



SUSTAINABILITY REPORT '17



Millennium
bcp

SUSTAINABILITY REPORT '17



All mentions in this document to the application of any ruling mean the respective version currently in effect.

CONTENTS



Table of Contents

JOINT MESSAGE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND OF THE CEO	5
SUMMARY OF INDICATORS	7
MAIN HIGHLIGHTS	9
INTRODUCTION	10
Sustainability Report	11
2017 MAIN EVENTS	12
RELATION WITH STAKEHOLDERS	14
Identification and integration of expectations	16
Materiality Matrix	16
ECONOMIC RESPONSIBILITY	18
Millennium Network	19
Shareholders	21
Employees	22
Ethics and professional conduct	28
Service Quality	32
SOCIAL RESPONSIBILITY	36
Sharing and Participating	37
Financial Literacy	40
Fundação Millennium bcp	42
Products and Services	46
Employee Benefits	51
Suppliers	55
ENVIRONMENTAL RESPONSIBILITY	58
Main Highlights	60
Operational eco-efficiency	60
Environmental Awareness	65
Ecological Footprint	68
SUSTAINABILITY INDEXES	75
METHODOLOGY NOTE	77



António Monteiro
Chairman of the Board
of Directors



Nuno Amado
Chief Executive Officer
Vice-Chairman of the Board
of Directors

Joint Message of the Chairman of the Board of Directors and of the CEO

The year 2017 was marked by the recovery of the autonomy of action and management of Millennium bcp, as a result of the prepayment of all public aid.

And it was also a year marked by our capacity to take appropriate advantage of the generally positive environment, with economic recovery in Portugal, and favourable developments in Poland, Angola, and Mozambique. Against this backdrop we achieved net profits of 186 million Euros, and added more than 300,000 new customers, while guaranteeing improvement of our main financial indicators, in particular an expressive reduction of non-performing exposures (NPEs) and increased operational efficiency.

Because we are, today and always, a bank with a strong commitment to Sustainability and Ethical and Responsible Business practices, 2017 was also a year in which Millennium bcp stood alongside people, society and local communities in the continued creation of social value.

We have strengthened our support for culture, with events aimed at diverse audiences, promoting thematic exhibitions to share, in a personal and inclusive way, the bank's art collection, recognizing the creative merit and contributing to the restoration of historical heritage and museums.

Education, science and research are areas where Millennium is also present, through an active policy to support projects and multidisciplinary initiatives that are innovative, have a social impact and contribute value to society.

In all the markets where we are present, we reaffirmed our social support, our commitment to the most deprived, disadvantaged and vulnerable. In 2017, in Portugal, we maintained our partnership with the National Food Bank, participating in the regular food collection campaigns with the contribution of many Millennium volunteers, as well as in the initiatives for people hit by the tragic forest fires that affected the country in the summer months.

In Mozambique, under the "More Mozambique for Me" Social Responsibility program, we participated in the recovery of the Nursery of the Neonatal Service of Maputo Central Hospital and in the construction of libraries in primary schools in several Mozambican cities, among other projects. In Poland, the "Milantrop" corporate volunteering program supported 11 solidarity projects, involving around 300 volunteers from the bank, and, in Angola, the LOGOS project (Luanda, Organizing Games On Streets), providing programs of daily support with psychopedagogical content to about 2,000 children and young people from poor communities.

At the business level, the Bank has supported investors, businesses and families by granting sustainable credit solutions that are tailored to their financial needs and capabilities. In terms of accessibility, Millennium continues to provide integrated platforms and innovative electronic banking features for the digital marketing of our products and services, which are a major contribution to inclusive banking as well as a distinctive mark of Millennium in all our markets.

The banking sector continues to face a rapid transformation of relationships and the channels of contact, which means that improving the levels of financial literacy is a priority. Programmes such as the "Financial ABC" in Poland, designed for pre-schoolers and which has already involved more than 15,000 children, or the "Banking Olympiad" in Mozambique for youths and which is in its 8th edition. These are just a few examples of initiatives the bank has developed over the years to increase financial knowledge, in particular among youths, always bearing in mind the importance of the widespread adoption of banking behaviour and informed, stable and informed decision-making.

Microcredit, with which Millennium continues to support entrepreneurship and employment, merits the significant promotion to the entities closest to socially excluded populations. Microcredit is an instrument for combating unemployment and poverty, and enabled the creation of 492 jobs last year. Since 2005, the jobs resulting from projects funded by Millennium bcp's Microcredit unit total more than are already 6,300.

Another highlights is the bank's continued investment in the training and professional development of our employees. In 2017, more than 5,800 training activities were recorded.

Regarding the environment, the bank continued to focus on a sustainability policy that incorporates and promotes a culture of responsible consumption and investment, and aims to maintain a consistent reduction of our ecological footprint as a way of protecting the environment, preserving natural resources and adapting to climate change. As a result of this commitment, in 2017, we substantially reduced the consumption of electricity, lowered waste production and cut greenhouse gas emissions.

Finally, Millennium undertakes to comply with the 10 principles of the Global Compact of the United Nations, which it joined in 2005, and has been encouraging and investing in measures related to human rights, labour practices, environmental protection and the fight against corruption.

Millennium occupies, through its responsible business practices, a relevant and distinctive role in all the geographies where it is present, contributing to the well-being of people, to economic development and improvement of the conditions of society and the protection of the environment. We are also committed to gender equality, highlighting initiatives to support birth and parenting and reconciling work/family that have been implemented.

In 2018 we will maintain our commitment to the future, positioning ourselves as a bank that's agile, modern, personal, simple and sustainable. A leading bank, serving the economy, families and society in Portugal and all the geographies where we are present.



Nuno Amado
Chief Executive Officer
Vice-Chairman of the Board
of Directors



António Monteiro
Chairman of the Board
of Directors

SUMMARY OF INDICATORS



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Main Indicators

	Unit	2017	2016	2015	2014	2013	Var. % 17/16
CUSTOMERS							
Total of Customers (1)	Thousands	5,429	5,482	5,557	5,282	5,162	-1.0%
Interest paid on deposits and interbank funding	Million euros	353	389	661	897	1,148	-9.2%
Claims registered	Number	76,918	72,498	79,108	71,348	81,719	6.1%
Claims resolved	Percentage	97.7%	93.2%	97.2%	95.1%	98.5%	4.8%
ACCESSIBILITIES							
Branches	Number	1,120	1,163	1,342	1,373	1,518	-3.7%
Activity in Portugal		578	618	671	695	774	-6.5%
International activity		542	545	671	678	744	-0.6%
Branches opened on Saturday		118	112	144	140	131	5.4%
Branches with access conditions to people with reduced mobility		802	828	978	981	1,137	-3.1%
Internet	Users number	1,665,987	1,700,114	1,541,811	1,377,480	1,352,188	-2.0%
Call Center	Users number	353,003	261,620	273,610	301,338	230,046	34.9%
Mobile banking	Users number	1,520,378	1,268,804	929,401	506,976	339,095	19.8%
ATM	Number	2,950	2,965	3,115	3,112	3,341	-0.5%
EMPLOYEES							
PORTUGAL EMPLOYEES	Number	7,189	7,333	7,459	7,795	8,584	-2.0%
INTERNATIONAL EMPLOYEES (2)	Number	8,538	8,474	9,724	9,845	10,076	0.8%
LABOUR INDICATORS (3)							
Breakdown by professional category	Number						
Executive Committee		23	21	23	22	21	9.5%
Senior Management		150	146	171	161	165	2.7%
Management		1,642	1,669	1,702	1,768	1,874	-1.6%
Commercial		9,424	9,453	10,406	10,648	11,013	-0.3%
Technicians		3,531	3,459	3,609	3,641	3,921	2.1%
Other		1,061	1,167	1,330	1,452	1,711	-9.1%
Breakdown by age	Number						
<30		2,235	2,225	3,029	3,387	3,710	0.4%
[30-50[9,498	9,820	10,673	10,925	11,510	-3.3%
>=50		4,103	3,875	3,550	3,391	3,500	5.9%
Average age	Years	41	41	38	37	36	0.0%
Breakdown by contract type	Number						
Permanent		14,668	14,876	15,904	16,329	17,504	-1.4%
Temporary		1,168	1,044	1,035	1,073	894	11.9%
Trainees		298	0	313	301	329	
Employees with working hours reduction	Number	187	202	153	155	169	-7.4%
Recruitment rate	Percentage	9.7%	8.2%	7.3%	8.1%	6.6%	18.3%
Internal mobility rate	Percentage	18.5%	18.0%	16.4%	16.4%	15.9%	2.8%
Leaving rate	Percentage	10.3%	9.1%	10.0%	11.1%	9.1%	13.2%
Free association (4)	Percentage						
Employees under Collective Work Agreements		99.6%	99.6%	99.5%	99.6%	99.7%	0.0%
Union Syndicated Employees		78.5%	78.9%	72.0%	73.2%	75.9%	-0.5%
Hygiene and safety at work (HSW)							
HSW visits	Number	159	376	194	180	376	57.7%
Injury rate	Percentage	0.0%	0.0%	0.0%	0.0%	0.0%	
Death victims	Number	0	1	0	0	0	
Absenteeism rate	Percentage	4.3%	4.2%	4.0%	3.6%	3.8%	2.4%
Lowest company salary and minimum national salary	Ratio	1,3	1,1	1,9	1,7	1,7	12.3%
ENVIRONMENT (5)							
Greenhouse gas emissions (6)	tCO ₂ eq	55,683	59,864	58,439	65,470	72,691	-5.3%
Electricity consumption (7)	MWh	63,131	68,055	76,513	88,789	114,402	-7.2%
Production of waste (8)	t	599	1,332	2,078	1,568	1,294	55.1%
Water consumption (9)	m ³	253,837	239,279	358,228	554,307	361,968	6.1%
SUPPLIERS							
Time of payment and time contractually agreed, in Portugal	Ratio	1	1	1	1	1	0.0%
Purchase from local suppliers	Percentage	86.5%	91.7%	92.8%	86.5%	92.6%	-5.7%
DONATIONS							
	Million euros	1.9	1.7	2.0	2.2	3.2	6.2%

(1) Data for 2016 and 2017 do not include Angola, whose operation was discontinued in 2016.

(2) Number of Employees for all operations except Poland, where are reported Full Time Equivalent (FTE). Does not include Millennium bcp Bank & Trust employees.

(3) Employees information (and not FTE) for: Portugal, Poland, Mozambique and Switzerland.

(4) The value reflects only operations where the regimes are applicable. Collective work agreement: Portugal and Mozambique. Syndicate: Portugal and Mozambique.

(5) Data do not include Angola (2013 to 2017).

(6) Data do not include Mozambique (2016).

(7) Data include electricity from public grid. Does not include the cogeneration plant in Portugal neither 2016 energy consumption in Mozambique.

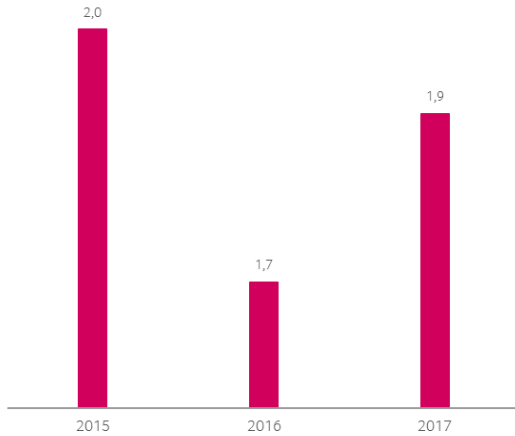
(8) Data does not include Switzerland (2013) neither Mozambique (2012 and 2013).

(9) Data does not include Switzerland (2012 to 2016), neither Mozambique (2016).

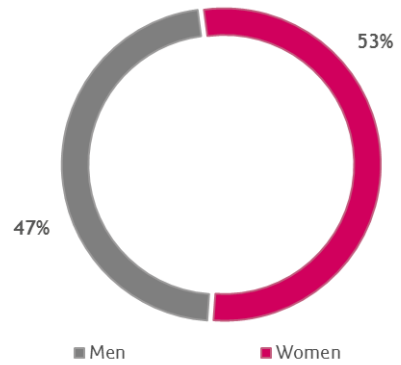
Main Highlights

Millennium bcp, a bank committed to the people and to the future...

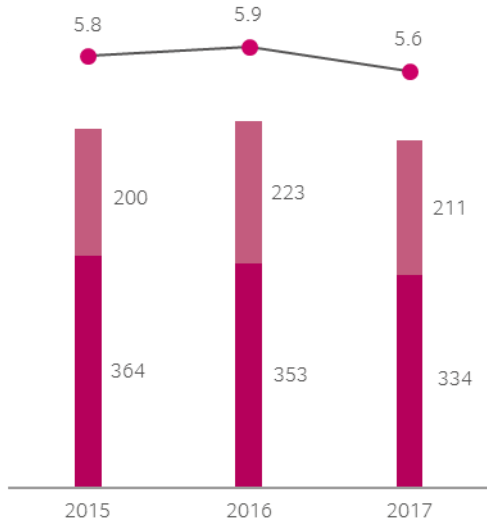
DONATIONS
Million euros



BREAKDOWN BY GENDER
Percentage



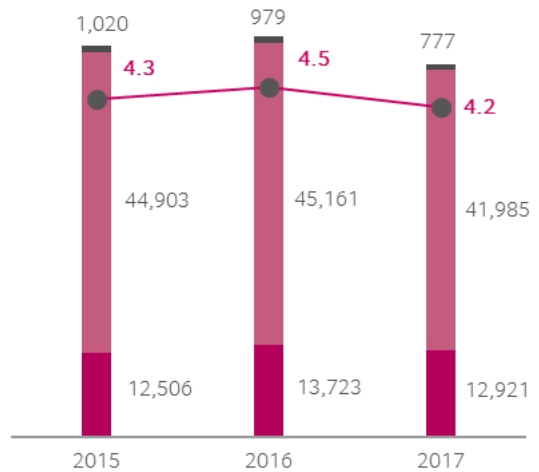
TOTAL ENERGY CONSUMPTION
(TJ)



- Direct Energy
- Indirect Energy
- Electricity consumption (MWh) by employee

Note: Cogeneration Central of Portugal included, and Data Center of Portugal and Mozambique data excluded.

GHG EMISSIONS
(tCO₂e)



- Indirect Emissions (Scope 3)
- Indirect Emissions (Scope 2)
- Direct Emissions (Scope 1)
- Total emissions by employee

Note: Mozambique not included.

... for the preservation of cultural heritage, protection of environment and support to families, companies and communities.

Introduction

SUSTAINABILITY REPORT

Material issue: **REPORTING AND COMMUNICATION**

Banco Comercial Português publishes Sustainability Reports every year, since 2004.

These reports, already in their 14th edition, are a complement to the non-financial information included in the Annual Report of the Bank and enable an integrated vision of the performance of Group Millennium in the Economic, Social and Environmental Areas but also the detail relating to each one of its operations located in Portugal, Poland, Switzerland and Mozambique.

Relating to the formats adopted and after the issue of autonomous Reports from 2004 to 2008, the Bank decided, in 2009, to include in Volume I of the Annual Report a brief chapter on the activities carried out by Millennium in the wake of Sustainability and to publish the full version of the Sustainability Report only in digital format.

In 2010, to translate the alignment of the sustainable development and social responsibility policies with the business strategy of Millennium bcp, this Report became part of the Annual Report. The document Progresses and Targets was also published, a report that describes the development stage of the actions envisaged in the Sustainability Master Plan of the year it reports to. This reporting method adopted in 2010 continued to be used in 2011 and 2012.

In 2013, Millennium bcp decided to include a chapter - Responsible Business - on Sustainability in the Bank's Annual Report and it published again - in a separate and independent volume only available in digital format - a document detailing the activities developed during the year by the BCP Group, which it continued to do until 2016.

The report concerning 2017, already made in accordance with DL 89/2017 of 28 July, regarding the mandatory annual disclosure of non-financial information and information on diversity by certain large companies keeps a dual format based on the summary information included in the Annual Report - Non-financial Statements - and on the detailed information included in the Sustainability Report.

This document, with an international scope, intends to comply with the expectations of the Stakeholders of the BCP Group identified by means of the materiality tests made regularly and of the ongoing feedback received through the platforms, channels and available communication flows.

This report was made in accordance with the principles set forth by the GRI (Global Reporting Initiative), for the option "in accordance core" and respective supplement of the financial sector, the principles of inclusivity, materiality and responsiveness of the Standard AA1000APS (2008) and verified by an external entity in compliance with the principles defined by the International Standard on Assurance Engagements 3000.

The scope and methods to estimate the reported indicators and reporting limits are detailed at the end of the report - under Methodology -. Information additional to the one reported, the GRI indicators table and the compliance with the Global Compact Principles, are available for consultation at www.millenniumbcp.pt, Sustainability area. This Report, together with the Annual Report of Millennium bcp, [THE CSR REPORT OF BANK MILLENNIUM](#), the Annual Report of Millennium bim and the [ANNUAL REPORT OF FUNDAÇÃO MILLENNIUM BCP](#), discloses information on the performance of the BCP Group in material issues, duly identified in the materiality matrix available in the chapter Relation with Stakeholders.

BCP acknowledges the importance of the Sustainable Development Goals (SDGs) of the United Nations. Thus, throughout this document we identify the SDGs for which the Bank's activity mostly contributes.



SUSTAINABILITY POLICY

The BCP Group pursues dynamic strategies adapted to the new challenges imposed by the several interested parties with which it establishes relations. The main objectives of the adopted sustainability policies, which foster a culture of Social Responsibility, has been to positively influence the organisation's value proposition in the long term, balanced with the well-being of the people, the company and communities in which it operates, while preserving natural resources, climate and the environment.

Within this context, it is possible to divide the Bank's intervention into three major areas of intervention:

- Involvement with the external community and with the internal community;
- Offer of products and services incorporating social and environmental principles;
- Sharing sustainability principles.

Thus, Millennium bcp assumes, as an integral part of its business model, the commitment to create social value, developing actions for and with several groups of Stakeholders.

In the wake of the subscription in 2005 of the United Nations Global Compact Principles, the BCP Group also commits to support its 10 Principles establishing a set of values in what concerns Human Rights, Labour Conditions, Environment and Anti-corruption.

Main Events in 2017

JANUARY

- Seminar “O investimento responsável e a criação do Dow Jones Sustainability Index Ibérico”, an event promoted by BCSD Portugal with the support of Millennium bcp.

FEBRUARY

- Early repayment to the Portuguese State, on 9 February 2017, of the remaining Core Tier 1 hybrid capital instruments amounting to 700 million Euros, which represented the return to normalisation of the activities carried out by BCP, and had been previously approved by the European Central Bank, provided that the share capital increase concluded by BCP on this date proved successful.
- Attribution of one more Rui Osório de Castro Award/ Millennium bcp by Fundação Millennium bcp, distinguishing the development of innovative projects and initiatives in the area of child cancer.

MARCH

- BCP becomes part of the new European Sustainability index, the “European Banks Index” from the analyst Standard Ethics.
- Creation of Millennium bim Academy (MBA), the first in-house academy of a bank in Mozambique.

APRIL

- Millennium bcp renews, for the fourth consecutive time, its participation in the Movement ECO - Empresas Contra os Fogos, (Companies Against Fires) a project that aims to contribute to the prevention of forest fires and increasing public awareness towards risk behaviours;
- Bank Millennium was awarded the “POLITYKA CSR Silver Leaf 2017”, a prize given to companies that implement Corporate Social Responsibility policies and practices

MAY

- Millennium bcp carries out an internal collection of waste paper in the wake of the campaign “Papel por Alimentos” (Paper for Food), a solidarity initiative by Entreeajuda in favour of Food Bank.
- Millennium bcp participates, at a national level, with 80 volunteers in the food collection campaign promoted by the Food Bank and held every six months.

JUNE

- Millennium bim, in Mozambique, held the 12th edition of the Mini Basketball Tournament, involving more than 1,400 athletes, aged between 6 and 11 years old, from 11 cities.
- Bank Millennium in Poland signs the statement regarding the Sustainable Development Goals (SDGs) of the United Nations.

JULY

- Festival ao Largo, already in its 9th edition, is a yearly initiative that gives the best of opera, ballet and symphonic music shows at Largo de São Carlos, in Lisbon;
- Granting of a 500 million Euros loan to Millennium bcp by the European Investment Bank for the granting of loans to SMEs and to mid-caps in Portugal.

AUGUST

- Confirmation of BCP's sustainability status by Ethibel EXCELLENCE Investment Register from Forum ETHIBEL;
- Bank Millennium was part, for the first time, of the sustainability indexes FTSE4Good Emerging Index, of the analyst FTSE Russel, a reference in the ESG (Environmental, Social and Governance) performance evaluations.

SEPTEMBER

- BCP confirmed in the Sustainability Index "Ethibel Sustainability Index (ESI) Excellence Europe" from Forum Ethibel;
- Recognition of the "Financial ABC" - a financial literacy project for children in pre-school promoted by Bank Millennium Foundation in Poland – with Honorary Sponsorship of the Ministry of Education and of the Ombudsman for Children.

OCTOBER

- Launching of one more in-house action "Millennium Solidário" for the collection of food, hygiene products, clothes and household objects for people and families who had their lives affected by forest fires;
- Recognition of BCP Group regarding fight against climate changes by the non-governmental organization Carbon Disclosure Project. The Bank was classified in the category "Leadership", with an "A-".
- Millennium bim concluded the 8th edition of the Banking Olympics, a project intending to educate a new generation of financial services consumers in Mozambique;
- 7th Edition of the Helpo Solidarity Race – Millennium bim supported this event once again which was held in four Mozambican cities and also in Vila Real, in Portugal, and São Tomé, in São Tomé and Príncipe.

NOVEMBER

- Inauguration of the photovoltaic plant in Taguspark. The 3,703 panels installed in three buildings of the bank will enable the production of around 1,320 MWh per year, representing an estimated savings of 16%;
- Completion of the restoration of the Throne Room of Palácio Nacional de Mafra, an intervention made possible due to the patronage by Fundação Millennium bcp.

DECEMBER

- The BCP Group is part of the environmental sustainability index Engaged Tracking 2017 Carbon Rankings;
- Bank Millennium Poland was part, for the 10th consecutive time, of the RESPECT Index - the first index of socially responsible companies of Central and Eastern Europe.
- Within the scope of its Social Responsibility programme "Mais Moçambique pra Mim", Millennium bim renovated Nursery 2 of the Neonatology Unit of Hospital Central de Maputo;
- Microcredit Millennium bcp - 6th edition of the Award Realizar, an annual initiative that distinguishes entrepreneurs;
- Millennium bcp joined the 9th National collection of used batteries promoted by Ecopilhas in favour of IPO Lisbon;
- Millennium bcp participated once more, at a national level, in the food collection promoted by the Food Bank.



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RELATION WITH STAKEHOLDERS



Relation with Stakeholders

Material issue: **MANAGEMENT OF STAKEHOLDERS**

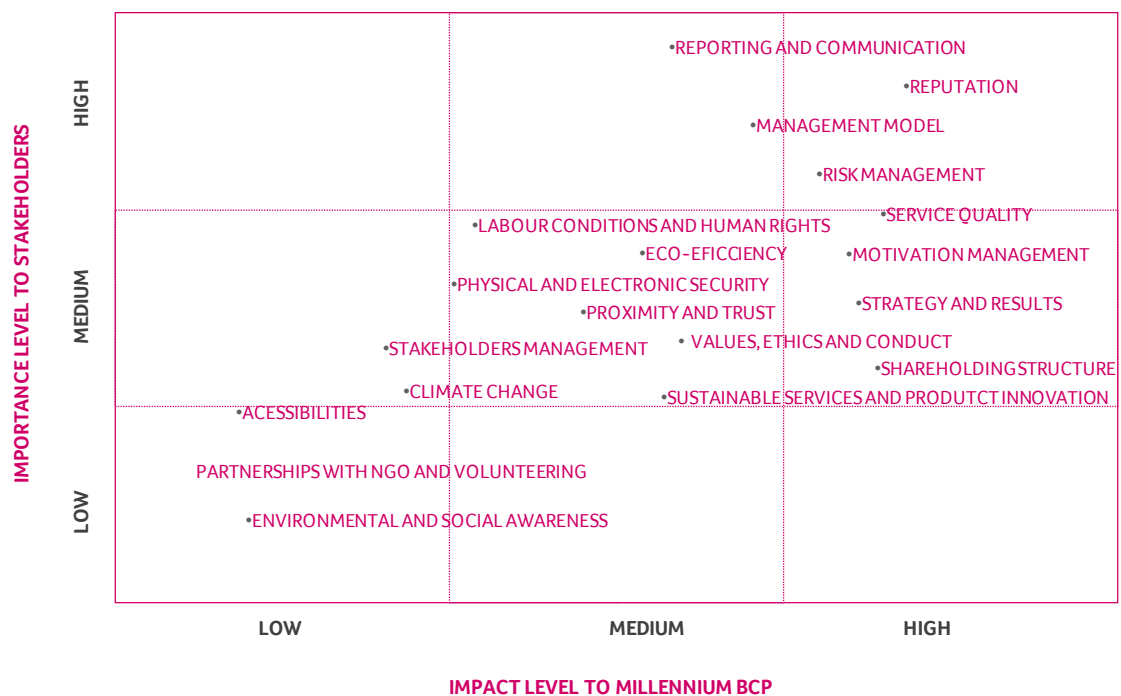
The BCP Group pursues dynamic strategies, adjusted to the new challenges imposed by the interested parties with which it relates, materializing a business model based on an ongoing and transparent dialogue enabling to understand and comply with the expectations of its Stakeholders.

IDENTIFICATION AND INTEGRATION OF EXPECTATIONS

The strategy of Millennium bcp in terms of Sustainability is translated in the Sustainability Master Plan (SMP), a plan of commitments that aggregates a number of actions to be carried out by the Bank. The definition of the actions part of the SMP is based on a balanced relation between the identified relevant material issues, the Bank's available resources and the economic and market framework existing at the time.

After defining in 2009, for the triennial 2010 - 2012 (extended, in the meantime, to 2013), its first SMP in Portugal, the Bank drew up and approved in 2013 the new SMP for 2014 - 2015, which was then extended until 2017. The process for identifying material issues included: consultation and analysis of studies - financial sector trends -; more relevant and frequent questions - Analysts (ESG) -; SMP Millennium bcp 2010 - 2012/13; consultation with the areas directly intervening in the issues included in the Sustainability policies; consultation with Employees.

MATERIALITY MATRIX



The identification and the ongoing follow-up of the themes considered material by the Stakeholders of Millennium bcp enabled the Bank to know the areas that show better performances within the scope of Sustainability - which need to be consolidated -, but also enabled it to rapidly detect improvement opportunities - which need to be developed - representing a strong contribution for the adoption of an appropriate sustainability strategy adapted to new realities, challenges and requirements.

The Sustainability Master Plan 2014/17 which, through a close, transparent and consequent relation, intends to face the main expectations identified during the regular surveys made to the Bank's main Stakeholders foresees, in its different aspects, the following initiatives and actions:

SUSTAINABILITY MASTER PLAN (SMP) - 2014 - 2017

Material issue: STRATEGY AND RESULTS

Area	Actions
ETHICS AND PROFESSIONAL CONDUCT	Enhance the ties established between the Employees and the Bank's Values Foster a culture of compliance and of a strict management of risk Publish clear policies in the wake of the prevention of corruption, of health and safety issues, human rights and the protection of maternity
SERVICE QUALITY	Implement and improve the satisfaction evaluation processes; Create mechanisms for the immediate detection and management of improvement opportunities in the services provided to Customers.
ACCESSIBILITIES	Improve the implementation of differentiated working hours; Enhance and promote the accessibilities made available to individuals with special needs.
PROXIMITY AND REPORTING	Enhance the proximity and involvement with the Bank's Shareholders; Improve the institutional report in what regards Sustainability; Make a survey to identify the Stakeholders' expectations.
MANAGEMENT OF EXPECTATIONS	Consult the Bank's Stakeholders to know and include their expectations; Collect and implement ideas suggested by the Employees on Sustainability issues.
MOTIVATION	Identify best performances at Client Service level; Support the adoption of healthy lifestyles; Improve the mechanisms ensuring a greater proximity between the Employees and top managers.
PRODUCTS AND SERVICES	Consolidate the Bank's position in the micro credit market; Improve the negotiation and search for solutions able to meet the increasing financial difficulties of the Customers; Promote and launch products that observe social responsibility principles and cope with the new environmental challenges.
SHARE AND PROMOTE AWARENESS	Institutionalize the donation of the Bank's furniture and IT equipment to institutions in need; Implement social and/or environmental awareness actions common to the entire Group; Launch a financial literacy programme transversal to the Bank.
VOLUNTEER WORK	Structure a volunteering programme for and with the participation of the Employees.
PARTNERSHIPS	Develop campaigns together with NGOs and charitable institutions to foster sustainable development
FUNDAÇÃO MILLENNIUM BCP	Strengthen the identity of Fundação Millennium bcp
SOCIAL AND ENVIRONMENTAL RISK	Promote climate changes awareness with corporate clients developing their activities in sectors more exposed to risks and environmental regulations Identify and classify Corporate Clients with greater environmental and social risks Formalize compliance with social and environmental requisites in the relation established with Suppliers
ENVIRONMENTAL PERFORMANCE	Enhance the measures for the reduction of consumption Implement measures aimed at the reduction of waste and the creation of a formal recycling process Formalize and communicate Environmental Performance quantitative objectives

We shall present, in the following chapters, the most relevant initiatives carried out during 2017 together with the results obtained and the performance reached by the Bank in the several material issues identified in the materiality matrix. The 2017 Annual Report presents the performance of the BCP Group in the following issues: Governance Model, Risk Management and Shareholding Structure in the respective sections – Governance (and Corporate Governance Report), Risk Management and BCP Share.

This report, together with the Annual Report ensures, this way, the disclosure of the most relevant information on the performance of the BCP Group in the material issues identified by its main Stakeholders.

ECONOMIC RESPONSIBILITY



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Economic Responsibility

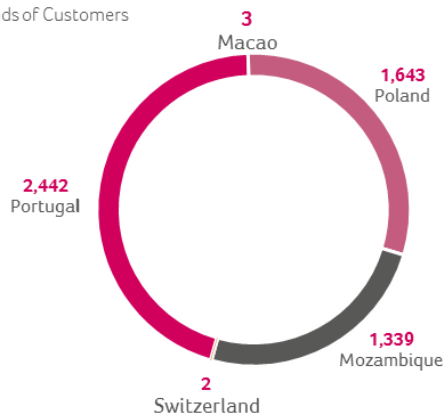
The BCP Group has been developing its activity in a responsible manner towards Employees, Customers, Shareholders, Suppliers and remaining Stakeholders, always guiding its performance by the compliance with internal principles of rigour, the applicable legislation and the regulations issued by the supervision and regulatory authorities:

MILLENNIUM NETWORK

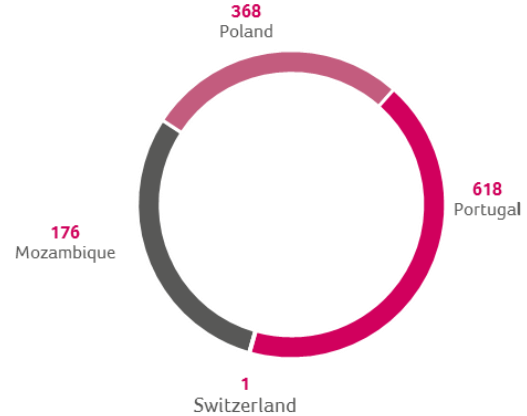
Millennium bcp is a bank with its decision-making centre in Portugal; it is the largest Portuguese private bank, serving, in 2017, approximately 5.4 million Customers with a network of 1,120 branches. The international activity of Group Millennium is carried out by banking operations headquartered in affinity markets and in countries with a recognized growth potential – Poland, Switzerland and Mozambique –, where it operates, under the Millennium brand, with 542 agencies.

CUSTOMERS

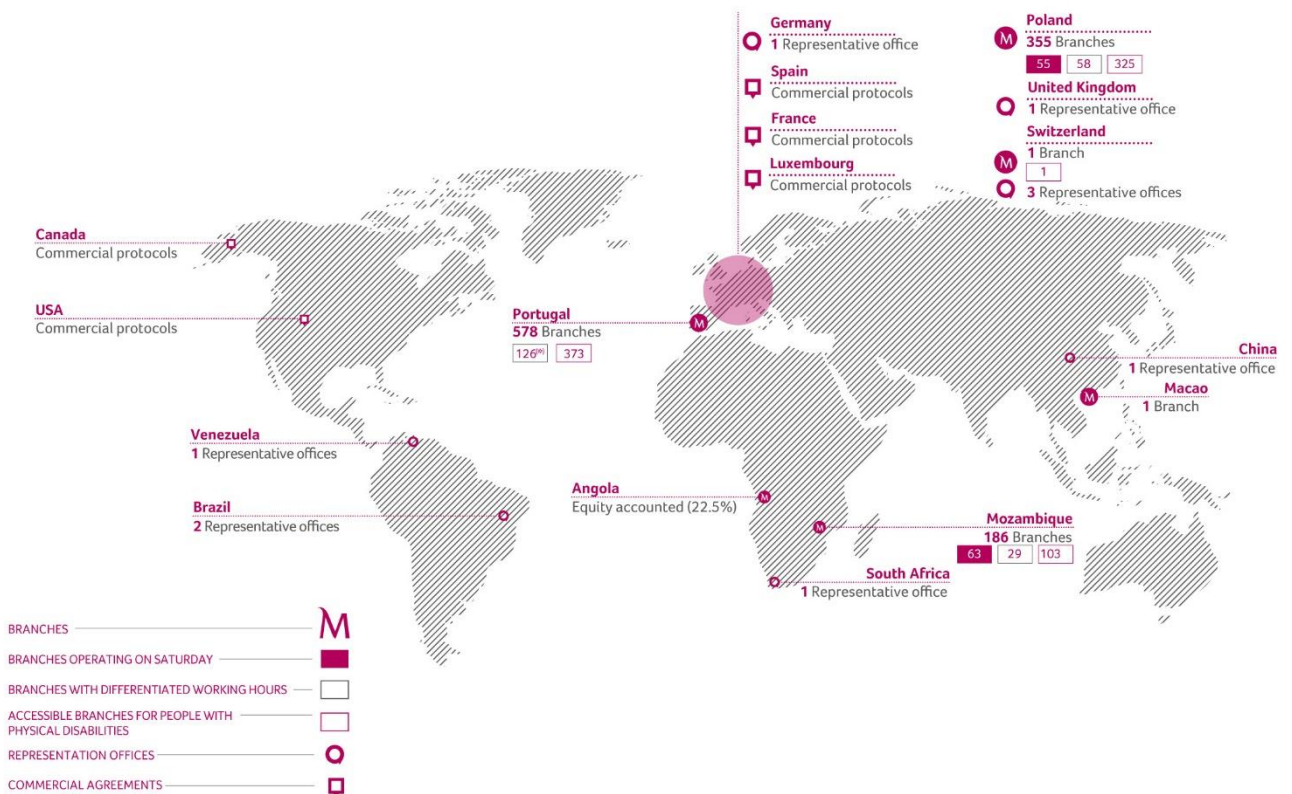
Thousands of Customers



BRANCHES BREAKDOWN



Moreover, the BCP Group also ensures a presence in the five continents by means of representation offices, branches, business protocols and business promoters.



^(M) Includes branches of different networks sharing the same premises.

ACCESSIBILITIES

Material issue: **ACCESSIBILITIES**

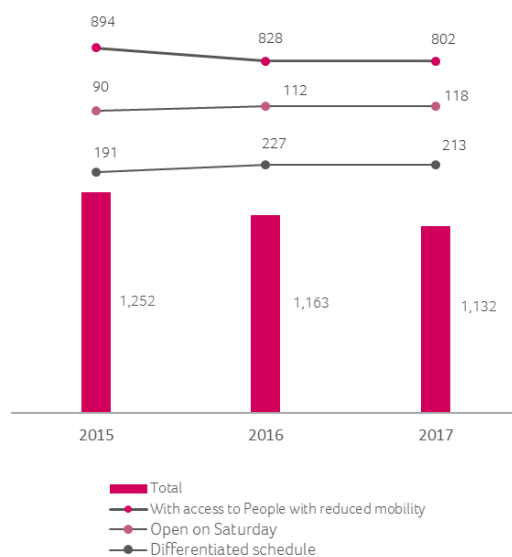
The BCP Group is constantly seeking to be near its customers by means of diversified distribution channels – Branches, Internet, Call Centre, Mobile Banking, ATM and POS – to adequately respond to the contact needs between the Customer and the Bank.

REMOTE CHANNELS AND SELF-BANKING

	Internet	Call Centre	Mobile Banking	ATM (*)	POS (**)
Portugal	655,578	211,416	310,217	1,963	53,178
Poland	1,154,535	138,011	807,957	483	-
Switzerland	526	-	-	-	-
Mozambique	19,907	3,576	499,419	504	9,526
TOTAL OF INTERNATIONAL OPERATIONS	1,174,968	141,587	1,307,376	987	9,526
TOTAL	1,830,546	353,003	1,617,593	2,950	62,704

In the wake of its social commitment, it promotes accessibility to disabled persons in the several channels used to contact the Bank: i) the Branches are accessible to individuals with a reduced mobility. In Portugal and in Mozambique, as in the remaining Group's operations, the Bank promoted a policy of prioritized service in the entire Branch network ii) internet with functions that observe the recommendations issued by the Web Accessibility Initiative (WAI). In Poland, Bank Millennium was the first bank to be awarded with the certificate “Internet site without barriers”, renewed in 2018; and iii) ATMs with equipment for blind customers such as headphone socket and keyboards that are programmed to give vocal instructions. The Call Centre – available 24 hours per day in several languages and Mobile Banking, for the rapid and easy access that they represent, are also privileged access channels for disabled or blind persons.

BRANCHES'S ACCESSIBILITIES
Number of Branches



The Branches continue to represent a relevant contact channel for many clients. Thus, in order to meet the several accessibility needs of its Customers, the Bank is diversifying the hours when it is open to the public in the several countries where it operates. Within this scope, one must highlight the Branches that give access to individuals with a reduced mobility, which correspond to 65% of the total network in Portugal and to 79%, in the remaining countries. In Portugal, 126 branches have differentiated office hours going from 8.30 a.m. to 7.00 p.m. Poland has 58 branches with these office hours and Mozambique has 29.

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One must also mention the opening of Branches on Saturday, extended working hours that, abroad, can be found at a total of 118 branches and even represent, as is the case in Mozambique, more than 1/3 of the branches of this operation.

In Portugal, Millennium bcp continues to revolutionize its branch network. The Customer Branch Experience 2.0 of Millennium bcp is an innovative approach focused on the client, made through a cultural change, the re-design of products and processes and the integration of digital channels. In the new generation of Branches, paper is no longer used and the formalization of agreements is replaced by digital signatures through tablets; the treasury activity will be available 24 hours a day with the new smart transaction machines, the first to allow the automatic payment of cheques at any time, as well as withdrawals and deposits of coins. This equipment can also be used without a Multibanco card. The client only has to use the multichannel code provided by the Bank.

Apart from the technological innovation, the Branches also offer spaces especially devoted to Clients, with lounge areas, free wi-fi, wireless chargers and areas providing digital experiences with access to the Bank's apps. The communication with the client is also innovative, with a digital price list and electronic advertising panels.

Within this context, the Bank already inaugurated 38 branches with this new layout in the entire country, a process that, within the context of the global renewal and modernization of the Branch Network, will be pursued during the next few years.



SECURITY

Material issue: ELECTRONIC SECURITY

The information security programme implemented at the Bank is oriented towards the protection of information, taking into account confidentiality, integrity and its availability in accordance with legal and regulatory requirements. Information is protected in a manner that is consistent with its importance, value and sensitivity so as to increase the Group's resilience and ensure the protection of stakeholders, reputation and the activities for the creation of value.

The information security policy establishes the guidelines for the implementation and maintenance of the security programme supported by a structured set of policies, rules of procedures and standards, aligned with the international rule ISO/IEC 27001. The security policy of Millennium bcp is reviewed and updated every two years.

The security programme is a set of fundamental general principles aimed at protecting the network and systems infrastructure and the information placed therein, namely the organization of security, classification of information, control over accesses, segregation of functions, recovery capacity and supervision.

In order to prevent, detect and mitigate intrusion attempts, the practice of illicit acts and new threats to security, the Bank ensures a 24x7 security monitoring and an incident response procedure, as well as a routine procedure to evaluate the risk of business supporting information systems.

Considering that the IT Safety is a responsibility of all, Millennium bcp initiated in 2016 and ended in 2017 an IT Safety Awareness action addressed to all Bank's employees in Portugal, covering a set of relevant issues, namely: Passwords, Work place, Electronic Mail, Internet and Mobility.

Also in 2016, Millennium agreed with the company BitSight the supply of a Safety Rating assessment platform. This platform is able to identify malfunction indicators, such as infected computers, inadequate configurations, incorrect user's behaviours, etc. The platform also analyses these occurrences in terms of severity, frequency and duration and afterwards maps them for the known networks of a company, creating a global evaluation of the safety performance of that organization. During the period of time under analysis, Millennium bcp kept, in a consistent manner, one of the best safety ratings of the Portuguese banking industry.

Additional reference must be made to the business continuity management system implemented at the Bank, through which it ensures the availability of the processes and systems supporting more critical business.

SHAREHOLDERS

Millennium bcp created a service for its shareholders, the Millennium bcp's Shareholders Club, through which it intends to be closer to its shareholders. Through the Millennium bcp's Shareholders Club, the shareholders may establish a closer communication with the Bank where they invested. Apart from being able to subscribe available products and services at preferred conditions, they also gain access to benefits and discounts with the Bank's partners.

In 2017, more than 650 discount vouchers were issued in the wake of the 180 established partnerships.

Millennium bcp's Shareholders Club is free of charge and is hosted in a specific area of the website millenniumbcp.pt. This area also gives the shareholder the possibility of getting information on the BCP Group's most relevant events and activities, accessing the information addressed to investors and well as receiving a specific Newsletter.

EMPLOYEES



In line with the Sustainable Development Goals (SDGs) of the United Nations.

Material issue: LABOUR CONDITIONS AND HUMAN RIGHTS

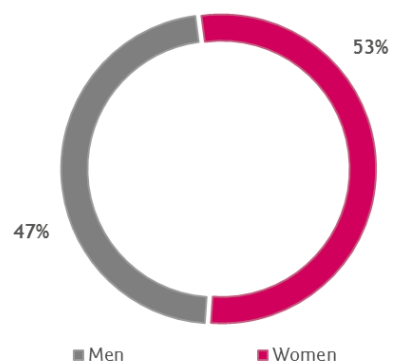
The BCP Group gives to all its employees a fair and equal treatment, with equal opportunities, promoting meritocracy at all stages of their professional careers, defining the remuneration of the employees in accordance with his/her category and degree of compliance with the established goals, observing a salary ratio of 1:1 between men and women, with similar functions and levels of responsibility.

The general principles ruling the BCP Group contain values and performance guidelines applicable to all employees resulting in an express orientation so that, regardless of their hierarchical level or responsibilities, all Employees act in a fair manner refusing any discrimination but also in the reaffirmation of the alignment with the ten Global Compact Principles, according to which the Group recognises and supports the freedom of association and the right to the collective negotiation of work contracts and rejects the existence of any form of forced and mandatory work and of child labour.

The commitments undertaken by the BCP Group within the scope of human rights, labour conditions and equal opportunities are also enshrined in the corporate policies, of which the policies on Human Rights, Equality and Non-Discrimination and Occupational Health and Safety are an example. These policies are available for consultation on the Bank's website, in the Sustainability area:

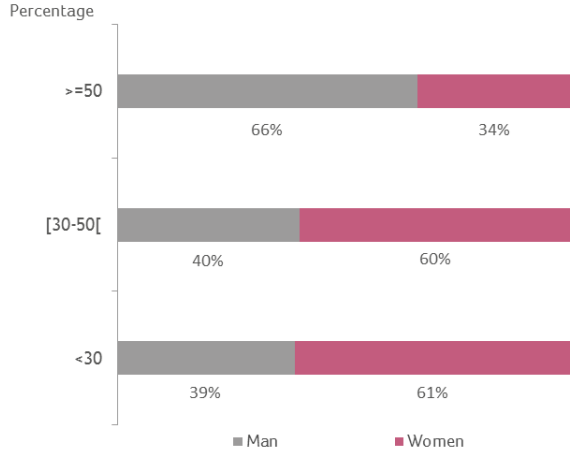
https://ind.millenniumbcp.pt/en/Institucional/sustentabilidade/Pages/cod_internos.aspx

BREAKDOWN BY GENDER
Percentage

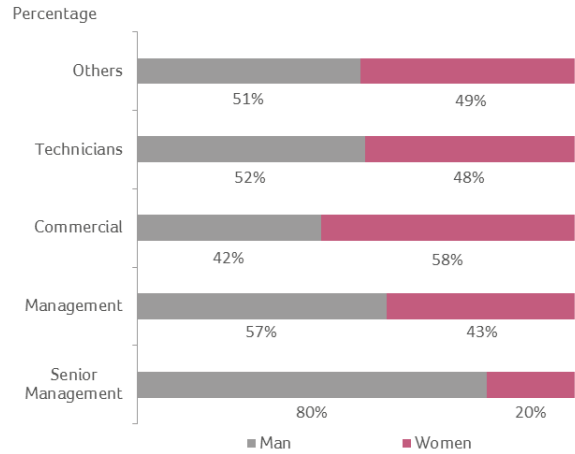


GRI 405-1

AGE BREAKDOWN BY GENDER



PROFESSIONAL CATEGORY BY GENDER



Information about the number of employees (not FTE's - Full Time Equivalent) for: Portugal, Mozambique, Switzerland and Poland.

Within the scope of gender diversity in management functions (Executive Committee/Senior Management and Management) in 2017, globally, 40% of these functions are performed by women – 20% in Portugal, 59% in Poland, 30% in Mozambique and 18% in Switzerland. In commercial functions, this figure increases to 58% in the Group, i.e. 45% in Portugal, 75% in Poland and 60% in Mozambique.

The BCP Group continues committed to achieving a higher gender balance in the composition of its Board of Directors and, in 2020, at least 1/3 of this body will be composed of women.

The Organizational Environment Questionnaire addressed to the Employees of BCP in Portugal is now carried out every two years. The edition already carried out in 2018, achieved a reply rate of 77% - 10 percentage points above the one recorded in 2016. This instrument of the Satisfaction Management System points towards an overall improvement in all Motivation and Satisfaction indicators of the employees of Millennium bcp. The global satisfaction is now of 75 index points

A survey on the Employees satisfaction and motivation also takes place every two years in Poland to assess global satisfaction, satisfaction with one's unit, with the work environment or with direct hierarchy. The most recent survey obtained a global recommendation and satisfaction index of 71%.

Material issue:

CLOSENESS AND TRUST

Within the scope of the strengthening of the mechanisms for bringing the Employees and top managers closer together - one of the actions foreseen in the Sustainability Master Plan 2014-17 -, besides the visits made by the Executive Committee to branches and central services and the establishment of regional meetings with Employees, were also carried out regular television interviews with the Chairman of the Executive Committee wherein the Employees have the opportunity to raise questions on the Bank's life.

TRAINING

GRI 404-1

Considering the need to ensure its ongoing alignment with the strategic goals defined by the organization. Seeking to promote excellence in the relations established with Customers, the Bank recognises the importance of ongoing training to ensure business sustainability and endeavours to provide its Employees with the tools necessary for the execution of their activities.



TRAINING

	2017	2016	2015	Change % 17/16
NUMBER OF PARTICIPANTS ⁽¹⁾				
Presencial	47,731	39,350	23,881	-19.1%
E-learning	270,833	194,499	185,474	18.2%
Distance Learning	62,143	68,914	45,975	78.3%
NUMBER OF HOURS				
Presencial	326,841	241,384	284,650	35.4%
E-learning	469,357	94,199	109,515	398.3%
Distance Learning	143,575	171,046	76,590	-16.1%
BY EMPLOYEE	59	32	29	86.5%

Note: Data for 2016 and 2017 do not include Angola, whose operation was discontinued in 2016.

(1) The same Employee could have attended several training courses.

In overall terms, 5,839 training actions were ministered, corresponding to over 939 hours of training, with an average of 59 training hours per Employee. During 2017, the training effort kept its focus not only on the commercial areas, but also on technical, operational and compliance areas and on team management.

In Portugal and in order to respond to the challenges placed by the market and as a way to comply with the legal and regulatory demands, the Bank founded in January 2016 its corporate school, the Millennium Banking Academy (MBA), the first in-house academy of a Bank in Portugal, certified by the General-Directorate of Employment and Work Relations (DGERT).

The Millennium Banking Academy is based on the talent of some of the Bank's best Employees and its aim is to share knowledge and disclose good practices, being also a school envisaged for the outside world since our abilities are proven in the reality of the market.

The mission of the MBA is to promote Millennium bcp as a prominent banking school in Portugal, developing professionals with ethical behaviour, technical excellence and rigour in the actions they perform.

The MBA i) ensures that the Bank provides adequate training to each individual at the right moment and with the quality that one expects from the Bank; ii) increases the internal resources and talent for the development of competences and knowledge on the banking business; and iii) establishes a space for sharing information and for innovation with other countries.

Among the training actions launched in 2017, the courses on Protocol Credit, Factoring and Confirming, Trade Finance, Opening of a Company Account, Portugal 2020 App and Economic and Financial Analysis for Managers of Companies and Corporate (through a partnership established with INDEG and FEP) stand out for their significance in the affirmation of Millennium bcp as the reference bank in the support to companies.

In order to enter 2018 in compliance with the European requirements on the sale and advising of investment products, the Bank also carried out in 2017 an important effort for the certification of more than 4,600 Employees regarding the Markets in Financial Instruments Directive II (MiFID II). This effort required a one-off budget allocation for the development of the respective contents as well as for the making of examinations in person in Lisbon, Porto, Madeira and Azores. The impact of the training was evaluated regarding several aspects, namely the satisfaction with the courses and with the trainers and, whenever possible, the impact that those training sessions had in the performance of the trainees.

Within this context, one may highlight, amongst the several possible examples, the impact of the project “#1 Experience Client”, based on several initiatives, namely training. This project enabled Millennium bcp to record a very positive performance in the global Customers Satisfaction indicator in the CSI Banca Marktest, 1st cycle 2017, being the only bank with a positive evolution in the Branch Clients CSI. Millennium bcp is also the institution better positioned in Customer Experience, namely in terms of satisfaction with the service provided, proximity and innovation.

Globally, in Portugal in 2017, 297 training sessions took place, 168 in person, corresponding to a total of 587,313 hours. Regarding themed areas, the Bank focused mainly on matters related with the commercial activity, management and finance and legal and regulatory issues.

In Portugal, in 2017, with an average of 5.4 hours of training through attendance per Employee, the Bank was not able to reach the 8 hours established goal.

In 2018, pursuing a strategy of always ensuring more and better training, we propose to increase the percentage of hours of on-the-job training from 2.7% to 5%. On-the-job training is more sustainable from the point of view of the regularity and the effort of the trainees to travel, consuming less resource, namely energy.

2017 is also the year when Millennium bcp was distinguished with the award “RH Magazine” in the category Training & Development, as a result of the work developed by Millennium Banking Academy (MBA) and its internal trainers – duly certified employees coming from the different business areas who spent some of their time transmitting knowledge and developing competences in other people and teams.



M#leaders

In Poland, the bank continued to invest in the training of its employees always with the purpose of developing technical and behavioural competences, able to improve quality and efficiency in the work developed and in the compliance with the goals of Bank Millennium. It is within this context that the Employees participate, every year, in external and internal training actions on specific issues, as well as in congresses and conferences. In 2017, the bank carried out 4,923 training sessions, investing significantly in issues related with Client service, products, compliance, risk, health and safety.

Thus, the bank continued to provide commercial training that, including the preparation of new employees, also includes carrying out workshops in Client service, sales, credit and investment and also e-learning courses on products - new or improved -, procedures and bank apps. The carrying out of training sessions due to the introduction of new legal and regulatory frameworks was also a priority. In the Prestige segment, training privileged the increase the knowledge on financial markets, investment, products, commercial techniques, trading and on how to manage the relations established with the Clients. Regarding Companies, the bank implemented a similar programme, implemented through e-learning courses and workshops given by two external companies.

From the initiatives carried out by Bank Millennium, we must point out the “M#leaders”, an innovative programme of structured development for managers and directors with the objective of enhancing their leadership competences. By resorting to a holistic approach combining workshops, case studies, group coaching and brainstorming, participants were given the possibility of increasing their knowledge on leadership, management, communication, team work and motivation.

In this operation, one must point out the blend-learning course on the optimization of support processes and back office addressed to all Employees of the Operations Division, headquartered in Warsaw and Gdansk – “DOP Challenge” – concluded in June 2017, on the optimization of support and back office processes.

In 2017 and in terms of Compliance, Bank Millennium trained 2,941 Employees. In risk related issues, Bank Millennium trained 3,377 Employees. In Occupational Health and Safety, it trained 2,819 employees, versus the 1,580 trained in 2016.

In Switzerland, whose training actions virtually include all its Employees, the actions developed addressed commercial and risk issues. Reaching 66 Employees, 93% of its staff, they essentially consisted in training sessions especially designed to cope with the needs identified in this operation. 6% of the Employees also received training on compliance.

In Mozambique, the year is marked by the first year of activity of the Millennium bim Academia (MBA).

The mission of this training academy, the first of a bank institution in Mozambique, is developing, within an environment of continued learning and sharing of knowledge, professionals with ethics, a technique of excellence and rigour in the activities they exercise.

Based on three main pillars: i) ensuring training per functions for the Retail Employees; ii) providing diversified and consistent training to support the Employee's main needs; iii) Creation of a training curriculum per employee, it provided in 2017, a total of 39,008 of general and specialized training hours to 1,900 employees.



In 2017, we must point out the training programme addressed to the Commercial Division - “Satisfy Customers and Sell Solutions” -, which intended to increase the competences of the front-office employees, particularly in what regards Customer Service. This programme provided training to 130 Mass Market Branches located all over the country.

TALENT MANAGEMENT

Managing individuals is one of the strategic pillars of the competitiveness of the BCP Group. Together with the development of generic and specific competences it is crucial, in a perspective of the Bank's sustainability, to identify Employees with potential and talent to exercise functions with increased responsibility and complexity.

The development programmes used in the different countries where the Group operates are especially designed for employees showing high performance levels and potential and provide: i) a more transversal vision of the business and of the Organization's best practices to the newly-admitted employees; and ii) addressed to employees with experience, the opportunity to acquire crucial competences enabling them to, in the future, exercise functions with a higher degree of complexity and responsibility.

It was within this context that, in 2017 Millennium bcp, in Portugal, completed one more cycle aimed at the development of young people with high potential. The People Grow programme, which in this new edition formed 9 employees, aims, within the scope of the necessary rejuvenation of staff, to train young people newly admitted by the Bank.

In Poland, we must emphasize the internship programmes "Millennium Bankers" and "Expert Start-Up" – which, in its 2017 edition, counted with 40 and 8 participants, respectively -, and also the internal platform for the recommendation for the hiring of candidates suggested by the Bank's employees - the "Sharehire" - through which the Bank identifies candidates that better match the required profile.

Also in Mozambique, within an increasing demanding context, Millennium bim continued to be extremely focused at attracting and hiring young talents.

This way, and with the purpose of preparing the future generation of leaders, the bank identified in 2017, Employees with High Levels of Performance and Potential, based on their merit, competences and skills for the assumption of new responsibilities.

Millennium bim also signed with the Mozambican embassy in Portugal a memorandum of understanding for the identification of young Mozambican talents residing in Portugal and wishing to return to Mozambique to contribute for the social and economic development of the country.

The bank also launched the 3rd edition of the programme "People Grow", under the motto "Give the right step towards your future". This programme that, for the first time, benefited from a visual image, a specific platform and a series of lectures held in the main universities of the country, received more than 1,000 applications.

GRI 404-3

EVALUATION AND RECOGNITION

At the BCP Group, the individual performance assessment models, based on a process of counselling and guidance towards the development of skills, gives rise to opportunities of dialogue between the senior staff and their Employees, enabling the further deepening of a culture of personal accountability for the development of their careers.

The level of involvement of the Employees in the evaluation process – of those who evaluate and those that are evaluated – was the same if compared with the previous years and the evaluation process registered a participation of around 98.4%.

In Portugal, where 96.4% of the Employees were evaluated, the bank implemented two new processes of the People Management model that separate the evaluation of the Employee's performance (past) from their Development (future). These two cycles take place in two different occasions. The M Desempenho, that replaces the SAID, has two components: objectives and behaviours. The major novelty is that the expected behaviours for each employee are aligned with the Bank's values seeking, this way, to ensure that each employee knows what is expected from his/her work. M Desenvolvimento, instead, is the new process to manage the Employees professional development. We must emphasize the fact the initiative of launching this process comes from the Employee who makes the self-assessment of his/her competences, proposes improvement actions and respective implementation plan and shares his/her prospects on his/her professional career evolution. The Competences are those included in the function file of each employee and are composed of behavioural competences, transversal to all employees, and technical competences that arise from the segment to which the employee is allocated.



74.2% of those being evaluated and 84.8% of the evaluators replied that they are satisfied or very satisfied – with the evaluation method and around 0.8% are not satisfied.

The international activity evaluated 98.4% of its employees; Poland evaluated 100% and Mozambique 96.8%. The discontentment rate in the international operations was under 0.75%.

Together with a permanent attitude of incentive towards the development of the Employees and the adoption of practices of excellence, the BCP Group maintains a policy of recognition of the merit and of the commitment shown by each Employee by means of: i) an incentive system applied throughout the Bank; ii) a plan of professional development due to merit; and iii) specific awards attributed to Employees that were excellent in the exercise of their functions.

The BCP Group, together with the formal performance evaluation process, identifies and recognises Employees that were excellent in the performance of their functions by means of specific awards, notably the Excellence Award – delivered at the Bank's objectives meetings. Hence, in 2016, the Bank distinguished 14 Employees, in 5 different categories, in Mozambique. In Poland, the Bank launched the 2nd edition of the programme IMPakt, an innovative initiative wherein the Employees appoint and vote for their colleagues. In this programme, 40 Employees were recognised for their performance. In this operation, 8 Employees were also recognized with a distinction awarded by the Chairman of the Board of Directors for their participation in key projects.

Also within this context and again in Portugal, with the Millennium People – People that make the difference, launched in 2017, the Bank aims to recognise the best, those that commit and outperform, share with everyone the best examples and at the same time, unite all the employees around the same mission and values.

Within the scope of this Programme, which had its 1st edition in 2017, Millennium bcp awards leadership and the best management practices, highlighting those with the best results and greater impact, taking the teams and projects that embody Millennium's values into the limelight.

An internal website was created for that purpose so that all employees can see how people get recognition at Millennium bcp, who gets it and why. In a clear and transparent manner, each employee can see the rules, the different categories to receive awards, make an application or support other people's applications.

This is the way the Bank found to materialize a policy for recognising merit, valuing the professionalism shown by 1538 employees in Portugal, 1020 in Poland and 676 in Mozambique.

INNOVATION

The BCP Group continues to bet on the ongoing improvement, believing in the value that can be generated by the innovation processes, stimulating creativity and the sharing of experiences by all Employees.

The internal programmes for the generation of ideas – Mil Ideias –, with 35 suggestions in Portugal (59 in 2016), – Call 2 Action – in Poland and – Ideias que Contam (Ideas that Matter) – in Mozambique are based on the recognition that the Employees are a creative force that generates valuable ideas, representing a means to value and increase their individual abilities through the direct participation with an idea or indirectly through comments or votes.

In Mozambique the “Fórum - Ideias que Contam” (Ideas that Matter), a space for sharing and discussing ideas which, throughout the year, counted on the participation of 917 Employees, responsible for more than 2,300 ideas and 380 Comments. Three ideas were already adopted and 4 are to be implemented. Several theme challenges were also launched, of which we highlight the one called “Improving Employee Experience”, which aimed to gather suggestions for improving well-being in the organisation and, with over 130 contributions, is giving the possibility of the authors of the winning ideas having a chance to get involved in the implementation processes and watching their ideas come to life.

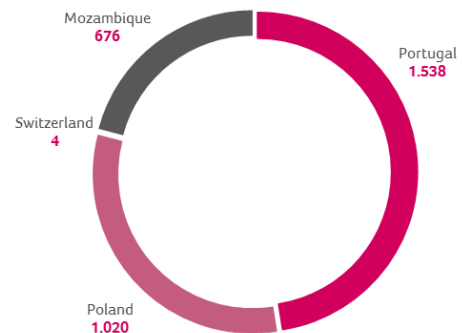
ESTAMOS A CONSTRUIR O FUTURO

SUSTENTABILIDADE



PROMOTIONS

Number of Employees



These programmes, which are being reassessed in Portugal and in Poland, are the basis for the continuous improvement of the internal processes of the organization, for the increase not only of the value of the products and services offered to Clients but also the ability to make a swift adaptation to new realities, namely functional, and represent an opportunity for the identification of good practices that can be extended to the entire organization.

GRI 102-8

STAFF - EVOLUTION

In 2017, the number of employees of the BCP Group decreased 0.5% (-84 Employees) versus 2016. Of the 15,836 Employees of the Group, 55% performed functions in the international operations and 45% in Portugal.

EMPLOYEES ⁽¹⁾

	2017	2016	2015	Change.% 17/16
TOTAL IN PORTUGAL	7,189	7,333	7,459	-2.0%
Poland	5,945	5,964	5,992	-0.3%
Switzerland	71	72	71	-1.4%
Mozambique	2,631	2,551	2,505	3.1%
TOTAL INTERNATIONAL	8,647	8,587	8,568	0.7%
TOTAL	15,836	15,920	16,027	-0.5%

(1) Information about the number of Employees (not FTE's - Full Time Equivalent) for: Portugal, Mozambique, Switzerland and Poland.

Note: Does not include Millennium bcp Bank & Trust employees.

In Portugal, the downward trend in the number of Employees continued, with 211 having left, 84% of whom through mutual agreement and/or retirement plans and the admission of 48 new Employees. Among the Employees who left, 54% worked in the commercial areas and 17% in management functions.

In Poland, the total staff number also declined (-0.3% relative to 2016), with 1,254 having left, 71% of whom of their own initiative, and 76% allocated to commercial areas, which was partially offset by the recruitment process, with the integration of 1,244 Employees.

However, in Mozambique, the bank maintained its trend of growth of number of Employees (3.1%) with the recruitment of 239 Employees and 159 Employees leaving the Bank, 38% of the latter of their own initiative and 56% allocated to commercial areas.

The BCP Group sees mobility as an opportunity for the Employees to develop their professional careers and their skills, and therefore fosters their contact with different realities of the Bank whenever possible. Thus, the employees' internal mobility processes are of strategic importance for Millennium.

In 2017, 18.5% of the Group's Employees were involved in internal mobility processes, notably in Portugal and Mozambique where 21.1% and 48.8%, respectively, of the Employees changed areas/ departments.

ETHICS AND PROFESSIONAL CONDUCT

Material issue: **VALUES, ETHICS AND CONDUCT**

The BCP Group considers that the respect for its defined mission and values and also the compliance with its strategy depends, first and foremost, on each Employee and therefore it fosters a culture of rigour and responsibility, based on permanent information disclosure, training and monitoring mechanisms able to ensure strict compliance with the established rules of conduct.

COMPLIANCE OFFICE

The Compliance Office's mission is to assure that all the management bodies, the functional structures and all the Group's employees comply with the legislation, rules and requirements that guide the activities carried out by the Bank and its subsidiary companies in order to avoid the risk of the institution incurring in legal or regulatory sanctions, financial losses or negative effects in terms of reputation, resulting from non-compliance with the laws, codes of conduct and good business practices and duties that bind the company.

Within the scope of the prevention of money laundering and terrorism financing, the activities of the compliance area, very focused on risk, include filtering operations (whose analysis spectrum widened 23% in 2017) to comply with the sanctions and embargoes regimes imposed by the competent national and international authorities, monitoring them to prevent potentially irregular situations and also the prior validation, substantive and formal, of the opening and maintenance of entities and accounts and of credit operations. These functions, based on tailored technological solutions, also include the definition and management of the risk models in view of the evolution shown by the several variables that lead to the computation of scorings to apply to the operations.

COMBATE AO BRANQUEAMENTO DE CAPITAIS E FINANCIAMENTO DO TERRORISMO

MILLENNIUM. AQUI CONSIGO.



The Office also completed the update of data on money laundering and terrorism financing of its correspondent banks, holders of an account, in order to mitigate reputation risks for the Bank, ensuring that its business partners comply with the international regulations. In 2018, an identical process will be carried out with the remaining partner Banks.

However, avoiding non-compliance by the Employees requires not only the implementation and adjustment of the processes in force within the Group to all the regulatory alterations but also training and a permanent flow of information on relevant issues.

Against this background, the implementation of specific training activities and the monitoring of the Compliance Office teams have been a constant feature and a priority. Thus, joint action with the different business areas enabled the training, in Portugal, of 28,097 employees in various topics related to the activity of the Compliance Office, always focused on the Employees' awareness of the need to adopt a professional conduct and behaviour in accordance with a culture of ethics and rigour when performing daily duties.

These figures, which represent a very significant increase if compared to 2016, result from the reinforcement of training actions on Internal Control, but also on the prevention of money laundering and terrorism financing which one may highlight, in Portugal:

- training, using e-learning methods on the new Code of Conduct (13,422 trainees, including outsourcers and service providers);
- maintenance of the knowledge on money laundering and terrorism financing practices and further update of this issue in accordance with the alterations introduced by Law 83/2017, for all Employees;
- training on the alterations introduced due to the entrance into force of the MiFID2, mandatory for all employees (mandatory certification) with direct or indirect responsibilities in the sale of financial products to clients.

To provide the Employees with the necessary competences to deal with complex diligence processes, namely those presenting non-negligible risks, in order to decrease operational and fraud risks continues to be part of the Group's activities plan.

GRI 406-1

TRAINED EMPLOYEES ⁽¹⁾

AML/CTF, Market Abuse, Internal Control, Monitoring of Transactions and Legal Subjects

	2017	2016	2015	VAR.% 17/16
Activity in Portugal	28,123	747	262	3664,8%
International Activity	9,093	5.725	6.857	58,8%
TOTAL	37,216	6.472	7.119	475,0%

(1) The same Employee could have attended several training courses.

We must also mention the new version of the Code of Conduct published in 2017. This Code enshrines the main values and conduct and corporate responsibility standards to be observed by Banco Comercial Português, S.A. and by all the companies part of the BCP Group.

This Code of Conduct is directly applicable to the members of the management and supervision bodies, all employees of the Group, with or without a permanent work contract and to the companies providing outsourcing services to the Group.

To this extent, it works as a general main guideline to face potential ethical conflict and help in the making of an appropriate decision.

The Code of Conduct and a set of compliance rulings and policies that rule the bank's activity are available for consultation on the website, governance area.

https://ind.millenniumbcp.pt/en/Institucional/governacao/Pages/normas_regulamentos.aspx

Moreover, and given the importance of keeping an internal communication flow on compliance issues, the Bank continued to provide the Employees, through the Bank's Intranet, with regular information on how the Employees must perform to comply with their duties of honesty, solvency and financial integrity foreseen in the Code of Conduct; the violations and non-compliance with those duties are sanctioned in accordance with the provisos of the internal regulations.

In accordance with the regulations in effect, the Bank gave to the Compliance Office the function of supervising and validating all the contents of the advertising items, detached or included in advertising campaigns of products and services sold by the Group. The trend, already observed in 2015 and 2016, of compliance with the duties of information and transparency in the advertising of financial products and services was consolidated by the Marketing and Communication Divisions and BCP did not have any administrative proceeding brought against it by Banco de Portugal or by CMVM.

Relations of cooperation and loyalty have also been maintained with the judicial authorities and with national and international conduct supervision authorities. Within this scope and by its own initiative, it made a total of 528 communications to local Judicial Entities and replied to 1,185 requests.

COMMUNICATIONS TO LOCAL JUDICIAL ENTITIES

	2017	2016	2015	VAR.% 17/16
OWN INICIATIVE				
Activity in Portugal	300	196	120	53.1%
International Activity	228	176	244	29.5%
RESPONSE TO REQUESTS				
Activity in Portugal	160	254	391	-37.0%
International Activity	1,025	750	715	36.7%
TOTAL	1,713	1,376	1,470	24.5%

INTERNAL AUDIT

The Audit Division is a component of the internal control system of BCP whose main mission is to ensure before the Bank's Stakeholders - and in particular to the Audit Committee and to the Executive Committee - the efficiency and adequacy of the Bank's internal control system as a whole and also to ensure the adequacy of the governance and risk management processes used by the Bank and by the Group.

The mission of the Audit Division is exercised in accordance with the internal audit principles internationally recognized and accepted and in accordance with the guidelines approved by the Executive Committee of the Board of Directors, with a prior opinion issued by the Audit Committee. The objective of this mission is to ensure the existence of an efficient and appropriate control environment, a sounder risk management system and an efficient information and communication system through the establishment of an effective monitoring system for the internal control system of the Bank and of the Group.

The exercise of the internal audit function is paramount amongst the functions attributed to the Audit Division and has a permanent and independent nature.

The audit programmes include the assessment of behavioural issues, the compliance with the legislation and with all the remaining rules and codes of conduct, the proper use of the delegated competences and the respect for the performance principles in force in what concerns the relations established with the Clients, internal and external. Pursuant to the strategic guidelines defined for the internal audit function, the bank has been intensifying the adoption of the integrated method/end-to-end in audits and processes.

Throughout 2017, as part of the execution of its Activities Plan, the Audit Division also assessed the issues related with the management of environmental and social practices resulting from or related with the object of each audit in particular. Particularly in what concerns the audits made to the networks, one must also point out the mechanisms to prevent and detect practices showing that money is being laundered.

The prevention and mitigation of the risk of fraud as well as the detection and investigation of fraud attempts or situations, internal or external and the execution and monitoring of the consequent eventual disciplinary or judicial proceedings are also a priority in the distribution of resources allocated to the Audit Division. All the claims, complaints or denouncement of situations that show socially inappropriate behaviours by the Employees, either among themselves or relating to Customers and which can be communicated through a Whistleblowing channel -, are also assessed and investigated and will originate disciplinary proceedings whenever deemed justified.

In 2017, the preventive controls carried out and the subsequent individual assessments of potentially irregular situations as well as of situations reported by other organic units of the Bank originated 540 preliminary investigation proceedings. That same year, 20 disciplinary proceedings brought against Employees of the Bank in Portugal were completed. By the end of the year there were 6 proceedings underway. None of the cases involved situations of corruption.

GRI 419-1

DISCIPLINARY PROCEEDINGS AS RESULT OF RULES VIOLATION

	2017	2016	2015	VAR.% 17/16
Activity in Portugal				
Internal rules	13	16	35	-18,8%
External rules	5	7	6	-28,6%
TOTAL	18	23	41	-21,7%

The head of the Audit Division is also responsible for coordinating the audit function in all the subsidiary companies of the BCP Group promoting the harmonization of procedures and assessment criteria and the sharing of knowledge, namely by assisting them in the preparation and execution of audits relating to interests that are common to the several institutions.

The standardization of the practices in force in the internal audits of the several operations of the Group increased throughout the years either by the adoption of joint approach methods, safeguarding eventual differences due to local regulations or by the setting up of audit teams, at Group level, responsible for the execution of audits relating to specific issues in any of the countries where the Group operates.

Also within the scope of Ethics and Professional Conduct and to reinforce the commitment of Millennium bcp towards Individuals and Society, it subscribed and published the Human Rights, Equality and Non-Discrimination Policy and, among other, the Sustainability, Social, Environmental and Human Rights Policies. These policies are available for consultation on the Bank's website, in the Sustainability area.

https://ind.millenniumbcp.pt/en/Institucional/sustentabilidade/Pages/cod_internos.aspx

SERVICE QUALITY

Material issue:

SERVICE QUALITY

In Millennium bcp service quality is ensured by the ongoing implementation of initiatives that contribute to achieve an enhanced rigour and control of execution, ensuring that the operational and business processes function in an efficient and reliable manner, being continuously monitored and perfected, thus contributing towards a progressive and consistent increase of customer satisfaction.

SATISFACTION SURVEYS

GRI 102-43, 102-44

In Portugal, Millennium bcp evaluates customer experiences on a daily basis, following a practice initiated in 2013. 24 hours after interaction with the Bank, the Customer is invited to answer a brief questionnaire aimed at assessing Customer satisfaction with this experience with the Bank and the corresponding level of recommendation.

In 2017, the Net Promoter Score indicator (NPS) of Prestige Customers, which reflects the Bank recommendation level, increased to 57.5 points, corresponding to +2.2 points more than in 2016, following the increased percentage of Promoter Customers from 64.3% to 66.6% and the stabilisation of the percentage of Detractor Customers. For Mass Market Customers, the percentage of Promoter Customers increased from 72.1% to 74.5%, and the percentage of Detractor Customers fell by -0.8%, reflected in an increase of the Millennium bcp NPS from 62.7 to 65.9 (+3.2 points). The NPS of Business Customers also improved, having increased to 56.9 (54.6 in 2016), with 8.7% of Detractor Customers and 65.6% of Promoter Customers. Based on these results per segment, the global NPS of Millennium bcp is 64.4%, favourably comparing with 61.1% in 2016. Over 118,000 Customers were surveyed.

Apart from the experiences of Clients with Branches and/or Client Managers, where the indicators mentioned above are based upon, Millennium bcp also assesses other Client experiences namely (i) Account Opening, (ii) handling of Claims, (iii) interaction with the Contact Centre, (iv) use of Internet Banking and (v) the moment when the Account is closed - to be able to assess why the Bank lost those clients - and, starting in 2017 (vi) Mortgage Loans. In 2018 the Bank intends to include the experiences "Companies Account Opening" and "Digital Account Opening by Individuals".

Globally, in 2017, the Clients evaluated more than 170,000 experiences with Millennium.

In 2017, the Bank also continued the "Mystery Client" by making 4 surveys, totalling more than 2,400 visits to Mass Market Branches. In 2017, the results achieved are in line with the figures recorded in 2016 and reached, by the end of the year, the target of 85% of completion of the customer service choreography defined by the Bank.

The programme "#1 in Customer Experience" is a transformational project to provide clients with distinctive and memorable experiences through the ongoing improvement of the product and service range, the adaptation of the Bank's channels to today's trends, the simplification of processes and, naturally, the development of the Employees' skills.

After the behaviour and commercial techniques training carried out in 2016, for all Employees servicing Mass Market customers, in 2017 the Bank continued the training programme - "Training #1" -, monthly training moments that take place at the Branches with the objective of consolidating the acquired knowledge and enhance the practices and behaviours able of providing excellence experiences to our Customers.

Taking into consideration the success achieved with Mass Market Clients and Employees in 2018 the programme will also be implemented in the Prestige segment.

The Bank carried out 26 surveys, using different approaches, for monitoring the satisfaction of the Clients with the several Direct Channels and Business Networks. The remote channels satisfaction levels remained high. An example of this are the 86% of the user clients who replied that they are happy or very happy with Internet Banking - Individuals and the 81% who wish to continue to use this service.



As a result of the work developed by the direct channels, the Bank was, among other awards, distinguished by the US magazine Global Finance as “The best digital bank in 2017” in Portugal and in Poland, within the scope of “The World’s Best Consumer Digital Banks”. Millennium bcp was also distinguished in the edition of "Portugal Digital Awards 2017", in the category Best Digital Product & Customer Experience with the project "Customer Branch Experience 2.0", being, for the 7th consecutive year, considered the best HomeBanking website for the readers of the magazine PC Guia.

Since Employees constitute one of the strategic pillars of the BCP Group, their level of satisfaction with the service provided by the different internal areas - with direct relation and reflection on the quality of the guaranteed Customer service - is an important endogenous indicator to assess the Bank's effectiveness and perceived efficiency.

The opinion surveys were maintained regarding the satisfaction with the internal service among Employees who interact with other areas to perform their duties, in order to, as part of a continuous improvement policy, identify opportunities for improvement and optimisation of the processes, technological solutions and procedures in force.

In Portugal, the total value of 80.2 i.p. reflected a significant increase compared to the previous year confirming the improvement trend recorded in the last three years.

With the objective of enhancing the measurement of the satisfaction and loyalty of the several Customer segments, Millennium bcp continued to follow-up several external market studies made by specialized companies so as to get indicators enabling to position the Bank in the sector and assess, in an ongoing manner, the market's perception in what concerns the quality of the service provided, the Bank's image and the products and services it trades.

One of these studies is the CSI Banca, carried out by Marktest. It is a reference study for the banking sector, made in 2 annual stages, based on an econometric model that aims measuring the satisfaction and loyalty of the Customer and its perception of the quality of the products and services pursuant to a benchmarking rationale. The CSI Banca index, wherein Millennium bcp ranked 1st in the last six months of 2017, is a result of two indexes, one which intends to evaluate the satisfaction of the Clients which prefer to use the Banks' branches (Index CSI Balcão) and another which intends to evaluate the satisfaction of the Clients who prefer to use internet banking solutions (CSI Internet Banking Index).

Another study that the Bank follows-up is the BFin, made by DataEe, focused at the characterization of the banking sector in Portugal, according to the companies perspective, relating to products and services made available by the Banks. In the study made in 2017, Millennium bcp is the main Bank for medium and large companies (with more than 4 employees) and the third bank in the segment of micro-businesses, being also the main Bank for exporting companies.

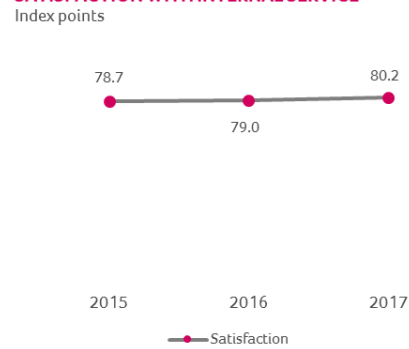
Millennium bcp stands out in this study once again as the most innovative Bank with products better adjusted to the companies and closer to the Clients.

One needs to point out, within this context, that being distinguished with the Consumers Choice Award, in the category “Large Banks” attributed in 2018, represents the recognition of the effort that Millennium bcp has been making for the modernization and simplification of bank products and services, but also of the significant bet on the proximity with the Clients and on a faster servicing.

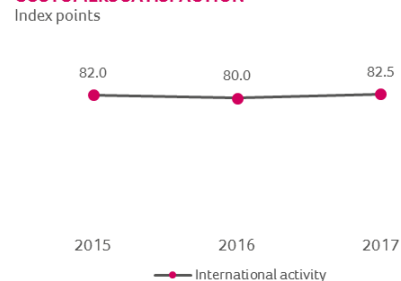
In the international activity, Customer overall satisfaction levels with the Bank recorded a value of 82.5 index points (i.p.), influenced by the upturn recorded in Mozambique, which shifted from 75 to 79 i.p.

In this operation, the evaluation and monitoring of Customer Satisfaction is permanent through market studies addressed to the different business segments and through specific surveys - of which the ones regarding remote channels are the most recent example - and the “Mystery Client” in the Bank's branches. Globally, in 2017, the Bank carried out 3 market studies and 5 direct or specific surveys which enabled getting the opinion of more than 1,100 Clients.

SATISFACTION WITH INTERNAL SERVICE



CUSTOMERS SATISFACTION



Information not available for Switzerland.

In the Evaluation of Experiences of Clients from the Prestige Segment - which had its 2nd cycle in 2017 - the following experiences were taken into consideration: (i) Account Opening; (ii) 6 months after the account opening; (iii) Manager Contact/Visit; (iv) Credit Granting; and, (v) handling of a claim. In this second exercise, the degree of recommendation reached 76 i.p.

The Operating Quality index of the branches of Millennium bim, recorded in 2017, an increase to 3.1 points, thus exceeding in 0.1 the goal defined for the year. This positive performance, consolidating the improvement actions resulting from the "Mystery Client" evaluations, enables ensuring a service level in Client servicing that is consistent and constant throughout the entire network.

In Poland, Bank Millennium also benefits from robust processes and evaluation instruments to assess the quality of the service provided to clients. In Poland, with 86 i.p. of global satisfaction, the internet banking and mobile banking channels reached 96% of positive reviews in 2017. Also branch servicing showed a very positive evolution, showing 87% of satisfaction.

Aligned with the recommendation made by the Clients, also the recognitions made by several independent entities confirm the quality of the service provided by the Bank in this country. Noteworthy is the 16th edition of the ranking "Newsweek Friendly Bank 2017", wherein Bank Millennium was awarded in the four categories under evaluation.

This operation, apart from the regular satisfaction surveys addressed to the Retail (NPS of 51%), Prestige and Companies (NPS of 38%) segments, also carries out "Mystery Client" actions by means of an outsourcer. Materializing a holistic approach, the Bank also carried out specific studies, adjusted to the business needs. In 2017, the measurement of the Client's satisfaction with the new digital channels played the most relevant role.

Bank Millennium, aware of the impact that the popularity of the new digital channels is having in the behaviour and needs of the clients - an impact which is not only seen in electronic banking but also in traditional channels, namely the branches -, has been making evaluations which, with the use of innovative techniques, enabled to improve the service space and choreography.

Lastly, in 2017, the Bank carried out 2 market studies and 19 direct or specific surveys which enabled getting the opinion of more than 10,000 Clients throughout the year.

CLAIMS

Concerning claims on products and services, one of the priorities of the BCP Group is to ensure the ongoing improvement of its management in the countries where it operates, either by optimizing, simplifying and accelerating the reply procedures or by the regular assessment and monitoring of the satisfaction of the claimants with the solution presented to them. The identification and assessment of the origin of the claims aiming at their correction are also part of an unequivocal orientation of the Bank for Client servicing.

	2017	2016	2015	VAR.% 17/16
CLAIMS REGISTERED				
Activity Portugal	22,104	20,423	27,529	8.2%
International Activity	54,814	53,940	50,907	1.6%
CLAIMS RESOLVED				
Activity Portugal	20,649	18,454	26,739	11.9%
International Activity ⁽¹⁾	54,535	51,894	50,141	5.1%

Note: Data for 2016 and 2017 include Angola, whose operation was discontinued in 2016.

(1) Includes valid claims related with the disregard of the privacy of Customers in Poland (65) and in Mozambique (7) based on the wrong processing of personal data and operational errors.

In Portugal, the claims are managed by the Customer Care Centre (CAC). The total number of claims in this operation showed an increase if compared with the previous year for a total of 22,104. The majority, 75.5%, are claims related to current account debit/credit entries, card transactions. The effort made aiming at a rapid resolution of the claims has been a constant concern of the Bank which has been able to guarantee an average response deadline of 5 business days, with 64% of the claims being solved in up to 3 days.

In Poland, the number of claims presented amounted to 46,075, showing a 0.9% increase versus the previous year. The majority of these claims (71%) is attributable to current accounts, mortgage loans and transactions made with cards. To improve the measured satisfaction with the claims resolution, Bank Millennium has been developing a programme for the continued improvement and simplification of this process and defined as a goal a 7-day deadline to conclude the process. An average deadline that in 2017 was still of 12 consecutive days.

In Mozambique, the number of claims remained stable, with a 2% variation. The cards and current accounts are the products with more claims. This operation, in spite of the simplification of the claims workflow and process improvements was able to keep an average claims resolution deadline of 23 working days.

The Clients of Millennium bcp may also bring to the Client Ombudsman claims due to actions or omissions by the Bank's corporate bodies and Employees. All the claims addressed to the Ombudsman Office are firstly handled and managed by the CAC; the Ombudsman Office analyses and gives a final opinion to claims received in connection with prior claims presented by the Clients that obtained an unfavourable decision.

OMBUDSMAN OF MILLENNIUM BCP

Activity in Portugal

	2017	2016	2015	VAR.% 17/16
NEW CLAIMS PROCESSED	45	33	43	36.4%
NEW CLAIMS CONCLUDED	44	32	42	37.5%
Concluded successfully	24	13	17	84.6%
Concluded with dismissal	20	20	25	0.0%
Average response time (days)	18	28	17	-35.7%

Thus, and considering the activity developed in 2017, the Ombudsman Office analysed 45 New Claims (33 in 2016) with an average of 100% of resolution and 53% of claims decided in favour of the Client in an average time of 18 working days (28 in 2016). It also received 1,099 claims and 390 requests that it forwarded to the Bank's services in charge of handling them and of providing a final response to the claimants. The issues - from a product or financial standpoint - that raised the greatest number of claims from the Clients, were those related to "Current Accounts" and "Service to the Client", which represented an average of 48% of the total of claims. When one assesses the business areas with a greater number of claims, the one showing the highest number is Retail Banking, with 89% followed by Activobank with 4%.

In 2017, the Regulations of the Client Ombudsman were approved by the Committee for Corporate Governance, Ethics and Professional Conduct, after being revised by DECO that highlighted its quality, structure and clarity and suggested improvements which were included in the regulations. This new regulation is available on the Bank's website, in the Ombudsman tab.

SOCIAL RESPONSIBILITY

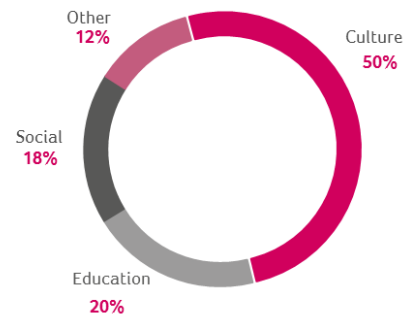


Social responsibility

The BCP Group's strategy aims to foster a culture of social responsibility, developing actions for various groups of Stakeholders with the objective of contributing directly or indirectly to the social development of the countries in which it operates.

It is within this scope of proximity to the communities that Millennium bcp has materialized its social responsibility policy, focusing its intervention on cultural, educational and social initiatives.

DONATIONS ALLOCATED BY INTERVENTION AREA
Percentage



SHARING AND PARTICIPATING

In 2017, the number of hours of volunteer work was 1,483 in Portugal and 3,272 in the total of the Group's operations, figures showing a negative evolution versus the 2,026 and 5,364 hours recorded in 2016, not reaching the 7% goal defined for 2017.

In 2018, materializing a strong social commitment and enabling the Bank to be nearer the communities and people, the goal is to achieve a 10% increase in volunteer hours.

Material issue:

PARTNERSHIPS WITH NGO/PUBLIC CHARITABLE ORGANIZATIONS AND VOLUNTEER WORK

In Portugal, Millennium bcp has continued to foster and create opportunities for the Employees' participation as volunteers in actions to support the external community:

- In the context of the Food Bank's food collection campaigns, Millennium bcp once again was present at the warehouses, helping to separate and store the food. In 2017, in the two campaigns made regularly, the Bank helped at a national level and ensured a participation of more than 190 volunteers, Employees and their relatives.
- The Bank supports Junior Achievement Portugal (JAP) in its entrepreneurial, creativity and innovation projects, through the Bank Employees' participation as volunteers. During the school year 2016/2017, 46 volunteers of Millennium bcp monitored more than 839 students of 38 schools in the various programmes of Junior Achievement Portugal, in a total of 533 hours of corporate volunteer work.



The Bank has also been organizing, supporting and following up internal solidarity actions that promote a culture of proximity and add social value and are also a significant contribution for the materialization of its Social Responsibility Policy in Portugal. Among these initiatives, which received a special boost from the Direct Banking, Retail Marketing, Operations, Quality and Network Support, we highlight:

- Campaign named "Papel por Alimentos 2017" (paper for food), developed by the DO, aimed to collect waste paper in favour of the Food Bank and collected 2.8 tons of paper;
- "Millennium Solidário", campaign addressed to families and persons affected by the 2017 forest fires. The objective of this campaign was to collect food, hygiene products, clothes and household articles. 70 boxes of donated goods were collected, which were delivered to the Food Bank and to Entrajuda, the Bank's partners in this initiative;
- Internal action for the collection of plastic recipients in favour of ReFood, with the objective of distributing meals to the local communities.



Material issue:

ENVIRONMENTAL AND SOCIAL AWARENESS

Millennium bcp also carried out a number of supporting actions to institutions and initiatives able of generating social value, of which we highlight:

- Participation in the 4th edition of Marketplace Lisboa, a social market drawing together companies, local authorities and non-profit institutions, where the participants display their offers and needs, promoting a sharing of knowledge and experiences which give rise to the exchange of goods and services. Millennium bcp, which was present for the third time at this event, established 6 agreements for donation of material with different social solidarity institutions and already provided support, during these three editions, to a total of 25 institutions;
- Regular support to institutions through the donation of IT equipment and office furniture that is no longer used, but is in condition to be reused. Currently, the Bank has a protocol signed with Entreatajuda, the main beneficiary Entity. In 2017, the Bank donated over 3,020 items of IT equipment and furniture to 92 institutions, 226 of which to Entreatajuda.
- Millennium bcp participated for the 4th time in the annual edition of the ECO Movement - Companies against Wild Fires, a civil society project that aims to contribute to the prevention of forest fires and raise public awareness on risky behaviour;
- Culturally speaking, we must point out the Festival ao Largo, which every year presents on stage at Largo de São Carlos a series of shows with the best of opera, ballet and symphonic music. This action intends to take art to a wider public, thus contributing to the cultural enrichment of the country.



Provision by Millennium bcp of a location in Tagus Park for charitable organisations to collect funds and disclose the work carried out. In the first six months of 2017, an example of this practice is the campaign by CERCIO Oeiras for selling the Pirilampo Mágico 2017;

Support to external solidarity initiatives, namely the project “Vela Sem Limites”, an initiative from Clube Naval de Cascais which enables 60 disabled individuals to regularly practice sailing and to many other to have their first sea experience.

- Due to the numerous wild fires that affected the country throughout the entire summer, causing considerable human and material damages, Millennium bcp placed at the disposal of the Clients who had their homes damaged by the wild fires, a number of special conditions, namely within the scope of mortgage loans. The bank also created the “Solidarity Account for the Fire of Pedrogão Grande” with the purpose of getting funds to help the victims of the wild fires.
- Campanha “Aqui Consigo Ajudar o IPO”, which consisted in the collection of used batteries with the purpose of helping the Instituto Português de Oncologia acquire a diagnosis device;
- Project “Girl Move”, an association that helps young Mozambican girls to access more and better information and enables them to break the cycle of poverty, build their own future and contribute for a better society. Millennium bcp granted, in 2017, another two-week traineeship to a young Mozambican girl.



In Poland, Bank Millennium continues to carry out a significant number of actions, notably volunteer and cultural ones. 11 volunteer actions were carried out in 2017, involving 312 volunteers and totalling 709 hours. Amongst these initiatives, we must point out:

- Corporate volunteering programme “Milantrop” addressed to all Bank Employees and aimed at supporting local communities. The programme enables two types of volunteer service - the organization of personal initiatives or the participation in projects envisaged by the Foundation. The 11 projects supported until today involved 312 volunteers, from Employees to their relatives and friends;
- Since 2013, every year at Christmas the Bank organizes a solidarity auction for the sale of handicraft. This auction, where the offers are made through the intranet, gathers several hundreds of items created and produced by the Bank Employees. The sale proceeds are used in the treatment of disabled children related to the Employees. In 2017, over 500 objects were auctioned and more than €16,800 were raised;



- Engine of Change (Lokomotywa Zmian) - a programme implemented by the Volunteering Centre Association for Employees over 55 years old from the province of Mazowieckie. This initiative seeks to encourage the participants to do volunteer work, enabling the development and implementation of projects where his/her experiences and competences may be used in activities with a social impact and where Bank Millennium is a strategic partner.
- Concerning education, we must highlight the following: i) the programme Millennium Bankers, aiming at helping university students in their first contacts with the labour market. 40 students participated; ii) "Expert Start-up", traineeships programme – 8 participants – that also carries out free of charge workshops for the students.

Within the scope of Culture, pursuant to a medium/long term plan based on partnerships established with reference cultural institutions for the support of specific programmes, we must point out: i) the 6th edition of the *Sacrum-Profanum* Contemporary Music, a contemporary music festival organized by the Cracow Festival Office; ii) "Złota Tarka" Old Jazz Meeting, a musical event sponsored by the Bank since 2002; iii) *Gdańsk* Music Festival – concerts of contemporary and classical music with a programme chosen in each edition by the Resident Artist in an open and adjustable format, supported by the Bank since 2013; iv) Golden Sceptre, an annual award organized by the Polish Foundation for Culture, that aims to celebrate Polish artists who distinguished themselves in the musical area.

Reference must also be made to the "Youthful Art Compass", a ranking of Polish arties whose aim is, beyond cultural education purposes, to join efforts towards the creation of a professional art market in Poland. Bank Millennium financed an award for the winner of the competition.

Bank Millennium also provided support to the Docs Against Gravity, the largest and more global festival of documentary films in Poland, being this the most significant sponsorship given by Bank Millennium in terms of culture. This film festival supported by a huge communication campaign and by a number of debates, workshops and other events takes place in 26 Polish cities.

Millennium
DOCS *against* GRAVITY
FILM FESTIVAL

MAIS
MOÇAMBIQUE
PRA MIM
Millennium
bim

In Mozambique, the Bank's social commitment is materialized since 2006 by the programme - More Mozambique for Me - one of the references of the BCP Group within the scope of Corporate Social Responsibility and support to local communities.

Millennium bim carried out 7 volunteer actions in 2017, involving 180 volunteers and totalling 1,080 hours. It continues to support projects in the areas of health, education, culture, sports for children and young people and community development:

- Millennium bim Mini Basketball Tournament - in its 12th edition, involved 1,400 athletes, aged between 6 and 11 years old, from 11 Mozambican cities;
- Millennium bim Race - 12th Edition of an event that intends to foster the development of this sporting activity, finding new talents and adopting healthy habits. More than 1,300 athletes participated;
- 7th Edition of the Helpo Solidarity Race – Millennium bim supported this event once again which was held in four Mozambican cities and also in Vila Real, in Portugal, and São Tomé, in São Tomé and Príncipe. 600 children participated in an initiative for the eradication of poverty and the promotion of a healthy life and sports. In Maputo, the race Helpo counted with the presence of the Portuguese triathlon athlete, Vanessa Fernandes;
- Fundação Clarisse Machanguane – support to the Foundation, an entity that develops projects for raising awareness for issues such as sexuality and HIV-aids through sports, addressed to children and young people;



- 2nd edition “Playing without frontiers” - an initiative from the Ministry of Education and Human Development that provides disabled children aged 6 to 12 an opportunity for practising physical exercise, playing games and enjoying other leisure activities to increment their ability to interact, respect, tolerance and self-esteem;
- Project “MusiarTE”, sponsored by Millennium bim, an initiative from two prestigious opera singers Stella Mendonça and Sónia Mocumbi, which aims to contribute for a quality teaching of music and also to promote young talents;
- Partnership with the Girl Move Foundation, whose objective is to support the Leadership and Entrepreneurial Skills Advanced programme for young women with a licentiate degree;
- Offer of sporting equipment to several elementary schools in the Island of Mozambique enabling the students to have physical education classes;
- Offer of building materials to the Government of the Province of Inhambane, providing help to the communities affected by the tropical cyclone Dineo that significantly damaged several infra-structures: schools, hospitals, orphanages, homes;
- Millennium bim Responsible – internal campaign “Ajude-nos a Ajudar” (Help us to help), wherein the employees donated essential relief items which were later distributed by two child care institutions;
- Project supporting the construction of school rooms in the Napacala School, together with the Association Helpo. Within the scope of corporate volunteer actions, the bank undertook an action where 35 employees cleaned, painted and organized the school rooms;
- Also within a partnership with Helpo, Millennium bim developed a volunteer action wherein 30 employees helped to create a library at the Impire elementary school;
- Responsible Millennium bim – in the context of corporate voluntary action, 35 Employees and their families helped to create, together with the Association HELPO, a new library at Completa do Jardim elementary school, benefiting its 1,800 students, who now have a place to read.
- “Sopa Solidária”, a volunteer project from the Makobo Association, wherein the bank’s employees made and distributed soup to around 400 people, mostly old people and children;
- Action for the renovation of the Nursery of the Neonatology Unit of Hospital Central de Maputo, wherein 35 employees painted, assembled and installed new furniture.
- Porto de Maputo and Partners Event – participation in the sporting event in Porto de Maputo, wherein companies and employees paid for their participation by offering food, books, toys and clothes that were given to Makobo Association.



FINANCIAL LITERACY

In all its operations, the BCP Group assumes as one its strategic goal the increase of financial literacy. An example of this commitment are the actions that have been carried out by the Bank to increase the level of financial literacy of the citizens, namely of the youngest, always taking into consideration the importance of the adoption of adequate banking behaviours and the making of steady and informed decisions. Within this context, the Group promoted a diversified group of initiatives throughout 2017, among which we highlight in Portugal:

- The promotion, in its institutional website, of the following instruments – Savings Centre, Finance Managers and the Kit for unexpected expenses which, despite being independent tools, have the same purpose: helping the client balance his/her personal budget. In the M Vídeos area of the website it is also possible to find tutorials and savings suggestions;
- The Bank continued to regularly share contents related with financial planning at the “Mais Millennium” Facebook page.
- Also with the goal of stimulating saving habits, the ActivoBank launched a live streaming video App on its Facebook page, called “Conversas Activo” (also available in Youtube), on issues that contribute for a major knowledge of the issues related with the provision of financial services.

- In Portugal, the Bank also participated in the Work Group of Associação Portuguesa de Bancos (Portuguese Banks Association), together with several financial institutions and the Instituto de Formação Bancária, whose mission is to develop and support initiatives for the promotion of the financial education of all citizens. An example of the activity developed already in 2017 is the promotion of the “European Money Week” (EMW) -, launched by the European Banking Federation (EBF), which counted with the participation of more than 30 countries, which was promoted in Portugal by APB, during the month of March, together with Instituto de Formação Bancária and in partnership with Junior Achievement. During this Week, Millennium bcp received a group of students who had the possibility of discovering the “backstage” of the institution and talk and make questions to the Bank’s CEO.
- Participation in the “Financial Education Week” during the month of November, an initiative by the National Council of Financial Supervisors, under the motto “Na formação financeira Todos Contam”. This initiative is part of the Financial Education National Plan and aims to make the population aware of the importance of financial education. Millennium bcp participated in this event and also in the “Financial Fair” held in Lisbon at Escola EB 2,3 Fernando de Pessoa, with thematic workshops for all the students;
- Carrying out of the Innovation Challenge, an initiative by Junior Achievement Portugal in partnership with Associação Portuguesa de Bancos, on the “Bank of the Future”. This event took high school students from five Lisbon schools to present business plans for what they believed could be the bank of the future.
- As usual, Millennium bcp joined the celebrations of the World Savings Day, on 31 October. This year the Bank made a presentation on savings to the 3rd grade students of Externato do Parque, for more than 60 students aged 8 to 9. At the session, among other issues, the Bank highlighted the importance of adopting and keeping money-saving habits.

In Mozambique, the “Millennium bim – Banking Olympics” took place, a project on financial literacy whose objective is to introduce basic financial concepts, providing students and teachers with knowledge that will enable them to make balanced decisions in the management of their savings and pursue entrepreneurial projects. In its 8th edition, this initiative counted with the participation of 400 students, representing 10 schools. After trials, 40 finalists were selected. One of the games included a volunteer action to create a library for an elementary school in Maputo. The finalists took part in a workshop at Millennium bim’s headquarters, for debating entrepreneurship, savings, insurances, banking and, for the first time, social volunteer work. In the end the students presented innovative projects that could be easily applied in their daily life.



Savings was one of the subjects Millennium bim took to heart, undertaking, within the scope of a programme promoted by Banco de Moçambique, training sessions for 2,500 students and 48 teachers, driven by the Bank’s employees, so as to raise the community’s awareness to this subject.

Also in Mozambique and part of the activities promoted by the Central Bank in the context of the World Savings Day, Millennium bim has been launching a number of educational initiatives in schools to promote the children’s and young people’s awareness of the importance of saving and of financial inclusion.

Together with the activities developed in schools, the Ban also carried out, in its personal Facebook page, a campaign on the theme wherein, through graphic images, alerted to the importance of keeping saving habits.

In Poland, we must point out the “Financial ABCs”, a financial literacy programme of Foundation Bank Millennium, whose object is to give basic financial concepts to pre-school children. In the two editions of this programme, the Foundation carried out 600 workshops in 200 kindergartens involving more than 15,000 children throughout the country. This programme also had the support of the Ministry of Education and of the Children’s Ombudsman, support that reaffirms its educational value.

In this operation, we must point out the Finance Manager, a free of charge online service that enables to make a follow-up of the family budget through the automated classification of the entries made in the current accounts and of the use of credit cards and the possibility of creating budgets for the control of expenses. Apart from that, the Bank continued to maintain a consolidated practice of disclosing information on this issue to its Clients.

The “Millematy” videos are also available on YouTube to and showcase concepts on bank products and services in a simple and straightforward manner.

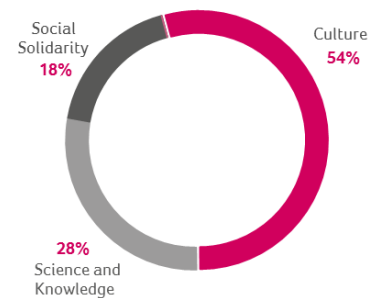
FUNDAÇÃO MILLENNIUM BCP

Fundação Millennium bcp, within the context of the social responsibility policies and institutional cultural patronage is an agent for the creation of value in society in the several areas where it intervenes which are Culture, Education/Research and Social Solidarity.

Having culture as its main priority, the Foundation continues to intervene significantly in a significant manner in the recovery and preservation of classified cultural heritage as well as in the promotion of a substantial number of activities related with the disclosure of artistic and architectonic heritage. In that sense, the Foundation maintained several partnerships with reference museums and also started to support new projects linked to several cultural initiatives, such as exhibits, festivals, art exhibits and awards to young talented individuals, being the creative innovation and the support to emerging artists one of the current guidelines of the Foundation's strategy.

In 2017, the Foundation received and analysed around 360 proposals and provided support to 127 projects, 54% of which in the cultural area, 28% in Science and Education and 18% in Social Solidarity and also organized 6 exhibits. From the total of support provided, 46% represented initiatives carried out in the district of Lisbon, 14% in Porto, 10% in the North (excluding Porto), 6% in the Centre (excluding Lisbon) and 6% in the South. The remainder was divided between initiatives with national coverage, 14%, or international coverage, 4%.

DONATIONS ALLOCATED BY INTERVENTION AREA
Percentage



NEW IDENTITY

The Foundation assumed a new graphic identity, more dynamic and better adjusted to the several activities it pursues. This new graphic identity was launched in September 2017.

The purpose of this new identity is to position the Foundation as an institution that promotes contemporary art. This way, one is able to have a more modern perception of Fundação Millennium bcp, in line with the Bank's communication strategy.

The cultural icon with several components reflects the versatility of Fundação Millennium regarding the several types of art it supports and the exhibits it carries out. The letter "M" means Millennium, Modernity and "Mudança" (Change), representing the concepts appropriate to describe the Foundation's new identity.



CULTURE

In Culture, the area where the Foundation promotes more initiatives and apart from the projects to disclose the works of art owned by Millennium bcp, it promoted 65 initiatives on several aspects of the cultural production, of which 22 within the scope of museums and arts, 8 concerning recovery of cultural heritage, 3 in the area of music, 7 in Portuguese literature, 2 in architecture and 23 in other areas.

From these, one must highlight:

- Maintenance of the Archaeological Nucleus of Rua dos Correeiros (ANRC) and management of the guided tours. It received 11,911 visitors;
- Millennium Gallery, an exhibition space which received 9,629 visitors in 2017 distributed over the following temporary exhibitions: i) "Unspoken Dialogues", with 1,369 visitors; ii) "A Pressão da Luz – Álvaro Siza por Nuno Cera", with 1,388 visitors; iii) Within the scope of "Lisboa 2017 – Capital Ibero-Americana para a Cultura", three exhibitions were carried out: "Itacoaria – Cicatriz de Tordesilhas", by Rigo (Portugal); "O Tempo Desenhado: Iconographies of an Amerindian People in the Amazon", and "Archivo Alexander Von Humboldt, receiving a total of 1984 visitors; iv) Within the project "Shared Art", the exhibition "A Partir do Surrealismo", with 4,889 visitors until 31 de December 2017.



Both spaces joined the International Day of Monuments and Sites, Museums Night with the opening of the ANRC and Millennium Gallery with extended visiting hours.

Supporting projects to modernise important Portuguese museums and to promote museum activities and other cultural activities, of which we highlight:

- Museu Nacional de Arte Antiga (National Museum of Ancient Art) – support to the modernization of the museum, the Library, the Chapel of Albertas and to events carried out by the Museum
- National Coach Museum – support to the Exhibit "300 anos Embaixada D. João V";
- Portuguese Museum of Contemporary Art – Museu do Chiado: support to the exhibition "Sedução da Modernidade" and to the activities carried out by the Museum.
- Museu Nacional do Azulejo (Portuguese Tile Museum) – Translation from Portuguese into English for the exhibition "O encanto na hora da descoberta:
- Grão Vasco National Museum – support to exhibitions;
- Beja Regional Museum – Support to the re-qualification and promotion of the museum's assets.
- Lisbon Museum - Catalogue for the exhibition on Lisbon's historic pavements "Debaixo dos Nossos Pés - Pavimentos Históricos de Lisboa".
- Museu Nacional de Soares dos Reis - Exhibit "A Cidade Global - Lisboa no Renascimento".



Within the scope of the recovery of art heritage, one must point out the following:

- Regional Department for Northern Culture - support to the recovery of churches in the historical centre of Oporto and support to the conservation of Santa Clara Church, in Oporto;
- Regional Directorate of Algarve - recovery of Castelo de Paderne;
- World Monuments Fund Portugal (Association) - Conservation of the arches of the church of the Monastery of Jerónimos;
- Palácio Nacional de Mafra – construction of a scale model of the Real Edifício de Mafra and project for the lighting of the Throne Room;
- Association of Portuguese Archaeologists – restoration of the Axial Door of the Carmo Convent;
- São Pedro de Faro Church – Conservation and restoration of the painting of the altar of Nossa Senhora da Victória.

Within the scope of literature, architecture and other cultural areas, we may highlight the following:

- General-Directorate of Cultural Heritage – support to the launching of the results of the study of the public that goes to national museums;
- Acesso Cultura – Annual conference at Fundação Calouste Gulbenkian with 130 participants;
- Bookstore Lello – Support to free of charge literary activities on Children's Day;
- Fundação António Cupertino de Miranda – support to the foundation's project "Special Needs - Financial Education";
- Associação Trienal de Arquitetura de Lisboa: the support provided includes the Career Award, the Universities Award and Millennium bcp Triennial Début Award; In cooperation with the Triennial, the Foundation joined the Open House initiative, opening the Millennium bcp building at Rua Augusta for guided tours.
- Spira – Revitalisation of Art Heritage: AR&PA – Iberian Biennial of Cultural Heritage and Management of Art Heritage recording the presence of 75 entities, of which 41 Portuguese, 30 Spanish and 4 French, totalling 9,000 participants;



- A+A Books – publishing the books “Guia de Arquitetura de Álvaro Siza, Projetos Construídos” and “Guia de Arquitetura Souto Moura”;
- Out of The Wall – support to the Educational Programme of the Exhibit “Leonardo da Vinci - As Invenções do Génio”, exhibited at the Congress Centre of Alfândega do Porto;
- Building Ideas – Support to the “Lisbon Seminar – Creativity and Art Heritage”;
- AiR 351 – Art in Residence - project for welcoming international artists in Portugal (visual arts) for the establishment of art residences;
- Municipality of Lisbon – Support to the Festival TODOS: Caminhada de Culturas 2017 - which this year received over 17,000 visitors. Its direct social impact near communities supported by Santa Casa, Associação Cais and Centro Português de Apoio aos Refugiados (Portuguese Centre for the support of Refugees) involved, for more than 3 months, 79 individuals.
- CEMD – Mozambican writers and the Diaspora – X Meeting of Mozambican writers and the Diaspora;
- Safe Place Portugal - support to the Mental Health International Festival.
- “Círculo de Artes Plásticas” of Coimbra – project “Anozero”, an action programme that proposes to contribute to the construction of a transforming and active cultural time in Coimbra and in the central Region of Portugal.

EDUCATION AND INVESTIGATION



In line with the Sustainable Development Goals (SDGs) of the United Nations.

Science and education are paramount for the construction of a developed society and for the exercise of a responsible and informed citizenship. Therefore, the Foundation increased its participation in several projects for education, scientific investigation and disclosure of knowledge. It provided financial aid to 33 educational projects, 28 in Universities and 5 in Basic Education.

In higher education, we must evidence the following projects:

- A scholarship programme of Fundação Millennium bcp, aimed at students from Portuguese-speaking African countries and from Timor (PALOP);
- Partnership with Millennium bim for the attribution of scholarships (several areas) in Universities of Mozambique to young people evidencing academic merit and lack economic means;
- Universidade Católica Portuguesa: i) School of Economics and Management – Lisbon MBA scholarships; ii) Political Studies Institute – sponsoring the chair of European Legal Studies; iii) Health Sciences Institute: Pedipedia project, development of an online encyclopaedia; iv) School of the Arts – Master’s in Conservation and Restoration of Cultural Heritage;
- MAAT - Museum of Art, Architecture and Technology partnering with the Universidade Nova and with Instituto Superior Técnico of the Universidade de Lisboa for support to the Conference “Post Internet Cities”;
- Instituto Superior Técnico da Universidade de Lisboa – Exhibition of the final works in the Master’s in Architecture and support to the General Meeting of the network TIME – Top Industrial Managers Europe;
- Fundação Rui Osório de Castro: attribution of an award to scientific investigation in the area of paediatric oncology;
- Start Up Programme (10th edition) of Junior Achievement Portugal – development of entrepreneurship programmes among university students;
- Instituto Camões – Award for the best student of Portuguese language 2017, in the United Kingdom;
- ACEGE (Christian Association of Entrepreneurs and Businesspeople) – support to the programme the objective of which is promoting a responsible management of the Portuguese companies. The entity held 97 events, with the participation of around 3,000 leaders.
- BEST Porto - support to the Symposium “Education: Be a Part of the Next Generation”, held at the University of Porto;



- Fundação da Juventude – 2nd edition of the Millennium Programme of scholarships for Research on Cities and Architecture;
- Portuguese Association for Water Distribution and Draining (APDA) – support to the National Meeting of Water and Sanitation Management Entities, ENEG 2017, held in Évora between 21 and 24 November;
- Centro de História de Além-Mar of Universidade Nova de Lisboa and Universidade dos Açores – 15th International Conference of the European Association for Japanese Studies (EAJS), at the School of Humanities and Social Sciences of Universidade Nova de Lisboa;

In basic education, we must evidence the following projects:

- Associação Empresários pela Inclusão Social (EPIS) – Educational project for social inclusion. In 2017, the programme was extended to a greater number of locations, reaching a higher number of students;
- Exploratório Ciência Viva Coimbra – support to the project “Seleção sub30 – A Nova Geração de Cientistas Vai à Escola” (Under 30 – The New Generation of Scientists Goes to School) wherein young scientists go to schools to disclose their experience in the scientific field;
- Associação Hands-On Science Network – 14th International Conference on Hands-on Science, with the main theme “Growing with Science”, that took place in Braga.

SOCIAL ACTIONS



In line with the Sustainable Development Goals (SDGs) of the United Nations.

Lastly, in the Social Solidarity area, the Foundation supported different actions promoted by several entities. These actions comprised several intervention sub areas, such as childhood/adolescence, poverty, disability, among other. The Foundation supported 21 projects, 6 of which targeted early childhood, 6 for situations of poverty, 5 dealt in health and disability and 4 of broader scope, of which we point out:

- Associação Portuguesa de Famílias Numerosas (APFN) (Portuguese Association of Large Families):- i) Observatory of the Family Responsible Municipalities to distinguish the municipalities following best practices in this area; ii) “Estudo Comparativo dos Tarifários de Abastecimento de Água em Portugal”, presented at the Millennium bcp Auditorium, in Lisbon;
- AESE Business School – Programme GOS (Management of Social Organizations) – programme developed in a partnership established between the AESE – Escola de Direção de Negócios and ENTRAJUDA. The programme intends to improve the practice of management by heads of non-governmental charitable organizations through training actions addressed to their managing bodies;
- Portuguese Food Bank – in terms of food collection campaigns: i) support to the production of bags; and ii) donation for the purchase of tuna;
- BUS Association – Social Utility Assets – the institution collects, free of charge, useful goods for different purposes given away by people wishing to get rid of them and forwards them to institutions and families in need;
- Fundação Portuguesa de Cardiologia – Support to the Month of the Heart which took place in May, this year under the theme “The heart in sports”.
- FAMSER – Associação de Apoio Famílias Desfavorecidas – Projeto GPS – Gerar, Percorrer e Socializar, a specialized residential foster home located in Castro Verde, capable of assisting 30 young people;
- Sociedade do Bem – edition of the children's book “What colour are your words?”
- Portuguese Association of Relatives and Friends for Rett’s Syndrome (ANPAR) – completion of the centre for supporting the development of competences and activities of ANPAR;
- Associação Terra dos Sonhos – Attribution of a Scholarship – “Unidade Felicidade” – contributing for the carrying out of a Musical celebrating the 10th anniversary of the Association, made in several stages at Teatro Tivoli BBVA, receiving a total of 4,484 spectators.



For more information, please see the 2017 Activities Report of Fundação Millennium bcp at:

https://ind.millenniumbcp.pt/pt/Institucional/fundacao/Documents/RC_fundacaoMbcP_2017_PT.pdf

PRODUCTS AND SERVICES

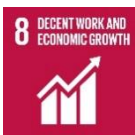
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Material issue: PRODUCTS INNOVATION AND SUSTAINABLE SERVICES

The BCP Group offers a complete and broad range of financial products and services, and continues, under the development of its business lines, responsible for offering products and services which incorporate social principles and respect for the environment and nature.

The BCP Group is also aware that the implementation of social and environmental criteria and standards in the commercial offer is reflected in more efficient risk management, reputation value and higher quality of the products and services offered to customers.

MICROCREDIT



In line with the Sustainable Development Goals (SDGs) of the United Nations.

In Portugal, Millennium bcp continues to reinforce its commitment to Microcredit activity, with its value proposition still being recognised in the Portuguese market as an alternative for the funding, promotion and viability of entrepreneurial actions, continuing to perform a relevant role as an effective instrument in the combat of unemployment, poverty and social exclusion.

In 2017, the institutional dissemination of this credit model, which incorporates Millennium bcp's Corporate Social Responsibility policy, to entities operating locally and closest to the socially excluded segments of the population continued to be one of the strategic priorities of Millennium bcp Microcredit. Hence, meetings were held with Municipalities, Parish Councils and Education Establishments, in addition to regular participation in events publicising and promoting employment and entrepreneurial action.

Materialised this closeness to the community, 18 new protocols were signed in terms of cooperation for entrepreneurship, increasing access to microcredit and creating self-employment, 4 of which with municipalities (Calheta, Funchal, Odivelas and Rio Maior).

We must also mention the participation in the Entrepreneurial Fair promoted by the European Commission in Portugal, but also the presence at the session of "Speed Mentoring of the project Turismo Up, from Turismo de Portugal.

Aiming to continue to acknowledge and reward the entrepreneurial spirit, creativity, innovation and dynamics of the Millennium bcp micro entrepreneurs, Millennium bcp held the 6th edition of Realizar - a Microcredit and Entrepreneurship Award. This annual award has two categories: Drive and Innovation and Best Execution and intends to recognize from amongst the projects approved by Millennium bcp Microcredit, from 1 July 2016 to 30 June 2017, the projects with a higher impact. The winner of each one of the categories received a prize amounting to 5,000€, and the remaining 4 finalists received an honourable mention in the amount of 1,000 €.



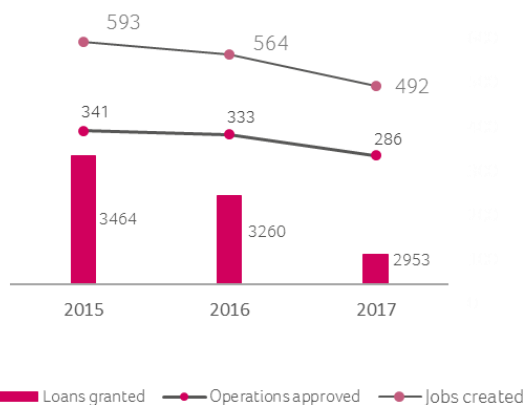
Millennium bcp is also part of the work group of the European Microfinance Network (EMN), as corporate member. The objective of this entity is to analyse the growth and evolution of Microfinance in Europe.

Millennium bcp's Microcredit, which turned 12 in 2017, is recognised as a comprehensive service providing permanent support to the Customer throughout the duration of the funding contract. This being a service of social responsibility it translates a permanent focus on the reality and needs of our Customers.

As a result of the work carried out in 2017, the Microcredit of Millennium bcp financed 286 new operations, totalling 2.953 million Euros of credit granted and the creation of 492 new jobs (6,309 since 2005). The volume of active credit granted to the 982 operations in the portfolio, up to 31 December 2017, totalled 6.520 million Euros.

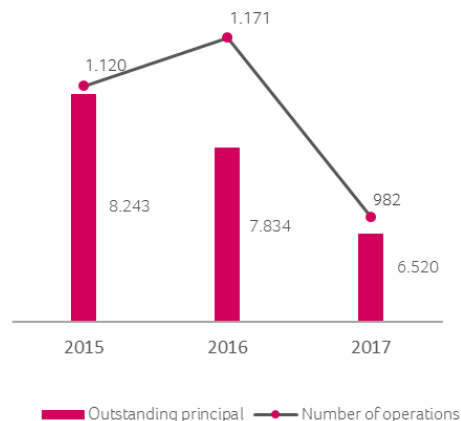
MICROCREDIT ACTIVITY

Thousand euros



MICROCREDIT LOAN PORTFOLIO

Thousand euros



In 2017, the Millennium Microcredit proposed to increase in 15%, versus 2016, the institutional contacts established, assuming that the main strategic priorities of Microcredit are based on the disclosure of this funding model and the promotion of entrepreneurship in the different regions of Portugal.

With 571 contacts established, corresponding to a growth of 24%, the defined goals was achieved.

In 2018, the objective is to, once again, increase 15% the number of institutional contacts in Portugal.

FINANCIAL ADVISORY SERVICE (FAS)

Aiming to continue to support customers struggling with financial difficulties, and to prevent and avoid defaults, Millennium bcp kept focusing on promoting and applying FAS (Financial Advisory Service) packages. The Bank's concern continues to be proposing to Clients the solution which is more adequate to their available budget, so that they can keep meeting their liabilities by reducing costs with credit payments.

In this context, 22,345 contractual amendments were made during 2017 (8,275 mortgage loans and 14,070 consumer credit), with a restructuring value of 603 million Euros (529 mortgage loans and 74 consumer loans) and comprised 21,188 Clients (7,361 mortgage loans and 13,827 consumer loans).

COMPANIES SUPPORT SOLUTIONS



In line with the Sustainable Development Goals (SDGs) of the United Nations.

In Portugal, Millennium bcp has continued to strengthen its support to companies through protocol credit lines, matching the industry and the economy's specifics, especially:

- Support for companies which need to meet treasury needs and seek to implement investment projects; 24 operations were financed to a total of 2,015 thousand Euros through the INVESTE QREN Line;

- Funding lines (SME Growth and SME Invest) aimed at SMEs intending to carry out investment projects or increase their working capital. Completion of 1,867 operations, with total funding of 186,073 thousand Euros;
- Regarding support to companies in the agricultural and/or fisheries sector, 128 operations were conducted involving a total financing of 8,534 thousand Euros through the PRODER/PROMAR and IFAP Short Term credit lines;
- Credit Lines to Support Tourism, aimed at supporting, with favourable conditions, companies that develop activities related to tourism. 10 operations were financed, totalling 3,463 thousand Euros;
- The Bank also made available the - Linha Capitalizar Mais -, a protocol established between Millennium bcp, the Instituição Financeira de Desenvolvimento (IFD) and the Mutual Guarantee Societies that created a Credit Line with mutual guarantee to finance projects to be implemented in mainland Portugal to help reinforce the entrepreneurial capacity of the SME for the development of goods and services that are innovative in terms of processes, products, organization or marketing. Millennium bcp financed 31 operations totalling 12,797 million Euros in credit.



In Poland, the support to small and medium-sized enterprises (SMEs) is granted within the scope of energetic and technological development, through POISEF (Polish Sustainable Energy Financing Programme) and the new Leasing Eko Energy. Thus, there are:

- The POISEF Eko Energy, managed by the European Bank for Reconstruction and Development (EBRD), allows companies to access funding for investment projects that enable increasing the energy efficiency of the company and/or the use of renewable energies. The business also receives professional advice from engineers and financial experts. The total funding amounted to 2,163 thousand Euros as at 31 December;
- The “Leasing Eko Energy” programme gives customers the opportunity of getting a 5% investment prize at the end of the lease agreement, besides allowing its application to new types of machinery and equipment. The amount in the portfolio, at 31 December, was 13,205 thousand Euros, for 137 operations.

Bank Millennium is also part of a programme to promote entrepreneurship of the Polish government, - in effect until June 2018 - granting credit to micro, small and medium sized enterprises with advantageous conditions against minimal guarantees from the clients (the programme provides a guarantee of up to 60% of the amount of credit granted).

It also provides a credit line that counts on funds of the EU – European Union, especially dedicated to funding innovative technological projects. This programme includes the attribution of a non-reimbursable aid to companies for the implementation/renewal of technological solutions, granted through payment in the amount granted by the Bank.

SOLUTIONS FOR INDIVIDUALS

The BCP Group provides products and services that, while meeting the needs and expectations of individual customers, also incorporate social benefits. Among these, we underline the following:

- University Loans – in Portugal, for students that decided to go on studying, the Bank granted 136 new loans in 2017, amounting to 1,636 thousand Euros, under the University Credit Line. The volume of credit granted to the 348 operations in the portfolio amounted to 4.2 million Euros;
- University Loans – in Mozambique the Bank provides a medium-/long-term personal loan through which it pays into the account of the school that has a protocol established with Millennium bim the amount of funding requested by the Client. The rate applied is lowered by 1% whenever the student is able to obtain a final grade point average of 15/20 or higher. The best university student and borrower of the University Credit is given a 6-month remunerated internship, with the possibility of being offered a contract with the Bank;
- Manda Mola – the transfer model that allows transferring money to any mobile phone number. This innovation contributes to the process of financial inclusion of the Mozambican society, as it allows the Bank's Customers to transfer money to beneficiaries without bank account that have an electronic money account (IZI Account), which can be used through mobile (Millennium IZI) or at ATMs for cash withdrawals;

- Millennium bim Já Já – is a bank service that allows the population in rural areas to use bank services through the use of POS and Bank Agents (stores, groceries, post offices, etc.) replacing the more traditional means and channels. This service provides the population with a POS able of making a significant set of transactions, such as deposits, transfers, withdrawals, viewing balances or paying for services;
- Emigrant Savings Plan – also in Mozambique, this plan envisaged for emigrant customers, provides a programmed savings product that, besides a personal accidents insurance, provides annual malaria tests to family members of the account holder;
- Konto 360 Student / Junior – in Poland, this product targets customers aged between 18 and 26 years old and 13 and 17 years old, respectively, allowing them to open a bank account under special conditions, at no costs, enabling a first contact with banking and financial services;
- “Flat for the Young” – Bank Millennium in Poland, amongst its socially responsible products, provides special credit conditions that favour young people and families with children, within the scope of a State support plan for the purchase of own home. In 2017, 1,400 new contracts were signed, totalling a global credit amount of 68.25 million Euros and representing 12% of the mortgage loans portfolio.

SOCIAL INCLUSION



In line with the Sustainable Development Goals (SDGs) of the United Nations.

In Portugal, within the scope of Entities that incorporate the social sector, Millennium bcp keeps available the Non Profit Association Account, a current account with special conditions that does not require minimum deposit to open and has no maintenance and overdraft fees. 461 accounts were opened, adding up to 3,848 accounts in total on the Bank's portfolio.

So as to ease the inclusion of institutions from the third sector in the financial system, in 2013, a protocol was signed with Instituto de Emprego e Formação Profissional, Cooperativa António Sérgio para a Economia Social and the Mutual Guarantee Societies, defining a credit line – Social Investe – to support social economy. In 2017, the Bank kept a portfolio of 9 operations, totalling 320 thousand Euros.

Within the scope of the protocol established with Instituto do Emprego e Formação Profissional (IEFP) and with the Mutual Guarantee Societies, the bank continued to provide support to investment projects implying the creation of companies by unemployed people offering them subsidized credit lines, through the: i) Microinvest Line - funded 67 entrepreneurs, with a total of 688 thousand Euros granted; and ii) Invest+ Line - supported 41 entrepreneurs, with a total of 1,490 thousand Euros.

Within the scope of the inclusion of individual Clients (resident and non-resident) with low incomes in the financial system, the Bank was one of the banking institutions that voluntarily provided the current account – Minimum Banking Services Account -, without associated costs, this account can be used with a debit card and through online banking. In 2017, 981 accounts were opened, presently accruing to 4,967 accounts.

Millennium bcp signed in 2017 a cooperation agreement with União das Misericórdias Portuguesas to promote the project for the qualification of communities that support elderly people (PQCAPI), with advantageous solutions and short/long term funding;

In Poland, Bank Millennium also provides a solution for customers with smaller incomes – Konto 360º –, so that they can get access to banking services with special conditions.



CHARITABLE CARDS

In Portugal, the credit cards issued by Millennium bcp continue to promote solidarity:

- Loyalty Programme - gives Customers the possibility of exchanging the points on the card into donations to charitable institutions. Within this scope, the Visa/Mastercard network (Points Catalogue) and the Membership Rewards Programme of American Express gave donations (of €5 or €10) totalling around 5,970 Euros, (3,870€ PC, 2,100€ MR) to institutions such as Cáritas Portuguesa, Liga Portuguesa Contra o Cancro, Unicef, Casa do Gaiato, Acreditar, Ajuda de Berço, Cerci and for the Pedrogão, Figueiró dos Vinhos and Castanheira de Pera forest fires;
- Portugal Restaurant Week – an initiative that allows Customers of Millennium bcp to go to restaurants that joined for a fixed price meal (20 Euros, of which €1 is given to charitable institutions), an initiative that aims to give wider access to high end restaurants and contribute to social causes. The two editions of the Restaurant Week in 2017 gathered over 28,000 Euros that were given to the charitable institutions Acreditar and Casa Mimar;
- The credit cards issued by Millennium bcp in Portugal and by Millennium bim in Mozambique continue to allow their holders to take advantage of the partnership with NOS and Lusomundo movie theatres, offering two tickets for the price of one for the chosen film. In the last year, this partnership for broadening access to culture distributed around 200,000 tickets.



In Poland, the WWF Millennium MasterCard, available since 2008, assumes an environmental commitment. For each card subscribed, the Bank transfers half the first annuity and a percentage of each transaction to WWF in Poland (World Wide Fund For Nature – a well-known and one of the most influential NGOs in terms of environmental conservation). In 2017, over 12 thousand Euros were transferred from a total of 1,306 cards, 206 of which subscribed this year.

In Mozambique, the Bank provides the debit card “Woman”, for the female segment, which offers, besides discounts on a set of business establishments and access to several online channels, a health insurance that covers treatment expenses for breast and uterine cancer and childbirth health care. This card includes the “Woman Package”, a set of financial products and services thought out to meet the specific needs of Women. This solution also comprises a component of social responsibility since every transaction made with the card corresponds to an aid for the educational project “Líder em Mim”, part of the project Girl Move. The service includes also a savings plan with attractive conditions and, for all entrepreneurial women, the credit Entrepreneurial Woman, a credit that facilitates the fulfilment of professional projects.

SOCIALLY RESPONSIBLE INVESTMENT (SRI) FUNDS

GRI FS11

The BCP Group meets the needs of Investors that consider it relevant to cover, in their investments, social and environmental risk factors, placing Responsible Investment Funds at their disposal for subscription:

- In Portugal, the funds are available through: The online platform of Millennium bcp – which marketed 4 environmental funds in the area of energy, amounting to a portfolio value above 22,332 thousand Euros on 31 December; and ii) ActivoBank – offering 16 investment funds, of which 8 are ethical funds and 8 are environmental funds, with a total portfolio value above 797 thousand Euros. On 31 December, 10 of these funds had participation units subscribed during the year, with a global subscribed value amounting to 220 thousand Euros, an increase versus the 65 subscribed in 2016;
- In Poland, Bank Millennium also has a solid offer of SRI funds, fundamentally aimed at Customers of the Prestige and Private segment, reflecting the investment in businesses whose principles incorporate environmental concerns, namely regarding climate change. The 4 available funds were subscribed by 1,242 Clients, totalling 17.1 million Euros.

EMPLOYEE BENEFITS

GRI 201-3, GRI 401-2

Material issue:

MANAGEMENT OF MOTIVATION

The BCP Group provides a diversified set of social benefits to its Employees that go beyond what is set forth in the legislation applicable in the different countries where it operates.

HEALTH AND SAFETY

GRI 403-3

In Portugal and in Poland, the employees benefit from medical units and a group of full time physicians, who ensure the provision of curative and occupational medicine and medical assistance. The employees are also provided with a regular and broad medical check-up, largely surpassing what is defined by law for occupational medicine.

To improve health benefits granted to its Employees, in Portugal the Bank's Internal Medical Services now include Nutrition (547 consultations) and Clinical Psychology (379 consultations). A new service for posture correction was also created, aiming to correct anomalies in the spine and nervous system, as well as associated symptoms (available at this initial stage to around 500 Employees at Taguspark, in 2018 this number will be broadened).

In Mozambique, Millennium bim provides: i) medical office, where, besides general medical appointments, are also provided some specialities and basic health care; ii) HIV office, for ensuring the prevention and monitoring of this disease; and a iii) social support office – for counselling employees with severe social needs, providing whenever necessary psychological support and legal aid.

HEALTH SERVICES ⁽¹⁾

	2017	2016	2015	Change % 17/16
MEDICAL SERVICES				
Appointed held	21,409	19,702	22,259	8,7%
Check-ups made	8,831	8,318	8,413	6.2%
HEALTH INSURANCE				
People covered	47,209	47,286	50,277	-0.2%

Note: Data for 2016 and 2017 do not include Angola, whose operation was discontinued in 2016.

⁽¹⁾ Includes active and retired Employees.

The Employees of Group BCP as well as their families also benefit from health insurances, free of charge, or with subsidized conditions which ensure very wide cover plans.

In Portugal, for more complex situations, the employees, whether active or retired, their spouses and children, may also have access to healthcare at Clínica Universidad de Navarra.

The disclosure, through internal communication corporate platforms, of information on issues related with health and well-being, prevention of illnesses and healthy life habits are a practice transversal to all operations of Group BCP.



In Poland, the “Millennium Active Zone” was created, a programme for employees that aims to promote and incentivise exercise and to disclose concepts, practices and habits for a healthy life. Within this context, in 2017, teams made up of Employees took part in the solidarity races “Corporate Run” and “Santa Claus Run” and in sports events such as “The Color Run” and “Runmageddon”.

Within the scope of pandemics or other situations that may severely and broadly impact the health of the Employees, BCP Group defines and discloses contingency plans together with the Bank's Medical Services and the local health authority. An example are the flu vaccine campaigns, such as the ones carried out in Poland on a national level.

The Bank seeks, every year, to improve and complement its social benefits policy for its Employees, always aiming to meet the needs conveyed by the Employees.

Thus, Millennium bcp became the first Bank in Portugal to give its Employees a flexible benefits plan - Millennium Flex - that allows them to choose to add to their available income by allocating part of their compensation - the Flex Pool - to a set of benefits that grant savings, namely tax ones. Seeking to meet the Employees' expectations, in 2017 the programme was improved to make it even more flexible. Both subscription and cancellation of the plan were enabled at any moment. Gym expenses became eligible, this increasing the possibility of more Employees taking advantage of the plan.

As of October 2017, at Millennium bcp's premises Thursdays became Farmers Market Day. The covered patio of the restaurant area at Taguspark now hosts a farmers market every week to sell different products, from fruit to smoked meats. This initiative, which resulted from an idea presented by Employees, aims to give access to those working at Taguspark to seasonal produce, with a good price/quality relation and without having to leave the bank's premises.

One must also make an additional reference to the internal information flow, which, based on corporate communication platforms, publishes contents regarding business, operational, training and technological issues, but also contents on social responsibility, employee advantages and many other general interest pieces. In Portugal alone, 5,647 pieces were published on the intranet, 641 of which with videos produced by Millennium TV.

Material issue:

PHYSICAL SECURITY

BCP Group provides a work place that enables its employees to undertake their activities with minimum risk and maximum productivity. So as to guarantee these conditions, the premises are monitored regularly, there are occupational safety and health (HST) inspection visits to the premises, so as to find and correct malfunctions. In 2017, 159 inspections were made in the Group.

Also under this subject, and aiming to reinforce Millennium bcp's commitment to its Employees Occupational Safety and Health – which is a permanent concern in its day-to-day management -, a specific company policy on these matters is in effect at the Bank.

CREDIT

BCP Group employees have the possibility of getting credit to purchase a permanent residence under special conditions. The credit is granted abiding by the credit risk assessment principles set by the Bank's regulations. The Employees may also benefit from loans for social purposes that, among other, serve to meet credit needs in order to face education or health expenses, repairs made in their own domicile or in a rented one and the acquisition of other goods and services with an exceptional nature.

CREDIT TO EMPLOYEES ⁽¹⁾

Million euros

	2017		2016		2015	
	AMOUNT	EMPLOYEES	AMOUNT	EMPLOYEES	AMOUNT	EMPLOYEES
MORTGAGE						
In portfolio	661.2	9,405	719.6	9,973	790.1	10,558
Granted in the reporting year	24.7	328	22.6	323	23.9	338
SOCIAL PURPOSES						
In portfolio	12.3	2,800	10.3	2,910	20.5	3,683
Granted in the reporting year	3.2	885	3.4	907	7.5	1,288

Note: Data for 2016 and 2017 do not include Angola, whose operation was discontinued in 2016.

(1) Includes active and retired Employees.

In Portugal, Employees with term contracts do not have access to the specific conditions of the credit lines for the acquisition of a permanent residence or to loans for social purposes. Part-time employees have access to the benefits common to all, but whenever those benefits are related to the number of years, the value of the benefit is computed based on effective work time.

PARENTING

In 2017, in Portugal, measures to support parenting and conciliation between work and family / private life have been contractually established, both as regards the waiver of attendance to accompany the children at the beginning of the primary school year and the preparatory, or the children's birthday afternoon up to and including 12 years.

The voluntary commitment to quintuple the value of the voucher for the constitution of the Millennium Baby savings, offered at the moment of the birth / adoption of a child, was increased, from 100 to 500 euros.

187 Employees have been granted parental leave. A total of 339 Savings was constituted of 68,035 euros. 2,040 Employees have benefited from the free afternoon work on the date of the child's birthday up to 12 years.



The Parenting Protection Program continues to be very well evaluated, the item with the best rating (93 points) which asks: "I consider the work exemption benefit on my child's birthday afternoon (as early as age 12) is an initiative with value that reflects the concern of the Company with the balance between professional and personal life." It should be noted that the theme of the usufruct of breastfeeding / breastfeeding hours shows a positive evolution from an evaluation of 78.2 to 84.3 points.

In Poland, an operation where 70% of the staff is composed of women, most of them mothers, the new Bank Millennium programme "Yes for Parents" helps them to balance their professional life with their personal and family life. This initiative, besides providing relevant information (rights, family health, etc.) and several social benefits, also included the creation of three nurseries at the Bank's central services in Warsaw. In 2016, the range of initiatives supported through 50% co-funding by the Bank was broadened and now includes summer and winter activities for children and their families.



SUPPORT TO EDUCATION



In line with the Sustainable Development Goals (SDG) of the United Nations

The BCP Group continued to promote academic qualification, providing financial support, under the terms of the regulations in force, to Employees who, by their own initiative, wish to get undergraduate degrees, post-graduate degrees or executive training equivalent to a post-graduate degree or a master's degree, which is relevant for their careers and the Group.

In Portugal, in terms of education and through monthly subsidies, the Bank also supports: i) Employees who qualify as Student-Employee, granting a total of 4,506 Euros, to 26 Employees; ii) Employees with children of school age, supporting 5,163 Employees, totalling 1,537 thousand Euros; and iii) school-age children of deceased Employees, The bank supported 141 children and young people with 295,079 Euros.

CULTURE AND LEISURE

BCP Group Employees have access to various business partnerships for advantageous conditions in several areas: health and well-being, education, culture and leisure, travel and transportation, hotels, clothing and telecommunications. Thus, the objective is to ensure more benefits and discounts and, simultaneously, promote a greater balance between the professional and personal life.

In Portugal, Employees and/or family members that become members of the Millennium bcp Club – which completed 15 years of activity in 2017 - have also available a set of cultural, leisure and sports activities to enjoy in their free time. In 2017, over 478 events were held, attended by 11,168 participants. Of these, 60% participated in cultural events, 35% in sporting events and 5% in leisure and activities to enjoy in their free times.

In terms of training, the bank organized language courses, namely English and Spanish, and art, photography and music courses, with a total of 276 participants.



In 2017, the process for the digital transformation of the Club's website led to several improvements, of which one must highlight the possibility of the associates being able to manage events and guests, and viewing applications in their personal area. It is also now possible to choose alerts for activities and to receive shorter customized newsletters. 547 associates already subscribed to the Management of Alerts.

Within this period, a satisfaction survey was also made, which received 1,217 answers, resulting in the global assessment conclusion that 97.2% of associates are pleased or very pleased with the activities of the Millennium bcp Club, giving it a recommendation score of 96.14%.

Amongst its activities, we highlight the 1st Millennium bcp Club Run, a charitable run to support the Make a Wish Portugal, which counted with the participation of Carlos Lopes, winner of an Olympic gold medal, as special patron and with over one thousand runners (460 of which associates) and the Millennium bcp Club Exhibition that showcased a collection that represents the current club's history and that of the clubs of other banks wherein it was originated, inaugurated during the Annual Meeting of Associates.

With the money collected at the Christmas Parties organized by the Club, which were attended by 8,950 people, a donation of 8,500 Euros was given to the institution Make a Wish Portugal. The Millennium bcp club also gave 1,560 tickets to the circus, in Lisbon and Oporto, to children of various charitable institutions. Presently, between active and/or retired employees and their family members, the Millennium bcp Club has 35,557 members.

Due to the concentration of employees of Millennium bcp's central services of the Lisbon area at Taguspark, the Bank increased the parking space with a new car park and reinforced the free daily bus service for travelling to and from Lisbon.

In Poland, employees who are members of MilleKlub, a recreational club that promotes initiatives outside work hours - sports, travels, culture and art projects -, can submit ideas / initiatives within these areas and manage them to completion, with the possibility of co-funding of up to 50% of the project. Moreover, the Kids Projects also enables the co-financing of projects to stimulate family activities.

In Mozambique, the Millennium bim Club continued its activities – it was launched in 2016 - with the goal of supporting the development of initiatives related to sports, culture and leisure, to promote the Employees' identification, cohesion and involvement with the Bank, while promoting healthy habits, regular exercise and artistic expression.

The Employees also have preferential access to cultural events and spaces sponsored by the Bank in the various Countries where it operates, for example in 2017 the Concerts of Festival ao Largo (Portugal), the Millennium Docs Against Gravity film festival (Poland) and the Art Nucleus Exhibition (Mozambique).

SUPPLIERS

GRI 204-1

At the BCP Group, the process for selecting suppliers mainly obeys criteria of global competence of the company, functionality, quality and flexibility of the specific solutions to acquire and continuous capacity of providing the service. In all the Group's operations, it is given preference to purchasing from Suppliers of the respective country, with 86.5% in payments to local suppliers.

The Bank's main suppliers are companies which publish their economic, environmental and social performance, ensuring the responsible contracting of products and services.

Since 2007, the BCP Group, namely in Poland and Portugal, includes, as an attachment to the agreements it establishes with suppliers, the Principles for Suppliers which include several aspects, such as compliance with the law, good environmental and labour practices, including human rights and the application of those principles in the engagement of third parties.

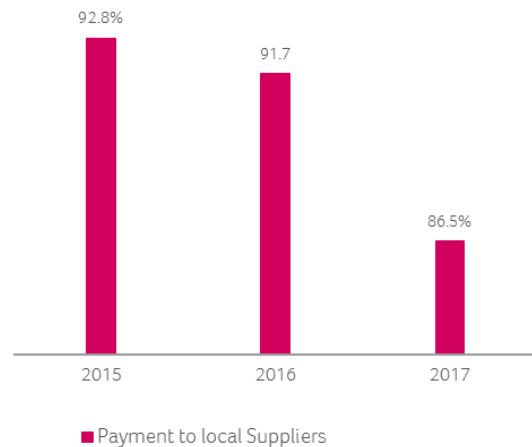
Millennium bcp assesses its suppliers through the application of a performance questionnaire including parameters related with the level of observance with the Principles for Suppliers. In 2017, suppliers were subject to continuous monitoring.

Within the scope of the monitoring, Millennium bcp's suppliers are subject to a permanent evaluation process, based on: i) the relationship they maintain with Technical Competence Centres; ii) performance assessment actions and the identification of areas for improvement; and iii) on existing decision-making processes to execute investments and renew contracts.

In Portugal, Millennium bcp is part of ACEGE's "Compromisso Pagamento Pontual" (timely payment commitment), an initiative aimed at encouraging timely payment to suppliers as an ethical exercise that contributes not only to business success but also to the competitiveness of the economy. The ratio of the payment term/contract term in the BCP Group is 1.

In 2017, Millennium bcp subscribed the Charter of Principles from BCSD Portugal - Business Council for Sustainable Development. This document establishes the principles that are the guidelines for good corporate management, enabling the subscribing companies to be recognized by their clients, suppliers and by the society in general for the adoption of solid sustainability commitments. The Charter, which the Bank will now promote with its suppliers, encourages subscribers to go beyond legal compliance, adopting rulings and practices recognized and in line with management, ethical, social, environmental and quality standards in any context of global economy.

SUPPLY CHAIN Percentage





Food collection campaign of Banco Alimentar Contra a Fome (Portugal)



Campaign "Paper for Food 2017" (Portugal)



Photovoltaic solar power plant in Taguspark (Portugal)



Financial literacy program "Financial ABC" (Poland)



School equipment for children from Warsaw (Poland)



Renovation of a school playground in Czaple (Poland)



Plantation of trees under the volunteering of Bank Millennium Foundation (Poland)



Millennium bim Responsável - Sopa Solidária, in partnership with Associação Makobo (Mozambique)



World Savings Day (Mozambique)



Creation of a library in primary school Impire, in partnership with Associação HELPO (Mozambique)



Millennium bim Race (Mozambique)



Uma Cidade Limpa Pra Mim - Recicla e Ganha, in partnership with Associação AMOR (Mozambique)

ENVIRONMENTAL RESPONSIBILITY



ENVIRONMENTAL RESPONSIBILITY

BCP GROUP'S CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS (SDG) OF THE UNITED NATIONS



Sustainable Development Goal 13 - Take urgent action to combat climate change and its impacts

BCP Group contribution

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning regarding climate change.

Sustainable products – Investing and funding projects providing risk mitigation and adaptation to climate changes (vide chapter on Social Responsibility – Products and Services)

Implementation of a set of measures for energy efficiency

Raising internal awareness to the importance of adopting environmentally responsible habits

Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities.

Participating in and cooperating with initiatives targeting climate change: Millennium bcp participated in the work group on “Sustainable Finance” of BCSD Portugal (Business Council for Sustainable Development)



Sustainable Development Goal 15 - Protect, restore and promote

sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

BCP Group contribution

Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.

Financial products aimed at financing the protection of forests, biodiversity and ecosystems – WWF card (Poland)

Support to initiatives and organisations that protect forests and biodiversity – BCP supports the Movimento ECO (companies against wildfires)

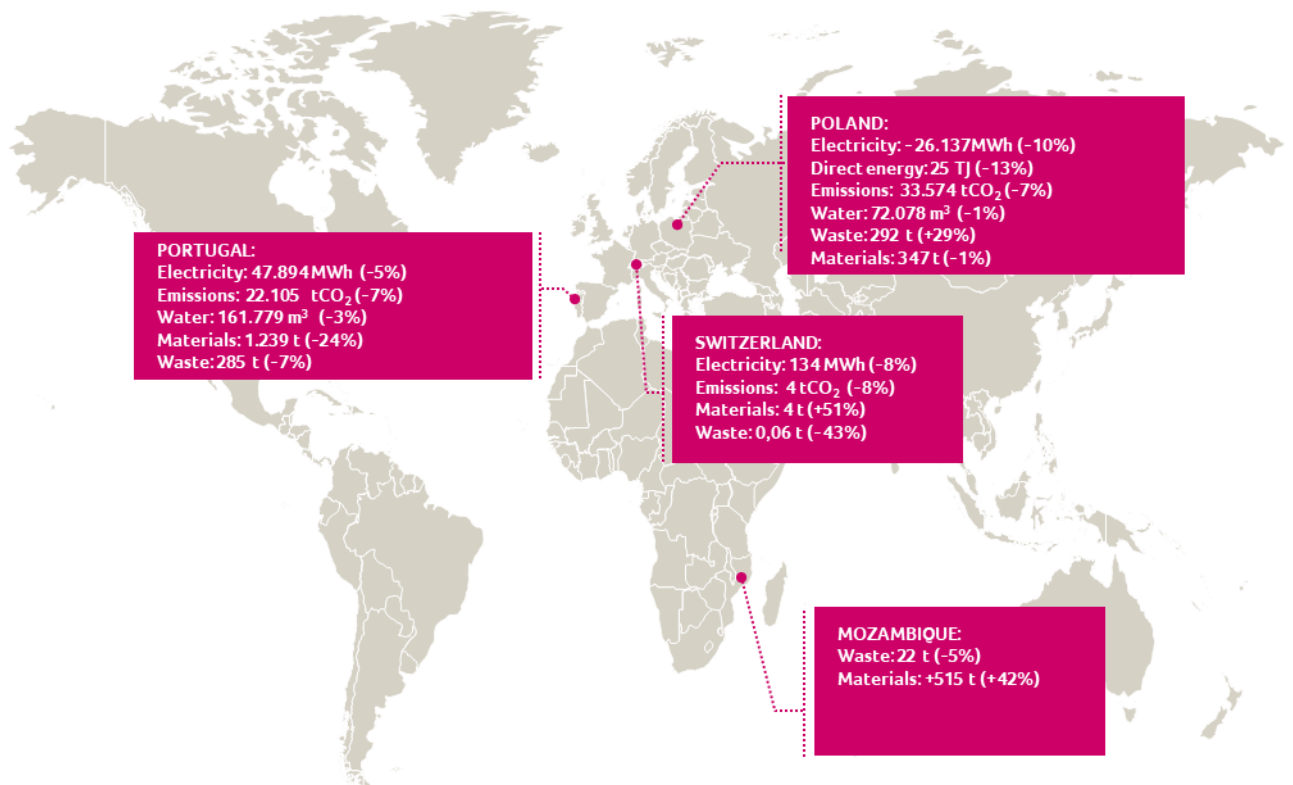
Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation.

The BCP Group, in compliance with its digital and technological strategic goals, develops a sustainability strategy that incorporates and promotes a culture of environmental responsibility and fight against climate changes. It is within this context that the protection of the environment, the preservation of natural resources and the rationalization of consumptions (mainly energy, water and paper, based on the dematerialization of processes) are objectives that are part of the core of the environmental policy implemented in all its operations (available for consultation at the sustainability area of the Bank's website at

https://ind.millenniumbcp.pt/en/Institucional/sustentabilidade/Documents/Internal_Codes_2.pdf

MAIN HIGHLIGHTS

(2017, % vs. 2016)



Material issue:

ECO-EFFICIENCY

OPERATIONAL ECO-EFFICIENCY

The Bank regularly monitors a series of environmental performance indicators which measure the Bank's eco-efficiency with regard to its main consumption of resources. Globally, in 2017, the Bank's level of eco-efficiency continued to improve as a result of the continuous investment in new equipment - as the new, PV plant for self-consumption of Tagus Park - better procedures and in the changes introduced in the Employees' behaviour, positively influenced by the internal awareness campaigns. Apart from the less environmental impact associated with the Bank's activity, these eco-efficiency measures are reducing operating costs. In 2017, the BCP Group cut its electricity and fuel costs by 5% vs. the previous year.

Apart from the monitoring of the environmental indicators, BCP has an area in charge of the business continuity management that identifies the risks related with climate changes and the incorporation of standard policies and of defined procedures in order to ensure the Bank's ongoing activity in case of natural disasters able of discontinuing it. The Bank also manages indirect environmental risks, during the credit and project finance evaluation and granting process and is able to carry out environmental impact studies, in accordance with the applicable legislation in effect.

BCP ensures, on a regular basis, the follow-up of initiatives carried out in all countries where it operates, in view of its local circumstances, and monitors a number of indicators which enable it to measure its environmental efficiency and impact concerning its main resources consumption.

The BCP Group continued to invest in operating efficiency measures, in the various operations, by optimizing processes and equipment, reinforcing a set of measures to decrease consumption, giving way to not only technological gains but also environmental ones.

In Portugal, Millennium bcp kept the energy and air quality certification for the Bank's Central services buildings, with a B (71%) classification.

MAIN OPERATIONAL EFFICIENCY MEASURES IN EACH OPERATION

PORTUGAL

Installation of LED lighting in Taguspark

Reduction in the consumption of energy by 40%, able of reducing 211,850 kWh, corresponding to a reduction of around 99.6 tons of CO₂.

Automation of the thermal power stations at TagusPark

Operating in view of the needs, representing an annual savings of around 10,800 kWh, also avoiding 5.1 tons of CO₂.

The thermal power in Building 7 does not work during the night

Incorporation of a direct expansion cooling system for the Dealing Room that functions 24/7, with an energy saving potential of 196,000 kWh, equivalent to avoiding 92.2 tons of CO₂.

Installation of a Photovoltaic Solar Energy Plant with 1 MW capacity.

The installation of solar panels aimed to achieve two goals:
 - Meet the Bank's electricity needs by using renewable sources; and
 - Be more energy efficient.

This was a project developed together with EDP. 3,703 photovoltaic panels were installed on three buildings of Millennium bcp in Tagus Park, Oeiras. This plant is able to produce around 1.3 GW/year, preventing the emission of 570 tons of CO₂, equivalent to the energy required to supply 490 residences. The Bank estimates 16% savings in annual energy costs. This project is expected to have a payback period of 4.9 years.

The plant started working in November 2017 and in two months it generated 145.7 MWh of energy for self-consumption, cutting CO₂ emissions by 68.5 tons.



Green IT Programme

Reduction in local printing, giving preference to digital archive tools in the purchase of software development services.

Cut back of 11.3 million prints due to the Paperless programme, an 11% reduction in prints made in Branches if compared with the same period of 2016.

The Bank continued to promote digitization, which in 2017 recorded a 2% rise versus the previous year.

Total savings of around 8 million BW prints (Central Services + Branches), corresponding to around 52 thousand Euros down in costs with printing and paper.

38% decrease in cartridges used between 2013 and 2017.

Using digital documents such as, for example, the bank statement in digital format

Definition of a business strategic goal to increase the number of clients with digital access: > 35% of clients until 2018; and of digital transactions: > 50% until 2018;

Clients who subscribed to the e-statement: On 2017, 27,730 clients subscribed to e-Statements, totalling over 1,400,000 accounts with active e-Statement in Portugal.

Throughout the year, some Divisions developed internal projects regarding processes digitization.

Millennium bcp promotes the **movement MUDA - Movimento pela Utilização Digital Ativa** - a Portuguese initiative that involves companies, associations and universities and the Portuguese Government, which take on the commitment to get the Portuguese people using digital technology contributing to a more advanced, inclusive and participatory country.

Digital sale of financial products:



In 2017 there were exponential increases in the sale of risk insurances via millenniumbcp.pt, and another digital sale product was launched - the life risk insurance associated with personal loan transactions.

Besides that, Millennium bcp and ActivoBank implemented the 100% digital account opening process in the beginning of 2018. The process is innovative, simple, fast and totally digital, setting aside a smartphone and tablet, without the need for the Client to go to any branch.

Millennium bcp and ActivoBank are the only banks that have this service also available on weekends and holidays. This initiative represents another step towards digital innovation and improving its relation with customers, always providing the closest, more agile and modern service.

Digital Means of Payment

Aiming to reduce the circulation of cash in the economy through new totally digital payment solutions, the bank launched the new Millennium Moove App that accepts payments made with cards and MB Way with total mobility. This App can be installed on a smartphone or tablet and works as a Point of Sale (POS) connected by Bluetooth to a card reader where the card is inserted and the PIN is validated. The payment slip is sent to the consumer via e-mail, thus avoiding the use of paper.

Go Paperless project in a customer perspective: implementation of the digital signature of the customer and digital pricing; and in an internal process perspective: digitization of daily maps of opening and closing processes.

100% of the retail branches and internal operations have the PAB Paperless application, allowing around 98% of the documents to be printed, substantially reducing the ecological footprint.

In 2017, due to the dematerialization of processes, Millennium bcp reduced its costs with paper consumed by around 23%.

Kaizen Programme that raises the Employees awareness daily so that they make their activities simpler, more agile and more modern, using less paper, with less costs and higher quality, based on lean methodology, thus contributing to value-added processes for the Customer.

The teams involved created during 2017 around 90 new initiatives, of which 6% are related to the elimination of paper and represent 1,100 less prints per month.

Aiming to share good practices, the Bank held the 1st General Meeting of the Kaizen Programme, where guest external entities shared their experiences, as well as some employees that are part of the internal teams involved.

Mobility

In 2017, the Bank opened the possibility of using/acquiring hybrid cars within the corporate fleet.

The Bank follows a policy of minimizing business trips by limiting the types of transportation and by using remote communication channels, such as e-learning, teleconference and videoconference.

POLAND

Adjustments to the lighting and heating systems:

Adjusting the time lighting is on in accordance with the Bank's work hours at each floor, through an automatic shutdown system under the floor;

Changes to the lighting control system for the bank signs outside the branches. The system is now adapted to the year's seasons. In the summer, luminous signs are on from 7 p.m. until midnight and, in winter, from 3.30 p.m. until midnight;

Heating was readjusted to a constant 21°C temperature;

Working parameters for gas heaters were optimized;

Automation of the air conditioning system, which is off on weekends and holidays, through an automated instant on/off control.

Implementation of energy audits according to the Polish law. This is mandatory every five years.

Preliminary study for the installation of low-flow faucet aerators, as a way to reduce water consumption.

As a result, the Bank decided to install new low-flow faucet aerators in all the bathrooms and kitchenettes. This measure, together with the establishment of the minimum level for water utilization in flushing systems and sanitary facilities will enable to reduce water consumption by around 10%.

Ongoing monitoring of the supply of materials necessary for the current Bank's operations and re-utilization of materials, as a way to reduce the consumption of materials and resources.

The process for the order of new assets and the necessary conditions for the purchase of new equipment (counters, shredders, swivel chairs, other furnishings) is regulated by an internal ruling and is centralized in the procurement area. Each need is verified individually in terms of the need for the purchase and its compliance with the Bank's internal rules.

The efficient management of the resources, re-using them, enables to reduce the purchase of devices (ex.: meters, shredders, cooling equipment, microwave ovens), furniture and office supplies.

The Bank also implemented a control to measure the quantity of plastic safety envelopes used, to comply with the limits established for each organizational unit.

The Bank also pursued the methods for the purchase of bottled mineral water, plastic glasses, plastic cups and shakers. In 2017, BCP cut its plastic cups and shakers consumption by 16% vs. the previous year.

Reutilization of plastic stamping machines aiming at reducing the consumption of plastic

The rubber moulds with the rubber stamps contents are returned and destroyed and the empty enclosures are sent for regeneration to the entity with whom the Bank signed a cooperation agreement. In the next orders only the customized rubber moulds are placed in the regenerated devices.

Measures for the reduction of paper consumption

Ongoing monitoring of the amount of paper necessary for branches in cashier and treasury operations through the issue of monthly reports on those operations. The definition of reduction targets enabled the Bank to reduce the annual consumption of materials ordered.

Implementation of the employees log on in printers, thus significantly reducing the amount of unnecessary prints.

Contract 8 in 1 - The bank continued to implement the initiative for the consolidation of bank products contracts into a single contract. This initiative applies to new Clients with several contracts for bank services packages.

Automation of the settlement process in ATMs, meaning that the related documents no longer need to be printed.

Clients who subscribed to the e-Statement – 1,685,746 clients in Poland (82%). The Internet banking channel also offers online services and bank slips to the clients. For new Clients that subscribe to new banking products and services agreements, the e-statement is pre-defined as default (however, pursuant to a request made by the Client this option may be discontinued). This initiative has a significant impact on the reduction of the consumption of paper if compared to mass mailing.

Waste management measures

The regulations regarding environmental protection (Waste Law) require that the Bank carries out an adequate management of waste by filling in the necessary documents, as well as the preparation and forwarding to duly licensed operators, being also made reports on the types and quantities of the waste produced.

All types of metal, plastic, wood, glass and electronic waste generated by the activities developed by the Bank are sent for recycling by a specialized company hired by the Bank. The Bank introduced the separation of waste into four types in the buildings of the head office in Warsaw: glass, plastic, paper and other. At the registered office in Gdansk, the waste is segregated into three components: dry, humid and glass, in accordance with the applicable regulations.

Moreover, the Bank sends documents whose storage period ended for recycling, as well as documents which are not meant to be filed, through companies engaged by the Bank. The responsibility for collection and re-use of toner cartridges of the multi-function copiers pertains to the Bank's supplier.

Mobility

In 2017, the Bank replaced almost all the cars of its fleet for hybrid cars, which will enable it to prevent over 500 tons of CO₂ emissions, representing a 20.6% decrease versus 2016.

The Bank follows a policy of minimizing business trips by limiting the types of transportation and by using remote communication channels, such as e-learning, teleconference and videoconference.

In order to reduce the number of travels by plane or private car the Bank implemented an internal regulation establishing that, to travel by plane, it is necessary to get the approval of the CEO and to use the private car it is necessary to get the approval of one Director.

MOZAMBIQUE

Maintenance of the energy efficiency measures implemented in previous years such as automatically switching off computers and the buildings' main lighting systems at 8 p.m.

Scanning documents and promoting the use of e-Statement

In 2017, the number of clients that subscribed to the Bank's e-Statement service in Mozambique reached 20,744 (where they can access to the e-statement, bank slips and other documents in a digital format).

Re-use of equipment and materials

In Mozambique, but also in Portugal and Poland, the Bank donates IT material and furniture that could still be used for teaching to various schools or solidarity institutions.

SWITZERLAND**Eco-efficiency measures for the reduction of paper consumption**

The Bank continued to implement a set of measures: the consumption of recycled paper and the adoption of two-sided printing.

Energy efficiency measures: conscientious use of air conditioning during summer.

Mobility

The Bank makes an internal control of business travels, giving preference to the use of videoconference instead of travels.

e-Statement: in 2017 around 75% of clients had access to the e-Statement, thus reducing the Bank's consumption of paper.

Separation and recycling

The Bank provides containers for the separation of paper, plastic (including one for plastic cups) and glass, which are sent for recycling by means of a licensed recycling operator. The toner cartridges used are also delivered to a specialized operator.

Material issue: ENVIRONMENTAL AWARENESS

ENVIRONMENTAL AWARENESS

The environmental awareness of Employees and Clients for the promotion of good environmental practices is one of the pillars of the environmental management of the BCP Group, being considered that the reduction of the environmental impact also depends on the Employee's change in behaviour.

In 2017, we must point out the signing by BCP of the Charter of Principles from BCSD Portugal that establishes a set of fundamental sustainability principles, among which those regarding environment, committing to voluntarily adopt them and promote them within its chain of value.

The Group continued to invest in a set of measures in several operations, in accordance with their local context, aiming to encourage and motivate Employees to apply a rigorous management of resources in the daily exercise of their functions, thus contributing for the collective effort of transforming the BCP Group into a more sustainable entity.

MAIN ENVIRONMENTAL AWARENESS INITIATIVES PER OPERATION**PORTUGAL**

Continuance of the internal environmental signs campaign

Informing the heads of the organizational areas of the respective consumption of paper (prints) and of ink and toner cartridges.

Internal campaign for the collection of paper to exchange for food in favour of the Food Bank, which enabled the collection of around 3 tons of waste paper that was exchanged for food.

We must also mention that, within the scope of the sustainability policy of Millennium bcp and appealing to the re-use of resources, the Bank donated, in 2017, to 92 institutions, 3,020 goods, namely office material (chairs, desks, bookshelves, tables, refrigerators, TV sets) and IT material.

Participation in the external project QAR – Monitorização e Mapeamento Urbano da Qualidade do Ar, Ruído e Tráfego - the Bank participated in the project QAR being one of the promoters of this process that monitors the quality of the air in the city of Lisbon.

Promote the use of videoconference and e-learning instead of travels

The bank has internal rulings regarding the scheduling of travels establishing that each Employee and respective hierarch are responsible for ensuring that the purpose of the travel cannot be achieved by using remote communication channels (conference call or videoconference, for example) and that, when economically feasible, the travel should be made by train rather than by plane.

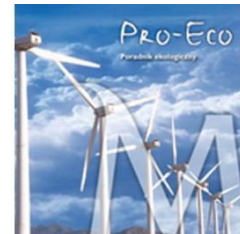
Removal of waste bins near the work stations

Already in 2018 and with the purpose of rationalizing the configuration of the work stations of the Bank's Central Services, to reduce the waste produced and especially to contribute to its correct separation and recycling, the Bank removed all the waste bins near the work stations. This means that the paper/card will be placed in the collection points placed in all wings near the printers and that the unsorted or organic waste and plastic should be placed in the collection points available in the leisure areas.

POLAND

Pro-Eco Environmental guide for clients and employees

This guide, available for all Employees and Clients of the Bank (through the intranet and the internal portal), gives several "tips" on the adoption of good practices, environmentally responsible, at the office and at home, including the selective separation of electric and electronic waste, as well as on the consumption of material, water and energy resources.



Planting 200 trees, involving 40 volunteer employees and their families under the corporate volunteer actions of the Bank Millennium Foundation.

The volunteers planted different trees, the fruits of which are an integrant portion of the diet of many animal species and are an important element of the forest ecosystem. The tree planting was made together with animation and environmental workshops for children led by representatives of the event organizer, the Environmental Foundation Aeris Futuro.

The carrying out of a **communication campaign** at the Bank with the purpose of informing all Employees on **waste sorting rules**.

MOZAMBIQUE

Project “Uma Cidade Limpa Para Mim - Recicla e Ganha” (A Clean City For Me), a partnership with AMOR - Associação Moçambicana de Reciclagem

The Bank continued to support this environmental education project, the main objective of which is to make the students aware that they have to adopt new habits regarding waste treatment, alerting them for the importance of their behaviour in the adoption of good environmental practices and their role in the promotion of a change of habits in their own homes. The bet on recycling and on the importance it has to the cleaning of the city continued.

Each school part of this project has a recycling centre where its teachers and students sort the garbage they make every day. This garbage is then weighed and collected by a truck that goes to all the schools.

Several activities were undertaken under this project, aiming to help children see that the preservation of the environment is paramount, promoting the basic principles of sustainability: Reduce, Reuse and Recycle. The cleaning of the school and of the city and the making of posters on environmental themes are some of the activities carried out by teachers and students of Environmental Clubs.

The Ecological Christmas Tree of Millennium bim is the result of the collection and recycling of 7,000 plastic bottles that students and teachers collected from their schools. This tree, 7 meters high, represents the collective work of the 10 schools that participated in the project.

Project for the decoration and painting of garbage cans in a partnership with ISARC - Instituto Superior de Artes e Cultura, in Mozambique, continuing its commitment of fostering a responsible environmental attitude in the community.

Millennium bim joined ISARC - Instituto Superior de Artes e Cultura to develop a project for decorating and painting waste bins to be placed in the city of Maputo, keeping its commitment to enhance a spirit of environmental responsibility near the local community.

Made by students of the 2nd grade of the course of Visual Arts of the College of Arts, these boxes are decorated with different themes such as fauna, citizenship, town planning and elements from the traditional Mozambican culture, as is the case of *capulana*. This initiative enabled the students to use different materials, implementing a cultural project with impact on society, enriching teaching, learning and the artistic journey of these young adults.

SWITZERLAND

Environmental Signs Campaign

The Bank continued to use environmental signs in common spaces to increase the Employee's awareness of the need to reduce consumption of water and electricity.

Sustainable Mobility

The Employees are strongly encouraged to use, whenever possible, videoconference solutions.

ECOLOGICAL FOOTPRINT

As noted above, the BCP Group regularly monitors a series of environmental performance indicators which measure the Bank's eco-efficiency with regard to its main consumption of resources¹.

Globally, the Bank recorded again a year of improvement in the eco-efficiency levels due to the optimization of the thermal power stations, installation of the photovoltaic plant, the ongoing investment in the optimization of procedures, focusing on dematerialization and on the alteration of the daily behaviour of the Employees regarding the rational use of resources.

As to the environmental performance indicators of the BCP Group per employee (indicated in the following table), we can observe an improved performance of all the environmental indicators, with exception of paper consumption. The increase recorded in this environmental aspect was due mainly to the operations of Mozambique and Switzerland and the global decrease in the number of Employees of the BCP Group due to the Bank's internal restructuring process resulted in an increase in the paper consumption ratio per employee.

ECOLOGICAL FOOTPRINT OF THE MILLENNIUM GROUP PER EMPLOYEE (1)²

	Unit.	2017	2016	2015	Var.% 17/16
CONSUMPTION PER EMPLOYEE					
Ink cartridges and toners	Kg	0.11	0.14	0.16	-19.2%
Paper	Kg	69.23	66.13	75.44	4.7%
Plastic	Kg	3.79	3.91	3.31	-3.1%
Water for human consumption	m ³	11.38	11.98	12.96	-5.1%
Electricity	MWh	5.62	5.94	4.91	-5.5%
Total Emission of GHG	tCO ₂ eq	4.22	4.48	4.32	-4.1%

¹ The environmental performance of all the Bank's operations was monitored in 2017, namely in Portugal, Mozambique, Switzerland and Poland, and the consumptions of previous years were presented within the same geographical scope in order to ensure an effective comparability of the results, with the exception of Mozambique whose energy (direct and indirect) and water consumption figures regarding 2016 and 2017 are not yet available.

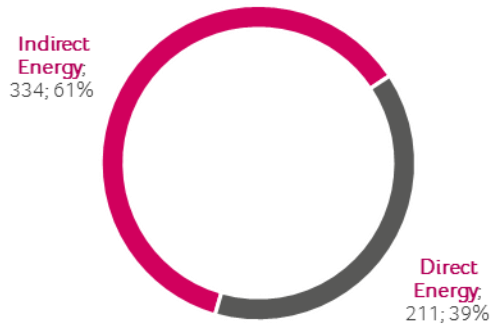
² Includes the operations in Portugal, Mozambique, Poland and Switzerland regarding the consumption of materials (ink and toner cartridges, paper and plastic); the operations in Portugal, Poland and Switzerland regarding the consumption of electricity (includes the co-generation plant) and emissions, and only Portugal and Poland regarding water consumption (excludes watering of green areas and cooling towers).

ENERGY CONSUMPTION

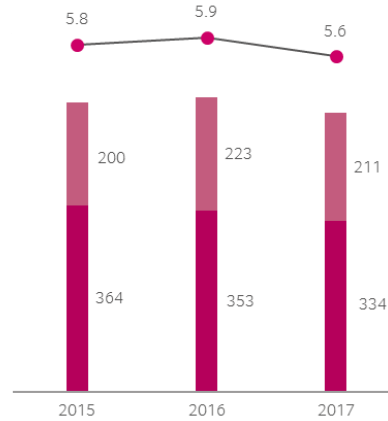
The Bank's consumption of energy is mostly of indirect origin (electricity and thermal energy) and meets 60% of the Bank's energy needs. In 2017, the Bank continued to reduce its consumption of indirect energy, which fell around 7% versus 2016, due to reductions in the several countries where the bank operates. The direct energy also recorded a decrease of approximately 5%.

GRI 302-1

INDIRECT AND DIRECT ENERGY CONSUMPTION IN 2017
(TJ and %)



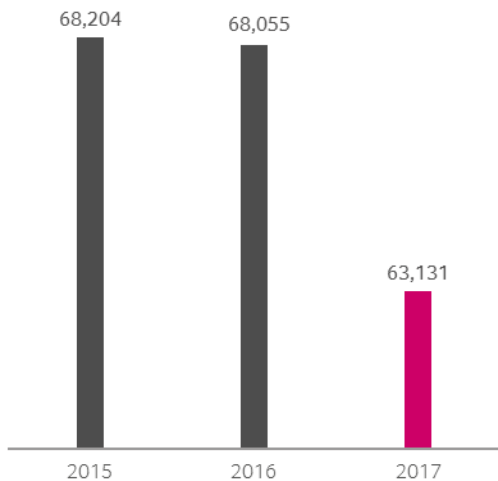
TOTAL ENERGY CONSUMPTION-GRI 302-1
(TJ and MWh/employee)



■ Direct Energy
■ Indirect Energy
● Electricity consumption (MWh) by employee

Note: includes the cogeneration plant in Portugal, excludes the data center in Portugal and data from Mozambique.

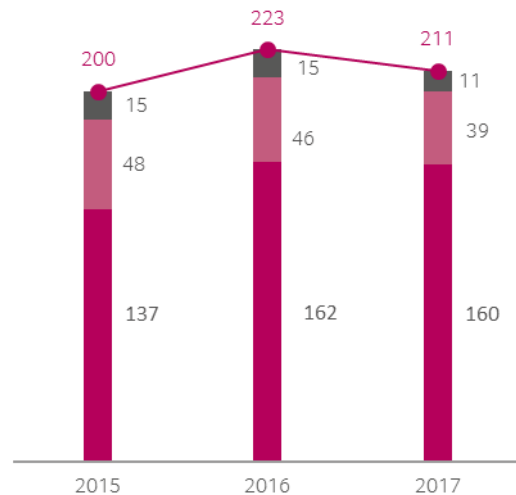
ELECTRICITY CONSUMPTION
(MWh)



■ 2015 ■ 2016 ■ 2017

Note: Cogeneration Central and Data Center of Portugal as well as Mozambique data excluded.

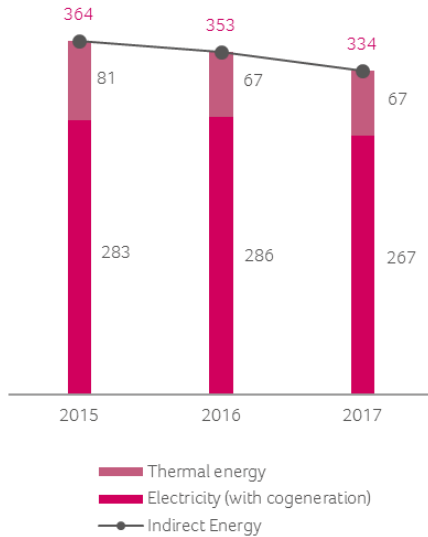
DIRECT ENERGY CONSUMPTION
(TJ)



■ Natural Gas
■ Diesel
■ Petrol
● Direct Energy

Note: Includes consumption from Portugal and Poland.

INDIRECT ENERGY CONSUMPTION
(TJ)



Nota: Electricity consumption of Portugal, Poland and Switzerland included. Data center of Portugal

Concerning the domestic activity, Millennium bcp in Portugal reduced all types of energy consumption by 4% in total, and succeeded in attaining its annual target (-3%). Electricity from the utilities grid fell 5% vs. 2016, as mentioned above, a reduction which enabled to avoid the emission of around 658 tons of CO₂ and to save more than 300 thousand euros.

PORTUGAL

2017 reduction goals:

- 3% IN ENERGY CONSUMPTION: 4% REDUCTION, **achieved**
- 4% IN THE CONSUMPTION OF ELECTRICITY FROM THE PUBLIC NETWORK: 5% REDUCTION, **achieved**

2018 reduction goals:

- 3% IN ENERGY CONSUMPTION
- 3% IN THE CONSUMPTION OF ELECTRICITY FROM THE PUBLIC NETWORK

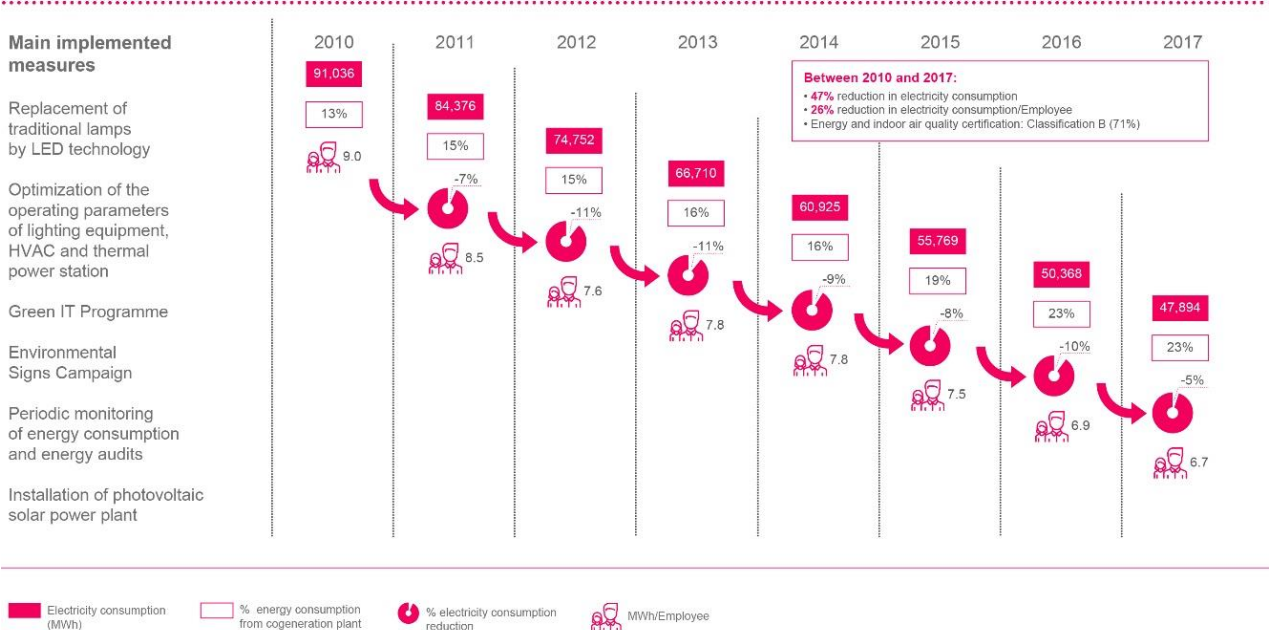
The co-generation plant in Tagus Park produced 23% of the electricity consumed by the Bank. The ability to consume self-generated energy already verified in previous years continued to grow.

CO-GENERATION CENTRE OF TAGUS PARK

	Unit.	2017	2016	2015	Var.% 17/16
ELECTRICITY CONSUMED					
Consumed	MWh	11,033	11,378	10,425	-3.0%
Sold	MWh	845	962	641	-12.1%
Total	MWh	11,879	12,399	11,066	-3.7%
Total electricity from the public network	MWh	36,860	38,991	45,344	-5.5%
Consumption auto-generation/total consumption	%	23.0	22.6	18.7	2%

Internationally speaking, the operations in Poland and Switzerland were able to reduce their energy consumption, particularly in Poland that recorded a decrease in the consumption of diesel and fuel, of 13% and 22%, respectively versus 2016.

MILLENNIUM BCP'S ROAD TO ENERGY EFFICIENCY



Material issue: CLIMATE CHANGE

GREENHOUSE GAS EMISSIONS (GHG)

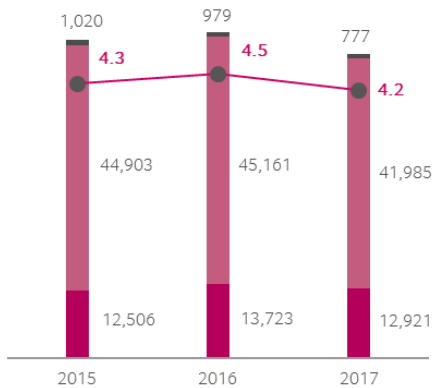
BCP assumes the commitment to adjust itself to climate changes, providing its contribution for the reduction of the greenhouse gas emissions. The Group's carbon footprint is assessed every year. The Bank also took part in the CDP – Carbon Disclosure Project, and improved its classification to Leadership A- in 2017.

COMMITMENT ASSOCIATED WITH THE ADJUSTMENT TO CLIMATE CHANGES

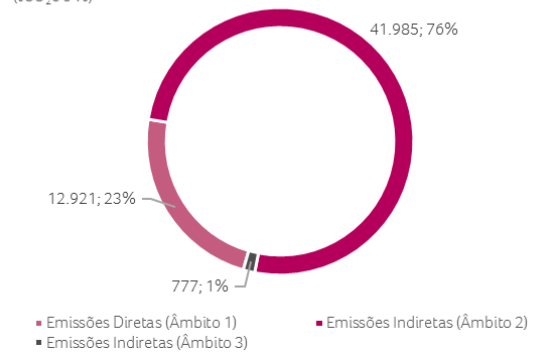
Recognising that the climate change is a reality which cannot be ignored, the commitment of the BCP Group is based on minimising its carbon footprint and on supporting its clients in the transition to a low carbon economy so as to reach the objectives defined by the international political agenda.

In 2017, in overall terms, there was a decrease of approximately 7% in GEE (Greenhouse gas emissions) associated with the banking activity of the Group, caused by the ongoing implementation of a set of energy efficiency measures, which are identified in the previous section - operational eco-efficiency. Emissions associated to fuel consumption (scope 1) recorded a decrease of 5.8% compared to the previous year, mainly caused by a reduction in emissions associated with the car fleet in Portugal and Poland. Emissions associated to electricity/heat consumption (scope 2) fell slightly around 7%, associated with the operations in Portugal, Poland and Switzerland. In emissions associated to service mobility (scope 3) decreased by around 20.6%, imputable mainly to the 26.6% reduction in air travel, which decreased 27.9%.

GHG EMISSIONS
(tCO₂e)



TOTAL DE EMISSÕES (ÂMBITOS 1, 2 e 3) EM 2017
(tCO₂e e %)

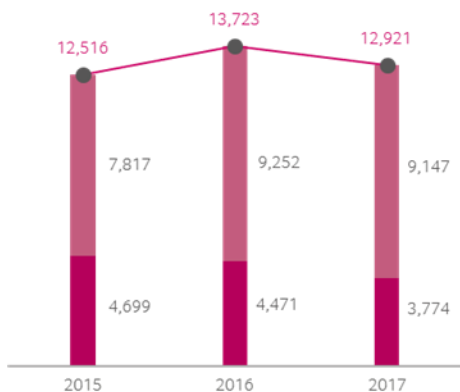


■ Indirect Emissions (Scope 3)
■ Indirect Emissions (Scope 2)
■ Direct Emissions (Scope 1)
● Total emissions by employee

Note: Mozambique not included.

GHG DIRECT EMISSIONS (SCOPE 1) - GRI 305-1
(tCO₂e)

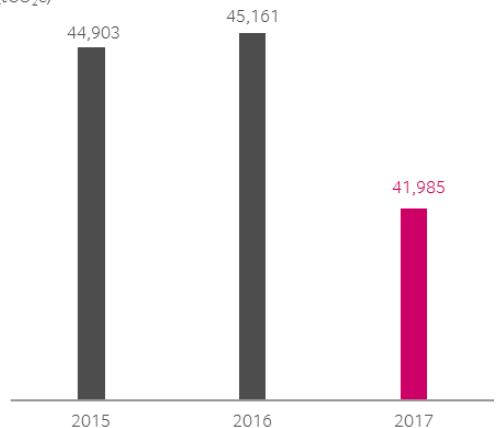
GRI 305-1



■ Equipment (Electricity and heat)
■ Vehicle Fleet
● Direct Emissions (Scope 1)

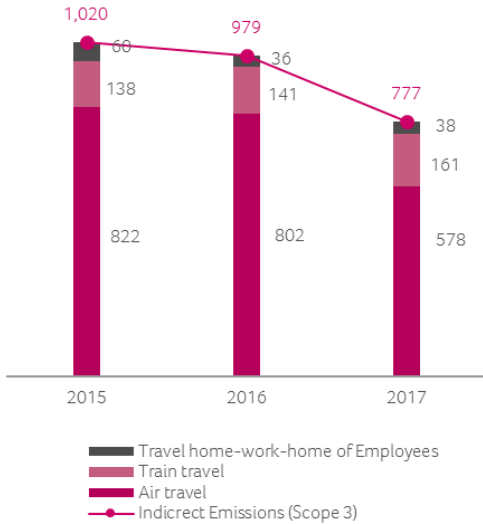
GHG INDIRECT EMISSIONS (SCOPE 2) - GRI 305-2
(tCO₂e)

GRI 305-2



GRI 305-3

GHG INDIRECT EMISSIONS (SCOPE 3) - GRI 305-3
(tCO₂e)



Concerning domestic activity (Portugal), Millennium bcp recorded a 7.4% reduction in its greenhouse gas emissions versus 2016, reaching the pre-defined goal (a 5% reduction in CO₂ emissions).

Direct emissions fell 4.5% year-on-year, mainly due to the decrease in the consumption of fuel, namely diesel. The indirect emissions associated with the consumption of electricity decreased 9% versus the previous year while the indirect emissions associated with mobility (scope 3) recorded a significant fall of 28.4% due to less travels by plane and to the increasing use of webcasting solutions (videoconferences).

PORTUGAL

2017 reduction goals:

- 5% OF CO₂ EMISSIONS: 7% REDUCTION, **achieved**

2018 reduction goals:

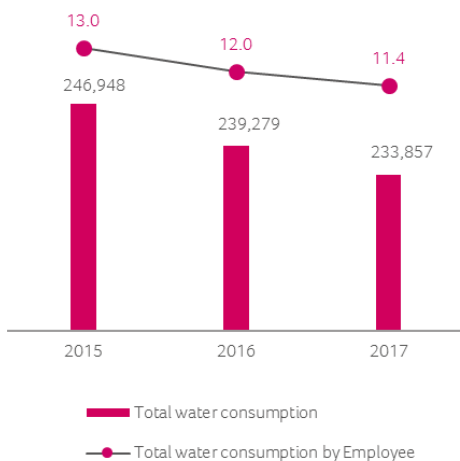
- 5% OF CO₂ EMISSIONS

WATER CONSUMPTION

In overall terms in 2017, the total consumption of water in the BCP Group fell approximately 2%.

GRI 303-1

WATER CONSUMPTION- GRI 303-1
(m³)



In Portugal, the consumption of water reached 161,779 m³, a reduction of around 3%, even with a context where rain water was not re-used - due to the low levels of rain recorded in the country - which led the bank to use more water coming from the public network to water the green spaces of the Bank premises, versus previous years, However this result did not allow the Bank to attain with the proposed optimization annual target (-4% of the water consumption).

^(*) Does not include Mozambique and Switzerland.

WATER CONSUMPTION IN PORTUGAL (m³)

	Unit.	2017	2016	2015	Var.% 17/16
WATER CONSUMED					
Coming from public network	m ³	161,779	146,486	165,534	-10.4%
Reuse of rain water	m ³	0	19,981	10,711	-
Total	m ³	161,779	166,467	176,245	-2.8%

PORTUGAL**2017 reduction goals:**

- **4% IN WATER CONSUMPTION: 3% REDUCTION, not achieved**

2018 reduction goals:

- **2% IN WATER CONSUMPTION**

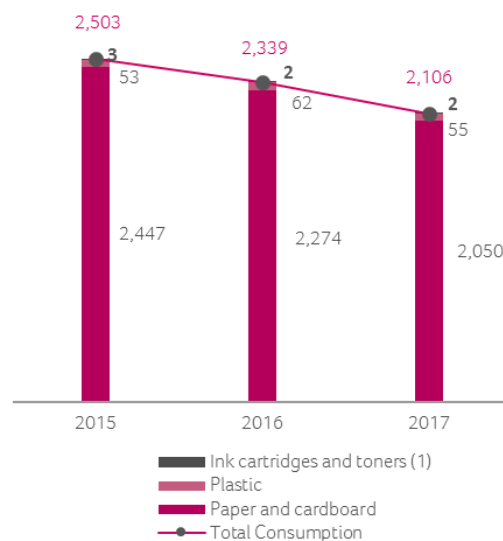
CONSUMPTION OF MATERIALS

GRI 301-1

In overall terms, the BCP Group continued to progressively reduce in 10% the consumption of its main materials (paper and cardboard, plastic, ink and toner cartridges), due to the processes optimisation measures.

The most consumed materials in terms of weight and quantity continue to be paper and cardboard, which, in overall terms, fell by 10% in relation to 2016, as a result of the dematerialisation initiatives implemented in all the geographic areas, Ink and toner cartridges also showed a 27% reduction due to measures adopted to decrease printing and promote scanning.

In Portugal, paper and cardboard consumption decreased 24%, once again exceeding the established annual goal (-7%). We must point out that the A4 and A3 paper brand used by the Bank has an Eco-label certificate of the European Union which certifies that the paper manufacturing process is environmentally sound.

MATERIALS CONSUMPTION - GRI 301-1
(t)

(*) Does not include Mozambique.

PORTUGAL**2017 reduction goals:**

- **7% IN THE CONSUMPTION OF MATERIALS: 24% REDUCTION, achieved**
- **7% IN PAPER CONSUMPTION: 24% REDUCTION, achieved**
- **4% IN THE CONSUMPTION OF PLASTIC: 26% REDUCTION, achieved**

2018 reduction goals:

- **10% IN THE CONSUMPTION OF MATERIALS**
- **10% IN THE CONSUMPTION OF PAPER**
- **10% IN THE CONSUMPTION OF PLASTIC**

GRI 306-2

WASTE PRODUCED BY GROUP BCP

	Unit.	Paper and Card			Plastic			Ink and toner cartridges		
		2017	2016	2015	2017	2016	2015	2017	2016	2015
WASTE PRODUCED										
Activity in Portugal	t	264.5	278.5	409.5	19.7	26.7	26.7	0.8	1.2	1.1
International activity	t	289.8	224.6	725.9	22.9	22.9	14.7	0.9	1.0	1.5
Total	t	554.4	503.1	1.135.5	42.7	49.7	41.5	1.7	2.3	2.6

Regarding the production of waste, in 2017, globally and in spite of the 10% increase in paper and card waste, there was a reduction in plastic and ink and toner cartridges of 14% and 27%, respectively. In Portugal, the reduction in waste produced reached a total of 7% and the annual 10% goal was not achieved. There was a significant 26% reduction in plastic waste, 37% in ink and toner cartridges and 5% in paper waste. The recycling of paper and cardboard already provided the Bank with an additional income of around 197 thousand Euros between 2013 and 2017.

PORTUGAL**2017 reduction goals:**

- **10% IN WASTE PRODUCTION: 7% REDUCTION, not achieved**

2018 reduction goals:

- **8% IN WASTE PRODUCTION**

ENVIRONMENTAL PERFORMANCE – GROUP BCP

	Unit.	2017		2016		2015	
		Figures	Var.% 17/16	Figures	Var.% 16/15	Figures	Var.% 15/14
ELECTRICITY(*)	MWh	74165	-7%	79,433	-9%	86,938	-12%
ENERGY							
Total	TJ	545	-5%	575	2%	565	20%
	Direct	211	-5%	223	11%	200	20%
	Indirect	334	-5%	353	-3%	364	-20%
WATER	m ³	233,857	-2%	239,279	-3%	246,948	-55%
WASTE PRODUCTION	t	599	8%	555	-53%	1,179	87%
MATERIALS							
Total	t	2,106	-10%	2,339	-7%	2,503	-5%
Cardboard/paper	t	2,050	-10%	2,274	-7%	2,447	-5%
Plastic	t	55	-12%	62	17%	53	-21%
Ink / Toner cartridges	t	2	-27%	2	-12%	3	-32%
CO₂							
Total	tCO ₂ eq	55,683	-7%	59,864	2%	58,439	-11%
Direct Emissions	tCO ₂ eq	12,921	-6%	13,723	10%	12,516	-21%
Indirect Emissions	tCO ₂ eq	42,762	-7%	46,140	0%	45,923	-7%

(*) Electricity figures include the co-generation plant and exclude Mozambique and the data centre in Portugal

SUSTAINABILITY INDEXES



Recognition – Sustainability Indexes

Material issue: **BANK'S REPUTATION**

In 2017, the BCP Group was listed in several Sustainability indexes.

In Portugal, pursuant to the evaluation carried out by Analyst ESG (Environmental Social and Governance) – VigeoEiris – i) continued listed in the index “Ethibel Excellence Europe”, which includes the 200 European companies with the best performance in terms of sustainability; ii) was confirmed in the “Ethibel EXCELLENCE Investment Register”, translating the Group’s high performance in terms of Sustainability practices for the market and potential investors.

As a result of the evaluation made by the analyst – Standard Ethics – it was also listed in the new index “European Banks Index”. It is also part of the ESG index from the analyst – Engaged Tracking 2017 Carbon Rankings.

In Poland, Bank Millennium was part, for the 10th consecutive time, of the “RESPECT Index”, an index managed by the Warsaw Stock Exchange that distinguishes the companies managed in a responsible and sustainable manner.

Bank Millennium was also, for the first time, part of the sustainability index “FTSE4Good Emerging Index”, of the analyst FTSE Russel.

In the 2017 edition of CDP - Carbon Disclosure Project, BCP Group was classified under “Leadership”, with an “A-”.



METHODOLOGY



M

Environmental Indicators

GRI 301-1

The figures presented include the operations in Portugal, Poland, Mozambique and Switzerland.

Consumption of paper and cardboard – Total estimated based on the purchase of these materials and numbers in stock records. The weight of the paper units was found using standard paper measurements issued by the ISO 216 standard.

Plastic consumption – Total estimated based on the purchase of these materials and numbers in stock records. The calculation of the amount of plastic used in bank cards was based on the number of cards issued for Customers and on the standard weight of a card.

Consumption of ink and toner cartridges – Total estimated based on the purchase of these materials, In Portugal, the values reported include ink and toner cartridges used by the Bank through Xerox.

GRI 302-1

The figures presented include the operations in Portugal, Poland and Switzerland. For the latter, only the electricity consumption is used.

Consumption of natural gas and liquid fuels – Total estimated based on the purchase of these fuels. The LHV (Lower Heating Value) of the fuels used to compute energy is based on the Global Reporting Initiative, available at www.globalreporting.org, and APA (Portuguese agency for the environment), available at www.apambiente.pt.

Consumption of electricity – Total estimated based on the electricity bills.

The conversion factors used were the following:

Energy - Fuel (source: GRI)			
	Lower Heating Value (LHV)	Density	2013 - New LHV
Natural Gas	0.03901 GJ/m ³		0.03844 GJ/m ³
Diesel	43.33 GJ/ton	0.835 ton/m ³	43.07 GJ/ton
Petrol	44.80 GJ/ton	0.748 ton/m ³	44.00 GJ/ton
Litres - M ³	1000 Litro = 1m ³		
Litres - Tj	(litros/1000)*43.33*0.825	Diesel	
Litres - Tj	(litros/1000)*44.80*0.825	Petrol	
M ³ -Tj	((m ³)*0.03901)/1000	Natural Gas	
Eletricidade			
1 KWh	3,60 MJ/kWh		

GRI 303-1

The figures presented include the operations in Portugal and Poland.

The total consumption of water is estimated based on the analysis of the water meters and on the financial data.

GRI 305-1 to 305-3

The figures presented include the operations in Portugal, Poland and Switzerland.

The emission factors used were the following:

PORTUGAL		Factor – 2015-2016	Source – 2015-2016	Factor – 2017	Source – 2017
Energy and Total Heat - Without disaggregation (CO ₂ / kWh)		0.292 kgCO ₂ /kWh	https://energia.edp.pt/particulares/apoio-ao-cliente/origem-da-energia/2012.aspx	0.28096 kgCO ₂ /kWh	Total – EDP Comercial https://www.edp.pt/particulares/apoio-cliente/origem-energia/?sector=Total EDP Comercial&year=2017&period=0

PORTUGAL		Factor – 2015-2016	Source – 2015-2016	Factor – 2017	Source – 2017
Electricity	Coal/peat (CO ₂ / kWh)	0.292 kgCO ₂ /kWh	https://energia.edp.pt/particulares/apoio-ao-cliente/origem-da-energia/2012.aspx	0.28096 kgCO ₂ /kWh	Total – EDP Comercial https://www.edp.pt/particulares/apoio-cliente/origem-energia/?sector=Total EDP Comercial&year=2017&period=0
	Oil (CO ₂ / kWh)				
	Gas (CO ₂ / kWh)				
Heat (CO ₂ / kWh)					
Energy and Total Heat - Without disaggregation (CO ₂ / kWh)					

POLAND		Factor – 2015-2017		
Electricity	Coal/peat (CO ₂ / kWh)	0.87422 kgCO ₂ /kWh	http://www.ghgprotocol.org/calculation-tools/all-tools (consumo em 2012)	
	Oil (CO ₂ / kWh)	0.48401 kgCO ₂ /kWh	http://www.ghgprotocol.org/calculation-tools/all-tools (consumo em 2012)	
	Gas (CO ₂ / kWh)	0.33734 kgCO ₂ /kWh	http://www.ghgprotocol.org/calculation-tools/all-tools (consumo em 2012)	
Heat (CO ₂ / kWh)				
Energy and Total Heat - Without disaggregation (CO ₂ / kWh)		0.75584 kgCO ₂ /kWh	http://www.ghgprotocol.org/calculation-tools/all-tools (consumo em 2012)	

SWITZERLAND		Factor – 2015-2017	Source – 2015-2017
Electricity	Coal/peat (CO ₂ / kWh)	0.02804 kgCO ₂ /kWh	http://www.ghgprotocol.org/calculation-tools/all-tools (consumo em 2012)
	Oil (CO ₂ / kWh)		
	Gas (CO ₂ / kWh)		
Heat (CO ₂ / kWh)			
Energy and Total Heat - Without disaggregation (CO ₂ / kWh)			

PRODUCTION OF ELECTRICITY MIX

PORTUGAL		Fonte – 2015-2016	MIX – 2017	Fonte – 2017
Hydro	14%		9.4%	
Wind	16%		35.5%	
Renewable Co-generation	4%		4.0%	
Other Renewable	3%		5.1%	
Urban solid waste	1%	ERSE – Entidade Reguladora dos Serviços Energéticos	1.4%	Total EDP Comercial
Fossil co-generation	10%	http://www.erse.pt/pt/desempenhoambiental/rotulagemenergetica/comparacaoentrecomercializadores/Paginas/default.aspx	8.1%	https://www.edp.pt/particulares/apoio-cliente/origem-energia/?sector=Total EDP Comercial&year=2017&period=0
Natural Gas	10%		12.7%	
Coal	36%		20.8%	
Nuclear	6%		3.0%	
Diesel	0%		0%	
Fuel oil	1%		0%	

MOZAMBIQUE	MIX – 2015-2017	Source – 2015-2017
Coal	0.0%	World Development Indicators: Electricity production, sources, and access. "World Development Indicators 2015" http://wdi.worldbank.org/table/3.7
Oil	0.0%	
Gas	0.1%	

POLAND	MIX – 2015-2017	Source – 2015-2017
Coal	84%	World Development Indicators: Electricity production, sources, and access. "World Development Indicators 2015" http://wdi.worldbank.org/table/3.7
Oil	1%	
Gas	4%	

SWITZERLAND	MIX – 2015 2017	Source – 2015-2017
Coal	0.0%	World Development Indicators: Electricity production, sources, and access. "World Development Indicators 2015" http://wdi.worldbank.org/table/3.7
Oil	0.1%	
Gas	1.4%	

EMISSION FACTORS - FUEL (SOURCE: UNL, EDP, IPPC))

Petrol	CO ₂	69300.0 Kg/TJ
	CH ₄	25.0 Kg/TJ
	N ₂ O	8.0 Kg/TJ
Diesel	CO ₂	74100.0 Kg/TJ
	CH ₄	3.9 Kg/TJ
	N ₂ O	3.9 Kg/TJ
LP Gas	CO ₂	63100.0 Kg/TJ
	CH ₄	62.0 Kg/TJ
	N ₂ O	0.2 Kg/TJ
Natural Gas	CO ₂	56100.0 Kg/TJ
	CH ₄	1.2 Kg/TJ
	N ₂ O	2.3 Kg/TJ
HVAC – PAG	HFC-22	1810.0 kgCO ₂ /kg
	R407	1774.0 kgCO ₂ /kg
	R410	2158.0 kgCO ₂ /kg

EMISSION FACTORS – TRAVELS

	Type of flight	Distance (km)	Emission factor	Source
Plane	Short	<500	0.18 kgCO ₂ /km	GHG Protocol
	Medium	500-1600	0.13 kgCO ₂ /km	GHG Protocol
	Long	>1600	0.11 kgCO ₂ /km	GHG Protocol
	<i>Radiative Forcing Index</i>			1,9
Train			0,06 kgCO ₂ /km	GHG Protocol
Bus			0,19 kgCO ₂ /km	GHG Protocol

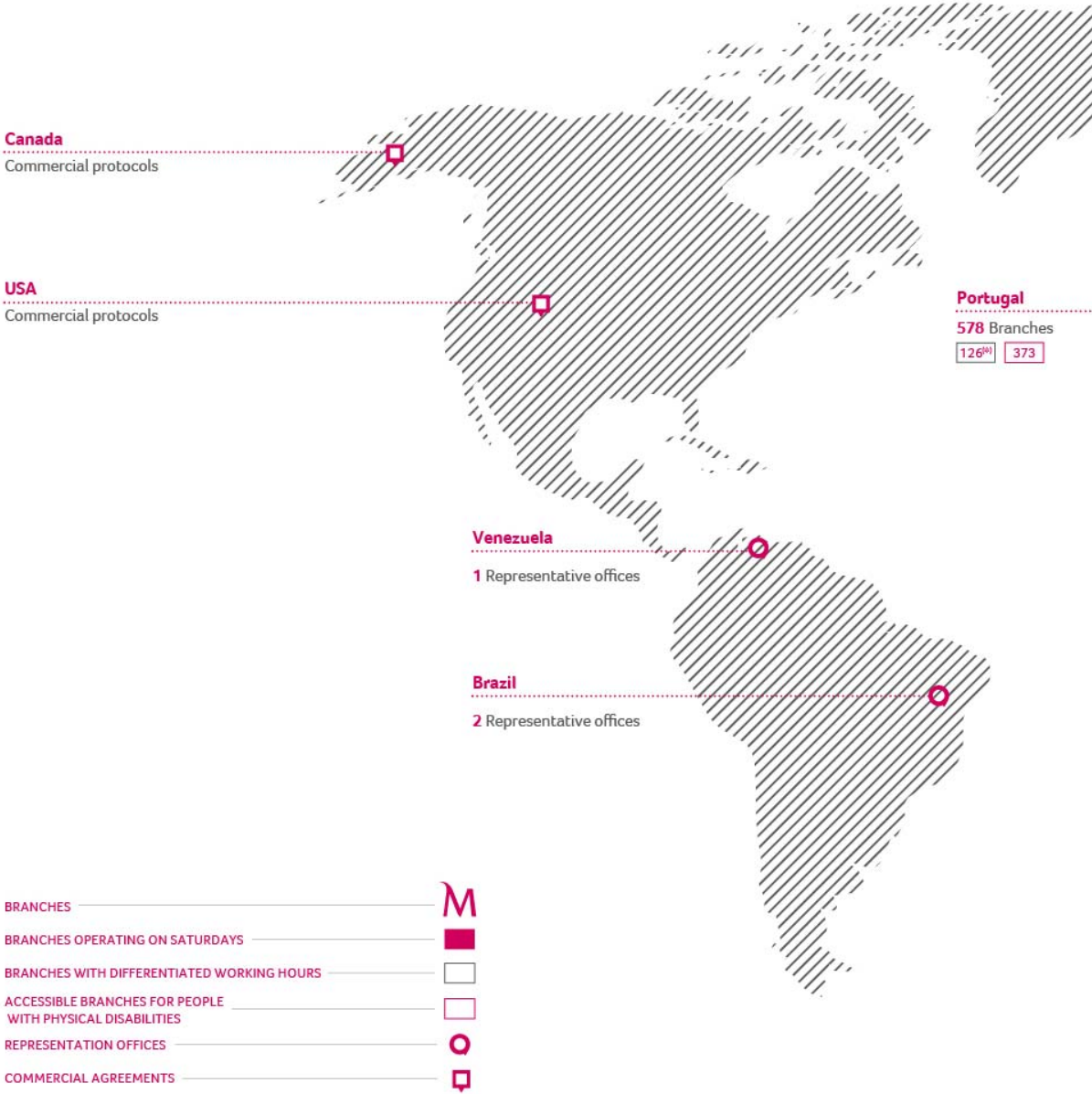
GRI 306-2

Paper and cardboard – one gets the total quantity of paper and cardboard waste by adding recycled paper and recycled cardboard.

Plastic – estimate of the amount of waste produced from water bottles and plastic office supplies, which are not usually meant for archive or for customers.

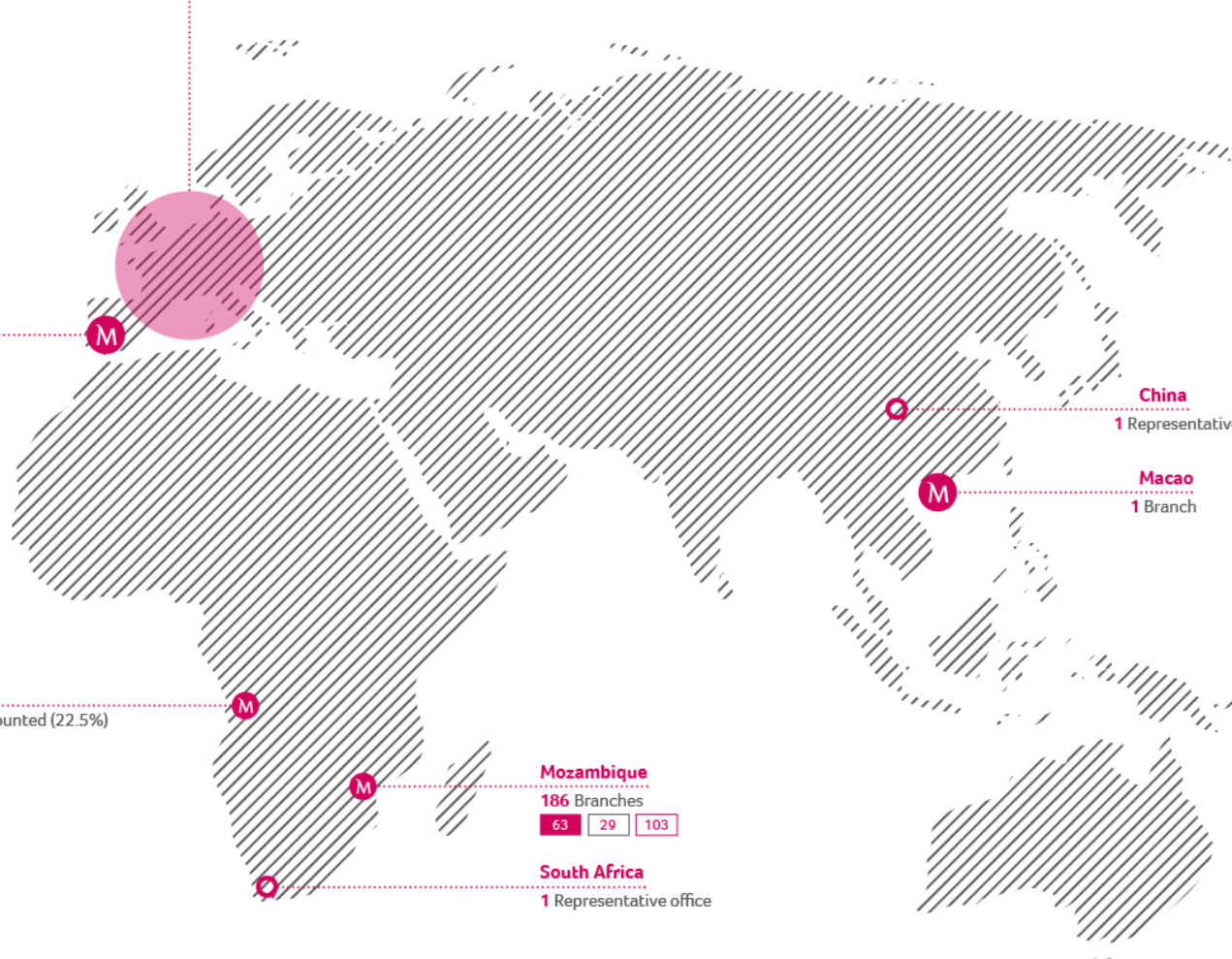
Ink and toner cartridges – the bank considered that the total produced corresponds to consumption.

Millennium, We Make the Difference



- Germany**
1 Representative office
- Spain**
Commercial protocols
- France**
Commercial protocols
- Luxembourg**
Commercial protocols

- Poland**
355 Branches
55 58 325
- United Kingdom**
1 Representative office
- Switzerland**
1 Branch
1
- 3 Representative offices



Angola
Equity accounted (22.5%)

- China**
1 Representative office
- Macao**
1 Branch

Mozambique
186 Branches
63 29 103

South Africa
1 Representative office

	Customers	Internet	Call Centre	Mobile Banking	ATM ^(*)	POS ^(**)
Portugal	2,441,831	655,578	211,416	310,217	1,963	53,178
Poland	1,642,604	1,154,535	138,011	809,163	483	-
Switzerland	1,890	526	-	-	-	-
Mozambique	1,338,768	19,907	3,576	499,419	504	9,526
Macao	3,462	-	-	-	-	-

Note: in Portugal are considered Customers/active users those who used Internet, Call Centre or Mobile Banking at least once in the last 90 days.
 (*) Automated Teller Machines.
 (**) Point of Sales.

2017 Sustainability Report

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Banco Comercial Português, S.A.
Company open to public investment

Registered Office:
Praça D. João I, 28
4000-295 Porto

Share Capital:
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under the Single Registration and
Tax Identification Number 501 525 882

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The information on this report is verified by PricewaterhouseCoopers & Associados, S.R.O.C., Lda. pursuant to its verification of Millennium bcp's Sustainability data for 2017.

For further detail see the Verification Report included in the 2017 Annual Report.

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