

GRI TECHNICAL SECTION



INTRODUCTORY NOTE

The publication of the second Sustainability Report of Caixa Geral de Depósitos, S.A. represents its continued commitment to publish information on sustainability matters every year.

The CGD 2009 Sustainability Report consists of two independent sections – the Institutional Section and the GRI Technical Section. The Institutional Section is designed to meet CGD stakeholders' expectations, which were defined on the basis of a direct consultation to identify material issues to be reported. The GRI Technical Section meets the requirements of the Global Reporting Initiative.

This segmentation makes the report more reader-friendly for everyone wishing to learn more about the sustainability policies and practices at Caixa Geral de Depósitos.

The scope of the information provided in this report basically covers the activities of Caixa Geral de Depósitos, S.A. in Portugal. It also describes some relevant actions in terms of sustainability at other CGD Group companies. Whenever the information refers to another CGD Group company, it is duly identified. At medium-long term, we will extend the scope of the Sustainability Report to include as many CGD Group companies as possible.

This report was prepared to make adherence to A+ application level of the Global Reporting Initiative. This level of compliance is confirmed by the Review Report found at the end of the GRI Technical Section, made by Deloitte, our independent assurance provider. The assurance process analysed the compliance of the information with the GRI G3 A+ level through the criteria set out in the basic guidelines, the financial service sector supplement, the protocol on degrees of application and indicator protocols. The assurance also verified the reliability of the information associated with these items (strategies, profile and performance indicators) by analysing evidence, in order to guarantee that it appropriately reflected CGD's actual circumstances.

For more information about sustainability at Caixa Geral de Depósitos, S.A. please go to www.sustentabilidade.cgd.pt or contact marca.sustentabilidade@cgd.pt

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

SUSTAINABILITY

REPORT

CGD 2009

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CHAIRMAN'S STATEMENT



Caixa Geral de Depósitos is more and more a reference institution. As a leading institution in the Portuguese financial system, it has met the challenges facing it by making decisions based on ethical criteria designed to contribute to a more balanced and sustainable society. In spite of the current social and economic situation, we firmly believe that our actions can make a significant contribution to our country's development and competitiveness. The impact of the present circumstances on households and companies means that many economies must revise their growth models and companies have to adjust their business models. CGD has kept abreast of this trend and has based its sustainable development on four essential pillars: economically profitable, financially viable, socially fair and environmentally correct.

The main guiding principle of CGD's activity in 2009 continued to be the strategic vision defined by its Board of Directors and approved by its shareholder for 2008-2010. The implementation of this vision is based on six strategic guidelines in view of the main trends expected in the external and internal environment and the CGD Group's positioning in the market, obviously adjusted according to the current economic scenario.

One of these guidelines that we consider essential is a human resource policy based on the company's values and culture, knowledge, communication, performance and talent management, always in a framework of harmonious labour relations. Another vital-guideline focuses on cultural and social development and the promotion of sustainability as a company policy that the CGD Group wishes to strengthen and on the will to become a national benchmark of good governance and ethical conduct.

Our commitment to the community is based on our unshakeable defence of the principles of ethics, transparency and respect for the rules governing our activity, subscription of codes of conduct and good practices, respect for our employees, providing them with better working and personal conditions and also continued, committed sponsorship of social and cultural activities, thereby meeting society's real needs. This active role in the community makes CGD a social bank that focuses on the creation of value.

CGD provided considerable support to a number of social organisations. With the Caixa Fã (Caixa Fan) Fund we sponsored structural projects undertaken in this area by credible institutions with the right execution capacity.

In 2009, we continued to grant microcredit to people setting up their own jobs or small businesses, who had difficult access to or were not eligible to apply for traditional bank loans, thereby creating real success stories.

In the community, CGD is also recognised as a patron of culture. In this area we play an undeniable role in promoting music, literature, art and the Portuguese language in Portugal and all over the world. The activity of Fundação CGD – Culturgest (CGD Culturgest Foundation) is a fundamental pillar in CGD's work in Portuguese cultural life, in the field of cultural activity for the benefit of the Portuguese public and the national and foreign creators and artists. Our activity in 2009 was once again intense in a wide variety of cultural areas. In 2009, we became the design bank. We accepted design as one of the main agents of change and evolution, a catalyst for creativity and sustainable practices and a promoter of Portuguese talent.

Sustainability is a strategic priority for CGD. It is accepted at the highest management level and applied throughout the institution. The implementation of our model of governance for sustainability has created the right conditions for CGD and its multidisciplinary teams to implement and improve the Sustainability Programme in line with best international practices, the country's social, economic and environmental challenges and innovation, differentiation and competitiveness, thereby helping CGD to take the lead in sustainable financial activity in Portugal.

In this context, where the environment was concerned, in 2009 we continued the Caixa Carbono Zero 2010 Programme (2010 Caixa Zero Carbon Programme), which is fundamental to CGD's strategy for climate change, and the growth of our Floresta

Caixa (Caixa Forest), the greatest contribution to the preservation of Portuguese native forests. We stepped up our commitment to the United Nations Environment Programme – Finance Initiative – UNEP FI, through our Banca&Ambiente – Financiar o Ambiente em Portugal 2009–2011 (Banking & Environment – Financing the Environment in Portugal 2009–2011) initiative aimed at spreading knowledge of environmental risks among banks and in the business sector.

We also kept up our relationship with the Carbon Disclosure Project, an initiative that plays a crucial role in the dissemination of information on greenhouse gas (GHG) emissions and strategies for fighting climate change of countless institutional investors all over the world.

We continued to provide financial products designed to minimise the environmental impact of business activities and we encouraged more responsible behaviour. Some of these examples have to do with the Caixa Carbono Zero (Caixa Zero Carbon) credit card, which is aimed at responsible consumption, and an increase in our Energias Renováveis (Renewable Energy) products and a number of lines of credit for small and medium-sized enterprises, which also stimulated entrepreneurship.

We developed the Calculadora de Carbono da CGD (CGD Carbon Calculator), which provides information on everyone's carbon footprint and shows how much carbon dioxide and other GHGs are associated with daily activities.

The Nova Geração de Cientistas Polares Programme (New Generation of Polar Scientists Programme) is the fruit of a partnership set up in 2009 between Caixa Geral de Depósitos and the Portuguese International Polar Year Committee and represented a very important step forward in the promotion of polar science in Portugal. Also in this area, pursuing our energy efficiency programme, CGD became the first bank in Portugal to generate “clean energy” when it converted 10% of its branch network into microgeneration units using photovoltaic systems.

This second report, directed to our stakeholders, describes the commitment, responsible and active participation of Caixa Geral de Depósitos in the different facets of sustainability and the short-, medium-and long-term pledges that it has made in this field.



Fernando Faria de Oliveira
Chairman of the Board of Directors

01. STRATEGY AND ANALYSIS

1.1 CHAIRMAN'S STATEMENT

See the statement from the Chairman of Caixa Geral de Depósitos Board of Directors published at the beginning of the two sections of the 2009 Sustainability Report. This statement reflects the importance of sustainability to Caixa Geral de Depósitos along with its vision and strategic priorities and defines the main goals and challenges in this area.

1.2 KEY IMPACTS, RISKS AND OPPORTUNITIES

The impacts of the activity of Caixa Geral de Depósitos (CGD) come essentially from three factors:

- Its importance as a reference institution in the Portuguese financial sector;
- Its position as the Portuguese market leader;
- The importance of the financial sector to balanced economic growth and the contribution that this growth can make to incorporating sustainability more in the economy in general.

Therefore, considering the specificity of the financial business, there are a number of positive and negative impacts caused by CGD's activity, namely:

- Sustainable economic development;
- Stepping up the competitiveness, capacity for innovation and internationalisation of Portuguese companies;
- The stability and solidity of the Portuguese financial system;
- Job creation;
- Development of local communities;
- Social responsibility;
- Promotion of responsible consumption by means of products encouraging this;
- Promotion of renewable energies by offering products fostering their use;
- Encouragement of sustainable development at schools and banks and in society as a whole;
- A reduction in the environmental impact in general and climate change in particular as, although this is not a specific aspect of the financial sector, it is an issue in which CGD wishes to play an active role.

After identifying the positive impacts and the inevitable negative ones of CGD's activity have been identified (e.g. the use of natural resources linked with our activity, the production of effluent and waste), it is possible for us to understand the risks and opportunities brought to our business by sustainability.

The main risks we face are:

- Living up to the expectations of the market and society;
- Fraud and money laundering;
- Anticipating financial risks arising from our customers' environmental factors;
- Customers' perceived satisfaction with the quality of our service.

Opportunities:

- Creating financial products that promote:
 - + the development of companies operating in the environmental sector;
 - + social inclusion;
 - + the protection and enhancement of biodiversity;
 - + sustainable consumption by offering credit cards with social and environmental concerns (Caixa Carbono Zero and Caixa Fã);
 - Identifying action to be taken in Brazil and Africa.
-

In this context, CGD has made voluntary commitments by joining the Carbon Disclosure Project and the United Nations Environment Programme Finance Initiative (UNEP FI).

In order to actually implement these commitments, in 2009 CGD developed a model of governance for sustainability, which is an essential tool for effectively managing risks and opportunities and fulfilling CGD's pledges in this area. The model was approved by the Board of Directors in March 2010 and makes the BoD ultimately responsible for sustainability, through its Chairman. It defines the corporate bodies involved, their remit and the relevant information flows.

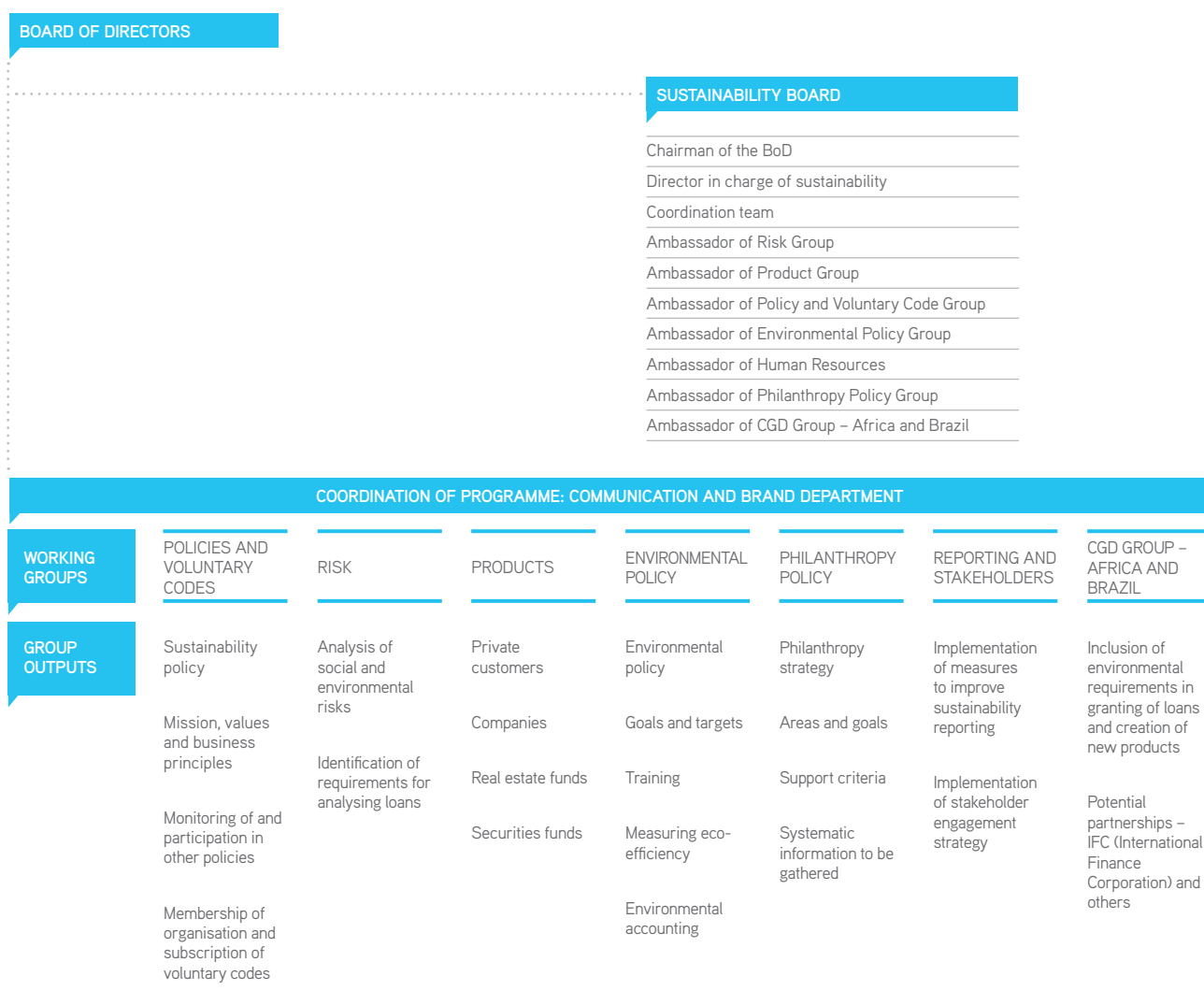
Seven working groups were set up to handle the main sustainability risks and opportunities identified in the diagnosis performed in 2008⁽¹⁾, with the following priority areas:

- Inclusion of sustainability in CGD's governance model;
- Definition of environmental policy;
- Definition of philanthropy policy;
- Definition of stakeholder relations strategy (including our Sustainability Report);
- Inclusion of social and environmental criteria in company credit risk analysis;
- Design of products and services with positive environmental and social impacts and commercial incentives to sell them;
- Greater inclusion of sustainability in the growth in business in Africa.

⁽¹⁾ This diagnosis was based on a detailed analysis of practices at CGD and in the market and stakeholders' expectations.

The figure below shows how the governance model for sustainability applies throughout CGD:

FIGURE 1 CGD's governance for sustainability model



The risks and opportunities mentioned above were then prioritised on the basis of sustainability trends, CGD's strategic importance and stakeholders' expectations (see point 3.5 for more details).

In line with these priorities, CGD made a number of commitments in its 2008 Sustainability Report. Most of the initiatives planned for 2009 were fully implemented. New commitments were also made in 2009. The table below summarises all this information:

COMMITMENT		GOALS	START	END	STATUS
EMPLOYEES	Talent management	Manage high-potential employees' motivation and personal development	2009	Ongoing	Fulfilled 2009
		Create development programmes dedicated to CGD in conjunction with the main universities	2009	Ongoing	Fulfilled 2009
		Support employees in obtaining master's degrees	2009	Ongoing	Fulfilled 2009
	Internal mobility	Intensify dissemination of national and international internal mobility	2009	Ongoing	Fulfilled 2009
	Knowledge management	Guarantee an average of at least 35 hours of training per employee	2009	Ongoing	Fulfilled 2009
	Environmental training	Train employees and raise their awareness of our environmental policy, including training in environmentally responsible products and services	2010	Ongoing	Underway
	Study of social climate	Appraise employee satisfaction	2010	Ongoing	Underway
CUSTOMERS	Quality- Customer Support Office	Increase proactive and development activities, including speeding up handling of complaints	2009	2009	Fulfilled
		Guarantee quality of service by centralising, analysing, dealing with and responding to all customer complaints and suggestions	2009	2009	Fulfilled
	Microcredit portfolio	Create the right conditions for growth of microcredit portfolio	2009	2010	Fulfilled
	Environmentally and socially responsible products and services	Create new products and services	2009	Ongoing	Fulfilled 2009. See FS7, FS8 and EC9 indicators
		Innovate in financial products and services with direct social and environmental benefits and/or which contribute towards minimising negative social and environmental impacts	2010	Ongoing	Underway
	Incentives	Encourage employees to sell socially and environmentally responsible products and services	2010	Ongoing	Underway
	Social and environmental aspects to be considered when assessing companies' credit risk	Promote CGD employees' knowledge of environmental risks in association with the Banca & Ambiente project, with the UNEP FI	2009	2011	Fulfilled
		Analyse and identify environmental criteria that can be included in credit risk assessments and project finance	2010	2012	Underway

COMMITMENT		GOALS	START	END	STATUS
CUSTOMERS (CONT)	PC Caixa Activa (Active Caixa) – finance for seniors	Combat info-exclusion in senior citizens, include digital literacy content, partnership between CGD, Microsoft, Inforlândia and senior university network	2010	2010 ⁽⁴⁾	New commitment
	Finance model for local authorities (project finance)	Finance strategic projects of local authorities in areas such as energy efficiency, carbon emissions management and urban mobility	2010	Ongoing	New commitment
STAKEHOLDERS	Stakeholder engagement strategy Define a formal strategy for relations with CGD's strategic stakeholders	Conduct materiality test (or identify expectations regarding matters that CGD should address) with external stakeholders and revise materiality test (with internal stakeholders)	2010	2010	Fulfilled
		Introduce formal strategy of engagement with CGD's strategic stakeholders	2010	Ongoing	Rescheduled for 2010
GOVERNANCE	Mission, values and business principles Including sustainability criteria	Define mission, values and general guidelines taking account of sustainability issues	2009	2009	Fulfilled
	Definition of governance model for sustainability Define how sustainability will be managed at CGD	Identify bodies involved and define their competences and information flows	2009	2009	Fulfilled
	Incorporation of sustainability in CGD's governance model	Include environmental, social and governance aspects in CGD's culture	2010	Ongoing	New commitment
COMMUNITY	Philanthropy policy Formalise a community relations policy	Formalise strategic policy on philanthropy and community engagement	2010	2010	Underway
	Contribute to cities' sustainable development	SAER partnership – identify areas in which the regional economy will be able to create wealth under effective, sustainable conditions	2010	2011	New commitment
SUPPLIERS	Listening	Learn priority issues in sustainability of main suppliers (expectations)	2010	Ongoing	Underway
	Sustainability criteria in selection	Gradually include social and environmental selection criteria	2011	2012	Starting up
COMMUNICATION	Promote financial literacy Play an active role in the financial education of customers and the community	Include Saldo Positivo (Positive Balance) in advertising of products and services	2009	Ongoing	Fulfilled

COMMITMENT	GOALS	START	END	STATUS	
COMMUNICATION (CONT)	<p>Promote environmental awareness</p> <p>Educate customers, employees and the community and raise their awareness of the need to preserve the environment</p>	<p>Increase environmental communication on CGD website</p> <p>Step up communication of Caixa Carbono Zero Programme</p> <p>Create Floresta Caixa hotspot</p> <p>Create Nova Geração Cientistas Polares hotspot</p> <p>Include environmental sustainability component in communication</p>	<p>2009</p> <p>2009</p> <p>2009</p> <p>2010</p>	<p>Fulfilled</p> <p>2009</p> <p>Ongoing</p>	<p>Fulfilled 2009. See environmental management approach</p> <p>Fulfilled</p> <p>Fulfilled</p> <p>Fulfilled 2009</p>
	<p>Promote sustainable development</p> <p>Use all CGD communication channels to promote sustainable development</p>	<p>Series of conferences – Um Alerta Global para o Desenvolvimento Sustentável (A global alert for sustainable development)</p> <p>Step up communication on sustainability on www.cgd.pt in Portuguese and English</p> <p>Develop in-house communication on sustainability</p>	<p>2009</p> <p>2010</p> <p>2011</p>	<p>2009</p> <p>Ongoing</p> <p>Ongoing</p>	<p>Fulfilled</p> <p>New commitment</p> <p>New commitment</p>

Note: For a correct understanding of the Commitments Table, please note that the status indicated for commitments after 2009 indicate the level of execution at the time this report was published (after 31 December 2009).

⁽¹²⁾ CCGD's environmental policy was defined in 2009 but will only be formalised in 2010.

⁽¹³⁾ The commitment made in the 2008 Sustainability Report to install 80 photovoltaic microgeneration plants has been met in full.

⁽¹⁴⁾ This line of finance may be prolonged.

02. ORGANISATIONAL PROFILE

2.1 NAME OF THE ORGANISATION

Caixa Geral de Depósitos, S.A., also referred to as CGD throughout this document.

2.2 PRIMARY BRANDS, PRODUCTS AND/OR SERVICES

The CGD Group is the largest financial group in Portugal. It consists of a number of companies that specialise in different business areas and also boasts a considerable presence abroad. Within the group, CGD is the main company and accounts for 65.2% of its banking product.

CGD branches and Caixa Empresas (Caixa Companies) Offices offer a vast range of products for private and corporate customers.

PRIVATE CUSTOMERS	COMPANIES
Deposits and investments	Deposits and investments
Cards	Cash flow support
Home loan solutions	Cards
Insurance	Insurance
Car purchase solutions	Car purchase solutions
Investment	Medium- to long-term loans
Personal loans	Sector-based products
Caixadirecta service	Oferta Ibérica (Iberian Offer)
	Caixa e-banking service

The investment solutions offered by the commercial network are managed and developed by Caixa Gestão de Activos, the CGD Group's asset management company.

CAIXA BI⁽⁵⁾ is responsible for the Group's major role in financing large projects with positive social and environmental impacts in Portugal and abroad. Where investment banking is concerned, CGD also operates in the areas of project finance and venture capital.

CGD has special lines of credit to finance exports and others, such as those to finance activities with positive social and environmental impacts in Portugal and developing countries. There are also lines resulting from agreements in partnership with international banks – KfW, the European Investment Bank, the Council of Europe Development Bank and the World Bank's International Finance Corporation.

CGD has a bank distribution network that covers the whole country and commercial facilities in all its districts.⁽⁶⁾

Note:

More detail on products and services can be found in indicators EC8, EC9, FS7 and FS8 on www.cgd.pt/particulares, www.cgd.pt/empresas and 1.4.3. in the CGD 2009 Annual Report and Accounts.

⁽⁵⁾ The vast majority of Caixa BI operations are reported in the Caixa Geral de Depósitos, S.A. balance sheet.

⁽⁶⁾ Except Porto Moniz, Madeira.

2.3 OPERATIONAL STRUCTURE OF CGD, INCLUDING MAIN DIVISIONS, OPERATING COMPANIES, SUBSIDIARIES AND JOINT VENTURES

The figure below shows the CGD Group's operating structure in terms of geographical location and business area. The scope of the information in this report essentially covers the activities of Caixa Geral de Depósitos, S.A. in Portugal. The report also describes other relevant actions in terms of sustainability taken by other CGD Group companies. Whenever the information refers to another CGD Group company, it is duly identified. At medium and long term, the scope of the Sustainability Report will be broadened to include as many CGD Group companies as possible.

FIGURE 2 CGD Group's operating structure as at 31 December

GRUPO CAIXA GERAL DE DEPÓSITOS				
	NATIONAL		INTERNATIONAL	
COMMERCIAL BANKING	Caixa Geral de Depósitos, S.A.		Banco Caixa Geral (Spain)	99.8%
			Banco Caixa Geral (Brazil)	100.0%
			BNU (Macau)	100.0%
			GCD Offshore Branch Macau	100.0%
			B. Comercial Atlântico (Cape Verde)	65.2%
			B. Interatlântico (Cape Verde)	70.0%
			Mercantile Bank Hold (South Africa)	91.8%
			Parbanca, SGPS	100.0%
			B. Com. Invest. (Mozambique)	51.0%
			Partang, SGPS	50.0%
			Banco Caixa Geral Totta (Angola)	51.0%
ASSET MANAGEMENT	Caixa Gestão de Activos, SGPS	100.0%		
	CaixaGest	100.0%		
	CGD Pensões	100.0%		
	Fundimo	100.0%		
SPECIALISED CREDIT	Caixa Leasing e Factoring - IFIC	100.0%	BCI — ALD (Mozambique)	100.0%
	Locarent	50.0%		
	Credip - IFIC	80.0%		
INVESTMENT BANKING AND VENTURE CAPITAL	Gerbanca, SGPS	100.0%	A Promotora (Cape Verde)	62.2%
	Caixa Banco de Investimento	99.7%	GCI — S. Capital Risco (Mozambique)	39.0%
	Caixa Capital	100.0%		
	Caixa Desenvolvimento, SGPS	100.0%		

GRUPO CAIXA GERAL DE DEPÓSITOS

	NATIONAL		INTERNATIONAL	
INSURANCE AND HEALTH	Caixa Seguros e Saõde, SGPS	100%	Garantia (Cape Verde)	80,9%
	Comp. Seg. Fidelidade Mundial	100%		
	Império Bonança Comp. Seguros	100%		
	Via Directa Comp. de Seguros	100%		
	Cares Companhia de Seguros	100%		
	Companhia Port. de Resseguros	100%		
	Fidelidade Mundial, SGII	100%		
	GEP — Gestão de Perit. Automóveis	100%		
	EAPS — E. Análise, Prev. e Seg.	100%		
	HPP — Hosp. Privados Portugal, SGPS	100%		
	HPP — Lusíadas	100%		
	HPP — Boavista	100%		
	HPP — Algarve	100%		
	HPP Saúde — Parcerias Cascais	100%		
	LCS — Linha de Cuidados de Saúde	100%		
	Multicare — Seguros de Saúde	100%		
	EPS — Gestão de Sistemas de Saúde	100%		
AUXILIARY SERVICES	CGD Culturgest Foundation	100%	Interbancos (Mozambique)	37,0%
	Caixatec — Tecnologias de Informação	100%	SISP (Cape Verde)	20,0%
	Imocaixa	100%	Imobiliaria Caixa Geral (Spain)	100%
	Sogrupa Sistema Informação ACE	—		
	Sogrupa Serviços Administrativos ACE	—		
	Sogrupa IV Gestão de Imóveis ACE	—		
	Caixa Imobiliário	100%		
	CaixaNet	80%		
	ESegur	50%		
	SIBS	21.6%		
	Unicre	17.6%		
	Trionis	2.2%		
OTHER FINANCIAL HOLDINGS				
OTHER HOLDINGS	Parcaixa, SGPS	51%	Seap (Macau)	25%
	Caixa Participações, SGPS	100%	Jetco (Macau)	0.01%
	Wolfpart, SGPS	100%		
	Banco Comercial Português	2.7%		
	Banco Inter. São Tom e Príncipe	27%		
	Portugal Telecom	7.3%		
	EDP	5.7%		

OTHER FINANCIAL HOLDINGS (CONT)

OTHER HOLDINGS (CONT)		
REN — Redes Energéticas Nacionais		1.1%
Galp Energia		1.9%
ZON Multimédia		17.4
Tagus Parque		10.0%
AdP Águas de Portugal, SGPS*		19.0%
SOFID Soc. - Financ. Desenv. IFIC		10.0%
Turismo Fundos, SGFI		33.5%
Floresta Atlântica, SGFI		11.9%
Brisa		1.7%
Cimpor		9.6%

^(*) This holding is held indirectly through Parcaixa, SGPS, S.A in which Caixa has a holding greater than 51% and Parpública holds the remaining 49%.

2.4 LOCATION OF ORGANISATION'S HEADQUARTERS

CGD's registered office is at Avenida João XXI, 63, 1000-300 Lisbon.

2.5 NUMBER OF COUNTRIES WHERE THE ORGANISATION OPERATES AND NAMES OF COUNTRIES WITH EITHER MAJOR OPERATIONS OR THAT ARE SPECIFICALLY RELEVANT TO THE SUSTAINABILITY ISSUES COVERED IN THE REPORT

At the end of 2009, CGD's commercial network had 848 branches in Portugal, 18 more than in the previous year, as shown in the table below.

TABLE 2 Commercial network of CGD, S.A. in Portugal

COMMERCIAL NETWORK IN PORTUGAL	MAINLAND	AZORES	MADEIRA
BRANCHES	766	25	18
CAIXA EMPRESAS OFFICES	37	1	1

In 2009, CGD continued to modernise the network. It refurbished 74 branches and built new premises for the relocation of another 6 branches.

The network of CGD, S.A. branches and representative offices abroad consisted of 62 units, as shown in the table below.

TABLE 3 CGD, S.A. commercial network abroad

COUNTRY/CITY	BRANCH/REPRESENTATIVE OFFICE
FRANCE	46
TIMOR	8
LUXEMBOURG	2
NEW YORK	1
LONDON	1
SUCURSAL FINANCEIRA EXTERIOR - MADEIRA (MADEIRA EXTERIOR FINANCIAL BRANCH)	1
CAYMAN ISLANDS	1
SPAIN	1
ZUHAI (CHINA)	1

Although it does not fall within the scope of this report, it is important to mention that the CGD Group has a strong international presence in Spain and the Portuguese-speaking world. Banco Caixa Geral Totta de Angola was opened, the BCI network in Mozambique was enlarged and the Group returned to Brazil, where Banco Caixa Geral Brasil (BCG Brasil) went into operation.

Note:

More details on the CGD Group banking network can be found in point 1.4.5 of its 2009 Annual Report and Accounts.

2.6 NATURE OF OWNERSHIP AND LEGAL FORM

Caixa Geral de Depósitos is a public limited company owned by a single shareholder, the Portuguese state.

2.7 MARKETS SERVED (INCLUDING GEOGRAPHIC BREAKDOWN, SECTORS SERVED AND TYPES OF CUSTOMERS / BENEFICIARIES)

See point 2.5.

2.8 SCALE OF THE REPORTING ORGANISATION

The table below provides information illustrating the scale of CGD's activity.

TABLE 4 Main figures on activity of Caixa Geral de Depósitos, S.A. in 2009

	MILLIONS OF EUROS IN 2008	MILLIONS OF EUROS IN 2009	GROWTH RATE AGAINST 2008
BANKING PRODUCT	2,764	1,956	-29%
NET PROFIT	484	241	-50%
DISTRIBUTION OF DIVIDENDS (STATE)	300	170	-43%
LOANS GRANTED ⁽⁷⁾	65,242	67,095	3%
CUSTOMERS' RESOURCES AND OTHER LOANS	50,551	53,713	6%

⁽⁷⁾ Gross assets were considered.

	No. OF EMPLOYEES IN 2008	No. OF EMPLOYEES IN 2009	GROWTH RATE AGAINST 2008
EMPLOYEES IN PORTUGAL	10,927	10,906	- 0.19%
EMPLOYEES ABROAD	16	25	56.25%

	TOTAL No. IN 2008	TOTAL No. IN 2009	GROWTH RATE AGAINST 2008
BRANCHES IN PORTUGAL	792	809	2.15%
OFFICES IN PORTUGAL	39	39	0.00%

2.9 SIGNIFICANT CHANGES DURING THE REPORTING PERIOD REGARDING SIZE, STRUCTURE OR OWNERSHIP

In May 2009, the Portuguese Government approved a share capital increase of 1 billion euros ascending the capital to 4.5 billion euros.

CGD opened 18 new branches in 2009. Where the CGD Group's international business was concerned, it opened Banco Caixa Geral Totta de Angola, added to the BCI network in Mozambique and returned to Brazil, where Banco Caixa Geral Brasil (BCG Brasil) went into operation.

2.10 AWARDS RECEIVED BY CGD IN 2009

- The information on awards in this point is divided as follows:
- CGD activity;
- the CGD brand;
- CGD Group activity.

CGD activity

- World's 50 Safest Banks from *Global Finance* magazine - CGD was ranked 34th amongst the 50 safest banks in the world and was the only Portuguese bank on the list. The selection was made from amongst the world's 500 largest banks on the basis of total assets and long-term ratings;
- PricewaterhouseCoopers Prémio Cidadania da Empresas e das organizações (Citizenship Award for Companies and Organisations) for the Caixa Carbono Zero 2010 Programme as the best environmental initiative;
- Prémio EDP – Energia Eléctrica e Ambiente (Electricity and Environment), which was awarded to CGD in the Services and Other Activities category as the institution with the highest energy efficiency;
- CGD was voted as a trusted brand in environmental action in 2009 in the banking category in Portugal, for having undertaken the most initiatives to preserve the planet;
- Climate Responsibility: ACGE Index - CGD achieved third place in the ACGE Index for its performance in improving its energy efficiency in 2008;
- OSCARDS 2009 - the LOL Júnior Card received the international award in the prepaid card category. Three of Caixa's cards were finalists: the Made by card in the technology category, the Caixadrive card in the loyalty category and the HPP Saúde card in the services and advantages category, which demonstrates recognition of its work in the field of innovation.

CGD brand

- The Caixa Geral de Depósitos brand was voted Trusted Brand in Portugal for the ninth time running in the Reader's Digest Trusted Brands survey conducted since 2000;
- Superbrands – Marca de Excelência, an award given to brands that add an emotional dimension to functional, objective performance to create customer loyalty;

-
- For the second time running, the Caixa Geral de Depósitos brand was considered in the Brand Finance Banking 500 and was voted the most valuable Portuguese brand (101st place). Brand Finance Global Banking 500 is a partnership between Brand Finance and The Banker magazine which assesses the value of brands in the financial sector every year.

CGD Group activity

The following awards were given to CGD Group companies in 2009:

- CAIXA BI:
 - + *The Banker* awarded Deal of the Year 2009 for Europe as Mandated Lead Arranger of the Tuin Zonne project in the project finance category;
 - + Best Investment Bank in Portugal 2009 by *Global Finance* magazine;
 - + Europe Health Deal of the Year 2009 from the Euromoney Group *Project Finance* magazine as Mandated Lead Arranger for the construction and maintenance of the new Braga Hospital and management of its clinic.
 - CAIXA BI and Banco Caixa Geral Brasil:
 - + Americas Deal of the Year 2009 and Transport Deal of the Year 2009 awards from *Project Finance International* magazine.
-

03. REPORT PARAMETERS

3.1 REPORTING PERIOD FOR INFORMATION PROVIDED

2009 calendar year.

3.2 DATE OF MOST RECENT PREVIOUS REPORT

2008 Sustainability Report.

3.3 REPORTING CYCLE

CGD publishes sustainability reports on an annual basis.

3.4 CONTACT POINT FOR QUESTIONS REGARDING THE REPORT OR ITS CONTENT

For further information on the 2009 Sustainability Report 2009 please contact marca.sustentabilidade@cgd.pt.

3.5 PROCESS FOR DEFINING REPORT CONTENT

A materiality analysis was conducted in accordance with GRI guidelines in order to identify and rank material issues to be included in the approach to sustainability and the report.

We first performed a benchmark analysis to categorise matters that had been mentioned most often in sustainability reports in the sector and the selection criteria of the main stock exchange indices in sustainability worldwide (FTSE4GOOD and DJSI).

We then conducted an exercise with a group of 40 CGD employees, who identified the bank's priority stakeholders (more details in 4.14 and 4.17). These employees also performed another exercise in which they selected and ranked issues and considered the relevance of each for CGD, and their perception of the issues' importance to external stakeholders.

All the issues identified in these exercises were then submitted for selection and ranking to 316 stakeholders representing the following priority groups: private customers, corporate customers, employees, suppliers, private charities, non-governmental organisations, shareholder and regulatory bodies. We received 160 valid answers (51% response rate).

The table below indicates the 12 material reporting issues identified, in descending order of importance. This result was obtained by cross-referencing the answers to the questions: "Which issues does CGD value most?" and "What issues should be valued more?" Each answer was given the same weighting regardless of the stakeholder group to which the respondent belonged.

TABLE 5 Issues for reporting

ISSUES ON WHICH CGD SHOULD PROVIDE INFORMATION IN ITS 2009 SUSTAINABILITY REPORT	MORE INFORMATION IN:
QUALITY OF SERVICE AND CUSTOMER SATISFACTION	PR indicators and management approach
ROLE IN FINANCING PORTUGUESE BUSINESSES, ESPECIALLY WITH FAVOURABLE CONDITIONS FOR SMES	FS6 and FS7 indicators and management approach
ANTI-CORRUPTION POLICIES AND PRACTICES	SO2, SO3 and SO4 indicators and management approach
DIRECT INVESTMENTS IN CHARITABLE ORGANISATIONS	EC8 indicator and social management approach

ISSUES ON WHICH CGD SHOULD PROVIDE INFORMATION IN ITS 2009 SUSTAINABILITY REPORT (CONT.)	MORE INFORMATION IN: (CONT.)
POLICIES AND PRACTICES ON CLARITY OF INFORMATION ON PRODUCTS AND SERVICES GIVEN TO CUSTOMERS	PR3 and PR6 indicators and management approach
PRODUCTS AND SERVICES THAT ENCOURAGE COMPANIES, ESPECIALLY SMES, TO MAKE INVESTMENTS THAT REDUCE THEIR ENVIRONMENTAL IMPACT OR HELP CREATE ENVIRONMENTALLY RESPONSIBLE BUSINESSES	FS8 and EN26 indicators and management approaches
EMPLOYEE ENVIRONMENTAL TRAINING AND AWARENESS	FS8 indicator and management approach
BALANCE BETWEEN WORK AND PERSONAL LIFE	Labour management approach
ACCESSIBILITY (PHYSICAL AND TECHNOLOGICAL) FOR PEOPLE WITH PHYSICAL DISABILITIES	FS14 indicator and management approach
ECO-EFFICIENCY MEASURES AT FACILITIES	EN3 - EN5 and EN18 indicators and management approach
SOCIAL CRITERIA IN CREDIT RISK ANALYSIS IN COMMERCIAL BANKING	FS1 and FS2 indicators and management approach
SYSTEMATISED STAKEHOLDER DIALOGUE PRACTICES	Points 4.14 to 4.17

This report has been structured on the basis of these material issues. CGD has responded to the main questions and expectations valued by the different stakeholders, not only in the above points but also through information provided in the Institutional Section of this report.

This Sustainability Report is based on the GRI principles:

- **Relevance** – The GRI method was used to identify material issues to be reported (shown above).
- **Clarity and inclusion of stakeholders** – We identified strategic stakeholders and the way in which their questions were answered and expectations met. We have explained the process used in identifying strategic stakeholders and the action taken and planned to strengthen relations with them. The 2009 CGD Sustainability Report has been divided into two separate sections in order to meet the information needs of different readers. The Institutional Section is for ordinary readers, while the GRI Technical Section is for readers more interested in technical details.
- **Context of sustainability** – The 2009 CGD Sustainability Report contains information on the main trends and challenges in the area. CGD's sustainability performance is described throughout the report.
- **Balance** – The report addresses positive and negative aspects of CGD's sustainability performance. The less positive aspects are confronted and described as challenges and opportunities for improvement.
- **Comparability** – The purpose of the information is to enable readers to assess CGD's performance in the last two years. All the figures for 2009 have been calculated in accordance with the GRI for the period so that they can be compared with other companies' performance.
- **Accuracy and reliability** – All the information reported is accurate and reliable. Methodological notes are added whenever estimates are made. Furthermore, the report has undergone external assurance by Deloitte, which audited all the data considered essential by the GRI within the scope of its competences.
- **Scope** – This report contains information about all the relevant activities of CGD, S.A. in a sustainability context. The information reported relates to all relevant activities undertaken by CGD, S.A. and its subsidiaries, with the exception of environmental and labour performance indicators, which are limited to activity in Portugal, and other exceptions indicated in the report.

3.6 BOUNDARY OF THE REPORT

The report covers the activity of Caixa Geral de Depósitos, S.A. in Portugal and of its branches abroad⁽⁸⁾.

These operations represent:

- 65.2% of the CGD Group's product;
- 86.4% of its net profit;
- 49.2% of its employees.

3.7 STATE ANY SPECIFIC LIMITATIONS ON THE SCOPE AND BOUNDARY OF THE REPORT

All limitations on the scope and boundary of the report are mentioned next to each indicator.

3.8 BASIS FOR REPORTING ON JOINT VENTURES, SUBSIDIARIES, LEASED FACILITIES, OUTSOURCED OPERATIONS, AND OTHER ENTITIES THAT CAN SIGNIFICANTLY AFFECT COMPARABILITY FROM PERIOD TO PERIOD AND/OR BETWEEN ORGANISATIONS

When drafting the report, we considered the activity of Caixa Geral de Depósitos, S.A. and its foreign branches. None of the other companies in which the CGD Group holds positions have been included for practical reasons.

3.9 DATA MEASUREMENT TECHNIQUES AND THE BASES OF CALCULATIONS, INCLUDING ASSUMPTIONS AND TECHNIQUES UNDERLYING ESTIMATIONS APPLIED TO THE COMPILATION OF THE INDICATORS AND OTHER INFORMATION IN THE REPORT

All the methodological notes required for a proper understanding of the information reported and changes in calculation methods are mentioned next to the indicators to which they refer.

3.10 EXPLANATION OF THE EFFECT OF ANY RE-STATEMENTS OF INFORMATION IN PREVIOUS REPORTS AND THE REASONS FOR SUCH RE-STATEMENT (E.G. MERGERS/ACQUISITIONS, CHANGE OF BASE YEARS/ PERIODS, NATURE OF BUSINESS, MEASUREMENT METHODS)

3.11 SIGNIFICANT CHANGES FROM PREVIOUS REPORTING PERIODS IN THE SCOPE, BOUNDARY OR MEASUREMENT METHODS APPLIED IN THE REPORT

During the assurance process, an inaccuracy was detected in the values reported in 2008 for indicator **EN1**, which had an effect on the paper consumption figures for that year. The figure for paper use in 2008 has been corrected in this report in order to provide a comparable base for the two CGD reports.

With regard to the figures for **EN22**, in 2009 the method for calculating quantities of waste produced by CGD and managed by the Lisbon City Council were improved and the total quantities extrapolated from their weight by sampling.

3.12 TABLE IDENTIFYING THE LOCATION OF THE STANDARD DISCLOSURES IN THE REPORT

The GRI Technical Section of the 2009 CGD Sustainability Report responds to all the standard disclosures.

3.13 POLICY AND CURRENT PRACTICE WITH REGARD TO SEEKING EXTERNAL ASSURANCE FOR THE REPORT

The GRI Technical Section abides by level A+ GRI G3 guidelines. This level of compliance with the GRI G3 has been confirmed by the assurance from Deloitte & Associados, SROC, S.A., the independent assurance provider, which can be found at the end of this section.

⁽⁸⁾ For the environmental and labour performance indicators (with the exception of LA1) the activity of CGD's foreign branches was not considered. These branches represent 6.8% of all CGD, S.A. branches. Their contribution to CGD's net profit was 7.5%.

This assurance analysed whether the information provided on strategy and profile and performance indicators complied with that required by GRI G3 for the level in question based on the criteria established in the basic guideline, considering the financial service sector supplement, the protocol on degrees of application and indicator protocols.

The assurance also verified the reliability of the information associated with these items, "Strategy and profile" and "Performance indicators", by analysing evidence, in order to guarantee that it appropriately reflected CGD, S.A. actual circumstances.

04. GOVERNANCE, COMMITMENTS AND STAKEHOLDER ENGAGEMENT

4.1 CGD'S GOVERNANCE STRUCTURE, INCLUDING COMMITTEES UNDER THE BOARD OF DIRECTORS RESPONSIBLE FOR SPECIFIC TASKS, SUCH AS SETTING STRATEGY OR ORGANISATIONAL OVERSIGHT

4.2 INDICATE WHETHER THE CHAIR OF CGD'S BOARD OF DIRECTORS IS ALSO AN EXECUTIVE OFFICER (AND, IF SO, THEIR FUNCTION WITHIN THE ORGANISATION'S MANAGEMENT AND THE REASONS FOR THIS ARRANGEMENT)

CGD's corporate bodies are:

- General Meeting of Shareholders (GMS);
- Board of Directors (BoD);
- Audit Committee (AC);
- Certified auditor.

The officers of the GMS are one chairman, one vice-chairman and one secretary. The current term of office of the GMS members is from 2008 to 2010. The Minister of Finance appoints the representative of the shareholder (the Portuguese Government) at the GMS, which the directors and AC members must always attend.

The BoD consists of seven members: one chairman, one vice-chairman and five directors, who are elected at the GMS. Their term of office is from 2008 to 2010. They all hold executive positions and are responsible for delineating the whole internal organisation, managing business and defining strategies so that CGD's goals are fulfilled.

The chairman of the Board of Directors has executive functions and is responsible for the following areas: institutional relations, institutional communication (including sustainability) and press relations, general secretariat, Board of Directors support office, financial holdings, internal audits and credit risk.

The BoD has delegated powers of decision in the following bodies, which consist of BoD members and their central directors⁽⁹⁾:

- Loan Board;
- Extended Loan Board;
- Delegate Marketing, Communication and Network Board;
- Delegate Personnel, Resource and Systems Board;
- Assets and Liabilities Committee.

The supervision of the CGD is the responsibility of the AC (which consists of one chairman, two permanent members and two substitutes which are elected by the GMS) and two firms of certified auditors. Their current term of office is from 2007 to 2009 (one permanent, Oliveira Rego & Associados, SROC, and a substitute, Álvaro, Falcão e Associados, SROC), selected by the AC. The AC selects and hires the body in charge of the independent auditing of CGD's accounts.

The annual audit of CGD's accounts is performed by an independent firm, Deloitte & Associados, SROC, SA, which is in direct contact with the Audit Committee and the Department of Accounting and Consolidation of Financial Information. As set out in Council of Ministers Resolution 49/2007, the Audit Committee selects and hires the external auditor and ensures its independence.

⁽⁹⁾ For more information on the composition and rules governing these bodies, please refer to point 3.5.6 of the 2009 Annual Report and Accounts

4.3 NUMBER OF CGD DIRECTORS THAT ARE INDEPENDENT AND/OR NON-EXECUTIVE MEMBERS

All CGD directors hold executive positions and are elected by the only shareholder – The Portuguese Government. Under current regulations, none of them can be considered independent.

4.4 MECHANISMS FOR THE SHAREHOLDER AND EMPLOYEES TO PROVIDE RECOMMENDATIONS OR DIRECTION TO CGD'S BOARD OF DIRECTORS

Formal communication between the shareholder and the BoD takes place at the GMS, the main duties of which are:

- To consider the annual report and accounts;
- To decide on the proposed appropriation of profits;
- To conduct a general appreciation of CGD's management and oversight every year;
- To elect the members of the BoD and appoint its chairman and vice-chairman and elect the members of the AC and appoint its chairman;
- To decide on amendments to the articles of association, increases in share capital and the remuneration of the members of the corporate bodies.

The shareholder has therefore identified and informed the BoD of issues related to CGD's social, economic and environmental performance, such as compliance with the principles of good governance of state-owned corporations and CGD's importance to sustainable development.

Employees communicate with the BoD through the Workers' Committee, which meets with the BoD every month.

Employees have identified and informed the BoD of issues related to the dissemination of rights and duties, compliance with the new Labour Code, observance of the CGD Code of Conduct, the performance management system, health, safety and hygiene conditions and vocational training, among others.

Every year, CGD organises an in-house competition called Caixa de Ideias (Ideas Box), in which all employees are invited to submit innovative ideas. The jury consists of staff from some central departments and a BoD member. It awards prizes to the best ideas and ensures that all those with the greatest potential are implemented and that the contestant is involved.

4.5 LINKAGE BETWEEN COMPENSATION FOR CGD DIRECTORS, SENIOR MANAGERS AND EXECUTIVES (INCLUDING DECISION-TAKING AGREEMENTS) AND THE ORGANISATION'S PERFORMANCE (INCLUDING SOCIAL AND ENVIRONMENTAL PERFORMANCE)

The Board of Directors is evaluated on the basis of CGD's economic performance and there is no variable component in the directors' compensation depending on social or environmental performance.

In 2009, the Brand and Communication Department assigned six employees to sustainability and social responsibility. The performance assessment of each of these employees was indexed to the achievement of specific sustainability goals.

4.6 PROCESSES IN PLACE FOR CGD'S BOARD OF DIRECTORS TO ENSURE CONFLICTS OF INTEREST ARE AVOIDED

CGD's directors comply with all standards on conflict of interest in the Public Manager Statutes. They inform the Inspectorate-General of Finance of all shareholdings and interests that they own directly or indirectly in the companies where they work.

The CGD Code of Conduct (available on [www.cgd.pt/governo da sociedade/código de conduta](http://www.cgd.pt/governo%20da%20sociedade/codigo%20de%20conduta)) for all employees and corporate bodies also demonstrates CGD's firm commitment to avoiding conflict of interest in relations between its directors, employees, shareholder and customers. Breach of the Code of Conduct by any CGD employee may result in disciplinary action and sanctions in accordance with its severity.

4.7 PROCESSES IN PLACE FOR DETERMINING THE QUALIFICATIONS AND EXPERTISE OF THE MEMBERS OF CGD'S BOARD OF DIRECTORS FOR GUIDING THE ORGANISATION'S STRATEGY ON ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE

Applicable legislation is obeyed and there are no social or environmental rules for selecting directors.

4.8 INTERNALLY DEVELOPED STATEMENTS OF MISSION OR VALUES, CODES OF CONDUCT AND PRINCIPLES RELEVANT TO ECONOMIC PERFORMANCE AND THE STATUS OF THEIR IMPLEMENTATION. EXPLAIN THE DEGREE TO WHICH THESE ARE APPLIED ACROSS CGD IN DIFFERENT REGIONS AND DEPARTMENTS / UNITS AND RELATE TO INTERNATIONALLY AGREED STANDARDS

The following are CGD's most important initiatives in this regard:

- Compliance with the principles of good governance of state-owned corporations, available in Chapter 3.2 of the 2009 Annual Report and Accounts;
- CGD's mission and strategic vision for 2008-2010, available in chapters 1.6 and 3.1.2 of the 2009 Annual Report and Accounts;
- The general principles of action for a process of change in the CGD Group for pursuing strategic goals, available in Chapter 3 of the 2009 Annual Report and Accounts;
- CGD's operational risk and internal control programme, available in Chapter 3.7 of the 2009 Annual Report and Accounts;
- CGD's Code of Conduct, which enshrines the rules and principles of professional conduct at Caixa Geral de Depósitos, available on [www.cgd.pt/governo da sociedade/código de conduta](http://www.cgd.pt/governo_da_sociedade/código_de_conduta);
- The Caixa Carbono Zero 2010 Programme as a voluntary commitment with concrete goals and targets, available on www.cgd.pt/institucional;
- CGD's environment policy, the formal definition of which began in 2009, in accordance with CGD's commitments.

4.9 PROCEDURES OF THE BOARD OF DIRECTORS FOR OVERSEEING CGD'S IDENTIFICATION AND MANAGEMENT OF ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE, INCLUDING RELEVANT RISKS AND OPPORTUNITIES AND ADHERENCE OR COMPLIANCE WITH INTERNATIONALLY AGREED STANDARDS, CODES OF CONDUCT AND PRINCIPLES AND FREQUENCY WITH WHICH IT ASSESSES SUSTAINABILITY PERFORMANCE

Pursuant to CGD's governance model, there is effective oversight of the way in which it identifies and manages performance, risks and economic opportunities. It is described in detail in Chapter 3.5 of the 2009 Annual Report and Accounts, from which some examples have been drawn: the Board of Directors boards and committee, the operational risk and internal control (ROCI) programme and the main activities of the Internal Audit Department.

In 2009, there were not yet any specific formal procedures for the management or assessment of social and environmental performance by the Board of Directors.

However, in 2010, the CGD governance model for sustainability was formally adopted (see Point 1.2) in order to respond to the needs set out in this point.

4.10 PROCESSES FOR EVALUATING THE CGD'S BOARD OF DIRECTORS' PERFORMANCE, PARTICULARLY WITH RESPECT TO ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE

The Audit Committee is responsible for drafting an annual report on compliance with the goals set for the BoD by the shareholder.

4.11 EXPLANATION ON WHETHER AND HOW THE PRECAUTIONARY PRINCIPLE OR APPROACH IS ADDRESSED BY CGD

On joining the United Nations Environment Programme Finance Initiative (UNEP FI) in April 2009, CGD committed to respecting the precautionary principle. In addition, through its Caixa Carbono Zero 2010 Programme and environmental policy, approved by the Board of Directors in 2010, CGD includes environmental variables in its risk management, operational planning and the development and release of products and services.

Furthermore, CGD also has precautionary policies and practices for operational risks and internal control, as required by law and international principles, as guaranteed by the ROCI Programme, details of which are available in Chapter 3.7 of the 2009 Annual Report and Accounts.

4.12 EXTERNALLY DEVELOPED ECONOMIC, ENVIRONMENTAL AND SOCIAL CHARTERS, PRINCIPLES, OR OTHER INITIATIVES TO WHICH CGD SUBSCRIBES OR ENDORSES

CGD subscribes to, supports or adopts the following initiatives:

- It abides by the principles of good corporate governance of companies in the state sector. Council of Ministers Resolution 49/2007 has been mandatory for state-owned companies since 2007;
- It has voluntarily subscribed to the Carbon Disclosure Project since 2008;
- It has subscribed to the Voluntary European Code of Conduct on home loans since 2000;
- It adopted the Code of Conduct of the Instituto Civil da Autodisciplina da Publicidade (Civil Institute for Self-discipline in Advertising) in 2000;
- CGD has been a founding member of Enterprise for Health – Healthy Enterprises in a Healthy Europe since 2000;
- It voluntarily joined the United Nations Environment Programme – Finance Initiative on 13 April 2009.

4.13 SIGNIFICANT MEMBERSHIP IN ASSOCIATIONS AND/OR NATIONAL OR INTERNATIONAL ADVOCACY ORGANISATIONS IN WHICH CGD HAS POSITIONS IN CORPORATE GOVERNANCE BODIES; PARTICIPATES IN PROJECTS OR COMMITTEES; PROVIDES SUBSTANTIVE FUNDING BEYOND ROUTINE MEMBERSHIP DUES; VIEWS MEMBERSHIP AS STRATEGIC.

Main organisations to which CGD belongs and considers its membership as strategic or highly important and also has positions in some governance bodies:

- Associação Portuguesa de Bancos (Portuguese Banking Association), where the BoD chairman is a member of its board;
- Instituto Português de Auditoria Interna (Portuguese Internal Auditing Institute), where the Internal Audit Director is its Executive Director;
- Instituto Civil da Autodisciplina da Publicidade, where the Communication Director belongs to its corporate bodies;
- Business Council for Sustainable Development Portugal (BCSD Portugal);
- United Nations Environment Programme – Finance Initiative (UNEP FI);
- Associação Empresarial para a Inovação – COTEC Portugal (Corporate Association for Innovation);
- Competitiveness Forum;
- Instituto Português de Corporate Governance (Portuguese Corporate Governance Institute);
- European Savings Bank Group (ESBG);
- Single Euro Payment Area (SEPA);
- Fundação Portugal África (Portugal-Africa Foundation);
- Fundação Serralves (Serralves Foundation).

4.14 LIST OF STAKEHOLDER GROUPS ENGAGED BY CGD

The stakeholders identified by CGD that should be kept informed, engaged with and consulted are:

- The shareholder – Portuguese Government;
- Employees;
- Private and corporate customers;
- Suppliers;
- Regulatory bodies;
- Local communities: non-governmental organisations and private charities.

There are different degrees of engagement for each of these stakeholders. They are described in more detail in points 4.16 and 4.17.

4.15 BASE FOR IDENTIFICATION AND SELECTION OF STAKEHOLDERS WITH WHOM CGD ENGAGES

An exercise using methods proposed by Accountability was conducted to identify and rank stakeholders. It involved a group of 40 CGD employees with substantial knowledge of the bank's mission, values and strategic vision. They positioned each stakeholder group on the basis of the following criteria:

- Their impact on CGD activities;
- The impact of CGD activities on them.

Cross-referencing of the information from the exercise with the other aspects of CGD's sustainability strategy and benchmark analyses of best practices in the sector produced a list of stakeholders with whom to engage (see point 4.14).

4.16. APPROACHES TO STAKEHOLDER ENGAGEMENT, INCLUDING FREQUENCY OF ENGAGEMENT BY TYPE AND BY STAKEHOLDER GROUP

4.17. KEY TOPICS AND CONCERNS THAT HAVE BEEN RAISED THROUGH STAKEHOLDER ENGAGEMENT, AND HOW CGD HAS RESPONDED TO THOSE KEY TOPICS AND CONCERNS, INCLUDING THROUGH ITS REPORTING

During the preparation of the CGD 2009 Sustainability Report, a sustainability questionnaire was sent to representatives of the different stakeholder groups: employees, private and corporate customers, suppliers, local communities (charities and NGOs), the shareholder and regulatory bodies.

The aim was to identify not only relevant issues for this report but also sustainability management priorities.

The topics identified as most relevant to sustainability reporting are shown in Table 5 - Issues on which CGD should disclose information in its 2009 Sustainability Report, which can be found in point 3.5.

CGD's response to stakeholders' expectations mentioned in the questionnaire and those gleaned from information collected in other ways is described in this report and other programmes and initiatives shown in Table 6.

In the questionnaire the vast majority of stakeholders (99%) said that:

- CGD considered sustainability to be "important" or "very important";
 - The publication of a sustainability report was "important" or "very important".
-

TABLE 6 CGD's dialogue with stakeholders

STAKEHOLDERS	MEANS OF RELATION	FREQUENCY	MATERIAL ISSUES IDENTIFIED	CGD ANSWERS
PRIVATE CUSTOMERS	Satisfaction surveys	Six-monthly	Employees' commercial performance	Training of employees in commercial network
	<i>Azul</i> magazine	Quarterly	Quality of service;	Quality of service assessment programme
	<i>Caixa no Mundo</i> magazine	Quarterly	Anti-corruption policies and practices	New customer care model
	CGD website	Daily	Direct investments in private charities	Training of employees in the prevention of money laundering and funding of terrorism
	Complaint management	Daily	Role in financing SMEs	Projecto Caixa Relação (Caixa Relationship project)
	Sustainability survey	Whenever opportune		Caixa Fã Fund Report and Accounts Sustainability report
CORPORATE CUSTOMERS	Satisfaction surveys	Six-monthly	Quality of customer care	Special lines of finance
	<i>Caixa Empresas</i> magazine	Bimonthly	Quality of service	SME satisfaction programme
	CGD website	Daily	CGD employees' technical performance	Specific service and brand for corporate segment
	Sustainability survey	Whenever opportune	Role in financing companies, especially SMEs	Personalised treatment in Caixa Empresas offices
	Conselhos Abertos (Open boards)	Scheduled though not at regular intervals	Anti-corruption policies and practices Information on economic value generated and distributed Direct investments in private charities	Conselhos Abertos (Open boards) Reports and accounts Sustainability reports
EMPLOYEES	Workers' Committee	Monthly	Dissemination of rights and duties	Monthly meetings with Board of Directors
	Intranet	Daily	Compliance with and consequences of Labour Code	Training plan (e-learning and classroom training)
	<i>Caixa Notícias</i> Newsletter	Monthly	Performance evaluation system	Sustainability reports
	<i>Caixa Pessoal</i> (portal)	Daily	Work conditions and contracts	Performance management and training plan system
	Caixa de Ideias Competition	Annual	Vocational training	Navegar (Browse) project
	<i>Caixa em Revista</i> (in-house magazine)	Quarterly	Balance between work and family life	Social services
	Sustainability report	Whenever opportune	Quality of service and customer satisfaction	Internal mobility opportunities
	Conselhos Abertos (Open boards)	Scheduled though not at regular intervals	Direct investment in the community Financing companies, especially SMEs	
SHAREHOLDER / STATE	General Meeting of Shareholders	Annual	Sustainable economic growth Principles of good governance Contribution to sustainable development	Compliance with principles of good governance of state-owned corporations Reports and accounts Report on corporate governance Sustainability reports
COMMUNITY	CGD Culturgest Foundation	Daily	CGD Involvement in culture, the environment, sports and education.	Caixa Carbono Zero 2010 Programme
	Agreements with universities and polytechnics	Annual		Sponsorships and donations
	Orquestras (Orchestras) Project	Annual		Patronage
	Sustainability survey	Whenever opportune		Sustainability reports
	Conselhos Abertos (Open boards)	Scheduled though not at regular intervals		Conselhos Abertos (Open boards) Caixa Fã Fund Saldo Positivo Ciclo da Poupança (Savings Cycle)
	Caixa Fã Fund	Six-monthly		

STAKEHOLDERS	MEANS OF RELATION	FREQUENCY	MATERIAL ISSUES IDENTIFIED	CGD ANSWERS
REGULATORY BODIES	Specific instructions from regulators (letters, understandings, recommendations)	Ongoing	Duty to provide information before, during and after contract Reform of financial supervision system Corporate governance recommendations	Compliance with sector's regulations and good practices Response to specific Instructions Response to public consultations
	Requests to regulators for clarification	Ongoing	Financial sector pay policy Prevention of money laundering	Internal control report Reports and accounts
	Participation in working groups	Ongoing	Improving employees' vocational qualifications	Sustainability reports
	On-site supervision	Ongoing		
	Public consultations	Ongoing		
	Reports	Ongoing		
SUPPLIERS	Sustainability survey	Whenever opportune	Lines of credit for investments in reducing companies' environmental impact and promoting environmental businesses; Eco-efficiency measures at facilities Systematic dialogue with stakeholders Quality of service and customer satisfaction	Reports and accounts Sustainability reports

05. MANAGEMENT APPROACHES AND PERFORMANCE INDICATORS

ECONOMIC MANAGEMENT APPROACH

Goals and performance

The main purpose of CGD's strategic vision for 2008-2010 is to step up its competitiveness and help Portuguese companies' innovation and international expansion (more details in the 2009 Annual Report and Accounts).

The main economic goals and their fulfilment are indicated in the commitments table in point 1.2 of this section.

In order to enhance CGD's role as a driving force in the Portuguese economy, Caixa Empresas was set up at branches and Caixa Empresas Offices all over the country, including the Azores and Madeira.

CGD offers highly specific lines of finance on advantageous conditions to small and medium-sized enterprises (SMEs). CGD participates in Projecto PME Líder (SME Leader Project) and provides subsidies to QREN projects.

CGD has a tourism credit line as part of the National Strategic Tourism Plan in order to improve quality, innovation and competitiveness of companies in the sector.

CGD's Oferta Ibérica offers solutions to facilitate business with partners in Spain.

CGD's lines of credit for exports stimulate Portuguese companies' exports and promote structural projects in developing countries.

The lines of finance offered by Caixa Empreender (Caixa Entrepreneur) are to help young people who are unemployed or in a precarious situation to create their own jobs.

CGD also interacts with the community and finances it directly in six essential areas: financial literacy and training, environmental education and awareness, culture; solidarity, sports and promotion and dissemination of scientific research.

Policies

Caixa Empresas, aimed at SMEs, represents a high stake in the economic development that CGD offers to the Portuguese production sector, with positive impacts on the national economy in terms of its contribution to the balance of payments and economic growth.

CGD's lines of finance on advantageous conditions are for investments by SMEs in all branches of activity, but especially:

- **Innovation and modernisation** – to increase Portuguese companies' productivity and international competitiveness;
 - **Energy efficiency and environmental protection** – in order to encourage companies to adopt environmentally responsible behaviour while improving their productivity and international competitiveness;
 - **Development and international expansion** – to contribute to international expansion of Portuguese SMEs.
-

CGD is also an agent for training and raising companies' awareness of state incentive programmes and different business opportunities.

Through the Caixa Fã Fund, CGD supports a number of charitable institutions and makes a direct contribution to improving many disadvantaged people's standard of living.

CGD's role as a patron of culture is extremely important, because the Orquestras Project and CGD's sponsorship of countless cultural projects and initiatives decentralise culture and provide access to cultural events outside the main cities.

CGD has set up the Saldo Positivo Programme to promote financial literacy, saldopositivo.cgd.pt, which helps, among other things, to prevent families' overindebtedness. Saldo Positivo has contents specially adapted for different age groups, including young people.

In environmental terms, CGD has been undertaking initiatives as part of the Caixa Carbono Zero 2010 Programme, such as the Floresta Caixa Project and its Competition for Furniture Design with Recycled Materials.

Note:

For more details on the economic management approach, see point 1.2.

ECONOMIC PERFORMANCE INDICATORS

EC1 Direct economic value generated and distributed

TABLE 7 Direct economic value generated and distributed

COMPONENT	€ THOUSANDS		PERCENTAGE OF DISTRIBUTED WEALTH PER STAKEHOLDER
	2008	2009	2009
WEALTH CREATED	2,764,390	1,956,280	—
BANKING PRODUCT	2,764,000	1,429,850	—
WEALTH DISTRIBUTED TO STAKEHOLDERS	1,635,061	1,509,692	100%
GENERAL ADMINISTRATIVE COSTS	414,859	415,068	29.03%
EMPLOYEES	619,563	626,687	43.83%
SHAREHOLDER (STATE)	300,000	170,157	11.90%
TAXES - INCLUDING FINES AND PENALTIES	292,445	208,820	14.60%
SOCIETY	8,194	9,118	0.64%
ACCUMULATED ECONOMIC VALUE (BANKING PRODUCT – WEALTH DISTRIBUTED)	1,128,939	526,430	—

The above table shows wealth created and distributed by CGD in 2009. In the right-hand column are percentages of total wealth distributed to its different stakeholders.

Note:

For more details on CGD's creation of wealth and financial situation see the 2009 Annual Report and Accounts.

EC2 Financial implications and other risks and opportunities for CGD's activities due to climate change

The main purpose of the daily activities in the Caixa Carbono Zero 2010 Programme – Estratégia CGD para as Alterações Climáticas (CGD strategy for climate change) is to fight climate change. Risks and opportunities have been assessed, especially those that will result from increasingly strict environmental laws. This new legislative framework will have impacts on CGD's operations and the activities of its business customers.

There are two types of environmental impacts resulting from our activity that require our attention, direct and indirect impacts. These impacts are described in this report (especially in the sections on management approach and environmental performance indicators) and refer to activity in Portugal by CGD, S.A.

Direct impacts are the result of work at our central buildings and branches and of travel. They take the form of consumption of energy, water and other raw materials required for normal operation and CO₂ emissions from the use of fuel and other energy sources.

Indirect impacts are associated with the way in which our customers use the loans we grant and investments made by CGD. Business activity can have negative environmental impacts, which must be considered in investments and when granting loans. This consideration must favour investment in and use of environmentally friendly technologies and the promotion of projects that in some way minimise the use of natural resources or include environmental criteria in analyses of credit risks.

Direct and indirect impacts are sources of risk. The direct impacts are essentially related to the risk of having to bear the costs of inoperability and fines and losses resulting from a bad reputation. Indirect impacts are the result of losses related to polluted collateral from foreclosed mortgages and the risk of default by companies financed for environmental reasons (as they may be fined or suffer damage to their reputation due to environmental issues, which may lead to default in extreme cases). However, these risks have been gradually transformed into opportunities by the introduction of new lines of business designed to meet new market requirements. Caixa Geral de Depósitos has sought to reduce risks and enhance opportunities, as shown by the examples given in this section (particularly under management approach, environmental performance indicators and the Financial Services Sector Supplement).

We can give examples of initiatives aimed at minimising risks and creating or enhancing opportunities of this kind.

Where operational risks are concerned, there is the CGD Business Continuity Plan. This plan provides solutions in the event of disasters resulting in generalised inoperability of CGD's physical infrastructures, while considering workstations and technological support, or in employees being unable to travel to the workplace. It provides for the following environmental events that may pose threats to CGD's activity:

- Natural disasters: floods, earthquakes and fires;
- Environmental contamination and epidemics.

The plan formalises and promotes appropriate responses that ensure the continuation of business and the processing of operations from an organisational and technological point of view in disaster situations.

Regarding indirect impacts and their risks, CGD's goal is to include environmental aspects in company credit risk analyses. This environmental facet of credit risk assessment will help Portuguese businesses to anticipate the requirements of future legislation. It is to this end that the Banca & Ambiente – Financiar o Ambiente em Portugal 2009-2011 conferences have been conducted under the aegis of the UNEP FI.

Furthermore, the inclusion of the environment in the core business of Caixa Geral de Depósitos is demonstrated by the products and services with positive environmental impacts offered to private and business customers. Examples of these products are Crédito Energias Renováveis (Renewable Energy Credit), Cartão Caixa Carbono Zero (Caixa Zero Carbon Card), the Campanha Solar Térmico 2009 (2009 Solar Thermal Campaign) and other financing activities and shareholdings in companies.

The Caixa BI and Caixa Capital initiatives are particularly important here.

Note:

For more details, see point FS8.

In order to minimise negative environmental impacts directly resulting from its activity, CGD has implemented a number of energy efficiency measures, such as the installation of a solar plant at its head office building and solar photovoltaic systems, which are electricity microgeneration systems, at CGD branches.

Therefore, in addition to minimising environmental impacts, CGD also reduces operating costs.

In 2010, CGD formally undertook:

- Its model of governance for sustainability, as described in point 1.2;
- Definition of an environmental policy.

These mechanisms are designed to anticipate, monitor and respond to the financial implications and other risks and opportunities for CGD activities resulting from climate change.

Note:

For more details on this indicator, see Environmental Management Approach.

EC3 Coverage of CGD's defined benefit plan obligations

This indicator can be found in Note 33 of CGD's 2009 Annual Report and Accounts.

EC4 Significant financial assistance received from government

In 2009, CGD, S.A. received €9,225,723.77 in the form of tax benefits. They were the result of tax legislation, tax benefit status (EBF) and the Corporate Tax Code (CIRC) for:

- Portuguese-speaking African countries (EBF);
- Shares and donations (CIRC and EBF);
- Cost of net creation of new jobs (EBF).

They were also the result of a tax benefit from the business R&D tax incentive scheme (SIFIDE), which entitles to tax reductions.

EC5 Range of ratios of standard entry level wage compared to local minimum wage

The ratio between the lowest wage paid by CGD and the national minimum wage is 1.75.

EC6 Policies, practices and proportion of spending on locally based suppliers

Caixa Geral de Depósitos relates to its suppliers as required by legislation governing the state-owned business sector. It therefore has no specific policies or practices for hiring local suppliers, although for normal economic reasons it usually hires Portuguese suppliers.

EC7 Procedures for local hiring and proportion of senior management hired from the local community

CGD has no procedure in place for local hiring. Pursuant to this indicator, a "local" worker is one who was born or has an indefinite right of abode (e.g. naturalised citizens or residents with permanent visas) in the same geographical regions as those of CGD operations.

EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement

In 2009, CGD invested €9,117,623 directly in society, which is 3.57% of its pre-tax profit.

As part of its community relations, CGD assesses the community's needs before deciding on investments.

TABLE 8 Direct investment in the community by area of intervention

NATURE OF INVESTMENT	AMOUNTS IN EUROS AND PERCENTAGE OF TOTAL			
	2008		2009	
CULTURE	4,536,595	58%	4,794,780	53%
SPORTS	938,081	12	934,798	10%
EDUCATION, FINANCIAL LITERACY AND TRAINING	840,704	11%	1,205,944	13%
ENVIRONMENTAL AWARENESS	1,072,812	14%	263,897	3%
INNOVATION AND ECONOMIC DEVELOPMENT	n/a	n/a	994,187	11%
SOLIDARITY	449,286	6%	924,017	10%
TOTAL	7,837,478	100%	9,117,623	100%

TABELA 9 Direct investment in the community by type of contribution

	2008	2009
PATRONAGE	51%	39%
SPONSORSHIPS	49%	61%

In addition to these investments, in 2009 CGD undertook initiatives for the public benefit by investing in patronage, infrastructures and services by commercial involvement. They are shown in the table below.

TABLE 10 Direct investment in the community by type of initiative and contribution

TYPE OF INITIATIVE AND CONTRIBUTION	AMOUNTS IN EUROS	
	2008	2009
PATRONAGE	3 125 107	5,491,281
CGD, S.A. PATRONAGE	1,865,715	3,403,485
CGD CULTURGEST FOUNDATION - PATRONAGE	1 259,392	2,087,796
SERVICES BY COMMERCIAL INVOLVEMENT	1 389,000	3,257,475
MICROCREDIT (AMOUNT GRANTED)	602,000	591,832
POUPANÇA RUMOS (DEPOSITS)	787,000	649,959
AGREEMENTS WITH HIGHER EDUCATION INSTITUTIONS	—	1,787,203
GENERAL AGREEMENTS	—	228,481
OTHER INITIATIVES	670,629	149,875
SALDO POSITIVO (CGD, S.A.)	655,425	135,638
CICLO DA POUPANÇA (CGD, S.A.) (SAVINGS CYCLE)	15,204	14,237

CGD Culturgest Foundation financed its activities as follows:

- 84% with subsidies, 80% of which CGD, S.A. subsidy and 4% group and other companies;
- 16% with own earnings.

Note:

For more details on the main activities of CGD and CGD Culturgest Foundation, see the Institutional Section of this report on cgd.pt or culturgest.pt.

EC9 – Understanding and describing significant indirect economic impacts, including the extent of impacts

CGD's daily activity has a number of positive indirect economic impacts.

These impacts are the result of some of the products that CGD sells and are in line with the priorities identified in the stakeholder survey, market sustainability trends and political agendas – financing Portuguese businesses (especially SMEs) and products for disadvantaged people.

The main indirect economic impacts of these products are:

- Higher productivity of companies and organisations often by improving skills and knowledge;
- Economic development in less developed areas;
- Economic and financial inclusion of disadvantaged people;
- Improvement in social and environmental conditions.

The following are the most important CGD products in this field:

- **Microcredit** – small loans for people with motivation and ability for a business activity wishing to create their own jobs;
- **Crediformação** – loans on advantageous terms to finance higher education students' studies in Portugal and abroad;
- **Credit for university students with mutual guarantee** – loans on advantageous terms to finance higher education students' studies in Portugal and abroad;
- **Oferta Estudante Internacional (International Student Product)** – a product specially designed for those wishing to train abroad, which finances travel costs, enrolment, fees, lodging and equipment;
- **Caixa Carbono Zero Credit Card** – a credit card that enables its users to finance the offset of GHG emissions;
- **Caixa Carbono Zero structured product** – the return on this product is indexed to the price of a futures contract for emissions reduction certificates;
- **Personal renewable energy loan** – a loan with special conditions for customers wishing to buy renewable energy generating equipment;
- **Solar Térmico 2009 Campaign** – a solution that enabled customers to buy solar thermal equipment for existing or new homes on special conditions;
- **Caixagest Energias Renováveis (Caixagest Renewable Energy) Open Special Investment Fund** – a fund that only invests in renewable energy and related activities;
- **Caixa Fã Card** – use of this card makes a financial contribution to social responsibility projects;
- **Caixa Jovem Empreendedor (Caixa Young Entrepreneur)** – a line of credit specially designed for young people (up to the age of 40) wishing to set up their own business or who need to buy equipment or other essential investment components for their company;
- **ANJE Credit** – this finances young entrepreneurs on similar terms to Caixa Jovem Empreendedor, though candidates are members of ANJE – Associação Nacional de Jovens Empresários (National Association of Young Entrepreneurs) and their applications are analysed in advance by the association;
- **Linha Instituto do Emprego e Formação Profissional (IEFP) (Employment and Vocational Training Institute)** – This credit line was set up under an agreement between CGD and the IEFP and is exclusively for the creation of new companies by the unemployed or with incomes below the guaranteed minimum wage;

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- **Caixa Poupança Rumos** – this term deposit for customers with a 60% or more disability with balances over €10,000 offers one year of home assistance;
 - **Solução Caixa QREN** – Empresas (Caixa QREN Solution – Companies) – loans on special conditions to companies under the QREN to finance the development of businesses;
 - **Linhas PME Investe (SME Invest Lines) II, II and IV** – these lines were set up under agreements with the QREN management authorities, mutual guarantee companies, Instituto de Apoio às Pequenas e Médias Empresas (IAPMEI – Institute supporting PMEs), Turismo de Portugal (Tourism Board) and the IEFP and are to finance SMEs' investment costs, with subsidised interest rates;
 - **Caixa Empresas – Energias renováveis** (Caixa Companies – Renewable Energy) – this line of credit on advantageous terms fosters companies' investment in renewable energy;
 - **Linha de Crédito garantida com as Sociedades de Garantia Mútua (Guaranteed Line of Credit with Mutual Guarantee Companies)** – this was set up in a partnership between CGD and mutual guarantee companies to improve access conditions and ensure more attractive prices in financing Portuguese SMEs;
 - **Linha de Crédito Escolas Profissionais Programa Operacional do Potencial Humano/CGD (Vocational Training Schools Line of Credit Operational Human Potential Programme)** – CGD offers this line to improve financing conditions for vocational training schools that receive EU funding under the POPH;
 - **Linha de Crédito Banco de Desenvolvimento para o Conselho da Europa (CEB) (Council of Europe Development Bank Line of Credit)** – created in partnership with the CEB to finance investment in education and training in Portugal;
 - **Linhas Protocoladas Banco Europeu de Investimento (BEI) and CEB (Registered European Investment Bank and CEB Lines)** – these are to finance investment in more sophisticated components in the value chain, such as innovation, R&D, new technologies, training and investment in the creation, expansion or generic modernisation of businesses;
 - **Lines of credit for export** – these are to stimulate exports by Portuguese companies and foster structural projects in emerging countries such as Angola, Cape Verde, Tunisia, Morocco, China and Russia;
 - **Caixa Empreender+ (Entrepreneur+)** – this Caixa Capital product by which CGD owns shareholdings in companies, thereby contributing to business projects led by qualified management teams aimed at appropriate returns on equity and helping to generate wealth and social wellbeing responsibly and sustainably.
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ENVIRONMENTAL MANAGEMENT APPROACH

Goals and performance

Caixa Carbono Zero 2010 is CGD's strategic programme for climate change and is designed to help reduce CGD's environmental impact in a scenario of sustainable development while endeavouring to instil good practices in its stakeholders.

The Board of Directors' Caixa Carbono Zero 2010 programme involves all of CGD and is the responsibility of the Communication and Brand Department.

The purpose of the programme is:

- To help reduce emissions from CGD's activity;
- To meet the challenge of placing on the market new financial solutions facilitating access to low carbon goods and services;
- To educate all stakeholders on the subject and encourage them to adopt behaviours that reduce the carbon and energy intensity of their activities.

The programme's main goals are:

- **Greater knowledge:**
 - + Learn about GHG emissions from activities and define reduction targets⁽¹⁰⁾
- **Greater efficiency:**
 - + Achieve gains in economic efficiency through gains in energy efficiency and the use of renewable energy; assess the environmental performance and efficacy of reduction measures; develop new business; learn requirements, impacts and opportunities of a low carbon economy on the business of CGD and its customers; step up our leadership of the Portuguese market with new solutions for encouraging customers to reduce their energy bills, carbon emissions and potential risks.
- **Make a difference:**
 - + Differentiate CGD's corporate profile of social and environmental responsibility; finance exemplary projects for offsetting emissions based on transparent criteria and increase CGD's knowledge of regulated and carbon voluntary markets; promote carbon literacy among all stakeholders; set up a unique line of communication on climate change that is coherent, consistent and systematic.

⁽¹⁰⁾ These targets will be set in 2010 after a detailed and exhaustive technical analysis of GHG emissions resulting from CGD's operations.

TABLE 11 Spheres of action of the Caixa Carbono Zero 2010 Programme

THE FIVE SPHERES OF ACTION	GOALS
SPHERE 1 – INFORMATION CAIXA INFORMA (CAIXA INFORMS) ABOUT CARBON EMISSIONS	Ascertain, characterise and monitor the GHG emissions profile resulting from CGD's operations; Set reduction targets and ways of offsetting emissions and support in-house offset targets in 2010; Evaluate performance and environmental efficacy of in-house reduction measures.
SPHERE 2 – IN-HOUSE ACTION CAIXA REDUZ (CAIXA REDUCES) ENERGY CONSUMPTION AND CARBON EMISSIONS	Optimise energy consumption; Reduce carbon intensity of energy by using renewable energy; Optimise employees' mobility; Minimise waste production and foster its reuse and recycling.
SPHERE 3 – OFFSETTING CAIXA COMPENSA (CAIXA OFFSETS) UNAVOIDABLE CARBON EMISSIONS	Offset unavoidable carbon emissions– Floresta Caixa Carbono Zero ^(m) ; Invest in projects with environmental benefits.
SPHERE 4 – MARKET CAIXA NEGÓCIOS (CAIXA BUSINESS) LOW CARBON BUSINESS	Offer low-carbon financial products and solutions (see point FS8).
SPHERE 5 COMMUNICATION – CAIXA COMUNICA (CAIXA COMMUNICATES) CAIXA CARBONO ZERO	Undertake initiatives that foster environmental awareness in customers and society.

In addition to this programme, the main areas of CGD's sustainability strategy include:

- Defining an environmental policy;
- Design of products and services with positive environmental and social impacts and commercial incentives to sell them.

This strategy will continue in effect through CGD's governance model for sustainability and its commitments in this area (more details in point 1.2).

CGD's environmental performance is described in the environmental performance indicators below and in the indicators in the Financial Services Sector Supplement FS1 to FS5 and FS8 to FS12.

Policies

In 2009 the environmental policy of Caixa Geral de Depósitos was defined and the Caixa Carbono Zero 2010 Programme was continued. It defines strategic spheres of action, goals and guidelines.

The environmental policy should be approved and published in 2010.

Organisational responsibility

In 2009, the Communication and Brand Department was in charge of the Caixa Carbono Zero 2010 Programme.

The approval of CGD's model of governance for sustainability and environmental policy in 2010 will redefine and increase formal responsibilities for these issues and will involve the Board of Directors more directly (for more details see point 1.2).

^(m) These goals will be quantified in 2010.

Training and awareness

Cycle of conferences, Um Alerta Global para o Desenvolvimento

These conferences took place in the Grand Auditorium of CGD Culturgest Foundation – Culturgest in April 2009 and were organised in collaboration with Green Values.

They were attended by a number of personalities from different continents and discussed various aspects of sustainable development, highlighting the importance of the subject matter – climate change, human rights, sustainable development, the information society and sustainable architecture.

CGD also enhanced access to the conferences by screening them in full in its media gallery on www.cgd.pt.

Workshop on Banking & Environment – Financing the Environment in Portugal 2009–2011

These four workshops on Banca & Ambiente – Financiar o Ambiente em Portugal 2009–2011 arose from a commitment made by CGD to the UNEP FI as one of the co-sponsors of Grupo Português UNEP FI. On joining the UNEP FI, CGD signed the UNEP Statement by Financial Institutions on the Environment and Sustainable Development. This act entails a public commitment to a number of aspects that explain the importance of the Banca & Ambiente Programme.

The programme's goals include:

- Involving the Portuguese banking sector in anticipating potential financial risks arising from environmental issues;
- Disseminating the issue of environmental risks to the entire Portuguese financial sector and SMEs;
- Providing tools and knowledge for identifying the main environmental risks;
- Promoting the gradual inclusion of companies' environmental risks in banks' credit analyses.

Dia-a-Dia Carbono Zero (Everyday Zero Carbon)

This guide offers useful advice on good practices that everyone can follow in their daily lives in order to help reduce CO₂ emissions. It also raises awareness of the need to treat and recycle waste, rationalise use of paper and toners and find forms of mobility with lower environmental impacts.

Ciclo da Poupança

This programme has a website and aims to raise children's and young people's awareness of the need to protect the planet by saving natural resources and linking the concepts of saving these resources and saving money.

Floresta Caixa

This project is made up of a series of Caixa Geral de Depósitos initiatives aimed at reforestation and building up a new forest in Portugal, a forest consisting of native species managed actively and sustainably. CGD's involvement includes sponsorship of different afforestation projects, the recovery of areas destroyed by fire, Floresta Caixa Carbono Zero and campaigns to raise awareness of the environmental importance of the forest.

Note:

For more details, see indicators EN13 and EN14.

Calculadora de Carbono da CGD

This can be used to calculate carbon footprints, i.e. it shows how much carbon dioxide (CO₂) and other greenhouse gases are associated with our daily activities.

Exhibition of the competition for furniture design with recycled materials

This initiative was for university students in the areas of architecture and design and was based on the concept of “converting old into new”. The idea was to help preserve natural resources by promoting and paving the way for Eco Design alternatives. It thereby encourages alternative designs using recycled materials.

The five finalists’ pieces from the two editions of the competition were displayed at the Remade in Portugal exhibition in the Novos Talentos – Espaço Caixa (New Talent - Caixa Space) area. The event took place at Museu da Electricidade in Lisbon from 29 July to 13 September 2009.

Nova Geração de Cientistas Polares Programme

This programme was the result of a partnership between Caixa Geral de Depósitos and Comité Português para o Ano Polar Internacional (Portuguese International Polar Year Committee). CGD awarded research grants to young scientists studying the Antarctic and subjects directly related to climate change.

O Planeta Agradece (The Planet Thanks Us) blog

The blog was launched in 2007 and promotes environmental awareness in a wide debate, offering ideas and good practices and instilling a more responsible attitude in the general public.

Caixa Geral de Depósitos raises environmental awareness amongst employees, customers and society in its publications. All editions in 2009 had a chapter devoted to sustainability:

Publications for customers and society

Some of the copies of bimonthly *Caixa Empresas* magazine are distributed with *Diário Económico* newspaper.

Caixa Woman, *Caixa Azul* and *Caixa no Mundo* magazines come out every quarter.

Publications for employees

Caixa em Revista in-house magazine is published on a quarterly basis and distributed to all CGD Group employees (working and retired) and to the media. It has a section on sustainability.

Caixa Notícias in-house digital newsletter is sent to all employees every month and includes environmental issues.

Caixa Geral de Depósitos was present at the latest Green Fest with its own stand made entirely of recyclable materials. It received countless visitors at Centro de Congressos do Estoril in September 2009.

CGD helped bring life to the event by showing films on the solar thermal plant at its head office building, the journey to Svalbard with journalists to show them the harmful effects of climate change and several episodes of the programme O Planeta Agradece. It also offered free access to its website and the calculadora de carbono da CGD, which is available in the social responsibility area.

CGD is the main patron and the only one in the banking sector for QUERCUS EcoCasa (Eco Home) Programme, which is designed to encourage people to change their behaviour and manage energy properly, thereby fostering energy efficiency and better use of natural resources.

Caixa Geral de Depósitos is reinforcing its promotion of sustainable tourism by sponsoring the Green Key environmental education programme of the European Blue Flag Programme as an institutional partner and environmental patron for the second year running.

Monitoring and follow-up

Ascertaining the carbon emissions profile of CGD activities is the first step in ensuring that it is properly managed, including defining and monitoring reduction measures. Since 2006 CGD has conducted an emissions inventory to monitor and follow-up emissions and energy consumption at central buildings and in its branch network (the latter since 2008).

CGD's environmental performance is also monitored in sustainability reports, especially with regard to environmental indicators EN1 to EN30, and the Financial Services Sector Supplement, FS1 to FS5 and FS8 to FS12.

ENVIRONMENTAL PERFORMANCE INDICATORS

EN1 Materials used by weight or volume

The materials indicated in the tables below are the most relevant in CGD's banking activity.

The following table shows that, overall, paper and plastics use at CGD has changed very little in the two years in question. Although there was a slight increase in white photocopy paper use, there was a 20% decrease in the use of paper envelopes, thanks to dematerialisation of customer relations, among other measures.

TABLE 12 Breakdown of materials used by weight (tonnes)

RAW MATERIALS USED	2008	2009	CHANGE 2009/2008
WHITE PHOTOCOPY PAPER	2,404	2,503.2	4.1%
PAPER ENVELOPES	318.4	252.6	-20.7%
PAPER AND CARDBOARD IN PASSBOOKS	55.5	54.3	-2.1%
PLASTICS	32.2	31.6	-1.7%
PLASTIC FOR BANK CARDS	9.4	12.5	32.9%
POSTERS	6.4	13.9	116.7%

Note: The 2008 figure for white photocopy paper has been corrected due to an error in calculating when the 2008 Sustainability Report was being prepared.

TABLE 13 Breakdown of materials used by unit

MATERIALS USED	2008	2009
INK CARTRIDGES	4,445	46
TONERS	1,273	1

The reduction in use of computer consumables (cartridges and toners) from 2008 to 2009 was due to the fact that in 2009 they were included in supply contracts of multifunctional appliances that replaced faxes, photocopiers and printers. CGD therefore ceased to be directly responsible for purchasing them and dealing with the resulting waste.

Methodological notes:

The quantity of materials used is that sent to each CGD operating unit.

The quantity of paper refers only to photocopy paper used. The weight of the paper was the result of weighing each ream and calculating the number of reams used in 2009. The weight of the other materials was obtained by direct weighing.

The plastics considered were the most representative types in CGD's activity and those consumed in the most substantial quantity.

In 2009 it was not yet possible to report the quantity of paper used in forms at branches, as there is no systematic process for determining their weight.

EN2 Percentage of materials used that are recycled input materials

CGD does not use recycled paper in its offices and branches. The paper used throughout our network of branches and central buildings (A4 only) is certified by the Forest Stewardship Council (FSC), which guarantees that the forests from which the paper comes are managed responsibly from an environmental, social and economic point of view and respect strict international criteria. Although CGD does not use recycled paper it has mechanisms in the workplace for collecting paper for recycling.

EN3 Direct energy consumption by primary energy source

CGD's direct energy consumption is based on non-renewable sources and is used as follows: petrol and diesel in its fleet, diesel in central building generators and natural gas in the boilers at the Avenida dos Aliados central building in Porto. In 2009, there was a 12.6% reduction in diesel consumption in central buildings, mainly due to better energy efficiency measures.

In October 2008, the naphtha boilers at the Avenida dos Aliados central building were converted to natural gas. Consumption of this gas is higher in the colder months (as it used for heating) and relatively low in spring and summer. As the consumption period is fairly short and was intended for tests and adjustments of the new boilers, the figures for 2008 have not been given, since they do not represent normal operation.

TABLE 14 Direct energy consumption in buildings (GJ)

	2008	2009	CHANGE 2009/2008
DIESEL	524	458	12,6%
NATURAL GAS	n/a	1,447	n/a

In 2009, CGD increased the number of diesel vehicles in its fleet by 4%. This substantially reduced petrol consumption and naturally increased diesel consumption. Overall, CGD fuel consumption rose by 7.4%.

TABLE 15 Fuel consumption by CGD fleet (GJ)

	2008	2009	CHANGE 2009/2008
PETROL	3,007	2,691	- 10.5%
DIESEL	47,250	51,281	8.5%
TOTAL	50,257	53,972	7.4%

Note: These figures are for Caixa Geral de Depósitos, S.A. in mainland Portugal. Energy consumption at central buildings includes figures for other CGD Group companies that also operate there.

Methodological notes:

The diesel, petrol and natural gas consumption were converted to GJ international units using the following conversion factors:

TABLE 16 Conversion factors

CONVERSION FACTORS		FACTOR	SOURCE
ELECTRICITY (GJ/kWh)		0,0036	International Energy Agency
DIESEL	PCI	43.31 GJ/ton	Agência Portuguesa do Ambiente (APA – Portuguese Environment Agency) 2009
	Density	0.837 ton/m ³	
PETROL	PCI	44.77 GJ/ton	APA 2009
	Density	0.735 ton/m ³	
NATURAL GAS	PCI	38.46 [GJ/(Nm ³ x10 ³)]	APA 2009

The consumption of petrol and diesel of our fleet refers to fuel used for travel in vehicles owned by CGD. It includes fuel bought with and without loyalty cards. Fuel bought without a loyalty card, with the exception of the figure for the negligible amount bought with credit cards, was used for on-duty travel in personal vehicles by employees not belonging to the commercial network. The consumption during on-duty travel in these vehicles is calculated on the basis of receipts. No on-duty travel in short-term rental vehicles was accounted for as it is not considered material.

EN4 Indirect energy consumption by primary energy source

CGD's indirect energy consumption is limited to electricity from the public grid at central buildings and in the commercial network. There was a 0.3% decrease in total electricity consumption from 2008 to 2009, particularly due to lower consumption at central buildings (-3.8%). This reduction is largely thanks to the solar thermal plant, which has been in operation since 2008 and dispenses with the need for part of the power for heating, ventilation, air conditioning and water heating, and to other energy efficiency measures described in indicator EN18.

The increase in consumption in our commercial network was due to its expansion. However, this increase is negligible as the consumption accounted for is obtained from billing data, which is not based on meter readings, especially at smaller branches.

TABLE 17 Electricity consumption at premises (GJ)

	2008	2009	CHANGE 2009/2008
ELECTRICITY CONSUMPTION AT PREMISES	370 459	369 431	-0,3%
CENTRAL BUILDINGS	176 555	169 828	-3,8%
COMMERCIAL NETWORK	193 904	199 603	2,9%

Note: These figures are for Caixa Geral de Depósitos, S.A. in mainland Portugal. Energy consumption at central buildings includes figures for other CGD Group companies that also operate from these facilities.

Table 18 shows the relative weight of primary energy sources generating the electricity used by CGD.

TABELA 18 Electricity Consumption at premises by primary energy source

ELECTRICITY CONSUMPTION AT PREMISES BY PRIMARY ENERGY SOURCE

PRIMARY ENERGY SOURCE	RELATIVE WEIGHT IN TOTAL CONSUMPTION	GJ
NATURAL GAS	34.39%	127,045
COAL	17.85%	65,955
HYDROELECTRIC	15.04%	55,552
WIND	13.75%	50,812
COGENERATION AND MICROGENERATION SSG	8.29%	30,626
NUCLEAR	5.95%	21,965
OTHER	1.86%	6,875
FUEL OIL	1.46%	5,410
HYDROELECTRIC SSG	1.40%	5,190

Note: These figures are for Caixa Geral de Depósitos, S.A. in mainland Portugal. Energy consumption at central buildings includes figures for other CGD Group companies that also operate from these facilities.

Source: ERSE—Entidade Reguladora dos Serviços Energéticos (Regulatory body) and the main supplier was EDP Universal

Methodological notes:

In 2009 there was a failure in SAP records of complete billing data, meaning that detailed information was not available on power billed at all premises that changed supplier (around 200 branches using low and medium voltage switched from EDP Serviço Universal to EDP Corporate, most of them in August 2009), and so it was necessary to extrapolate consumption.

Where central buildings were concerned, it was also necessary to use an estimate of overall consumption at the head office building, since the meter was not working between August and October 2009. This resulted in incorrect billing, which CGD and its electricity supplier corrected later.

Billing at smaller branches is not based entirely on meter readings and there are estimates followed by adjustments.

It is also important to make an effort to gather information on CGD premises in the Azores and Madeira to add to that on mainland Portugal.

Electricity consumption at central buildings was based on metering by EDP – Energias de Portugal. Consumption at the head office building corresponds to the best available estimate on 31.05.2010 of the final amount agreed upon with EDP Corporate for billing purposes. The adjustment process was the result of a malfunction in the building's main meter between 04.08.2009 and 15.10.2009.

Consumption by the commercial network is estimated for the period and premises where power was supplied by EDP Corporate. The estimate was based on average daily consumption in 2009 for each facility during supply from EDP Universal and applied to the period for which there was no detailed billing information. The estimated amount is about 8% of total CGD, S.A. electricity consumption in 2009.

Reporting of electricity consumption by primary source is based on 2009 data provided by ERSE.

Individual transport includes use of personal vehicles (belonging to employees or others) for on-duty travel (kilometres paid for by CGD) and taxi rides (estimate of distance travelled based on costs paid by CGD and average taxi fares).

EN5 Energy saved due to conservation and efficiency improvements

CGD assesses the performance of initiatives of this type. However, we are not in a position to provide total savings figures. We can, however, give several examples of this type of initiative and reductions achieved (see indicators EN18 and EN26).

EN6 Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives

CGD offers products and services of this kind (see indicators EN5, EN26 and FS8), though it is not possible to provide figures for benefits achieved. Communicating this figure depends both on Caixa Geral de Depósitos and on end-users of this type of equipment, i.e. customers.

EN7 Initiatives to reduce indirect energy consumption and reductions achieved

CGD assesses the performance of initiatives of this type. However, we are not in a position to provide total savings figures. We can, however, give several examples of this type of initiative and reductions achieved (see indicators EN18 and EN26).

EN8 Total water withdrawal by source

CGD does not have a systematic procedure for calculating the total volume of mains water used in its commercial network, due to the fact that CGD has branches all over the country and they have different water suppliers. Furthermore, the total amount of water used by Caixa Geral de Depósitos was not identified in our materiality study as a material issue to be reported.

Contrary to 2008, CGD is now in a position to report total water use at its central buildings solely from municipal mains supplies. The figure in 2009 was 200,526 m³, mostly in sanitary facilities and irrigation.

EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

This indicator does not apply to CGD, as its operations are located in urban areas.

EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas

This indicator does not apply to CGD, as its operations are located in urban areas.

EN13 Habitats protected or restored

EN14 Strategies, current actions, and future plans for managing impacts on biodiversity

The Floresta Caixa Carbono Zero project is made up of a number of forested areas that not only offset emissions but also meet the requirements for preserving biodiversity:

- They have more than 80% Portuguese native forest species
 - Have no species classified as invasive
-

- Are managed in accordance with the forest management plan that guarantees a minimum exploitation period of 30 years and, in addition to legal requirements, includes extra fire-prevention and environmental protection measures
- Were installed, through planting, seeding or natural regeneration, in a maximum period of eight years prior to their inclusion in the Floresta Caixa project
- Occupy areas that were not occupied by forest in the six years prior to their installation, with the exception of burnt areas and stands that have been felled for reasons of plant health, degradation or inappropriate species

Tapada Nacional de Mafra is the first area to participate in Floresta Caixa Carbono Zero and receive funds from the Caixa Carbono Zero card. It has a total area of 50 hectares affected by the 2003 fire and contains around 10,000 trees.

The project entails the preparation and implementation of a carbon management plan and a biodiversity conservation plan and the monitoring of these two components of the forest for 30 years.

In 2009, CGD drew up a forest management plan for the area in question. This plan guarantees inclusion of the carbon and biodiversity components and involves best sustainable forest management and fire prevention practices. We also began drafting our biodiversity conservation action plan. This plan will make it possible to assess and conserve biodiversity (fauna, flora and habitats) in the forest area, especially Chanquinha, and establish procedures for preserving and managing these natural treasures.

EN16 Total direct and indirect greenhouse gas emissions by weight

Total direct and indirect greenhouse gas emissions resulting from CGD's activities arise essentially from its energy consumption.

From 2008 to 2009, there was a 23.2% reduction in total GHG emissions. This performance was largely thanks to a reduction in emissions from electricity consumption (indirect emissions), which fell by 25.5% from 2008 to 2009. These emissions represent around 90% of CGD's total emissions due to the fact that in 2009 a different method from previous years was used to quantify emissions. Specific information is now available on the monthly energy mix from the companies that supply CGD with electricity.

TABLE 19 Total direct and indirect GHG emissions (tonnes of CO₂e)

	2008	2009	CHANGE 2009/2008
TOTAL DIRECT EMISSIONS			
COOLING GAS LEAKS AND AIR-CONDITIONING AT PREMISES (CENTRAL BUILDINGS AND COMMERCIAL NETWORK)	197	157	-20.3%
FUEL CONSUMPTION (DIESEL AND NATURAL GAS) IN CENTRAL BUILDINGS	38	115	202.6%
FUEL CONSUMPTION BY CGD VEHICLES (DIESEL AND PETROL)	3,705	3,909	5.5%
TOTAL DIRECT CO₂e EMISSIONS	3,940	4,181	6.1%
TOTAL INDIRECT EMISSIONS			
ELECTRICITY CONSUMPTION (CENTRAL BUILDINGS AND COMMERCIAL NETWORK)	48,366	36,010	-25.5%
TOTAL DIRECT AND INDIRECT GHG EMISSIONS	52,306	40,191	-23.2%

Note: These figures are for Caixa Geral de Depósitos, S.A. in mainland Portugal. Energy consumption at central buildings includes figures for other CGD Group companies that also operate from these facilities.

Methodological notes:

Indirect emissions associated with electricity generation for consumption on CGD premises were calculated by applying the 2009 average annual emission factor from each supplier to the quantity of energy supplied.

The emissions inventory was based on the method established in the Greenhouse Gas Protocol (GHG Protocol) developed by the World Business Council for Sustainable Development in collaboration with the World Resources Institute. This inventory considered emission factors based on values defined by the IPCC (Intergovernmental Panel on Climate Change) adjusted whenever necessary to the situation in Portugal on the basis of data published by Portuguese authorities. Fossil fuel consumption at facilities refers to central buildings, as no fossil fuels are used at commercial network premises.

F-gas leaks are associated with the use of fluorinated gases (covered by the Kyoto Protocol) in cooling and heating equipment at central buildings and in the commercial network. We considered emissions associated with the operation of this equipment (leaks). For the commercial network, we accounted for emissions from all equipment for which we had information on the type and quantity of cooling gas and, when there was no information of the type of equipment, we assumed that it was included in the same category as the others.

F-gas emissions were quantified on the basis of the type and amount of gas in the equipment and the leak rate established in the IPCC method for each type of equipment. The results are presented in CO₂e using global warming potential (GWP) figures published by the IPCC in the version currently in use by the APA for the National Inventory of Greenhouse Gas Emissions.

EN17 Other relevant indirect greenhouse gas emissions by weight

Here we report GHG emissions not controlled by CGD resulting from indirect energy consumption.

Given the wide range of indirect emissions, it is natural that over the years inventories are increasingly complete with regard to information for calculating this indicator. The comparison of the 2009 figures with those of other years is therefore limited and so has not been included.

TABLE 20 Other indirect GHG emissions (tonnes of CO₂e)

	2009
TRAVEL IN THIRD-PARTY VEHICLES	2,181
AIR	1,506
RAIL	75
PERSONAL VEHICLE	600
TREATMENT OF WASTE PRODUCED ON THE PREMISES	48
TOTAL OTHER INDIRECT GHG EMISSIONS	2,229

Note: These figures are for Caixa Geral de Depósitos, S.A. in mainland Portugal. Emissions from treatment of waste produced on CGD premises are the result of energy recovery and disposal in landfills of 51 tonnes of waste.

Methodological notes:

Where rail travel was concerned, the records supplied under the agreement with CP – Comboios de Portugal excludes on-duty travel by interns and other CGD employees with no company card (a requirement for obtaining the agreed discount). Nonetheless, the records provided by CP include off-duty travel by CGD employees under the agreement. Passenger-km by rail was calculated on the basis of place of origin and destination of each journey and the real distance of the rail service provided by CP.

Two sources of information were used to calculate the total number of flights in 2009: travel agency records and the Personnel Department database. In the latter source, it was not possible to calculate the full itinerary of each journey and it was necessary to use assumptions to calculate GHG emissions from this source (e.g. direct return trips). Passenger-km by air was calculated on the basis of linear distances over the ground surface using the places of origin and destination of each stage.

Personal transport includes the use of a private vehicle (employee's or other) in on-duty travel (kilometres paid for by CGD) and taxi rides (estimate of distance travelled based on costs paid by CGD and average taxi fares).

Emissions associated with waste treatment were accounted for, considering emissions throughout the decomposition period (30 years) for disposal in landfills. Emissions associated with recycling and energy recovery are considered nil as they are allocated to their sectors of activity and not to waste treatment in the Portuguese national inventory.

EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved

Several examples of this kind of initiative and reductions achieved can be given.

Systematic energy efficiency measures were taken at our central buildings, especially in HVAC (optimisation of operation and installation of more efficient equipment) and lighting systems (installation of electronic ballast and adjustment of schedules).

A solar thermal plant has been in operation at the CGD head office building in Av. João XXI in Lisbon since 2008. Its energy is used to heat water for the restrooms and in the central HVAC system.

In the field of information and communication technologies, measures were set up under the Green IT Programme to consolidate and virtualise servers, thereby reducing overall energy consumption. Between 2006 and 2009, these measures resulted in a total electricity saving of around 5.1 GWh per year at CGD, S.A. central buildings, which represents an average reduction of around 2,400 tonnes of CO₂e per year.

Unscheduled work was carried out on lighting and HVAC systems at branches in the commercial network and electronic ballasts were installed in branch illuminated signs. The PC energy management programme (automatic shutdown at night and weekends) and the replacement of printing peripherals by multifunction appliances also helped reduce consumption.

The limitations of the electricity consumption monitoring system for these premises make it impossible to accurately confirm estimates of savings from these measures.

CGD introduced a microgeneration project by installing solar photovoltaic panels in its commercial network. Installation began at 68 branches in 2009.

CGD has in place internal mobility plans and measures to reduce emissions.

The CGD mobility plan has been approved and in addition to knowledge it will address on-duty mobility management in Portugal by promoting e-learning platforms and decentralised training courses.

Consideration was given to the technological aspects of CGD's vehicle fleet and the behavioural component of its use. An in-depth evaluation was made of the need to change the rules on car parking space provided by CGD, which will contribute considerably to addressing CGD's concern about employees' commuting.

Use of digital communications has been stepped up since 2008, including the overall statement, in order to reduce transport by suppliers of goods and services.

An agreement was signed with CP – Comboios de Portugal encouraging CGD employees to travel by rail and offering them special fares on the Alfa Pendular and Intercidades services and favourable terms at CP car parks and car rentals at their destination.

Furthermore, CGD has kept a bicycle parking area near its head office building in Lisbon for CGD employees wishing to cycle to work.

CGD established environmental criteria in the purchase of vehicles that made it possible to reduce carbon emissions by more than 100 tonnes of CO₂e a year.

In 2009, 2.9% of CGD vehicles were hybrids (only 2.4% in 2008). This means that there was a 0.5% increase in the relative weight of hybrids from 2008 to 2009 for CGD's total fleet.

Of the total waste produced, around 50% was sent for recycling and recovery, which avoided the emission of 250 tonnes of CO₂e.

Note:

For more detail on initiatives of this kind, see the Environmental Management Approach, especially the training and awareness section and indicators EN5 and EN26.

EN19 Emissions of ozone-depleting substances by weight

According to the Global Reporting Initiative, ozone-depleting substances in products and equipment from use or disposal are not covered by this indicator. It therefore does not apply to CGD.

EN20 NO_x, SO_x and other significant air emissions by type and weight

These emissions come from the use of boilers at the Avenida dos Aliados central building, emergency generators and CGD vehicles. Considering the type of fuel used and the fact that the boilers operate mainly in autumn and winter, the emissions they produce are not significant in the CGD universe. Moreover, considering the energy consumption by the emergency generators and CGD vehicles is insignificant, this indicator is not considered material.

EN21 Total water discharge by quality and destination

CGD's premises are located in urban areas with sewer and rainwater drainage systems, which means that this indicator does not apply to its activities.

EN22 Total weight of waste by type and disposal method

In 2009 CGD produced 815.44 tonnes of waste. This figure cannot be compared with the 2008 quantities because the scope of the information reported is different, as CGD did not yet have a systematic information gathering procedure for waste managed by Lisbon City Council.

The table below shows the main types of waste produced in 2009 by type.

TABLE 21 Total waste produced (tonnes)

TYPE OF WASTE	2009
TOTAL	815.44
PAPER AND CARDBOARD	441.54
GLASS	37.57
PLASTIC	27.87
ORGANIC	245.62
HOUSEHOLD AND EQUIVALENT WASTE	50.99
OTHER	11.85

Note: Figure recorded in the integrated registration system of Agência Portuguesa do Ambiente – SIRAPA by Sogrupos Compras e Serviços Partilhados, ACE..

With the exception of household and equivalent waste sent for incineration, the remaining waste was sent for recycling or recovery.

Only 1.49 tonnes of the total waste produced in 2009 was hazardous waste, i.e. 0.2%.

Methodological notes:

The figures shown refer only to waste produced at the head office building (the only facility with individualised monitoring), with the exception of filing paper and cardboard waste (LER 200101), which is also collected in the commercial network and sent for recycling via the national circuit.

The 2008 Sustainability Report mentioned that CGD was setting up a process for gathering valid information in order to report waste managed by Lisbon City Council, as the quantities produced are estimated. The process was implemented in 2009 and quantities of this waste were calculated by weighing the containers and the number of containers collected every day for each type of waste.

EN23 Total number and volume of significant spills

This indicator does not apply to CGD, as it does not use chemical products in any significant quantities that might cause spills with relevant environmental impacts.

EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation

CGD's concern for mitigating the environmental impacts of its activities and products is expressed in the Caixa Carbono Zero 2010 Programme (more details in Environmental Management Approach).

Our main initiatives in this area fit into the different spheres of the above programme and the most important are:

Initiatives for reducing environmental impacts

- Installation of a solar thermal plant at the head office building in Lisbon, which has been in operation since 2008 and has saved 930 Mwh of electricity;
- Installation of solar photovoltaic systems, which are microgeneration units, at 68 branches during 2009;
- Energy certification of the following central buildings:
 - + Avenida dos Aliados, Porto;
 - + Avenida 5 de Outubro, Lisbon;
 - + Avenida de França, Porto;
 - + Olaias, Lisbon;
 - + Praça da Liberdade, Porto.
- Energy efficiency in information and communication technology by consolidating and virtualising servers, implementing a centralised system to shut down PCs at the end of business days and installing multifunction printing equipment, all resulting in significant electricity savings at CGD premises;
- Internal mobility plans and behavioural measures for reducing emissions;
- Rules on the purchase of vehicles based on environmental criteria, which will reduce carbon emissions by more than 100 tonnes of CO₂e/year;
- Around 50% of all waste reduced sent for recycling and recovery, which will avoid emissions of more than 250 tonnes of CO₂e/year.

Offset initiatives:

- CGD has a programme in place for offsetting unavoidable emissions. The investment goes towards funding recovery of Portuguese forests, such as Floresta Caixa project, a forest made up of native species managed actively and sustainably. In 2009, 47,173 trees were planted.

Market-related initiatives:

CGD sells a number of financial products and services with a strong environmental component (see indicator FS8). The most important are:

- Credit solutions for renewable energies for private and business customers for the purchase and installation of equipment for generating power from renewable sources.
- The Solar Térmico 2009 Campaign under an agreement with the Ministry of the Economy, which consisted of personal loans to buy and install solar thermal panels in existing homes and a line of credit to purchase and install this equipment when buying or building a new home.
- The Caixa Carbono Zero card, the first Class A card in efficiency in protecting the planet, which facilitates access to low carbon goods and services, favours electronic communication, is made of recyclable, chlorine-free plastic and offsets unavoidable emissions from its production. By the end of 2009, there were 1,233 Caixa Carbono Zero cards in circulation, 30% more than in 2008. Tapada Nacional de Mafra is the first project to benefit from funding from the card (more details in indicators EN13 and EN14).
 - + There is a project underway for the production of more CGD cards in PETG (recyclable, chlorine-free plastic).
- Multi-channel relations - CGD offers its customers electronic channels to dematerialise their relationship with the bank. This results in a reduction in use of raw materials and environmental impacts and a more convenient relationship with customers. It includes the following channels:
 - + Caixadirecta Telefone – telephone banking;
 - + Caixadirecta online – internet banking;

-
- + Caixadirecta Mobile – banking using a mobile phone, Smartphone or PDA;
 - + Caixadirecta SMS – banking using text messages;
 - + Caixadirecta WAP – mobile phone banking with wap technology;
 - + Caixadirect Invest – online brokerage service;
 - + Caixa e-Banking and Caixa e-Banking mobile – an internet banking service for companies;
 - + Central University Branch for the university segment, operating a remote banking service available 24 hours a day, 365 days a year on a blue line (Calls charged at local rate);
 - + Central Microcredit Branch using dedicated remote channels, i.e. a telephone line and support e-mail (more details on www.cgd.pt).

EN27 Percentage of products sold and their packaging materials that are reclaimed by category

In 2009, Caixa used 12.5 tonnes of plastic for new debit and credit cards. It also recycled 1.5 tonnes of plastic waste from cards sold, i.e. 12%.

Methodological notes:

The results refer to the ratio between the weight of plastic cards sent for recycling in 2009 and that of plastic cards placed on the market in that year. The weight of the cards was calculated by an estimate based on the weight of 12 credit and debit cards.

EN28 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

In 2009 there were no significant fines or non-monetary sanctions for violation of environmental laws or regulations. Fines of 15,000 euros or more were considered significant.

EN29 Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations and transporting members of the workforce

Energy consumption by CGD vehicles and the resulting GHG emissions are reported in indicators EN3 and EN16 respectively. Indirect GHG emissions from travel by means of transport other than CGD vehicles (air, rail and private vehicle) are reported in indicator EN17.

EN30 Total environmental protection expenditures and investments by type

CGD environmental protection expenditures and investments are accounted for. Full communication of this type of expenditure pursuant to environmental accounting standards is a future commitment.

LABOUR MANAGEMENT APPROACH

Goals and performance

One of the aspects of CGD's sustainability strategy is its responsible human resource management model, embodied by its human resource policy and the performance shown in the following indicators.

CGD's commitment to its employees includes fostering a safe, healthy work environment, communication among everyone, lifelong learning, inclusion and equal opportunities.

The result is higher employee productivity, motivation and satisfaction.

Please refer to the Commitments Table, point 1.2.

Policies

The main aim of CGD's human resource policy is to build a solid, motivated team.

This policy guarantees all employees equal treatment and opportunities, absence of any discrimination, and a balance between work and personal life. It has a number of plans for professional fulfilment and guarantees of good occupational health and safety conditions.

The main goals of our performance management system are:

- To foster a culture of performance and responsibility;
- To align the definition and monitoring of individual and team goals with CGD's overall goals;
- To assess employees' performance objectively and transparently;
- To institute a meritocracy;
- To identify employees' needs and take action to improve their performance and professional development.

Our performance management system has three components:

Personal attitude – “wanting to”;

Skills – “knowing how”;

Goals – results achieved.

Organisational responsibility

The Board of Directors (BoD) is ultimately responsible for defining the human resource strategy. It is implemented by the Delegate Personnel, Resource and Systems Board (CDPM), a deliberative body of the BoD.

TABLE 22 Organisational responsibility for human resources

POLICY OR PROGRAMME	STRUCTURAL BODIES WITH FORMAL RESPONSIBILITY
HUMAN RESOURCE POLICY	CDPM, Personnel Department (DPE)
OCCUPATIONAL HEALTH AND SAFETY ISSUES	Prevention, Safety and Business Continuity Office, DPE
PERFORMANCE MANAGEMENT AND VOCATIONAL TRAINING SYSTEM	DPE

Training and awareness

Training is one of the main priorities in CGD's human resource policy. Our high stake in training is a guarantee of employees' quality of service, motivation and professional fulfilment.

The Caixa Relação project is for all private commercial network employees and entails:

- E-learning on excellence in customer care and service and management of difficult situations;
- Classroom training to develop a commitment to customer satisfaction and team spirit;
- Local sessions to share experiences on good practices in customer service.

The training that CGD gives its employees is not limited to technical or commercial aspects. CGD also offers employees training in labour aspects. Examples are classes on the performance management system and training on the New Labour Code and Tax Code.

In the Caixa Carbono Zero 2010 Programme, employees' environmental awareness is of particular importance and the following were the most significant initiatives:

- Dia-a-Dia Carbono Zero;
- Internal mobility plan;
- Caixa Carbono Zero – in-house training and awareness sessions;
- In-house awareness-raising to encourage employees to participate in sustainable projects, such as Floresta Caixa;
- Employee awareness of responsible behaviour related to their health and wellbeing and prevention and safety training in induction and vocational internships.

E-learning training is also provided in prevention and safety and is mandatory for all CGD employees.

Monitoring and follow-up

CGD's human resource strategy is monitored by the corporate bodies described under organisational responsibility. The main performance indicators are available below.

For more information on CGD's labour management approach see point 1.2 on the governance model for sustainability and its main commitments and goals in this field.

LABOUR PERFORMANCE INDICATORS

LA1 Total workforce by employment type, employment contract, and region

As at 31 December 2009 Caixa Geral de Depósitos, S.A. had 10,931 employees (-0.1% than in 2008) working in Portugal (99.8%) and at branches and representative offices abroad. The vast majority of these employees work full-time (99%). Of these employees, 7.4% have fixed-term contracts and CGD has played an important role in providing job openings for young people by offering 698 internships.

TABLE 23 Direct employees by type of contract and employment as at 31 December

TYPE OF CONTRACT	2008			2009		
	PART-TIME	FULL-TIME	TOTAL	PART-TIME	FULL-TIME	TOTAL
INDIVIDUAL EMPLOYMENT AGREEMENT	7	5,282	5,289	7	5,465	5,472
CIVIL SERVICE AGREEMENT	111	4,847	4,958	107	4,545	4,652
FIXED-TERM CONTRACT	—	696	696	—	726	726
INDEFINITE CONTRACT	—	—	—	—	81	81
TOTAL	118	10,825	10,943	114	10,817	10,931

TABLE 24 Interns as at 31 December

	2008	2009
INTERNS AS AT 31 DECEMBER 2009	238	286
No OF INTERNSHIPS IN 2009	399	698
No OF STUDENT INTERNSHIPS IN 2009	130	227
No OF VOCATIONAL INTERNSHIPS IN 2009	269	471

As at 31 December 2009 CGD had 68 subcontracted employees.

Note: Subcontracted employees are those working on a temporary basis.

TABLE 25 Employees by country or city

COUNTRY OR CITY	2008	2009
PORTUGAL	10,927	10,906
SOUTH AFRICA	1	1
BERLIN	1	1
FRANCE	2	2
LONDON	1	4
LUXEMBOURG	0	2
MACAU	8	8
NEW YORK	1	1
SÃO PAULO	1	1
TIMOR	1	4
VENEZUELA	0	1

LA2 Total number and rate of employee turnover by age group, gender, and region

Caixa Geral de Depósitos has a diversified team in terms of gender and age group. In 2009, 866 employees left, most of them in the 55 to 64 age group (employees of retirement age).

TABLE 26 Total number of employees leaving by age and gender

GENDER	AGE GROUP	2008	2009
FEMALE	Over 65	3	2
	55 to 64	112	158
	45 to 54	19	17
	35 to 44	5	13
	18 to 34	30	282
	Total	169	472
MALE	Over 65	2	9
	55 to 64	208	204
	45 to 54	30	21
	35 to 44	17	8
	18 to 34	37	152
	Total	294	394

TABLE 27 Turnover by age and gender

GENDER	AGE GROUP	2008	2009
FEMALE	Over 65	50%	40.00%
	55 to 64	18.90%	26.29%
	45 to 54	1.34%	1.28%
	35 to 44	0.25%	0.60%
	18 to 34	1.82%	16.67%
MALE	Over 65	13.33%	50%
	55 to 64	22.74%	23.08%
	45 to 54	1.54%	1.15%
	35 to 44	1.04%	0.51%
	18 to 34	4.80%	17.90%

Methodological note: Turnover for each period was calculated as follows: [(No. of employees leaving during the period / Average no. of employees during the period)]*100

LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees,

TABLE 28 Employee benefits

BENEFIT	PERMANENT EMPLOYEES FULL -TIME / PART -TIME	NON-PERMANENT EMPLOYEES
INVALIDITY PENSION (*)	YES	YES
RETIREMENT PENSION (*)	YES	YES
HOME LOANS AT 65% OF ECB RATE	YES	—
COMPLEMENT TO HOME LOAN SCHEME – COMPLEMENTARY REGULATIONS ON HOME LOANS	YES	—
ESPECIAL HABITAÇÃO GRUPO – HOME LOANS IN THE COMMERCIAL NETWORK WITH 0 SPREAD FOR CGD EMPLOYEES	YES	—
PERSONAL LOANS TO EMPLOYEES	YES	YES
EXEMPTION FROM COMMISSIONS AND ANNUAL FEES FOR BANKING SERVICES (E.G. CHEQUES AND DEBIT AND CREDIT CARDS)	YES	YES
PERSONAL ACCIDENT INSURANCE DURING ON-DUTY TRAVEL (DEATH AND PERMANENT INVALIDITY)	YES	YES
COMPENSATION FOR DEATH IN OCCUPATIONAL ACCIDENTS (UNDER AGREEMENTS WITH TRADE UNIONS)	YES	—
INSURANCE ON BETTER TERMS THAN MARKET CONDITIONS (MAIS SEGUROS)	YES	—
PURCHASE OF COMPUTER HARDWARE, INTERNET CONNECTIONS AND SOFTWARE ON BETTER TERMS THAN MARKET CONDITIONS (PROJECTO NAVEGAR)	YES	—

(*) Benefits required by law and internal regulations.

LA4 Percentage of employees covered by collective bargaining agreements

All CGD employees are covered by collective bargaining agreements. Furthermore, all human resource management guidelines are defined in company agreements between CGD and the trade unions.

LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements

Minimum notice periods, namely for collective dismissals, are those set out in the Labour Code (varying between 15 and 75 days depending on years of service). Company agreements do not establish any notice period. However, in the event of permanent closure of a workplace, CGD is obliged to transfer its employees to another establishment or to legally or financially associated or economically interdependent companies. Only if a new placement is impossible can the company initiate a collective dismissal procedure with severance pay higher than that required by law (Clause 30 of the company agreements).

LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes

CGD has no formal occupational health and safety committee. However, meetings are held and annual visits are made to workplaces by members of the safety and hygiene and occupational medicine services. This is always mentioned in an annex to the Single Report. As at 31 December 2009, 17 employees worked in health and safety: 11 in occupational medicine and six in hygiene and safety in the workplace.

LA7 Rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities by region

CGD complies with Portuguese legislation, which considers all the recommendations of the International Labour Organisation (ILO). Data on subcontracted employees have not been reported because CGD does not manage this information. However the number of subcontracted employees is negligible compared with total employees.

TABLE 29 Occupational accidents and diseases, absentee rate and deaths

INDICATOR	2008	2009
OCCUPATIONAL ACCIDENT FREQUENCY RATE	2.96	3.14
SEVERITY RATE	0.14	0.07
OCCUPATIONAL DISEASE FREQUENCY RATE	0.06	0.11
ABSENTEE RATE	3.67%	3.33%
NUMBER OF WORK-RELATED DEATHS	0	0

Methodological note: Absences due to occupational accidents are accounted for from the actual day or the day following the accident depending on the time at which it occurred. For example, if an accident occurs on the way home from work, the absence is classified the following day.

LA8 Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases

The Occupational Medicine Unit of the Personnel Department is responsible for taking measures to prevent disease and improve employees' quality of life and work environment.

CGD has provided mechanisms for education and training, counselling, prevention and risk control, treatment for employees to ensure their physical, mental and social wellbeing. Many of these initiatives also cover their families.

The following were the main plans/actions in 2009:

- Swine flu contingency plan, with three main goals:
 - ✦ To manage fear and prevent panic;
 - ✦ To protect employees and their families from the harmful effects of a pandemic;
 - ✦ To guarantee minimum levels of CGD service during a pandemic.

A number of communication, monitoring, prevention and control initiatives were undertaken to this end.

Education, training, prevention, risk control and employee treatment programmes in 2009:

- Prevention of cardiovascular disease;
- Prevention of colon cancer;
- Prevention of breast and gynaecological cancer;
- Support consultations for giving up smoking;
- Support consultations for changing eating habits;
- Psychological support after prolonged absence;
- Support and counselling for employees travelling on duty;
- Education publications on health;
- Active participation in meetings of Enterprise for Health, of which CGD is a founding member, for good practices in occupational health.

TABLE 30 Medical exams and prevention programmes

MEDICAL EXAMS AND PREVENTION PROGRAMMES	No. OF TESTS AND CONSULTATIONS	No. OF EMPLOYEES COVERED*
PSYCHOLOGICAL AND PSYCHIATRIC TESTS	103	63
BREAST AND GYNAECOLOGICAL SCREENING	188	126
CONSULTATIONS FOR GIVING UP SMOKING	71	27
DIETARY CONSULTATIONS	352	150
CARDIOVASCULAR PREVENTION	175	175
PREVENTION OF RECTAL AND COLON CANCER	239	239
TOTAL	1,128	780

*Note: Some employees benefited from several programmes.

Methodological note: Covers employees of CGD, S.A. and CGD Group other companies.

TABLE 31 Health care programmes

TARGETS	EDUCATION/TRAINING	COUNSELLING	RISK PREVENTION/CONTROL	TREATMENT
EMPLOYEES	Yes	Yes	Yes	Yes
EMPLOYEES' FAMILIES	No	No	Yes	Yes
COMMUNITY	No	No	No	No

LA9 Health and safety topics covered in formal agreements with trade unions

The company agreements with all trade unions contain clauses on CGD's obligations with regard to occupational health, safety and hygiene.

LA10 Average hours of training per year per employee by employee category

One of the priorities of Caixa Geral de Depósitos is its employees' training. In 2009, 773,910 hours of training were given, which represents 70.8 hours per employee.

TABLE 32 Hours of Training by employee category

CATEGORY	2008	2009	No. OF EMPLOYEES	HOURS PER EMPLOYEE
	HOURS PER EMPLOYEE	HOURS OF TRAINING		
BOARD	43.75	67	4	16.75
SENIOR MANAGERS	42.09	35,095	772	45.46
MIDDLE MANAGERS	58.74	242,330	3,896	62.20
SUPERVISORS ⁽¹²⁾	1.53	—	—	—
HIGHLY SKILLED AND SKILLED EMPLOYEES	30.87	495,881	6,050	81.96
SEMI-SKILLED EMPLOYEES	2.22	526	94	5.60
UNSKILLED EMPLOYEES	5.90	11	115	0.10
TOTAL	40.79	773,910	10,931	70.80

LA11 Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

In 2009, CGD provided 284,313 hours of skills management training to its employees.

The following types of training were involved:

- Foreign languages;
- Microcomputing;
- University education;
- Personal development;
- Emotional intelligence;
- Communication and interpersonal relations;
- Leadership and coaching;
- Trainer training;
- Personal efficiency.

LA12 Percentage of employees receiving regular performance and career development reviews

All employees were assessed in 2009.

LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity

High degrees of diversity and equal opportunities are a cornerstone of CGD's human resource policy, as confirmed by the data in the tables below.

⁽¹²⁾ The only employee in this category left before the end of 2008 and is therefore not included in all direct employees considered on 31 December 2008.

TABLE 33 Employees by category and gender

	FEMALE		MALE	
	TOTAL	PERCENTAGE OF TOTAL EMPLOYEES	TOTAL	PERCENTAGE OF TOTAL EMPLOYEES
BOARD (DIRECTORS)	0	0%	4	100%
SENIOR MANAGERS	260	34%	512	66%
MIDDLE MANAGERS	1,887	48%	2,009	52%
HIGHLY SKILLED AND SKILLED EMPLOYEES	3,484	58%	2,566	42%
SEMI-SKILLED EMPLOYEES	31	33%	63	67%
UNQUALIFIED EMPLOYEES	115	100%	0	0%
TOTAL	5,777	53%	5,154	47%

TABLE 34 Number of employees by category and age group

GRI CATEGORY	AGE GROUP	2008	2009
UNSKILLED EMPLOYEES	18 to 34	0	0
	35 to 44	2	0
	45 to 54	56	47
	55 to 64	59	65
	Over 65	4	3
	Total	121	115
SEMI-SKILLED EMPLOYEES	18 to 34	0	0
	35 to 44	8	7
	45 to 54	51	43
	55 to 64	47	42
	Over 65	1	2
	Total	107	94
HIGHLY SKILLED AND SKILLED EMPLOYEES	18 to 34	1 562	1 707
	35 to 44	1 810	1 726
	45 to 54	1 911	1 797
	55 to 64	839	810
	Over 65	10	10
	Total	6 132	6 050
MIDDLE MANAGERS	18 to 34	873	825
	35 to 44	1 611	1 774
	45 to 54	942	941
	55 to 64	368	355
	Over 65	2	1
	Total	3 796	3 896

SENIOR MANAGERS	18 to 34	11	9
	35 to 44	227	221
	45 to 54	328	323
	55 to 64	212	212
	Over 65	5	7
	Total	783	772
DIRECTORS	18 to 34	0	0
	35 to 44	2	1
	45 to 54	2	2
	55 to 64	0	1
	Over 65	0	0
	Total	4	4

In 2009, 144 people with physical or mental disabilities were working for CGD.

Methodological note: For lack of any other at this time, the criterion for identifying employees with disabilities or chronic diseases is the income tax rate registered by the employee.

LA14 Ratio of basic salary of men to women by employee category

The company agreements in effect at CGD do not operate any gender discrimination by category in terms of basic salary.

This equality is confirmed by the direct ratio of average salaries of men and women, which shows clear leadership even including the effect of years of service (i.e. through automatic promotions established in collective agreements and years-of-service bonuses), which usually upsets the balance of the average in favour of male employees.

TABLE 35 Ratio of average salaries of men and women by category

CATEGORY	RATIO IN 2008	RATIO IN 2009
DIRECTORS	-	-
SENIOR MANAGERS	0.81	0.80
MIDDLE MANAGERS	0.86	0.86
SUPERVISORS	-	-
HIGHLY SKILLED AND SKILLED EMPLOYEES	0.95	0.95
SEMI-SKILLED EMPLOYEES	0.91	0.90
UNSKILLED EMPLOYEES	-	-

Methodological note: the ratio was determined on the basis of average remuneration by gender and category, considering average remuneration of males and females for each category.

This ratio does not apply to directors and unskilled employees since only one gender prevails in each of these categories.

POLICIES, GOALS AND PERFORMANCE, MONITORING AND FOLLOW-UP

The way in which human rights issues are managed at CGD is reflected in its labour management approach. Non-discrimination, freedom of association and collective bargaining, the prohibition of child labour and prevention of forced labour are guaranteed. These policies and practices are legal obligations that CGD respects in full.

For more information on our human rights management approach see the Table of Commitments in point 1.2.

Organisational responsibility

TABLE 36 Organisational responsibility in human rights

POLICY/PROGRAMME	CORPORATE BODIES WITH FORMAL RESPONSIBILITY
HUMAN RESOURCE ASPECTS	Personnel Department
SUPPLIER RELATIONS	Sogrupos Compras e Serviços Partilhados, ACE

Training and awareness

Given the context, CGD has not felt the need to define specific training programmes that include these matters. Nonetheless, giving the position that CGD wishes to have as a driving force for sustainability, it promotes courses that include human rights. A cycle of conferences, *Um Alerta Global para o Desenvolvimento Sustentável*, took place in the Grand Auditorium of CGD Culturgest Foundation in April 2009 and was organised in collaboration with Green Values.

These conferences were attended by a number of personalities from different continents and discussed various aspects of sustainable development, highlighting the importance of the subject matter – climate change, human rights, sustainable development, the information society and sustainable architecture.

CGD also enhanced access to the conferences by screening them in full in its media gallery on www.cgd.pt.

HUMAN RIGHTS PERFORMANCE INDICATORS

HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening

The scope of the report covered the activity of CGD, S.A. in Portugal and its branches abroad. These bodies operate mainly in countries whose labour legislation respects human rights and so there are no clauses on these aspects in investment agreements.

HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken

CGD undertakes to treat all suppliers equally in accordance with the principles of good governance of state-owned corporations. Although we do not yet conduct specific human rights screening of suppliers, this aspect is one of CGD's future commitments.

HR4 Total number of incidents of discrimination and actions taken

There is no record of any case of discrimination against employees or potential employees duly proven as such.

HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights

At CGD there are no impediments to the free exercise of freedom of association or collective bargaining agreements. This is immediately evident in the large number of trade union members and the fact that employees' employment agreements are fully covered by company agreements.

HR6 Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour

As required by law, the company agreements establish minimum admission ages: 18, or 16 for the children of deceased employees or those unable to work. There is therefore no significant risk of child labour.

HR7 Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour

There is no significant risk of forced or compulsory labour at CGD. The workers' representative (Workers' Committee and shop stewards) would be the first to denounce these cases.

SOCIAL MANAGEMENT APPROACH

Goals and performance

CGD sets clearly defined goals for a wide variety of society-related aspects. Examples are our different commitments, such as community engagement, fighting corruption and compliance.

The performance indicators on these issues can be found in this section.

See also the table of commitments in point 1.2.

Policies

The following are examples of CGD social policies:

- The CGD Code of Conduct, which is for all its employees and governing bodies and reinforces CGD's commitment to the highest ethical and deontological standards;
- The operational risk and internal control (ROCI) programme, which requires internal control systems to guarantee respect for the law and regulations on the prevention of money laundering and funding of terrorism;
- The annual plans of activities of the Internal Audit Department, which ensure that legislation, regulations and internal rules are respected by the different corporate bodies;
- Internal control procedures for money laundering.

Organisational responsibility

The Board of Directors is ultimately responsible for the correct implementation of the above policies, programmes and commitments.

TABLE 37 Policies and programmes and organisational responsibility

POLICY/PROGRAMME	CORPORATE BODIES WITH FORMAL RESPONSIBILITY
ROCI PROGRAMME	Operational Risk and internal Control Management Committee Consultancy and Organisation Department Compliance Office Department of Accounting, Consolidation and Financial Information Internal Audit Department Process owners and other CGD bodies and branches within the scope of their activities
INTERNAL AUDIT PLAN	Internal audit plan
INTERNAL CONTROL PROCEDURES REGARDING MONEY LAUNDERING	Compliance Office

Training and awareness

CGD employees include respect for social aspects in their everyday work. An example of this is community engagement activities that are described in the 2008 and 2009 sustainability reports and on www.cgd.pt and www.culturgest.pt. CGD employees have always been involved in these activities.

These awareness campaigns are also for customers and society in general.

CGD employees are trained to adopt ethically exemplary behaviour. For example, the following mechanisms are in place for the prevention of money laundering:

- CGD's Code of Conduct
- Internal regulations with legal duties and internal measures and procedures to ensure compliance
- Employee training on CGD's anticorruption policies and practices (see indicator SO3).

Monitoring and follow-up

The ROCI programme is a mechanism for monitoring society-related aspects. Many of the Internal Audit Department's activities are aimed at ensuring compliance with internal and legal provisions on money laundering.

CGD's community engagement is also subject to follow-up. Examples of this are the quantitative and qualitative data in this report and indicators EC8, EC9 and SO1.

Note:

For more detail, see the social management approach in point 1.2.

SOCIAL PERFORMANCE INDICATORS

SO1 Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting

As decisions on opening or closing branches and offices are included in the bank's strategic growth, as a rule CGD conducts studies of the impact of these decisions on the region's economy and economic development.

Before CGD begins operations in a new location, it drafts a business plan, which includes an analysis of the impact on the local community. Several factors are analysed when identifying these impacts, such as the current and future scale of the region, the community's socio-economic conditions, existing business activity, the needs of local SMEs, existing competition and potential complementarity and improvement in the services of the local commercial network.

After these analyses, it may happen that CGD will open a branch even though the prospects for business growth in the area are not favourable. This is because its intention is to be present in many points of the country and promote access to banking services to as many people as possible, even in places with low population density and buying power, such as Corvo (Azores).

These practices are closely related to the fact that CGD always seeks to establish long-lasting, personalised business relationships with companies and private customers, which means that employees', customers' and the community's interests are considered when entering or exiting.

In fact, CGD has moved a few branches. These moves always involved better working conditions for employees and quality of service for customers, not only in terms of accessibility (public transport and parking) but also privacy and comfort in customer service areas.

In the event of potential closure of branches due, for example, to lower than expected growth in the market, we transfer the employees to more central locations in order to keep up with the dynamics of the localities. These employees may also be added to the personnel at the nearest branches or offices in order to maximise the quality of service to customers.

In addition, CGD has been focusing on the continued development of remote channels for private and corporate customers by:

- Extending functions of Caixadirecta telephone, online, mobile and SMS and Caixa e-banking
- Greater coverage of the Caixautomática network
- Introducing new channels, such as mobile access to Caixa e-banking.

This multi-channel approach offers better, more convenient secure access to the bank 24 hours a day.

These CGD practices are not yet embodied in formal policies to assess and manage the impacts of its operations and activities on the community when entering and exiting. Although this has not been set as a priority goal, we plan to draft a written policy on the matter.

This policy and its implementation should include not only the aspects analysed today but also methods for consulting the local community. The Conselhos Abertos initiative can be regarded as an initial step in this process, as it is a way of establishing contacts and obtaining information so that CGD's range of products and services can be adapted to local needs.

In spite of the need to formalise these issues, CGD already has a number of initiatives in addition to those strictly connected to financial services. Their aim is to improve communities' quality of life by fostering culture, financial literacy and social solidarity.

Concrete examples can be found throughout this report and especially in indicators EC8 and FS16.

There are further examples in the chapter on community engagement in the Institutional Section.

SO2 Percentage and total number of business units analysed for risks related to corruption

Risks of corruption are analysed in the ROCI programme and by the Internal Audit Department.

The main aims of the ROCI are:

- To develop operational risk management capabilities
- To mitigate the operational risk
- To respond to regulation and compliance aspects

In 2009 the Internal Audit Department conducted on-site audits of:

- 38.6 % of branches, i.e. 305 branches out of 790⁽¹³⁾
- 33.3 % of Empresas Offices
- 60 audits at central departments and branches (21 follow-up audits and 39 others)

Ongoing auditing activities included:

- Systematic weekly or monthly analysis and checks of legality of operations processed in the different business areas, such as:
 - + Internal and settlement accounts (e.g. accounts payable)
 - + Credits and debits in current accounts (e.g. dormant accounts, laundering and cheque kiting)
 - + Sundry expenses
 - + Overdrafts in current accounts (occasional and authorised)
 - + Checking compliance with credit orders
 - + Loan operations (validation of requirements)
 - + Customer involvement
 - + Quality of Information in customer database
 - + Intervention by employees (accesses, allocations and operation of accounts).

Source: Internal Audit Dept 2009 Report on Activities.

SO3 Percentage of employees trained in CGD's anti-corruption policies and procedures

As a socially responsible bank, Caixa Geral de Depósitos devoted special attention to corruption and money laundering. There are several examples of CGD practices in these areas: the CGD Code of Conduct for all employees and corporate bodies, respect for the principles of good governance of state-owned corporations, the ROCI programme and the annual plans of activities of the Internal Audit Department which check that legislation, regulations and internal rules are being respected by the corporate bodies.

⁽¹³⁾ Concerning information systems, audits were conducted to the Data Warehouse (development component), and to Siebel and wireless networks (infrastructures).

The internationally recognised principle of “know your customer” followed at CGD is particularly important in the **prevention of money laundering and funding of terrorism**, by means of service orders and information circulars for all employees.

CGD gave training in the prevention of money laundering and funding of terrorism to 8,178 employees, on its e-learning platform. Table 38 shows the categories of employees receiving this training.

TABLE 38 Number of employees trained in prevention of money laundering and funding of terrorism by category

CATEGORY	NUMBER OF EMPLOYEES
SENIOR MANAGERS	582
MIDDLE MANAGERS	2,773
HIGHLY SKILLED AND SKILLED EMPLOYEES	4,796
OTHERS	27

SO4 Actions taken in response to incidents of corruption

Two dismissals of employees for fraudulent activity occurred in 2009. There were also two cases of disciplinary sanctions resulting in suspension for more than 90 days. There were no incidents with business partners or lawsuits brought against CGD for corruption.

SO5 Public policy positions and participation in public policy development and lobbying

CGD responds to requests for opinions on current standards from regulatory bodies, providing them with its views and positions, which contribute to the drafting of legal documents regarding the sector’s activity. It also participates in sectoral working groups, where it expresses its opinions.

In 2009 the Ministry of Finance and Public Administration (MFAP), the Committee of European Securities Regulators (CESR), Banco de Portugal (BdP – Portuguese Central Bank), Conselho Nacional de Supervisores Financeiros (National Council for Financial Oversight) and the Portuguese Securities Commission (CMVM) requested and received opinions from CGD. The most important were:

- **Public consultation by the MFAP – reform of financial supervision in Portugal**, in which CGD made the following suggestions:
 - ✦ Clarification on engagement of the Portuguese authorities (within the proposed model) with the European authorities with regard to prudential oversight;
 - ✦ Clarification on whether the structures in the proposed model would belong to Conselho Nacional para a Estabilidade Financeira (CNES – National Council for Financial Stability).
- **BdP public consultation no. 1 – duty of information– price list**, in which CGD suggested:
 - ✦ Standardisation of information on net effective annual and gross annual nominal interest rates in advertising and price lists of financial products.
- **BdP public consultation no. 2 – duty of information– home loans**, in which CGD suggested:
 - ✦ Clarification of technical definitions for clearer, more transparent future regulations;
 - ✦ Extension of the scope of the future regulations to loan simulations by telephone and external promoters;
 - ✦ Clarification of minimum timeframes for sending credit information to customers;

-
- + That the standardised information form should take account of the European Commission recommendations in the Voluntary European Code of Conduct on home loans;
 - + The need to regulate cases in which the interest rate is not fixed or indexed to EURIBOR.
 - **BdP public consultation no. 4 – duty of information in the sale of indexed deposits and dual and complex financial products**, in which CGD suggested:
 - + The adoption of a minimum timeframe for sending information to customers;
 - + Clarification of the information to be given on the remuneration on this type of product and the variables on which it depends;
 - + Extension of the scope of future regulations to deposits with indexed remuneration with interest rate switches.
 - **CESR public consultation – consultation on MiFID**, in which CGD suggested:
 - + A clear distinction between an implicit recommendation and investment consultancy;
 - + Definition of cases in which the bank is considered to be making a personal recommendation;
 - + Clarification of definitions on the basis of objective criteria, investment consultancy and corporate finance consultancy.
 - **CESR public consultation – incentives: good and bad practices**, in which the following suggestions were made to ensure:
 - + The existence of written procedures in internal regulations identifying, classifying and assessing employees' payments, bonuses and non-monetary benefits
 - + The clarity of information, which should be sufficient for a customer to make an informed investment decision

SO7 Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes

No legal actions were brought against CGD for anticompetitive behaviour or monopoly practices in 2009.

SO8 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations

In 2009 there were two cases of significant fines (over €15,000) due to refusal to hand over the complaints book and customers' complaints submitted to Banco de Portugal. There is currently a case brought by Banco de Portugal regarding an on-site inspection at one of CGD's branches.

PRODUCT RESPONSIBILITY MANAGEMENT APPROACH

Goals and performance

CGD abides by the following values in its dealings with customers: integrity, trust, transparency, ethics, respect for privacy and excellent quality of service.

Our strategic vision for 2008–2010 is for CGD to be a driving force in the Portuguese financial system and stand out for its contribution to the economic development, greater competitiveness, capacity for innovation and international expansion of Portuguese companies.

The different commitments in this report are an example of this, such as those concerning business, stakeholder engagement and communication. The performance indicators on these issues are shown in this section. See also the table of commitments in point 1.2.

Policies

The Compliance Office is a CGD body that answers directly to the Board of Directors and is responsible for monitoring compliance with the duty to provide legal and regulatory information on CGD's products and services.

All corporate bodies involved in production and communication are responsible for fulfilling these duties.

Furthermore, CGD abides by voluntary codes: code of conduct of Instituto Civil da Autodisciplina na Publicidade (ICAP) and the Voluntary European Code of Conduct on home loans, aimed at guaranteeing a high degree of transparency in relations with customers.

The quality of service assessment programme monitors and guarantees quality of service at branches and in Serviço Caixazul and Caixa Empresas. Caixa Relação, a training scheme for commercial network employees is associated with this programme and is designed to develop customer service skills.

The Customer Support Office, a body that answers directly to the Board of Directors, ensures the centralising, analysis and handling, and responses to all suggestions and complaints from customers. It also identifies and implements opportunities for improvement in close cooperation with the other corporate bodies.

There are also our environmental awareness and financial literacy programmes, which foster information, awareness and knowledge. They are designed to instil good practices in society.

The business continuity plan is designed to respond to emergencies such as natural disasters, failures in basic services, environmental contamination, epidemics, loss of computer data and general breakdowns in communications or equipment. These events can lead to general failures in physical infrastructures or prevent employees from coming to work.

Caixa Geral de Depósitos also has programmes to guarantee the safety and security of customers and their assets, such as security in internet banking services and the use of debit and credit cards.

CGD's internet banking services use cutting-edge security technologies:

- Authentication and identification;
- Virtual keyboard;
- Matrix card;
- SMS token;
- Date and time of last access;
- Automatic logout;
- Digital certificates;
- Encrypted communications;
- Cookies;
- Traffic control;
- Monitoring and supervision;

Furthermore, CGD provides a manual of advice and procedures for safe use of the internet (more detail on www.cgd.pt).

Organisational responsibility

The above goals and commitments are considered strategic by the Board of Directors, which is ultimately responsible for proper compliance with these goals, programmes and initiatives.

TABLE 39 Policies and programmes and organisational responsibility

POLICY OR PROGRAMME	BODY WITH FORMAL RESPONSIBILITY
QUALITY OF SERVICE ASSESSMENT PROGRAMME	Marketing Department
CENTRALISING, ANALYSIS AND HANDLING OF SUGGESTIONS AND COMPLAINTS	Customer Support Office
MONITORING OF DUTY TO PROVIDE LEGAL AND REGULATORY INFORMATION ON PRODUCTS AND SERVICES SOLD	Compliance Office
COMPLIANCE WITH CODE OF CONDUCT OF INSTITUTO CIVIL DE AUTODISCIPLINA DA PUBLICIDADE – ICAP	Communication and Brand Department
BUSINESS CONTINUITY PLAN	Prevention, Safety and Business Continuity Office

Training and Awareness

With regard to quality of service, there is training as part of the CaixaRelação project for commercial network employees. It is divided into three main areas:

- E-learning course on customer service;
- Classroom training in team spirit at all branches;
- Local sessions for reflection and sharing of good practices;

Customer awareness was raised of the need to use internet banking securely to protect themselves and their assets.

In financial literacy:

- Saldo Positivo
- Ciclo da Poupança
- Manual da Banca – Caixa Universidade Politécnico (Banking Manual – Caixa Polytechnic University).

The following were the most important environmental awareness initiatives⁽¹⁴⁾ in the Caixa Carbono Zero 2010 Programme:

- Solar thermal plant;
- Microgeneration;
- Caixa Carbono Zero card;
- Calculadora de Carbono CGD;
- Programa Nova Geração de Cientistas Polares;
- Design with recycled materials competition;
- Remade in Portugal;
- Floresta Caixa Project;
- Dia-a-dia Carbono Zero Guide (for employees);
- O Planeta Agradece blog;
- Sponsorship of the TV programme ECO-EUROPA;
- Eco Casa (CGD main sponsor);

For more information on CGD's product responsibility approach see point 1.2.

⁽¹⁴⁾ There is more detail on all these initiatives on www.cgd.pt.

PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS

PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures

CGD's products and services have no direct impact on its customers' health or safety and so it has no specific procedure for assessing them. The business continuity programme, special equipment and plans for risk situations guarantee the safety and security of customers and their property on CGD premises.

The Prevention, Security and Business Continuity Office (GPS) plays an important role and its main goals are to manage and coordinate the protection of people and assets at central buildings and in the bank network, promote preventive action, implement and maintain the CGD business continuity plan to ensure that it is in line with actual response capacity.

The GPS follows the best practices in ISO 9001 and OHSAS 18001 international standards. It regularly draws up prevention and emergency plans, under which all kinds of safety and security evaluations are conducted on CGD premises, including drills, like the one that took place two years ago at Avenida 5 de Outubro in Lisbon, involving over 6,000 employees, the police and civil authorities. In 2009, 97.5% of CGD's branches had access to the safety and security guide. It comprises the prevention and emergency plan and some safety and security procedures.

CGD provides all its customers with information on the safe use of its internet banking services. Its most important initiatives are:

Special area on security on <http://www.cgd.pt/Seguranca>;

Phishing – glossary on security

Security in Banca Directa (direct banking) – SMS Token, a new process for confirming operations when using Caixa Directa online, to complement current authentication and confirmation procedures

Caixa employees follow a manual of procedures whenever customers report potential fraud, receipt of a phishing e-mail or an anomaly in electronic access.

CGD has measures in place to prevent fraudulent use of credit and debit cards. For example, EMV (Europay, MasterCard and Visa) and chip (to replace the magnetic strip) are used to prevent card cloning.

The following card safety measures are used in product life cycles.

TABLE 40 Examples of security measures in product life cycles

STAGE OF CARD LIFE CYCLE	SECURITY MEASURES FOR ALL CUSTOMERS WITH REVOLVING CREDIT AND DEBIT CARDS
MARKETING AND PROMOTION	Messages on credit and debit card security in statements.
SUPPLY AND DISTRIBUTION	Messages on customer security in statements.
USE BY CUSTOMERS AND AFTER-SALES SERVICE	Copy of card insurance policy for new customers and pilot scheme of sending text messages to customers with company cards who perform operations that may place them or their assets at risk.

PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements

Legislation and regulations provide clear information on the issue, sale and advertising of all CGD financial products and services. These rules include the specific conditions and characteristics of each product and service.

Note:

For more details see www.cgd.pt.

Furthermore, Caixa Geral de Depósitos abides by the Code of Conduct of the Instituto Civil de Autodisciplina da Publicidade – ICAP, the Voluntary European Code of Conduct on home loans and the Market in Financial Instruments Directive.

In 2009, the Compliance Office validated 63 new products and responded to 403 applications for approval of campaigns, in terms of compliance with regulations, legislation and CGD's internal principles regarding information given to customers.

PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction

Ongoing improvement of quality of service and customer satisfaction is one of CGD's strategic priorities.

CGD's Marketing Department is currently conducting one of the country's largest quality and customer satisfaction programmes, which entails:

- + Over 190,000 contacts a year to assess satisfaction with service, products and customer care;
- + Regular mystery shopper visits to the commercial network to assess the quality of customer service and the behavioural aspects of interaction with customers.

The table below shows the goals, methods and main activities of the Marketing Department for assessing quality of service and improving customer satisfaction.

TABLE 41 Main quality of service assessment methods

GOALS	METHODS	MAIN ACTIVITIES IN 2009
FINDING OUT ABOUT BANK CUSTOMER TRENDS AND BEHAVIOUR AND ASSESSING CGD'S POSITIONING	Regular analyses and benchmarking to independent studies.	Several ad-hoc analyses in 2009; Four annual reports.
ASSESSING QUALITY OF SERVICE, SATISFACTION, CONCEPTS AND INNOVATION	Phone surveys; Mystery shoppers; Online surveys; Focus group; Postal surveys.	10 quality of service and customer satisfaction assessment programmes; Assessment of pilot Caixa Mais (More Caixa) service; Assessment of online manager; Assessment of Caixa e-banking.
MONITORING RESULTS, SHARING AND RECOGNISING BEST PRACTICES IN QUALITY OF SERVICE AND SUGGESTING OPPORTUNITIES FOR IMPROVEMENT	Publication of results, rankings, best practices and opportunities for improvement; Drafting of quality dashboard; Developing online reporting to branch level; Including results in commercial network training.	Presenting results at Delegate Marketing, Communication and Network Boards; Sharing results with the commercial network; Sending over 3,800 Individual reports to branches; Nine reports published on the intranet; Three special newsletters; Presentation of results at three branch committees; Quality dashboard; Online reporting tool.

PERFORMANCE INDICES	AVERAGE 2008	AVERAGE 2009	CHANGE (POINTS)
CAIXA EMPRESAS CUSTOMER MANAGERS (OFFICES)	79	83	4
BRANCHES	71	72	2
CAIXAZUL MANAGERS	81	84	2
CAIXA EMPRESAS CUSTOMER MANAGERS (BRANCHES)	85	83	- 2

The above table shows that performance rates have improved in the last two years in terms of quality of service and customer satisfaction.

Caixa Empresas customer managers (for sole traders and micro- and small enterprises) represent the only service model in which these rates went down slightly, mainly as a result of outside effects related to the economic situation.

Important work has been done by the Customer Support Office, whose remit is:

- Creation of customer loyalty by solving or clarifying source of dissatisfaction;
- Identifying and correcting problematic situations;
- Identifying sources of dissatisfaction and avoiding complaints by defining and circulating procedures to be followed with respect to customer service;
- Acting as a repository for information for assessing products and services, processes and functional models;
- Acting as a repository for information for identifying employees' mobility or training needs;

The way in which this office fulfils its mission in its relations with customers and other CGD departments includes:

- Recognising customers' complaints and expectations and providing a timely response;
- Immediately reporting problematic situations;
- Circulating useful information for customer service;
- Drafting periodic reports on opportunities for improvement;
- Finding and processing information at the request of other CGD bodies.

The main results in the Customer Support Office activity report on the second half of 2009, show⁽¹⁵⁾:

- A 5% reduction in the number of complaints;
- An improvement in all performance indicators.

TABLE 42 Number of complaints

	1 ST HALF 2008	2 ND HALF 2008	1 ST HALF 2009	2 ND HALF 2009
TOTAL FOR HALF YEAR	17,036	14,459	11,953	11,381
DAILY AVERAGE	129	110	91	86

There has been a reduction in the number of complaints received⁽¹⁶⁾, as fewer customers have complained about:

- Mortgages (down 30%);
- Investment funds (down 38%);
- Statements and notices (down 55%).

TABLE 43 Main subjects of complaints

MAIN SUBJECTS OF COMPLAINTS – 2 ND HALF 2009	
MEANS OF PAYMENT	48%
CREDIT	13%
COMMERCIAL NETWORK	12%
DEPOSITS AND FINANCIAL INVESTMENTS	10%
AUTOMATIC AREAS	9%
OTHERS	8%

There was a reduction in the average response time to complaints in the second half of 2009.

In the same period, the following activities by the Customer Support Office are examples of its proactivity in ongoing improvement of CGD's quality of service:

- Sessions with business and channel management departments;
- Notification of the business and channel management departments of the following situations:
 - ✚ Correction of non-conformity of service;

⁽¹⁵⁾ The analysis period was the 2nd half of 2009 compared with the 1st half.

⁽¹⁶⁾ Complaints received minus those annulled. Complaints about errors in operations in centrally managed machines were also discounted.

-
- + Correction of situations of correct service in which customer expectations were not met – evaluating pertinence of an improvement in the service;
 - + Sporadic issue of statistics on complaints on certain matters.

This office also drafted a report on opportunities for improvement, which listed situations noted in 2009 and made recommendations.

The Customer Support Office is also represented on the Branch Committee for sharing information on the main causes of customer dissatisfaction and anticipating possible causes for complaint in ongoing initiatives.

PR6 Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship

Marketing communications, advertising, promotion, and sponsorship for CGD's financial products and services comply with all duties of information required by law.

With regard to legal requirements in terms of ethics and conduct in advertising, CGD is stepping up its commitment to transparency and responsibility in relations with its customers and abides by the ICAP Code of Conduct and the European Voluntary Code of Conduct on home loans.

The issue and advertising of CGD's financial products and services are also governed by the following general principles (as per Banco de Portugal Notice 10/2008):

Principle of identification: The institution responsible for the products and services advertised must be clearly identified.

Principle of veracity: Advertising must be truthful and not distort the facts. Statements on the products and services advertised must be accurate and verifiable at all times.

Principle of transparency: All necessary information must be given to enable an informed, reasoned decision. The information necessary in each case for an accurate assessment of the characteristics of a product or service advertised must not be incomplete or obscure.

Principle of balance: Access conditions and restrictions or limitations must be given the same focus as highlighted characteristics of a financial product or service. No emphasis must be given to any potential benefits of a financial intermediation activity or financial instrument without a clear, correct indication of any relevant risks also being given.

Principle of clarity: Customers must be clearly informed of all product characteristics and the price of services and other costs. Advertising must use clear, accessible language and avoid technical terms, unless they are common knowledge. The information must be understandable to the general public.

Nonetheless, rather than a formal policy in this sphere, there is an obligation to abide by the requirements set out by legislation and regulations that ensure fair functionality and communication of CGD's products and services.

The Compliance Office is responsible for monitoring observance of legislation and other regulatory documents and this type of assessment is conducted on a permanent basis whenever requested by other CGD bodies.

PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

There were no significant fines for non-compliance with laws or regulations concerning the provision and use of products and services in 2009. Significant fines are considered to be those of €15,000 or over.

MANAGEMENT APPROACH TO SOCIAL AND ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES (FINANCIAL SERVICE SECTOR SUPPLEMENT)

Goals and performance

CGD's sustainability strategy (for more details see point 1.2) devotes special attention to managing the environmental and social impacts of its products and services.

Point 1.2 (sustainability strategy and table of commitments) and the Environmental Management Approach (Caixa Carbono Zero 2010 Programme) describe performance goals and commitments concerning environmental and social impacts of products and services.

Examples are also given of performance in the area of products and services with positive environmental and social impacts (see FS indicators below).

Policies

One of CGD's strategic goals is to establish formal policies that reflect its commitments concerning the environmental and social impacts of the products that it sells.

The Banca & Ambiente – Financiar o Ambiente em Portugal 2009-2011 workshop organised after CGD joined the UNEP FI is an example of a major step in this direction.

Other examples include the Board of Directors' approval of the governance model for sustainability in our environmental policy (see point 1.2).

Organisational responsibility

CGD's model of governance for sustainability ranks these issues and was approved in 2010.

Training and awareness

One of CGD's strategic goals is to provide employees with training and increase their awareness of the environmental and social impacts of our products and services.

Examples of initiatives at this level are given in the Environmental Management Approach – training and awareness and in indicator FS4.

Monitoring and follow-up

The model of governance for sustainability approved by the Board of Directors in 2010 (for more detail see point 1.2) will ensure the monitoring and follow-up of social and environmental policies and practices concerning products and services.

PERFORMANCE INDICATORS FROM THE FINANCIAL SERVICE SECTOR SUPPLEMENT

FS1 Policies with specific environmental and social components applied to business lines

The inclusion of environmental aspects in the design and sale of products and services is one of the facets of Caixa Carbone Zero 2010 (for more information on this programme see Environmental Management Approach). Furthermore, CGD's environmental policy will be approved and thereby strengthen the bank's commitment. CGD will thus have formal policies addressing these components (at least at environmental level), which has not been the case so far.

FS2 Procedures for assessing and screening environmental and social risks in business lines

The consideration of environmental and social criteria in the evaluation of credit risk is one of CGD's strategic commitments, as shown by two of its sustainability pledges:

- Raising CGD employees' awareness of environmental risks by organising Banca & Ambiente – Financiar o Ambiente em Portugal 2009-2011 conferences under the aegis of UNEP FI;
- Analysing and identifying environmental criteria to be included in credit risk assessments and project finance operations.

For more information on CGD's commitments, see table of commitments in point 1.2.

These goals show that, although a proper analysis has not yet been conducted of the environmental and social risks of CGD business lines, it is certainly working towards this end.

FS3 Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions

As there are not yet any requirements of this nature, CGD has no procedures for monitoring compliance.

FFS4 Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines

There are several examples of training and environmental awareness campaigns for CGD employees:

- Dia-a-dia Carbone Zero;
- In-house awareness-raising sessions – Caixa Carbone Zero Programme;
- CGD mobility plan;
- Practical Guide to Low carbon Procurement: Organisation of events;
- Practical Guide to Low carbon Procurement: Communication campaigns and media.

Note:

For more detail, see Environmental Management Approach– training and awareness.

There is not yet a formal process for improving employees' environmental skills.

FS5 Interactions with clients/investees/business partners regarding environmental and social risks and opportunities

We can give a number of examples of this type of interaction with these stakeholders, most of which are the responsibility of the Communication and Brand Department and are designed to improve their awareness, performance and attitude towards environmental and social aspects:

- The Banca & Ambiente – Financiar o Ambiente em Portugal 2009-2011 conferences on environmental risks for banks (business partners) and corporate customers. The results of this interaction will be taken into account when implementing our commitment to include environmental and social criteria in credit risk analysis (see also point 1.2 and Environmental Management Approach);
- Stakeholder survey (for more details see points 3.5, 4.16 and 4.17) on sustainability. A questionnaire (drawn up on the basis of a benchmark analysis and a CGD employee survey in 2008) was emailed to employees, suppliers, non-governmental organisations and private charities. Private and corporate customers were surveyed directly in the commercial network. This process enabled CGD to raise these stakeholders' awareness of environmental and social issues and identify the matters that stakeholders considered most important.

These surveys were used to identify the subject matter and structure of the 2009 Sustainability Report Institutional Section.

Environmental awareness initiatives for customers and society:

- + Caixa Carbono Zero 2010: Floresta Caixa and Floresta Caixa Carbono Zero;
- + Nova Geração de Cientistas Polares programme;
- + Competition for furniture design with recycled materials to foster environmental awareness;
- + Um Alerta Global para o Desenvolvimento Sustentável series of conferences on sustainable architecture, climate change, human rights and the information society;
- + CGD publications for private and corporate customers, which include sustainability;
- + (*Caixa em Revista*, *Caixazul*, *Caixa Empresas*, *Caixa Woman* and *Caixa no Mundo* magazines).

Financial literacy initiatives for customers and society, including:

- + Saldo Positivo, which is aimed at financial education and the prevention of overindebtedness, for which CGD has a website (www.saldopositivo.cgd.pt) where customers and non-customers can learn how to manage their money, clarify some financial concepts and develop an action plan to fight overindebtedness, which results in greater responsibility in managing personal and household income and encourages saving and investment. The content is suited to its target audience. It considers age, type of family and specific needs, such as those related to the time of year (beginning of the school year, the holiday seasons and Christmas, for example), and planned and unexpected situations that have to be dealt with;
- + The aim of the Ciclo da Poupança is to raise the awareness of children and young people of the need to preserve the planet by saving natural resources and linking the concepts of saving these resources and saving money. The www.ciclodapoupanca.com website provides information on different ways of saving natural and financial resources.

FS6 Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector

TABLE 44 Credit granted by economic activity code (CAE) (EUR thousands)⁽¹⁷⁾

CREDIT TO COMPANIES BY ECONOMIC ACTIVITY	% OF CREDIT GRANTED AS AT 31 DECEMBER 2008	CREDIT GRANTED AS AT 31 DECEMBER 2009	% OF CREDIT GRANTED AS AT 31 DECEMBER 2009
AGRICULTURE, STOCKBREEDING, GAME HUNTING, SILVICULTURE AND FISHERIES	0.86%	238,652	0.821%
EXTRACTIVE INDUSTRY	1.37%	454,633	1.565%
MANUFACTURING INDUSTRY	8.43%	2,768,461	9.527%
ELECTRICITY, WATER AND GAS PRODUCTION AND DISTRIBUTION	2.97%	1 191,725	4.101%
CONSTRUCTION	16.43%	5,460,244	18.790%
WHOLESALE AND RETAIL TRADE, REPAIRS TO VEHICLES, MOTORCYCLES AND PERSONAL AND DOMESTIC APPLIANCES	8.64%	2,728,378	9.389%
ACCOMMODATION AND CATERING	1.69%	661,353	2.276%
TRANSPORTS, WAREHOUSING AND COMMUNICATIONS	2.29%	1,206,709	4.153%
FINANCIAL ACTIVITIES	9.61%	6,530,608	22.474%
REAL ESTATE	11.94%	2,944,628	10.133%
OTHER ACTIVITIES	22.88%	1,263,746	4.349%
PUBLIC ADMINISTRATION, DEFENCE AND SOCIAL SECURITY	9.96%	3,009,344	10.356%
EDUCATION	0.28%	173,954	0.599%
HEALTH AND SOCIAL SECURITY	0.85%	276,479	0.951%
OTHER COLLECTIVE, SOCIAL AND PERSONAL ACTIVITIES AND SERVICES	1.20%	149,237	0.514%
FAMILIES WITH DOMESTIC STAFF	0.00%	146	0.001%
INTERNATIONAL BODIES AND OTHER EXTRA-TERRITORIAL ORGANISATIONS	0.61%	841	0.003%
TOTAL	100.00%	29,059,139	100%

TABLE 45 Credit granted by type of customer (EUR thousands)⁽¹⁸⁾

CREDIT GRANTED BY TYPE OF CUSTOMER	% OF CREDIT GRANTED AS AT 31 DECEMBER 2008	CREDIT GRANTED AS AT 31 DECEMBER 2009	% OF CREDIT GRANTED AS AT 31 DECEMBER 2009
SMALL COMPANIES	6.71%	4,426,976	6.60%
MEDIUM-SIZED COMPANIES	12.25%	8,397,941	12.52%
LARGE COMPANIES	27.21%	16,234,222	24.20%
TOTAL CREDIT GRANTED TO COMPANIES	46.17%	29,059,139	43.31%
MORTGAGES	49.78%	33,779,644	50.35%
OTHER LOANS ⁽¹⁹⁾	4.06%	4,255,517	6.34%
TOTAL CREDIT GRANTED TO PRIVATE CUSTOMERS	53.83%	38,035,161	56.69%
TOTAL	100.00%	67,094,300	100.00%

⁽¹⁷⁾ CAE – Revision 3 (REV 3). Credit by CAE in 2008 has been revised in accordance with that published in the CGD's 2009 Annual Report and Accounts so that it can be compared with 2009, when CAE Rev.3 was adopted.

⁽¹⁸⁾ The concept of small, medium-sized and large companies is defined in Decree-Law 372/2007.

⁽¹⁹⁾ Includes consumer credit.

TABLE 46 – Deposits by type of customer (EUR thousands)

DEPOSITS BY TYPE OF CUSTOMER	% OF TOTAL DEPOSITS AS AT 31 DECEMBER 2008	TOTAL DEPOSITS AS AT 31 DECEMBER 2009	% OF TOTAL DEPOSITS AS AT 31 DECEMBER 2009
PRIVATE CUSTOMERS	79.69%	42 321 700	79.45%
CURRENT ACCOUNTS	21.67%	12 025 505	22.58%
TERM DEPOSITS	47.45%	25 319 997	47.53%
SAVINGS ACCOUNTS	10.58%	4 976 198	9.34%
COMPANIES	15.74%	8 192 815	15.38%
CURRENT ACCOUNTS	8.43%	3 640 550	6.83%
TERM DEPOSITS	7.31%	4 552 265	8.55%
PUBLIC SECTOR	4.56%	2 752 316	5.17%
CURRENT ACCOUNTS	2.99%	1 857 152	3.49%
TERM DEPOSITS	0.38%	337 039	0.63%
MANDATORY DEPOSITS	1.20%	558 125	1.05%
TOTAL	100%	53 266 831	100%

Methodological notes: The information refers to the individual activity of CGD, S.A. and its foreign branches.

FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line

TABLE 47 Monetary value of products and services designed to deliver a specific social benefit for each business line.

BUSINESS LINE	PRODUCT/SERVICE	DESCRIPTION AND PURPOSE OF PRODUCT	AM. (EUR THOUSANDS)
RETAIL BANKING	Cards	Caixa Fã Card. Users can finance charities and NGOs; CUP Card – Caixa Universidade Politécnico. Debit card for higher education students that replaces a number of cards and offers discounts for a variety of cultural activities; ISIC Card. Credit card for higher education students that also acts as ID and offers discounts in health, sports and computer hardware and software, for example.	Amount of transactions 1,537,129
	Credit to companies for export	Support of exports by Portuguese companies for structural initiatives in developing countries.	Amount borrowed 1,350,000
	Caixa QREN – Empresas solution	Loans to companies on special conditions under the QREN to finance the development of the business world.	Credit granted as at 31-12-2009 2,530
	PME Investe (SME Invest)	Lines set up under agreements with government bodies to finance investment by SMEs on advantageous terms.	Credit granted as at 31-12-2009 424,610
	Caixa PME Líder	Credit to finance the best Portuguese SMEs on advantageous terms.	Credit granted as at 31-12-2009 453,330

BUSINESS LINE	PRODUCT/SERVICE	DESCRIPTION AND PURPOSE OF PRODUCT		AM. (EUR THOUSANDS)
RETAIL BANKING (CONT.)	Line of credit for SMEs with mutual guarantee companies	CGD partnership with mutual guarantee companies to improve finance conditions for Portuguese SMEs.	Credit granted as at 31-12-2009	475,551
	Microfinance	Lines of credit for small amounts to small entrepreneurs on advantageous terms.	Credit granted as at 31-12-2009	315
	Oferta Ibérica	Line of credit on advantageous terms to finance exports by Portuguese companies.	Credit granted as at 31-12-2009	4,405
	Other loans to companies	Cinema – preproduction. Line of credit Vocational schools – Programa Operacional de Potencial Humano (Human Potential Operational Programme). Line of credit in partnership with the Council of Europe Development Bank for investment in education.	Credit granted as at 31-12-2009	13,040
	Personal loans	Microcredit for people wishing to create their own jobs. Credit on advantageous terms to finance studies in Portugal and abroad for higher education students. Credit on advantageous conditions for young entrepreneurs. Credit for the disabled (60% disability or more).	Credit granted as at 31-12-2009	55,945
	Private customers' deposits	Caixapoupança Rumos, a term deposit for customers with 60% disability or more, in which customers with balances of over 10,000 euros have a year's home assistance.	Deposits as at 31-12-2009	650
INVESTMENT BANKING	Finance for projects with high social potential	CGD finances companies offering goods and services with highly positive impacts on society.	Amount released and borrowed in 2009	247,078
	Investments in Caixa Capital and shareholdings in companies with activities with social potential	CGD owns shares in companies with a highly positive impact on society.	Amount of CGD's investment	37,500

TABLE 48 Proportion of products with positive impacts on society in each business line

BUSINESS LINE	PROPORTION OF PRODUCTS WITH POSITIVE IMPACTS ON SOCIETY IN EACH BUSINESS LINE
LOANS TO PRIVATE CUSTOMERS FOR OTHER PURPOSES *	1.3%
LOANS TO COMPANIES **	5.1%
TERM DEPOSITS FROM PRIVATE CUSTOMERS	0.003%

*Includes consumer credit

**Does not include loans to companies for exports to developing countries.

Financing from Caixa BI, which has high social potential, represents around 0.23% of CGD's net assets. Shareholdings in companies managed by Caixa Capital, with high social potential, account for 0.0035% of the net assets of CGD, S.A. and 12.67% of total shareholdings under the management of Caixa Capital.

FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line

TABLE 49 Description and purpose of product (EUR thousands).

BUSINESS LINE	PRODUCT/SERVICE	DESCRIPTION AND PURPOSE OF PRODUCT	EUR THOUSANDS
RETAIL BANKING	Cards	Caixa Carbono Zero credit card, which allows users to finance the offset of GHG emissions	Amounts traded
			1,832
	Loans to companies	Caixa Empresas – Energias Renováveis to foster companies' investment in renewable energy	Capital borrowed as at 31-12-2009
			710
	Loans to private customers	Personal loans for renewable energy on special conditions for private customers wishing to buy equipment generating renewable energy	Capital borrowed as at 31-12-2009
			13,558
	Structured product	Caixa Carbono Zero, the return on which is indexed to a futures contract for emissions reduction certificates	Situation of fund as at 31-12-2009
			14,564
ASSET MANAGEMENT	FEI Aberto Caixa Invest Energias Renováveis.	Special investment fund Investing in renewable energies and related activities	Amount managed as at 31-12-2009
			42,037
INVESTMENT BANKING	Caixa BI shareholding in companies with environmental potential	CGD has shares in companies that operate and/or produce and sell products with positive environmental impacts	CGD shareholdings in 2009
			29,085
	Shareholdings of Caixa Capital in companies with high environmental potential	CGD owns shares in companies with a highly positive impact on the environment	Value of shareholdings
			31,100
	Financing projects with environmental potential	CGD finances companies offering goods and services with highly positive impacts on the environment	Amount released and borrowed in 2009
			506,710

TABLE 50 Proportion of products with positive impacts on the environment in each business line

BUSINESS LINE	PROPORTION OF PRODUCTS WITH POSITIVE IMPACTS ON THE ENVIRONMENT IN EACH BUSINESS LINE
ASSET MANAGEMENT	0.167 %
STRUCTURED PRODUCTS	0.3%
LOANS TO PRIVATE CUSTOMERS FOR OTHER PURPOSES *	0.3%
LOANS TO COMPANIES	0.002%

*Includes consumer credit.

The shareholdings considered represent 0.03% of the net assets of CGD, S.A. Financing from Caixa BI with high environmental potential represents around 0.48% of CGD's net assets. Shareholdings in companies managed by Caixa Capital with high social potential represent 0.0029% of the total assets of CGD, S.A. and 10.51% of total shareholdings under Caixa Capital management.

FS9 Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures

One of CGD's goals is to make an effort to conduct specific audits to assess implementation of environmental and social programmes and policies and develop formal risk assessment procedures. This type of audit is currently not performed, however.

FS10 Percentage and number of companies held in CGD's portfolio with which it has interacted on environmental or social issues

There is currently no social or environmental interaction specifically aimed at one company. This shortcoming will be resolved by our environmental policy and governance model for sustainability.

FS11 Percentage of assets subject to positive and negative environmental or social screening

In 2009, the only product that selected assets on the basis of environmental criteria was the Caixagest Energias Renováveis fund, which represented 0.167 % of total assets under Caixagest management.

FS12 Voting policy(ies) applied to environmental or social issues for shares over which CGD holds the right to vote shares or advises on voting

CGD recognises its importance as an institutional investor. Nonetheless, Caixa Geral de Depósitos is essentially a commercial bank and although it has shareholdings in companies in which it has voting rights it does not regard this business line as its core business. Furthermore, its orientation is towards complete separation of shareholdings in companies from CGD's banking activity.

FS13 Access points in low-populated or economically disadvantaged areas

CGD has a bank distribution network in Portugal that covers the entire country and enables it to provide financial products and services in low-populated or economically disadvantaged areas. CGD therefore plays a crucial role in the financial inclusion of disadvantaged populations.

Caixa Geral de Depósitos is present with 190 branches (22.4% of total CGD branches in Portugal)⁽²⁰⁾ in all low-populated municipalities with purchasing power below the national average⁽²¹⁾ (except Porto Moniz in Madeira).

⁽²⁰⁾ Same proportion as in 2008

⁽²¹⁾ Population density was calculated using Instituto Nacional de Estatística (INE – Statistics Portugal) data from the 2001 Census (latest update on 15 May 2007). Purchasing power per capita was calculated on the basis of the survey O Poder de Compra Concelhio 2005 (Purchasing Power by Municipality), (INE, 2007).

TABLE 51 Distribution of commercial network

DISTRICT	BRANCHES	COMPANY OFFICES
NORTH		
BRAGA	46	3
BRAGANÇA	14	0
PORTO	111	5
VIANA DO CASTELO	17	1
VILA REAL	20	1
CENTRE		
AVEIRO	43	4
CASTELO BRANCO	20	1
COIMBRA	40	1
GUARDA	18	1
LEIRIA	33	4
SANTARÉM	33	2
VISEU	33	1
SOUTH AND MADEIRA AND AZORES		
BEJA	17	0
ÉVORA	17	0
FARO	34	2
LISBON	201	9
PORTALEGRE	16	0
SETÚBAL	53	2
AZORES	25	1
MADEIRA	18	1

FS14 Initiatives to provide access to financial services for disadvantaged people

On www.cgd.pt, Caixa Geral de Depósitos provides more accessible contents and services regardless of type of hardware, software, network infrastructure, language, geographical location or special needs. Access to web pages involves a wide range of disabilities, including sight, hearing, physical, motor, cognitive, language, learning and neurological impairment hindering access to or understanding of the information.

The following standards and good practices were followed when developing www.cgd.pt:

- Best accessibility practices (W3C Web Content Accessibility Guidelines 1.0);
- Accessibility of Contents – Level of Compliance AAA – Priority 3.

The www.cgd.pt website is the only portal in the Portuguese financial sector to receive the highest classification from Agência para a Sociedade do Conhecimento – UMIC (Knowledge Society Agency) in its web accessibility benchmarking index (Web@x) <http://www.acesso.umic.pt/webax/examinator.php>

Advantages for users

- Contents and functions on the different browsers with a similar use and viewing experience guarantee better usability. Since around 22.5% of www.cgd.pt users have not yet upgraded their browsers to the latest version, the website supports older versions, thereby benefiting some 192,000 users.
- There are access keys to main contents and functions. Most browsers support immediate access to urls or content areas using a combination of keys. The following access keys are available on www.cgd.pt main pages:
 - 1 – O Nosso Banco (Our Bank)
 - 2 – Destaques ou Conteúdo (banners or contents)
 - 3 – Main menu
 - 4 – Tab menu
 - 5 – Footer
 - 6 – Search

The TAB key can also be used for this function, when accessing a page and a tab menu appears at the top.

- Improvement in access times to contents, as the size of contents is made lighter by using style sheets rather than tables to structure the information;
- Alternative to multimedia and images, as users can deactivate images if they do not have bandwidth or the flash plug-in;
- Concealed content in some functions allowing greater contextualisation for users of vocalisation programs such as JAWS and Braille readers;
- Information structured by headings and lists;
- Indication of language;
- Contents that can be accessed and read regardless of the browser or viewing device, which is the first step towards effective mobilisation of the website (mobile version to be implemented);
- No tables or text formatting used to control the presentation of the contents;
- Use of only relative, never absolute units of measurement so that users can increase or reduce the size of contents as needed, adapt them to monitors with different resolutions and automatically resize their features;
- Contents organised without dependence from style sheets;
- Contents and functions not dependent on scripts.

A project is currently under way to develop an e-school card in Braille to provide access to these services for visually impaired students.

The following were the most important measures taken at CGD premises:

- Central buildings:
 - + Head office building: four lifts were adapted for use by people with reduced mobility.
 - + Aliados building: an access ramp to the Caixautomática service was built.
- Commercial network:
 - + 23 branches all over the country were remodelled, so that appropriate access conditions are now guaranteed in about 75% of CGD commercial network premises.

FS15 Policies for the fair design and sale of financial products and services

CGD abides by the requirements and regulations issued by regulators to ensure the fair design and sale of financial products and services. It also has mechanisms, such as its Code of Conduct, principles of good governance and other internal standards to ensure that its interests and those of its employees are in line with customers' expectations.

CGD conducts arbitration of clear violations of the principles of its Code of Conduct. In other words, we cannot say that there is active monitoring of compliance with the code.

FS16 Initiatives to enhance financial literacy by type of beneficiary

CGD has several initiatives and programmes in this area, such as:

- Saldo Positivo (www.saldopositivo.cgd.pt/) for customers of all ages and society as a whole
- Manual da Banca – CGD Universidade Politécnico (www.cup.pt/CUP/Homepage/default.aspx), specially designed for students
- Ciclo da Poupança (<http://ciclodapoupanca.com/>) for customers of all ages and society as a whole

CGD sponsors initiatives that further the financial education of customers and society as a whole.

06. GLOBAL REPORTING INITIATIVE INDEX

STRATEGY AND ANALYSIS

GRI ITEM	STATUS	ASSURANCE	PAGE
1.1 Chairman's statement	●	★	3-4
1.2 Description of key impacts, risks and opportunities	●	★	6

ORGANISATIONAL PROFILE

GRI ITEM	STATUS	ASSURANCE	PAGE
2.1 Name of the reporting organisation	●	★	13
2.2 Primary brands, products and/or services	●	★	13
2.3 Operational structure of the organisation including main divisions, operating companies, subsidiaries, and joint ventures	●	★	14
2.4 Location of organisation's headquarters	●	★	16
2.5 Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	●	★	16
2.6 Nature of ownership and legal form	●	★	17
2.7 Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries)	●	★	17
2.8 Scale of the reporting organisation	●	★	17
2.9 Significant changes during the reporting period regarding size, structure, or ownership	●	★	18
2.10 Awards received in the reporting period	●	★	18

REPORT PARAMETERS

GRI ITEM	STATUS	ASSURANCE	PAGE
3.1 Reporting period for information provided	●	★	20
3.2 Date of most recent previous report	●	★	20
3.3 Reporting cycle	●	★	20
3.4 Contact point for questions regarding the report or its contents	●	★	20
3.5 Process for defining report content	●	★	20
3.6 Boundary of the report	●	★	22
3.7 State any specific limitations on the scope or boundary of the report	●	★	22

REPORT PARAMETERS (CONT.)

GRI ITEM	STATUS	ASSURANCE	PAGE
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations	●	★	22
3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	●	★	22
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	●	★	22
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	●	★	22
3.12 Table identifying the location of the Standard Disclosures in the report	●	★	22
3.13 Policy and current practice with regard to seeking external assurance for the report	●	★	22

GOVERNANCE, COMMITMENTS AND STAKEHOLDER ENGAGEMENT

GRI ITEM	STATUS	ASSURANCE	PAGE
4.1 Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight	●	★	24
4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organisation's management and the reasons for this arrangement)	●	★	24
4.3 For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	●	★	25
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	●	★	25
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including decision-taking agreements), and the organisation's performance (including social and environmental performance)	●	★	25
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	●	★	25
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics	●	★	26
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	●	★	26
4.9 Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	●	★	26
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	●	★	26
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organisation	●	★	27

GOVERNANCE , COMMITMENTS AND STAKEHOLDER ENGAGEMENT (CONT.)

GRI ITEM	STATUS	ASSURANCE	PAGE
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	●	★	27
4.13 Significant memberships in associations and/or national/international advocacy organisations	●	★	27
4.14 List of stakeholder groups engaged by the organisation	●	★	27
4.15 Basis for identification and selection of stakeholders with whom CGD engages	●	★	28
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	●	★	28
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	●	★	28

ECONOMIC MANAGEMENT APPROACH

	STATUS	ASSURANCE	PAGE
Goals and performance	●	★	31
Policies	●	★	31

ECONOMIC PERFORMANCE INDICATORS

GRI INDICATOR	STATUS	ASSURANCE	PAGE
EC1 Direct economic value generated and distributed	●	★	33
EC2 Financial implications and other risks and opportunities for the organisation's activities due to climate change	●	★	33
EC3 Coverage of the organisation's defined benefit plan obligations	●	★	35
EC4 Significant financial assistance received from government	●	★	35
EC5 Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operations	●	+	35
EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	●	★	35
EC7 Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	●	★	35
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement	●	★	35
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts	●	+	37

ENVIRONMENTAL MANAGEMENT APPROACH

	STATUS	ASSURANCE	PAGE
Goals and performance	●	★	39
Policies	●	★	40
Organisational responsibility	●	★	40
Training and awareness	●	★	41
Monitoring and follow-up	●	★	43

ENVIRONMENTAL PERFORMANCE INDICATORS

GRI INDICATOR	STATUS	ASSURANCE	PAGE
EN1 Materials used by weight or volume	●	★	44
EN2 Percentage of materials used that are recycled input materials	●	★	45
EN3 Direct energy consumption by primary energy source	●	★	45
EN4 Indirect energy consumption by primary energy source	●	★	46
EN5 Energy saved due to conservation and efficiency improvements	●	+	48
EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	●	+	48
EN7 Initiatives to reduce indirect energy consumption and reductions achieved	●	+	48
EN8 Total water withdrawal by source	◐	★	48
EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	▲	★	48
EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas dos impacts	▲	★	48
EN13 Habitats protected or restored	●	+	48
EN14 Strategies, current actions, and future plans for managing impacts on biodiversity	●	+	48
EN16 Total direct and indirect greenhouse gas emissions by weight	●	★	49
EN17 Other relevant indirect greenhouse gas emissions by weight	●	★	50
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved	●	+	51
EN19 Emissions of ozone-depleting substances by weight NA	NA	★	52
EN20 NOx, SOx, and other significant air emissions by type and weight	▲	★	52
EN21 Total water discharge by quality and destination	▲	★	52
EN22 Total weight of waste by type and disposal method	◐	★	53
EN23 Total number and volume of significant spills	▲	★	53
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	●	★	53
EN27 Percentage of products sold and their packaging materials that are reclaimed by category	●	★	55

ENVIRONMENTAL PERFORMANCE INDICATORS (CONT.)

GRI INDICATOR	STATUS	ASSURANCE	PAGE
EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	●	★	55
EN30 Total environmental protection expenditures and investments by type	●	+	55

LABOUR MANAGEMENT APPROACH

	STATUS	ASSURANCE	PAGE
Goals and performance	●	★	56
Policies	●	★	56
Organisational responsibility	●	★	56
Training and awareness	●	★	57
Monitoring and follow-up	●	★	57

LABOUR PERFORMANCE INDICATORS

GRI INDICATOR	STATUS	ASSURANCE	PAGE
LA1 Total workforce by employment type, employment contract, and region	●	★	58
LA2 Total number and rate of employee turnover by age group, gender, and region	●	★	59
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees	●	+	60
LA4 Percentage of employees covered by collective bargaining agreements	●	★	61
LA5 Minimum notice periods regarding operational changes, including whether it is specified in collective agreements	●	★	61
LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	●	+	61
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	●	★	61
LA8 Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases	●	★	61
LA9 Health and safety topics covered in formal agreements with trade unions	●	+	63
LA10 Average hours of training per year per employee by employee category	●	★	63
LA11 Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	●	+	63
LA12 Percentage of employees receiving regular performance and career development reviews	●	+	63
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	●	★	63
LA14 Ratio of basic salary of men to women by employee category	●	★	65

HUMAN RIGHTS MANAGEMENT APPROACH

	STATUS	ASSURANCE	PAGE
Goals and performance	●	★	66
Policies	●	★	66
Organisational responsibility	●	★	66
Training and awareness	●	★	66
Monitoring and follow-up	●	★	66

HUMAN RIGHTS PERFORMANCE INDICATORS

GRI INDICATOR	STATUS	ASSURANCE	PAGE
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	●	★	67
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	●	★	67
HR4 Total number of incidents of discrimination and actions taken	●	★	67
HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	●	★	67
HR6 Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	●	★	67
HR7 Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour	●	★	67

SOCIAL MANAGEMENT APPROACH

	STATUS	ASSURANCE	PAGE
Goals and performance	●	★	68
Policies	●	★	68
Organisational responsibility	●	★	68
Training and awareness	●	★	68
Monitoring and follow-up	●	★	69

SOCIAL PERFORMANCE INDICATORS

GRI INDICATOR	STATUS	ASSURANCE	PAGE
SO1 Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	●	★	70
SO2 Percentage and total number of business units analysed for risks related to corruption	●	★	71
SO3 Percentage of employees trained in organisation's anti-corruption policies and procedures	●	★	71

SOCIAL PERFORMANCE INDICATORS (CONT.)

GRI INDICATOR	STATUS	ASSURANCE	PAGE
SO4 Actions taken in response to incidents of corruption	●	★	72
SO5 Public policy positions and participation in public policy development and lobbying	●	★	72
SO7 Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes	●	+	73
SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	●	★	73

PRODUCT RESPONSIBILITY MANAGEMENT APPROACH

	STATUS	ASSURANCE	PAGE
Goals and performance	●	★	74
Policies	●	★	74
Organisational responsibility	●	★	74
Training and awareness	●	★	74
Monitoring and follow-up	●	★	74

PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS

GRI INDICATOR	STATUS	ASSURANCE	PAGE
PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	●	★	77
PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	●	★	78
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	●	+	78
PR6 Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	●	★	81
PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	●	★	82

MANAGEMENT APPROACH TO ENVIRONMENTAL AND SOCIAL IMPACTS OF PRODUCTS AND SERVICES (FINANCIAL SERVICES SECTOR SUPPLEMENT)

	STATUS	ASSURANCE	PAGE
Goals and performance	●	★	83
Policies	●	★	83
Organisational responsibility	●	★	83
Training and awareness	●	★	83
Monitoring and follow-up	●	★	83

FINANCIAL SERVICES SECTOR SUPPLEMENT

GRI INDICATOR	STATUS	ASSURANCE	PAGE
FS1 Policies with specific environmental and social components applied to business lines	●	★	84
FS2 Procedures for assessing and screening environmental and social risks in business lines	●	★	84
FS3 Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	●	★	84
FS4 Processes for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	●	★	84
FS5 Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	●	★	85
FS6 Percentage of the portfolio for business lines by specific region, size and by sector	●	★	86
FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line	●	★	87
FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line	●	★	89
FS9 Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	●	★	89
FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	●	★	90
FS11 Percentage of assets subject to positive and negative environmental or social screening	●	★	90
FS12 Voting policy(ies) applied to environmental or social issues for shares over which the reporting organisation holds the right to vote shares or advises on voting	●	★	90
FS13 Access points in low-populated or economically disadvantaged areas	●	★	90
FS14 Initiatives to provide access to financial services for disadvantaged people	●	★	91
FS15 Policies for the fair design and sale of financial products and services	●	★	93
FS16 Initiatives to enhance financial literacy by type of beneficiary	●	★	93

★ ESSENTIAL INDICATORS SUBJECT TO EXTERNAL ASSURANCE

✚ ADDITIONAL INDICATORS NOT SUBJECT TO INDEPENDENT EXTERNAL ASSURANCE

● INDICATOR ANSWERED

ⓘ INDICATOR PARTIALLY ANSWERED

▲ INDICATOR JUSTIFIED

07. EXTERNAL ASSURANCE STATEMENT



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REVIEW REPORT

Free translation of a report originally issued in Portuguese.
In the event of discrepancies, the Portuguese language version prevails.

Introduction

1. We have been requested by the Board of Directors of Caixa Geral de Depósitos, S.A., ("CGD") to perform a review to verify if the Sustainability Report CGD 2009 ("Sustainability Report") was prepared in order to assure adherence to the A+ application level of the Global Reporting Initiative Guidelines, version v3.0 (2006), considering the global guideline of sustainability reporting and the Financial Services Sector Supplement ("GRI Guidelines"), as stated by CGD.
2. Our review covered the contents of the Sustainability Report relating to the "Strategy and Profile" items of the GRI Guidelines and the 2009 data relating to the core performance indicators, including those set by the Financial Services Sector Supplement, as indicated in the "Global Reporting Initiative Index" contained therein.

Responsibilities

3. The Board of Directors of CGD is responsible for preparing the Sustainability Report, as well as defining, implementing and carrying out adequate processes, procedures and criteria for collecting, processing, presenting and validating the information contained therein. Our responsibility is to issue a report, based on the procedures referred to below, on the information referred to above.

Scope

4. We conducted our review in accordance with the International Standard on Assurance Engagements 3000 – ISAE 3000, issued by the International Auditing and Assurance Standards Board, for Assurance Engagements other than Audit or Limited Reviews of Historical Financial Information, for a limited level of assurance.
5. This standard requires that we plan and perform procedures and apply auditing skills and techniques, in order to obtain an adequate understanding of the matters under review and, considering the circumstances, to obtain sufficient appropriate evidence on which to base our conclusions. In a limited assurance engagement, the procedures performed consist primarily of inquiries of company personnel and analytical procedures, including tests on a sample basis. Therefore, the procedures performed are more limited than in an engagement aimed at obtaining reasonable assurance and, therefore, less assurance is obtained.

A Deloitte & Associados, SROC S.A. presta este serviço de auditoria de sustentabilidade em conformidade com o Regulamento (UE) nº 540/2013 da Comissão Europeia, aprovado em 14 de maio de 2013, e com o Regulamento (UE) nº 540/2013 da Comissão Europeia, aprovado em 14 de maio de 2013, e com o Regulamento (UE) nº 540/2013 da Comissão Europeia, aprovado em 14 de maio de 2013.

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Member of Deloitte Touche Tohmatsu



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Page 2 of 2

6. The main procedures performed were:

- Interview of those responsible in CGD for the preparation of the Sustainability Report and for the data reported, so as to know and understand the management principles, as well as the systems and procedures applied;
- Review of conformity of the contents of the Sustainability Report referred to in paragraph 2, with the requirements of the GRI Guidelines for level A+;
- Review of the processes, criteria and systems used to collect, accumulate, present and validate the quantitative data for 2009, relating to the indicators reviewed by us;
- Tests, on a sample basis, of the calculations made by the Company, relating to the quantitative data subject to our review, as well as tests to verify the quantitative and qualitative information included in the scope of our work, by obtaining and reviewing evidence thereof, namely: (i) Code of Conduct; (ii) Reports and other internal information relating to the process for determining materiality and the processes of consultation, involvement and response to the needs and expectations of the stakeholders; (iii) Reports, extracts of decisions made by the Board of Directors and other evidence of the targets reached in 2009; (iv) Internal and external evidence supporting the quantitative data reported, such as, invoices, waste waybills, and internal reports; and
- Verification of the consistency of information included in the Sustainability Report with the results of our work, and that it does not contradict any material information provided by CGD in its Management Report and Financial Statements for 2009.

Findings

7. Based on the work performed, as described in paragraph 6 above, nothing came to our attention that causes us to believe that the Sustainability Report CGD 2009 of Caixa Geral de Depósitos, S.A., has not been prepared, in all material respects, in order to assure adherence to the A+ application level of the GRI Guidelines, as stated by CGD.

Lisbon, 08 July 2010

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



The 2009 Sustainability Report is carbon neutral.
The GHG emissions from its production are offset.



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