUNG VOLUNTEAM 2014/2015

9,000

BENEFITED STUDENTS

200 SCHOOLS

2,185 STUDENTS ENROLLED
in secondary education



JUNIOR ACHIEVEMENT 2014/2015

36 CGD VOLUNTEERS

454 HOURS OF VOLUNTEER
WORK

40 SCHOOLS

813 STUDENTS



CHILDREN'S TOY DRIVE – CHRISTMAS INITIATIVE

Under the motto *Brincar é Preciso* 'Playing is Necessary,' between 14 December and 6 January, in partnership with ENTRAJUDA and SAS, a toy drive (new or used in good condition) was held, reverting to underprivileged children up to 10 years of age and in the care of Charitable Institutions (IPSS). This initiative was carried out in coordination with the branch network, and the CGD branches of each district of Mainland Portugal and the Islands (a total of 20), and the surrounding community, were identified. A total of 3,000 toys were collected and 23 IPSS were aided, with an impact on about 2,780 children.

ORANGE PICKING AT THE QUELUZ PALACE GARDENS

An orange-picking activity was also organised, at the Queluz Palace Gardens, in partnership with ENTRAJUDA and Banco Alimentar, which resulted in the distribution of 263 kg of oranges to people in need and in the care of charitable institutions.

COLLECTION OF ELECTRICAL AND ELECTRONIC EQUIPMENT AT THE HEAD OFFICE BUILDING

Also in partnership with ENTRAJUDA, CGD organised the collection of electrical and electronic equipment at the Head Office building, having collected a total of 170 kg of equipment, of which 53% were distributed to charitable institutions. The remainder was sent for recycling.

COLLECTION OF SCHOOL SUPPLIES FOR CHILDREN AFFECTED BY FOREST FIRES

In September 2016, CGD employees gathered around a common goal: donating books and school material to families who were affected by the fires and who have proven financial needs, promoting the fight against poverty and social exclusion. At the end, a total of 566 kg of goods had been collected: 386 kg of school books and 180 kg of school supplies. The materials were delivered by ENTRAJUDA, our partner in this initiative, to the institutions that will distribute them to the families in need.

Also in support of fire victims, CGD organised two other campaigns. One for raising donations to Portuguese firefighters, with a view to acquire equipment and materials and distribute them to corporations in greater need, and another to raise donations to support the populations most affected by wildfires on the island of Madeira. Overall, 399,012.18 euros were raised.

Relevant topics:

**COMMUNICATION
AND PARTNERSHIPS
WITH NGO'S/CHARITABLE
INSTITUTIONS**



CULTURE PROMOTION

In 2016, the Caixa Geral de Depósitos - Culturgest Foundation recorded patronage contributions in the overall amount of 1,104,000 euros, having given continuity to several projects in various areas – music, theatre, dance, film, conferences and lectures, educational services, training courses, field trips and exhibits.


609

SHOWS AND ACTIVITIES

301

SESSIONS

HISTORICAL HERITAGE

CGD has an Historical Heritage Office (GPH), which stands as an active hub dedicated to the safeguarding, preservation and dissemination of its heritage and of that which it inherited from the former BNU. This office comprises 3 specific areas: Historical Archive, Museum and Collections and Library and Media Library.

Its collection provides an insight to the valuable economic and financial history of Portugal and its former colonies. Its treatment, namely the description, preservation and conservation of documents, the restoration of objects and the dissemination of its heritage, allow the Bank to preserve its history in the present and for the future.

CGD MULTIMEDIA LIBRARY NETWORK

The Multimedia Library network has 9 premises abroad - Maputo, Beira, Nampula, Praia, Mindelo, Espargos, São Tomé, Príncipe Island and Timor).

Multimedia Libraries aim at contributing to the social and human development of the populations of the respective countries, through access to information and knowledge in Portuguese, by keeping updated documentary collections and relevant information on the subject areas of its expertise, whether in traditional media (books, magazines and newspapers) or in more technologically advanced and updated media (internet, CD-ROMs, videos, etc.) in order to meet the needs of users, which comprise all students and teachers of secondary schools, technical and vocational schools, polytechnic institutes and universities, as well as the general public.

Facilitating access to cultural development, providing resources that are scarce in some regions, taking advantage of the synergies of the existing commercial structure were aspects valued by CGD and its Group, naturally together with access to information, improvement of the human capital, full development of the populations and promotion of the Portuguese language and its use.

In 2016, highlight goes to the selection, acquisition and documentary treatment of all bibliographical works acquired for the 9 media libraries; technical missions to the Cape Verdean and São Tomé and Príncipe media libraries; development of the project to expand the Praia media library; relocation of the facilities of the Maputo media library; collaboration in the preparation of a Master's thesis titled 'Mediatecas da Caixa Geral de Depósitos – Estudo de caso de S. Tomé e Príncipe 2004-2016' (Media Libraries of Caixa Geral de Depósitos – Case Study in São Tomé and Príncipe 2004-2016;" as well as the implementation of support service for the blind at the Praia and Mindelo media libraries.

CGD's support to Culture, in different areas of Arts and Letters, is publicly acknowledged. Among the countless projects launched by its own initiative or in partnership with other institutions, the following are the most noteworthy for the year under review:

- **Orquestras da CGD (CGD Orchestras) Project** - Dedicated to traditional classical and fusion music, it aims at promoting the creation of new audiences, fostering cultural habits and the taste for Music. Launched in 2001, in 2016, the project recorded 59 concerts and a considerable increase in the number of spectators, which reached 31,000.
- **Music festivals** - Caixa Ribeira, NOS Primavera Sound, NOS Alive, MEO Marés Vivas, Super Bock Super Rock, EDP Cool Jazz, MEO Sudoeste, Vodafone Paredes de Coura and Caixa Alfama.

PROMOTING ENTREPRENEURSHIP

The CGD Group maintained its strategy of partnering with and sponsoring major national accelerators, such as *Building Global Innovators*, *Beta-i* and *COTEC's COHITEC*, and continued to invest in the most promising projects of each of the acceleration programmes, through Caixa Capital's *Tech Transfer Accelerator*, a fund specially created for this purpose.

CGD maintained its sponsorship of Startup Lisboa, a private non-profit association that is currently one of the main agents and promoters of the national entrepreneurial ecosystem, distinguished by the development of a strong community spirit, based on knowledge and sharing. It should be noted that, thanks to the combination of infrastructures and specialised support services, this incubator, since its inception (in 2012), has already supported over 250 innovative projects with potential for internationalisation, through mentoring, strategic partnering, access to investment/funding and networking/learning and communication activities.

Also concerning support to entrepreneurship events, the second edition of the Caixa Empreender Award, the largest national event related to entrepreneurship and innovation was held, involving nearly 800 people in 2016 and bringing to Portugal a set of international venture capital, such as DN Capital, e.Ventures, Forbion, Vesalius, Evonik, Robert Bosch Ventures, IKEA Greentech Ventures, Evonik Ventures, Kreos Capital, among others, as well as most of the national entrepreneur ecosystem (investors, entrepreneurs, accelerators and incubators).

Highlight also goes to Caixa Capital's active participation in Web Summit, a global entrepreneurship and innovation event, which was held in Portugal for the first time. CGD sponsored the Web Summit's volunteer programme (2,500 volunteers signed up) and was also present with its own booth.

In addition to supporting events on this topic, CGD has a commercial offer aimed at supporting entrepreneurs (see 6. Social and financial inclusion).

C. ENVIRONNEMENT

“Man argue, nature acts”
Voltaire





9. ECO-EFFICIENCY

AREAS OF ACTION	IMPLEMENTATION STATUS
9.1 Broadening of the scope of the EMS' certification under ISO 14001 at the Head Office (2015-2017)	In progress.
9.2 Promotion of eco-efficiency in CGD operations ((2015-2017)	Accomplished CGD has in place a set of measures aimed at promoting eco-efficiency, some of which are reported in this document
9.3 Promoting energy efficiency in the data centre (2015-2017)	Accomplished CGD gave continuity to Sogruppo Information Systems' Green Programme, which aims to promote energy efficiency at the data centre
9.4 Promoting energy efficiency at corporate level (2016-2017)	In progress.
9.5 Environmental training and awareness for employees and suppliers at corporate level (2015-2017)	CGD has developed a Dossier on the Environmental Management System, dedicated to employees and resident suppliers.
9.6 <i>Promotion</i> of gamification in branches, based on environmental performance (2016-2017)	Under analysis
9.7 Conducting a technical and economic feasibility study for implementing a rainwater utilisation system (2015-2016)	In progress. The study was developed in 2016.

SDG:





ENVIRONMENTAL MANAGEMENT

CGD kept its environmental commitment, which is embedded in the guidelines of its Environmental Policy, of compliance with environmental law and other applicable requirements, a proactive attitude to prevent pollution and continuous improvement in terms of environmental performance.

The Head Office Building's Environmental Management System (SGA) kept its certification under ISO 14001, which intends to monitor consumption and the various environmental aspects of the activities carried out in the building.

In addition to awareness-raising initiatives carried out among employees and the community, CGD's work includes the outlining of quantitative goals and targets for reducing environmental impact, with a focus on optimising operational efficiency – energy and water consumption, mobility, waste – and on cost reduction and reuse of resources. Following the end of the 2006-2015 strategic cycle of its Low Carbon Programme, CGD began the process of reviewing its strategy for the 2020 horizon, which is its final stage and includes several lines of action: emission quantification and reduction, emission offsetting, low-carbon financing and community awareness.

In 2016, CGD, S.A. continued to invest in environmental protection and management, in a total amount of around 550,000 euros, to cover costs related to prevention, environmental management and other environmental issues (e.g. waste, water, energy efficiency).

As part of its environmental management policy, CGD publishes the environmental results achieved during the year 2016: energy, water, emissions, materials, waste. For more detailed information on environmental indicators, please refer to the documents Sustainability Indicators and Methodological Notes, both available at cgd.pt.

Relevant topics:

**ENVIRONMENTAL MANAGEMENT
SYSTEM**

ECO-EFFICIENCY



ENVIRONMENT

Principle 7:

To support a precautionary approach to environmental challenges.

Principle 8:

To undertake initiatives to promote greater environmental responsibility.

Principle 9:

To encourage the development and diffusion of environmental friendly technologies.



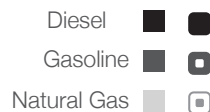
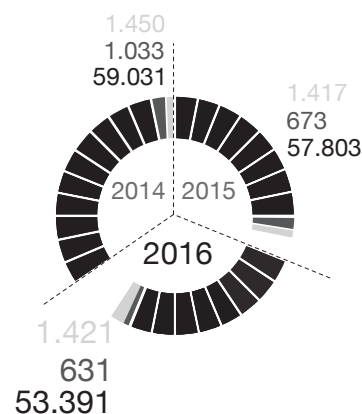
ENERGY CONSUMPTION

As part of its investment in the reduction of energy consumption, CGD continued to implement energy efficiency measures and to monitor the associated environmental impact. The Bank's energy consumption is divided into direct energy – fuel consumption by its vehicle fleet (diesel and gasoline) and its buildings (diesel and natural gas (Portugal only)) – and indirect energy – electricity consumption at the central buildings and the branch network.

In 2016, CGD recorded a 6% decrease in energy consumption over 2015. Breaking it down, the consumption of fuels (fleet and equipment at building), decreased by 7%, and in terms of electricity consumption, 6%, when compared to 2015. The decrease in energy consumption is also associated with the progress of CGD's activity and the various measures that CGD has implemented over recent years, such as more efficient lighting, more efficient equipment and the use of alternative means of communication. As for international structures, there was a significant decrease in energy consumption at BCG Brasil, due to its relocation to the new LEED Platinum-Certified building.

TOTAL DIRECT ENERGY CONSUMPTION 2016 (BUILDINGS/FLEET)

- by type of fuel (in GJ)

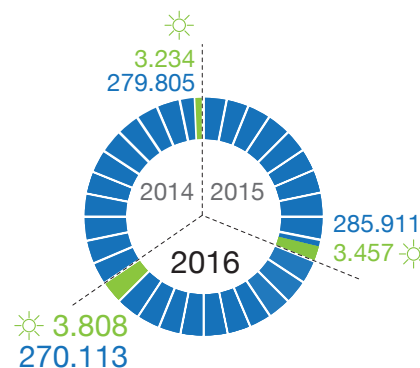


- by structure | Total 2016

CGD, S.A.	52.375 GJ
BCA	10.014 GJ
BI	587 GJ
BCG BRASIL	1.194 GJ

TOTAL INDIRECT ENERGY CONSUMPTION IN 2016 (BUILDINGS/BRANCHES)

- by type (in GJ)



- by structure | Total 2016

CGD, S.A.	259.833 GJ
	3.808 GJ
BCA	7.640 GJ
BI	1.553 GJ
BCG BRASIL	1.087 GJ



ENERGY 2016

329,634 GJ
(overall)

▼ 6% against 2015

CGD (Portugal)
316,017 GJ

▼ 6% against 2015

BI (Cape Verde)
2,140 GJ

▼ 0,1% against 2015

BCA (Cape Verde)
10,014 GJ

▼ 6% against 2015

BCG BRASIL
1,194 GJ

▲ 24% against 2015



RENEWABLE ENERGY SOURCES

CGD maintained its investment in solar energy, namely from the Solar Plant installed at the Head-Office Building and the production of solar photovoltaic energy across the branch network, thus contributing to reducing the carbon content of the national electricity system. All the photovoltaic energy produced by the branch network is sold to the power grid.

**3,808 GJ**

Central Solar Thermal Energy Head Office

**1,544 GJ**

Photovoltaic Energy - Branch Network

In the field of energy efficiency, CGD S.A. continued to implement measures aimed at improving its environmental performance. In 2016, some of the measures implemented were related to the replacement of conventional lighting with LED lamps (for example: in halls and corridors, in elevator cabins), the use of more efficient air conditioning equipment and the 1-hr reduction in the operating times of luminous signs in all branches. It is estimated that all the measures implemented will save 1.2 GWh/year.

At the data processing centre, located in the Head Office Building, CGD maintained its Green programme and implemented measures aimed at increasing energy efficiency. In 2016, highlight goes to the following initiatives: the completion of the WOL (Wake On Lan) Project, which turns off all equipment located in the head office building after business hours, the continuing of the containerisation of the data centre, the virtualisation of the servers and the ongoing energy efficiency measures associated with temperature control inside the data centre.



OVERALL ENERGY INTENSITY 2016

0.28
GJ/thousand €
(Overall)

CGD (Portugal): 0.29

BI: 0.33

BCA: 0.43

BCG BRASIL: 0.04

36
GJ/FTE
(Overall)

CGD (Portugal): 37.6

BI: 16.1

BCA: 22.0

BCG BRASIL: 14.7

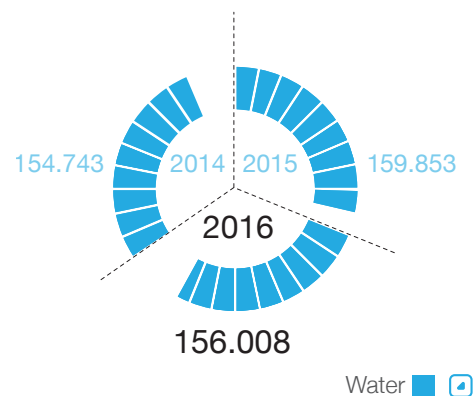


WATER CONSUMPTION

As a result of measures aimed at raising awareness and reducing water consumption at central buildings, CGD recorded a 2% reduction over 2015. Water consumption at CGD S.A.'s and BCG Brasil's facilities is associated with sanitary facilities and irrigation systems. The water is supplied by the public network. In the case of BI and BCA, water is supplied by the municipal network and by tank trucks.

At the end of 2016, BCG Brasil moved to new facilities and is currently in a LEED Platinum-Certified building.

TOTAL WATER CONSUMPTION (m³)



TOTAL WATER CONSUMPTION by struture (m³)

2016	
CGD	149.577 m ³
BCA	4.240 m ³
BI	1.216 m ³
BCG BRASIL	975 m ³



WATER 2015

156,008 m³
(Overall)

▼ **2%** against 2015

CGD (Portugal)

▼ 2% against 2015

BI (Cape Verde)

▼ 8% against 2015

BCA (Cape Verde)

▼ 13% against 2015

BCG BRASIL

▼ 27% against 2015



MATERIAL CONSUMPTION

The most significant material consumptions at CGD are the consumption of photocopy paper, paper in the form of envelopes and paper and cardboard used for bank passbooks. CGD does not use recycled paper. Instead, it uses paper (A4 and A3 formats) that is certified by the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC), which ensure that the forests used to manufacture the paper are managed in a sustainable manner, following strict international criteria.

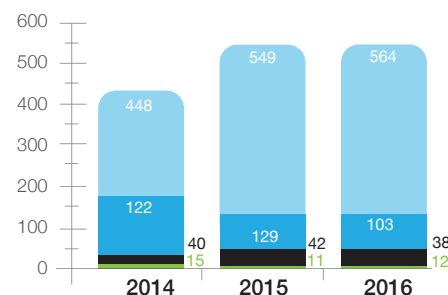
CGD S.A. gave continuity to its efforts to reduce printing and mail deliveries.

As part of its activity, CGD S.A. has to make several mandatory communications. In 2016, over 15 million extraordinary communications were sent digitally, thus avoiding paper consumption, and more than 4 million extraordinary post communications were sent in attachment to others.

Also in the opening of accounts, mainly in relation to the opening of university student accounts, CGD S.A. continued its project aimed at converting documentation to digital formats. In 2016, 95% of a total of 200,000 documents received regarding adhesion to banking and non-banking products and services were sent in digital format.

TOTAL MATERIAL CONSUMPTION

(Paper and plastic, in t)



- Plastic in the form of bank cards and cups
- Paper and cardboard in the form of bank booklets
- Paper in the form of envelopes
- White photocopy paper

TOTAL MATERIAL CONSUMPTION

By struture (Paper, in t)

2016	
CGD, S.A.	706 t
BCA	13 t
BI	11 t
BCG BRASIL	4 t



MATERIALS 2015

761 ton
(Overall)

▼ **13%** against 2015

CGD (Portugal)
▲ 14% against 2015

BI (Cape Verde)
▲ 53% against 2015

BCA (Cape Verde)
▲ 22% against 2015

BCG BRASIL
▼ 40% against 2015



WASTE MANAGEMENT

In 2016, CGD SA produced approximately 1076 tonnes of waste, of which 99% was non-hazardous. CGD's total waste production increased by 26% against the previous year due to an extraordinary intervention to dispose of paper from the Sacavém archive and because of the capacity of containers used for municipal waste collection. The waste recovery rate was 94%.



RECYCLING OF BANK CARDS

As a result of its Environmental Management System and as a way to promote circular economy, in order to manage and reduce environmental impacts associated with the production and treatment of waste, CGD implemented a circuit that enabled recycling the plastic in bank cards (expired or EOL) and non-bank cards (e.g. loyalty cards, etc.). In 2016, nearly 5.4 tonnes of cards were sent for recycling and the first pieces of urban furniture resulting from this project have already been delivered.

Also in this year, the project was distinguished by the 'Reconhecimento Práticas RS' award, in the Environment category, awarded by the Portuguese Association of Business Ethics (APEE) and was selected as a good example in the ECO.NOMIA portal, an initiative of the Ministry of the Environment, to illustrate the topic of Circular Economy. An episode of Quercus' "Minuto Verde" exclusively dedicated to this project also aired on RTP.



ENVIRONMENTAL AWARENESS

Internal awareness

CGD kept on raising internal awareness for the adoption of best environmental practices, through a set of initiatives developed in 2016:

- Placement of posters around the various floors of the Head Office Building;
- Dissemination of the dossier on the practices included in the environmental management system (EMS) to resident suppliers;
- Integration of content on the EMS in the on-boarding leaflet handed to new employees and distributed in the compulsory programme handed to visitors of the building;
- The EMS tutorial, available to all CGD employees, was maintained in force.

During the year, and also under the EMS, a centralised circuit was implemented at the Head Office building for the collection of plastic caps, in favour of charitable causes.

Partnership with the Lisbon Zoo

CGD partnered with the Lisbon Zoo to refurbish its educational centre, thus contributing to environmental education and the promotion of citizenship values. It also subscribes to educational proposals directly related to the preservation of biodiversity, the protection of animal life and the fostering of a progressive transformation in the current values, attitudes and behaviours. The Lisbon Zoo welcomes around 800,000 visitors/year.

In 2016, an activation initiative was carried out with the goals of providing a moment of environmental awareness/education to the families that visited the Zoo, which reached 3,504 visitors.

Floresta Caixa

CGD actively participates in the preservation of nature and biodiversity and has, therefore, maintained its partnership with the Mafra National Reserve for the monitoring of forest areas formerly intervened by the Bank, with benefits also for its customers and staff. Along with this concern, CGD also contributes to combating climate change and the scarcity of natural resources through the forest. As part of the celebrations of the World Native Forest Day, on 23 November, and the 10th anniversary of Floresta Caixa, Caixa launched the children's book '*A História do Príncipe que foi Rei*' "The Story of the Prince that Became King", which tells the tale of the Mafra Forest, thus strengthening our connection to our country's Natural Heritage.

The total forest area supported by CGD is 54.3 ha. Since the inception of the Floresta Caixa project, with the support of several partners, CGD has planted over 200,000 native trees. In 2016, together with the schools of the municipality of Mafra, it planted more than 310 trees around the Barroca/Encosta do Assobio area.

'Projetar o futuro: uma Educação para a sustentabilidade' (Designing the Future: Education towards Sustainability) Conference

CGD held a conference with the aim of disseminating good examples of sustainable development, which was held at Culturgest's Small Auditorium. This event was attended by 11 participants, including European personalities involved in the area of Education for Sustainable Development, such as Roland Gérard, of the '*École et Nature*' Programme and CFEEDD, and Julia Heiss, of the UNESCO Secretariat – Paris and of the 'Global Action Programme for ESD'

The event's Opening Session was attended by Dr. José de Matos, José Sá Fernandes, Councillor for the Lisbon's City Council for Green Framework and Energy, Jean-François Blarel, Ambassador of France and João Pedro Matos Fernandes, Minister of the Environment.

Lisbon Green Hackathon 2016

CGD was the main sponsor of this event, organised by 'Oficina das Energias' (Energy Workshop), which integrates students of the Integrated Masters in Energy and Environmental Engineering of the Faculty of Sciences of the University of Lisbon, supported by the Department of Geographic Engineering, Geophysics and Energy.

The project is based on a hacker approach to Sustainability, and consists of a 24-hour intensive marathon, in which 40 participants, divided into 10 teams, develop ideas for a greener future, built and presented prototypes to a panel of judges.

Relevant topics:
**ENVIRONMENTAL TRAINING
AND AWARENESS**

**COMMUNICATION AND
PARTNERSHIPS WITH NGO/IPSS**



ENVIRONMENT

Principle 9:

To encourage the development and diffusion of environmental friendly technologies.



10. ADAPTING TO CLIMATE CHANGE

AREAS OF ACTION	IMPLEMENTATION STATUS
10.1 Further implementation of the Low Carbon Programme - setting of targets and widening of the scope of the carbon footprint to other international structures (2015-2017)	In progress. CGD has set a new GHG emission reduction target: cutting, by 2020, total GHG emissions (scope 1 and 2) by 3% in relation to 2015.
10.2 Offsetting CGD's carbon emissions (2015-2017)	<u>Accomplished.</u> CGD offsets its CO ² emissions by purchasing carbon credits. However, in 2016, CGD did not need to purchase carbon credits..
10.3 Boosting the partnership with the Tapada Nacional de Mafra (National Park) (2015-2017)	<u>Accomplished.</u> CGD held initiatives in partnership with the Tapada Nacional de Mafra (National Park) (p. 41).
10.4 Definition of a volunteer work plan in the area of environment (2015-2017)	<u>Accomplished.</u> CGD held a few environmental volunteer work initiatives. (p. 41)
10.5 Redefinition of the Mobility Plan (2015-2017)	<u>Accomplished.</u> As part of the stakeholder consultation on sustainability, CGD listened to its employees on the issue of mobility (p. 8)
10.6 Alignment of CGD's offer with Portugal 2020, including the axis "Sustainability and Efficiency in the Use of Resources" - Caixa 2020 (2015-2017)	<u>Accomplished.</u> CGD launches Caixa 2020, which includes this axis.
10.7 Knowledge of suppliers' practices to adapt to climate change (2015-2017)	<u>Accomplished.</u> CGD took part in the CDP Supply Chain programme. (p. 57)
10.8 Active support for environmental awareness initiatives (2015-2017)	<u>Accomplished.</u> Environmental awareness is a strategic area of investment in the community (p. 40-41)
10.9 Review of the criteria for creating the service fleet, integrating environmental criteria (2015-2017)	Under analysis

SDG:



ENVIRONMENT

Principle 7:

To support a precautionary approach to environmental challenges.

Principle 8:

To undertake initiatives to promote greater environmental responsibility.

Principle 9:

To encourage the development and diffusion of environmental friendly technologies.



LOW-CARBON PROGRAMME

As part of its Low-Carbon Programme, CGD presents its inventory of greenhouse gas (GHG) emissions associated with its activity, calculated according to the guidelines of the Greenhouse Gas Protocol (GHG Protocol). It considers gases such as carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O).

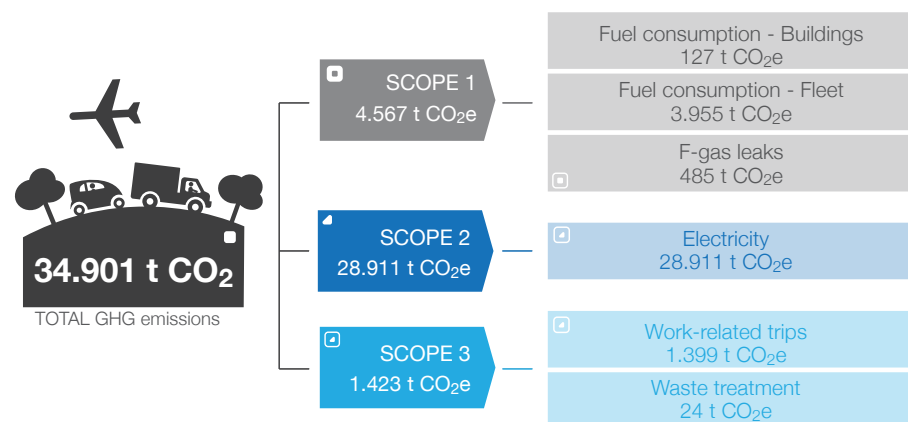
The carbon footprint encompasses the activities developed by CGD S.A, Cape-Verdian Banks - BI and BCA – and BCG Brasil, especially: fuel consumption at central buildings and by the fleet, leaks of coolant gases from the equipment installed at the facilities, electricity consumption in the buildings, work-related trips, third-party vehicles and waste production.

Greenhouse Gas Emission (GHG) Inventory

The preparation of the inventory allows characterising and monitoring the evolution of consumptions and, subsequently, of GHG emissions throughout the years reported. CGD is thus able to identify the efficiency of the reduction measures already in place and plan additional measures to achieve the targets set.

CGD'S GREENHOUSE GAS EMISSIONS IN 2016 BY SCOPE AND SOURCE

(in tonnes CO₂e)



Relevant topics:

COMBATING CLIMATE CHANGE

ENERGY EFFICIENCY

CO₂ EMISSIONS AND ALTERNATIVE ENERGY SOURCES



EMISSIONS 2015
(TONS OF CO₂e)

TOTAL

CGD: 33,017

BI: 316

BCA: 1,450

BCG BRASIL: 119

SCOPE 1

CGD (Portugal): 4,199

BI: 43

BCA: 307

BCG BRASIL: 18

SCOPE 2

CGD (Portugal): 27,541

BI: 227

BCA: 1,118

BCG BRASIL: 25

SCOPE 3

CGD (Portugal): 1,277

BI: 45

BCA: 24

BCG BRASIL: 76



CGD's GHG emissions, including those of the Group's affiliated banks, decreased by 23% over 2015. This reduction is associated with the emission factor of CGD S.A.'s energy supplier and with the various reduction measures in the area of energy efficiency that have been implemented over the years. As previously mentioned, BCG Brasil's relocation to a LEED-Certified building also contributed to reducing emissions, representing a decrease of 28% over 2015. BCA recorded an 8% decrease and BI recording a slight increase of 3%, over 2015.

The main activity associated with CGD's carbon footprint falls within scope 2, which corresponds to the consumption of electricity.

CGD, S.A. recorded a 28% reduction in total GHG emissions, with a reduction of 5% in scope 1, 26% in scope 2 and 27% in scope 3. This reduction is mainly associated with all the policies aimed at promoting alternative mobility and means of communication that were implemented over several years and with the energy efficiency measures that CGD has implemented in its buildings.

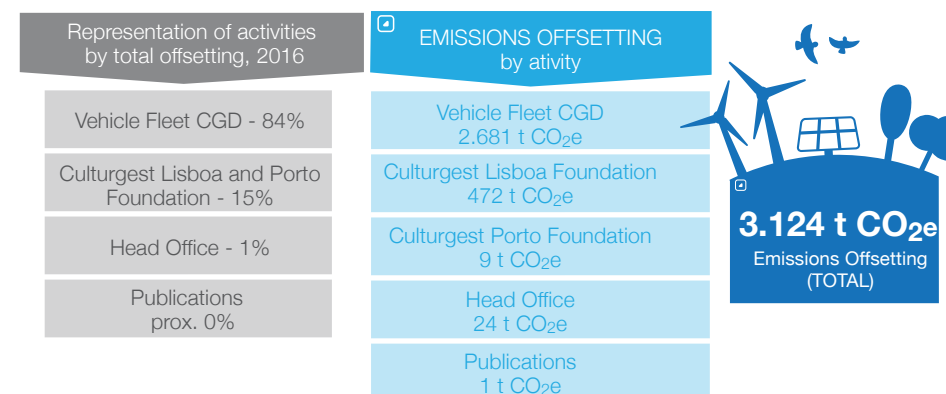
CGD, S.A. has set a new target for GHG emissions – to reduce, by 2020, the total GHG emissions (scope 1 and 2) by 3% in relation to 2015. In 2016, there was a considerable reduction in GHG emissions, as a result of various energy efficiency measures implemented by CGD in its buildings, which demonstrates that CGD, S.A. will be able to meet the targets set by 2020.

EMISSION OFFSETTING

As part of its Low-Carbon Programme, CGD, S.A. offsets part of the GHG emissions generated during its activities, namely those associated with: its vehicle fleet; Caixa Geral de Depósitos Foundation – Culturgest Lisbon and Porto (electricity and treatment of waste sent to landfills); treatment of waste generated at the Head Office building and sent to landfills; and indirect GHG emissions associated with the production of publications (Caixa Empresas), during the 1 January-31 December reporting period.

The offsetting is achieved by using purchased carbon credits, which are associated with projects aimed at reducing emissions outside the national borders, thus contributing to the sustainable development of the communities where they operate.

EMISSÕES A COMPENSAR



In 2016, CGD, S.A. will have offset 3,124 CO₂e using carbon credits from renewable energy projects. The projects used by CGD, S.A. are selected according to criteria that ensure their eligibility and that promote both environmental and social benefits. In the reported year, CGD, S.A. did not purchase any carbon credits, and used credits from the Hydro Brasil Project, which were available at CGD, S.A. carbon credit bank.



The goal of the Hydro Brasil project is the production of electricity from renewable sources, by building small hydroelectric dams, located in the municipalities of Júlio de Castilhos and Salto de Jacuí, in Rio Grande do Sul, to replace the consumption of fossil fuels in the region. The project is certified, in accordance with the specifications of the Voluntary Carbon Standard (VCS) programme, as a user of clean and efficient technology, which enables the reduction of fossil fuels; and as a contributor to the development of local economy, by creating jobs and reducing the costs associated with the purchase of fossil fuels.

Regarding the offsetting component, it should be noted that, in addition to renewable energy projects, CGD has, in previous years, used credits for a forestry project, in association with the Mafra National Forest. This project involved co-funding the reforestation of a 50-ha area that was affected by the 2003 forest fires, in order to promote the recovery of the lost natural heritage. The project includes a carbon management plan, and a biodiversity conservation action plan, as well as the monitoring of these two forest components over a 30-year period. CGD, together with the Reserve's management bodies, proceeds with an annual inspection of the area of the forest covered by the intervention to ensure that the trees that have been planted are still there. The results presented to CGD's management show that the forest is growing as intended. However, because the credits acquired by CGD in 2009 are still an estimate and depend on the forest's growth, CGD has opted to use only 45% of such credits acquired. However, last year's assessment of the carbon sink, carried out according to IPCC methodology for carbon quantification for trees and shrub areas, results show that trees and shrub areas are growing as expected. This confirms the existence of the planned carbon sink. For more information on the calculation and management of carbon credits, see the Methodological Notes 2016 (Emission Offsetting).

PARTICIPATION IN THE CDP (CARBON DISCLOSURE PROJECT)

CGD has participated voluntarily in the climate change questionnaire promoted by CDP since 2009 and, for the fourth consecutive year, it achieved a leading position, having been recognised for its achievements in the area of climate change and its transparency in this matter, being the only Portuguese company of the financial sector to appear on The Climate A List.

CGD participated in the CDP Supply Chain programme in 2015, demonstrating its concern in disseminating best practices relating to climate change across its value chain. The results were presented in 2016, and showed that about 63% of participating suppliers reported risks associated with climate change.



LOW-CARBON ECONOMY FINANCING

During this year, CGD continued to play its role as the financing entity associated with a low-carbon economy, promoting the reduction of its customers' greenhouse gas emissions.

In 2016, CGD maintained a series of specific financial solutions, which offer its retail, corporate and institutional customers preferential access conditions to goods and services with improved carbon efficiency. It launched a credit line to finance the purchase of hybrid and electric vehicles, through Caixa Leasing and Factoring. The Caixagest Investimento Socialmente Responsável (Socially Responsible Investment) – Open-Ended Investment Fund was also launched in early 2017, to provide adherents with access to a diversified portfolio of assets made up of companies with above-average sustainability performance

(Ethibel Sustainability Index® (ESI) Excellence Europe)

Relevant topics:

PRODUCTS WITH ENVIRONMENTAL BENEFITS

PRODUCTS AIMED AT SUPPORTING SMES, INSTITUTIONAL CUSTOMERS AND ANSWERS TO SOCIETY'S EMERGING CHALLENGES

COMMERCIAL BANKING – RETAIL CUSTOMERS

- **Caixa Viva Card:** a bank debit card that allows the automatic payment of trips in the public transports of the Lisbon Metropolitan Area (subway, bus, boat or train). It was designed as an incentive to the use of public transportation. This card recorded **89.6 million euros in transactions in 2015**.
- **Caixa Webuy Pre-Paid Card:** issued only in hard-copy format, without a PIN, and intended exclusively for online payments to domestic or foreign sites with added security, contributing to the fight against tax evasion and the reduction of plastic use. **8.6 million euros were transacted in 2016**.
- **Caixa Cabaz Sustentável Maio 2017_PFC**, a deposit indexed for a period of two years, consisting of 5 companies listed in Ethisphere – World's Most Ethical Companies Programme. – **42,101,000 euros and 897,000 euros in deposit balance pertaining, respectively, to individuals and companies, as of 31 December 2016**.
- **Caixa Cabaz Renováveis Agosto 2018**, a deposit indexed to the energy/renewable energy market in the medium-term, comprising companies concerned with climate change (**BASF, Siemens, Monsanto, Calpine Corp. and NextEra Energy** - **71,238,000 euros and 697,000 euros in deposit balance pertaining, respectively, to individuals and companies, as of 31 December 2016**).



COMMERCIAL BANKING – CORPORATE CUSTOMERS

Solução Caixa Empresas – Energias Renováveis (Renewable Energy Sources): This solution aims at promoting corporate investments in the area of renewable energy sources - solar (thermal and photovoltaic), hydroelectric and wind. **60,000 euros in loans granted in 2016.**

EIB Lines: investment in environmental components/BEI XV, aimed at financing energy-saving and environmental protection projects (SME's and other entities, including the central and local government). **3.1 million euros in loans granted in 2016.**

Line of credit for hybrid and electric vehicles, whose purpose is to support investments in hybrid and electric vehicles, as part of Caixa's sustainability policy, intended to finance companies with environmental concerns. **Financing of the acquisition of 69 vehicles, in a total amount of 3,215,000 euros in 2016.**

ASSET MANAGEMENT

- **Caixagest Energias Renováveis – An alternative investment fund**, designed to finance investment projects that contribute to increasing the production of energy from renewable and clean sources, reducing CO₂ emissions and, subsequently, improving environmental quality – **12.6 million euros under its management at the end of the year.**

INVESTMENT BANKING

The project loan portfolio managed by CaixaBI's Project Finance area amounts to 4.139 billion euros, with highlight to financing for various sectors characterised by a strong positive social and environmental impact, including renewable energy sources (508.7 million euros) and waste management (58.1 million euros). During the year 2016, no new projects were financed and the existing portfolio was monitored. Several opportunities were also analysed.



APPENDIX

Statement of verification



Deloitte.

Deloitte & Associados, SROC S.A.
Registo na OROC nº 43
Registo na CMVM nº 20161389
Av. Eng. Duarte Pacheco, 7
1070-100 Lisboa
Portugal

Tel: +(351) 210 422 500
Fax: +(351) 210 427 950
www.deloitte.pt

INDEPENDENT ASSURANCE ENGAGEMENT 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 to the sustainability information issued by Caixa Geral de Depósitos, S.A. ("CGD") for 2016, to analyze:
 - The compliance with the disclosure of sustainability information requirements defined by the Global Reporting Initiative standards for sustainability reporting, GRI Standards, for the "in accordance – comprehensive" option, as well as the reliability of the related 2016 information provided, as for CGD;
 - CGD's greenhouse gas (GHG) emissions offset information and the underlying process, carried out by reference to 2016, in accordance with the concepts, criteria and methods relevant to its operation as defined by CGD and publicly disclosed within the scope of this report; and
 - The alignment with the disclosure of sustainability information requirements defined by the GRI Standards, within the scope of the GRI performance indicators and management approaches, of Banco Interatlântico, S.A., Banco Comercial do Atlântico, S.A., Banco Caixa Geral Brasil, S.A., and Mercantile Bank Holdings, Ltd. ("Affiliate banks"), included in this report, as well as the reliability of the underlying 2016 information,

being that information disclosed through the "Annual Report 2016" and the "Sustainability Report 2016", as well as other documents available in CGD website, as identified in the "2016 GRI Content Index".

Responsibilities

2. It is the responsibility of CGD's Board of Directors to prepare the sustainability report in accordance with the GRI Standards, in the context of the criteria established in this reference framework and the additional ones defined by CGD and expressed in that report, as well as the maintenance of an internal control system and appropriate information capture and processing systems and processes to ensure such preparation. It is also the responsibility of CGD's Board of Directors to define the scope and criteria for GHG compensation, as well as the maintenance of an internal control system and systems and processes for the offsetting and capture and processing of the underlying information appropriate, according to the established criteria. Our responsibility is to express an independent conclusion on that compliance and reliability of the underlying information.

Scope of our work

3. We conducted our review in accordance with 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. We are independent from CGD and Affiliate banks in the terms of the law and we have fulfilled our other ethical responsibilities arising from the requirements of the ethical code of the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas").

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

Type: Sociedade Anónima | Tax and CRC Registration no.: 501776311 | Share capital: € 500,000 | Head offices: Av. Eng. Duarte Pacheco, 7, 1070-100 Lisboa | Porto Office: Bom Sucesso Trade Center, Praça do Bom Sucesso, 61 - 13º, 4150-146 Porto

Deloitte.

Deloitte & Associados, SROC S.A.
Registo na OROC nº 43
Registo na CMVM nº 20161389

Page 2 of 2

4. Our work is summarized as follows:

- Interviews with CGD's responsible for the management of the sustainability strategy and preparation of sustainability reporting and for the management of GHG emissions compensation, as well as those responsible for the reporting data of CGD and Affiliate banks, in order to know and understand the principles of management and reporting, as well as the systems and processes adopted;
- Review, on a sample basis, the effectiveness of the systems, processes and criteria applied to capture, process and report the 2016 data related to the information reviewed by us, including existing systems, processes and criteria for:
 - a) Quantify the GHG emissions associated with the compensation processes;
 - b) Evaluate and select the credits generated by reduction projects used to offset these emissions; and
 - c) Obtain and allocate credits in sufficient quantity to guarantee the compensation of the abovementioned emissions;
- Analytical data review and tests, on a sample basis, to the quantitative and qualitative information within the scope of our work, by obtaining confirmations and related evidences;
- Review of compliance of the CGD contents included in the sustainability report, as indicated in the "2016 GRI Content Index", with the information disclosure requirements set out in the GRI Standards for the "in accordance – comprehensive" option, and revision of the alignment with the requirements established in this framework in the case of GRI management indicators and approaches related to Affiliate banks, taking into account the general standard and the respective supplement for the financial sector; and
- Verification of the consistency of information included in the sustainability report with the results of our work, and with relevant information included in the audited CGD and Affiliate banks 2016 separate financial statements.

Conclusion

5. Based on the work described in paragraph 4 above, nothing has come to our attention that leads us to conclude that the sustainability information referred to in paragraph 1 above is not, in all material respects: (i) in accordance with the disclosure of sustainability information requirements set out in the GRI Standards for the "in accordance – comprehensive" option, including the reliability of the underlying 2016 information relating to CGD; (ii) free of material misstatements in regard to CGD's GHG compensation and the underlying process, carried out by reference to 2016, in accordance with the concepts, criteria and methods relevant to its operation; and (iii) aligned with the sustainability information disclosure requirements for set out in the GRI Standards within the scope of the GRI performance indicators and management approaches of the Affiliate banks, including the reliability of underlying 2016 information.

Lisbon, 28 April 2017

Deloitte & Associados, SROC S.A.

Deloitte & Associados, SROC S.A.
Represented by João Carlos Frade



For further information please visit www.cgd.pt or contact us at sustentabilidade@cgd.pt.