

1 December 2015

To our stakeholders:

We recognize that a key requirement for participation in the UN Global Compact is the annual preparation and posting of a Communication on Progress (COP) that comprises of a CEO statement of continued support for the UN Global Compact, a description of practical actions with regard to the main issue areas of the UN Global Compact, and a measurement of outcomes or expected outcomes.

NOS is the result of the merger between two of the largest telecommunications companies in Portugal: ZON and Optimus. Following the merger process conducted in 2013, NOS was formally presented to the market in 2014 and joined UN Global Compact in December of the same year. Throughout 2014 and 2015, we worked on our corporate sustainability strategy and implemented a number of priority projects focusing on principles setting and management and performance monitoring systems.

We conducted a sectoral benchmark that mapped the most relevant sustainability issues for telecommunications companies and performed an in-house reflection on how to respond to them. We are now preparing a materiality analysis, involving internal and external stakeholders, the results of which will inform our sustainability strategy for the next three-year cycle.

We approved a new corporate Code of Ethics, created the NOS Ethics Committee and developed training tools and irregularities reporting mechanisms that will be fully implemented in 2016, thus ensuring compliance with the Code's principles.

We have expanded and consolidated our Integrated Management System, that now encompasses the entire NOS telecommunications business and is certified according to ISO 9001 (Quality) and ISO 14001 (Environment) standards. We have also implemented an Occupational Health and Safety Management System in our corporate product development and customer service and certified it according to OSHAS 18001 standard.

Finally, we have developed a sustainability indicators system, based on the Global Reporting Initiative G4 Guidelines and supported by a propriety IT platform, that will make performance tracking and reporting more efficient and reliable.

We believe that the use of information and communication technologies is a key tool for implementing a sustainable development model. Our ambition is to promote prosperity and create social, environmental and economic change, optimize processes and improve the capabilities of people and organizations.

Having laid the foundations of the sustainability strategy and put in place the processes and tools for monitoring performance, NOS will start, in 2016, to regularly publish a Sustainability Report alongside its mainstream financial report. This report will provide all information regarding our commitment to the UN Global Compact Principles, including actions we are undertaking and its outcomes. In order to align our internal reporting cycle with the COP deadline we hereby request our COP deadline to be adjusted to 30 June 2016.

Sincerely yours,



Ms. Carla Rijo
Head of NOS Sustainability Department