



27 June 2016

To our stakeholders,

I am very pleased to bring to you NOS Communication On Progress on the implementation of the Ten Principles of United Nations Global Compact.

I would also like to take this opportunity to reaffirm our continuous support to the organization's approach in the areas of Human Rights, Labour, Environment and Anti-Corruption. In the following sections you will find a brief summary of the actions we undertook in 2015 to integrate these principles into our business. The year 2015 was marked by great challenges in our business environment. It was also an eventful and exciting year for sustainability in our company.

We approved a new corporate Code of Ethics and a short version for partners and suppliers, and developed training tools that will be fully implemented in 2016, thus ensuring compliance with the Code's principles.

We expanded and consolidated our Integrated Management System, certified according to ISO 9001 (Quality) and ISO 14001 (Environment) standards, to NOS Sistemas and NOS Inovação. We also certified NOS Comunicações according to OSHAS 18001 (Health & Safety) and ISO 20000 (Service management) standards. Additionally, we integrated ISO 27001 (Information security) certification of NOS Sistemas.

We 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.

Finally, we conducted a sectoral benchmark that mapped the most relevant sustainability issues for telecommunications companies and performed an in-house brainstorm on how to respond to them. Taking advantage of the approval, in September 2015, of the new Sustainable Development Goals (SDG), we have integrated these global targets in our analysis and identified the goals to which we can contribute the most. We are now preparing a formal materiality analysis, involving internal and external stakeholders, the results of which will inform our sustainability strategy for the next three-year cycle.

Given the delay in the conclusion of our materiality analysis, we decide not to publish NOS first Sustainability Report in 2016. This Communication On Progress aims to fill that information gap, providing relevant data regarding our commitment to the UN Global Compact Principles, including actions, outcomes and quantified performance on social and environmental key issues. We will also publish this information in our website.

We expect 2016 to be even more challenging. But NOS – together with our employees and partners – is fully prepared to face those challenges and overcome them. It is our belief that the Telecommunications sector offers countless opportunities to build a better society and this will remain our permanent motivation.

Thank you,

A handwritten signature in black ink, appearing to read 'Miguel Almeida'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Miguel Almeida  
NOS CEO