



Sustainability Report

'18



Millennium
bcp



Sustainability Report

'18





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Miguel Maya

Chairman of the Executive Committee
and Vice-chairman of the Board
of Directors



Nuno Amado

Chairman of the Board of Directors

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

For Millennium bcp, 2018 was the year of confirmation of the turnaround following the early repayment of public aid made in 2017, which allowed the bank to regain management autonomy and improve the Bank's profitability.

But 2018 was also marked by our ability, in a period of favourable economic growth in Portugal and Poland and of diversification and strengthening of the economies of Angola and Mozambique, to take advantage of this positive environment, producing net results of 301.1 million euros in 2018, while improving the quality of the balance sheet with a significant reduction of NPEs (Non Performing Exposures) and remained one of the most efficient banks in both Portugal and the Euro zone, essential contributions to strengthen Customer confidence in the Bank reflected in the increase of 351,000 active Customers in 2018.

But because we are - today and always - a bank with a strong commitment to Sustainability and Ethical and Responsible Business practices, 2018 was also a year in which Millennium bcp again stood with people, society and local communities in the continued creation of social value.

We continued the support for culture, enabling events aimed at diverse audiences, preparing thematic exhibitions to share the bank's art collection, promoting and recognizing creative merit and contributing to the recovery of historical heritage and museum spaces.

Education, science and research are areas where Millennium is also present through an active policy to support projects and multidisciplinary initiatives that are distinguished by their innovation, social and environmental impact, and ability to contribute value to society.

In social support, we reaffirmed our commitment to the most deprived, disadvantaged and vulnerable in all geographies where the bank operates. In 2018, in Portugal, we maintained our partnership with the National Food Bank, in particular for the regular food collection campaigns, which were once again carried out by many Millennium bcp volunteers, but also in internal initiatives in favour of charities such as "Associação Acreditar", "Ajuda de Berço" or "Cáritas Portuguesa".



In Mozambique, under the "Mais Moçambique pra Mim" Social Responsibility program, highlights include the renovation of the Pediatric Unit of the Rural Hospital of Chimcumbane as well as the construction of libraries in primary schools in several Mozambican cities. In Poland, we organized "Milantrop", a corporate volunteering program that has supported solidarity projects by involving more than 400 volunteers and benefited around 6,900 people. In Angola, the "Sharing Values for Life" programme, with the participation of more than 500 employees of Banco Millennium Atlântico, helped develop several social and environmental actions with impact on local communities.

At the business level, the Bank continued to support investors, companies and families, providing credit solutions that are sustainable and tailored to their financial needs and capabilities. In terms of accessibility, Millennium offers integrated platforms and innovative electronic banking features for the digital marketing of products and services, which, as an important contribution to banking inclusion, are also increasingly a distinctive brand of Millennium bcp in its different operations.

In a context of continued rapid transformation of the banking relationship and the channels that support it, improving the levels of financial literacy is a priority for the BCP group. Programmes such as the "Financial ABC" in Poland, designed for pre-school children and which has already covered more than 33,000 children, or the "Banking Olympiad" in Mozambique, focused on young primary school students and already in its 9th year, are key examples of the bank's initiatives to increase financial knowledge, in particular among younger citizen, bearing in mind the importance of widespread adoption of banking behaviours and informed and consistent decision-making.

Microcredit, with which the Bank continues to support entrepreneurship and employment, merits the effort to interact with the entities closest to socially-excluded populations, providing an instrument for combating unemployment and poverty. Microcredit from Millennium enabled the creation of 233 jobs in 2018, lifting to more than 6,600 the number of jobs allocated to projects funded by Millennium bcp Microcredit since 2005.

Highlight also to the investment made in the valuation, training and personal and professional development of the Bank's Employees, a priority reaffirmed with conviction in the Bank's strategic plan for the period 2018-2021.

In environmental performance, we have deepened our Sustainability policy, which incorporates and promotes a culture of responsible consumption and investment, and assumes the goal of maintaining a consistent reduction of the ecological footprint as a means of protecting the environment, preserving natural resources, and combating and adapting to climate change. As a result of this commitment, in 2018 we significantly reduced electricity consumption (-16.3% vs. 2017) as well as greenhouse gas emissions (-25.7% vs. 2017).

Finally, Millennium bcp remains committed to comply with the 10 principles of the Global Compact of the United Nations, which it joined in 2005, encouraging and investing in measures related to human rights, labour practices, environmental protection and anti-corruption.

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

In 2019 we will reinforce our commitment to the future, based on the strategic plan that drives the Bank's transformation process, necessary to adapt to the challenges and to take advantage of the opportunities of a constantly changing reality, ensuring the strengthening of Millennium bcp as a focused Bank in the Client and at the service of the economy, of the families and the companies, contributing actively for a balanced and sustainable development of the communities that we serve and in which we are inserted.



Miguel Maya

Chairman of the Executive Committee
and the Vice-chairman of the Board of Directors



Nuno Amado

Chairman of the Board of Directors



Summary of Indicators



MAIN INDICATORS

	Unit	2018	2017	2016	2015	2014	Var. % 18/17
CUSTOMERS							
Total of Customers	Thousands	5,827	5,429	5,482	5,557	5,282	7.3%
Interest paid on deposits and interbank funding	Million euros	341	353	389	661	897	-3.5%
Claims registered (2)	Number	108,244	76,918	72,498	79,108	71,348	40.7%
Claims resolved	Percentage	99.3%	97.7%	93.2%	97.2%	95.1%	
ACCESSIBILITIES							
Branches	Number	1,101	1,120	1,163	1,342	1,373	-1.7%
Activity in Portugal		546	578	618	671	695	-5.5%
International activity		555	542	545	671	678	2.4%
Branches opened on Saturday		122	118	112	144	140	3.4%
Branches with access conditions to people with reduced mobility		866	800	828	978	981	8.3%
Internet	Users number	1,980,905	1,665,987	1,700,114	1,541,811	1,377,480	18.9%
Call Center	Users number	429,982	353,003	261,620	273,610	301,338	21.8%
Mobile banking	Users number	2,106,289	1,520,378	1,268,804	929,401	506,976	38.5%
ATM	Number	2,952	2,950	2,965	3,115	3,112	0.1%
EMPLOYEES							
PORTUGAL EMPLOYEES	Number	7,095	7,189	7,333	7,459	7,795	-1.3%
INTERNATIONAL EMPLOYEES	Number	8,972	8,653	8,594	8,580	8,777	3.7%
LABOUR INDICATORS (1)							
Breakdown by professional category	Number						
Executive Committee		28	28	26	34	33	0.0%
Senior Management		178	150	146	171	161	18.7%
Management		1,728	1,642	1,669	1,702	1,768	5.2%
Commercial		9,446	9,424	9,453	10,406	10,648	0.2%
Technicians		3,682	3,531	3,459	3,609	3,641	4.3%
Other		1,027	1,061	1,167	1,330	1,452	-3.2%
Breakdown by age	Number						
<30		2,393	2,235	2,225	3,029	3,387	7.1%
[30-50]		9,318	9,498	9,820	10,673	10,925	-1.9%
>50		4,250	4,103	3,875	3,550	3,391	6.0%
Average age	Years	41	41	41	38	37	0.0%
Breakdown by contract type	Number						
Permanent		14,685	14,668	14,876	15,904	16,329	0.1%
Temporary		1,376	1,168	1,044	1,035	1,073	17.8%
Trainee		339	208	0	213	301	63.0%
Employees with working hours reduction	Number	215	187	202	153	155	15.0%
Recruitment rate	Percentage	12.3%	9.7%	8.2%	7.3%	8.1%	26.8%
Internal mobility rate	Percentage	16.6%	18.5%	18.0%	16.4%	16.4%	-10.3%
Leaving rate	Percentage	11.0%	10.3%	9.1%	10.0%	11.1%	6.8%
Free association (4)	Percentage						
Employees under Collective Work Agreement		99.7%	99.6%	99.6%	99.5%	99.6%	0.1%
Union Syndicated Employees		78.6%	78.5%	78.9%	72.0%	73.2%	0.1%
Hygiene and safety at work (HSW)							
HSW visits	Number	182	159	376	194	180	14.5%
Injury rate	Percentage	0.0%	0.0%	0.0%	0.0%	0.0%	
Death victims	Number	0	0	1	0	0	
Absenteeism rate	Percentage	4.3%	4.3%	4.2%	4.0%	3.6%	0.0%
Lowest company salary and minimum national salary	Ratio	1.3	1.3	1.1	1.9	1.7	0.0%
ENVIRONMENT (5)							
Greenhouse gas emissions (6)	tCO ₂ e	50588.0	55,683	59,864	58,439	65,470	-9.2%
Electricity consumption (7)	MWh	59664.0	63,131	68,055	76,513	88,789	-5.5%
Production of waste (8)	t	677.0	605	555	1,180	639	11.9%
Water consumption (9)	m ³	185941.0	233,857	239,279	246,948	554,307	-20.5%
SUPPLIERS							
Time of payment and time contractually agreed, in Portugal	Ratio	1	1	1	1	1	0.0%
Purchase from local suppliers	Percentage	92.2%	86.4%	91.7%	92.8%	86.5%	6.7%
DONATIONS							
	Million euros	2.0	1.9	1.7	2.0	2.2	8.6%

(1) Data for 2016 to 2017 does not include Angola, whose operation ceased to be fully consolidated, being classified for accounting purposes as a discontinued operation in 2016.

(2) It includes structural change effect in the complaint handling process at Bank Millennium Poland, aiming at improving the Customer experience by optimizing the immediate treatment.

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

(4) The value reflects only operations where the regime 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 since 2015.

(7) Data include electricity from public grid. Does not include the cogeneration plant in Portugal neither energy consumption in Mozambique since 2015.

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

(9) Data does not include Switzerland (2013-2018) neither Mozambique since 2015.



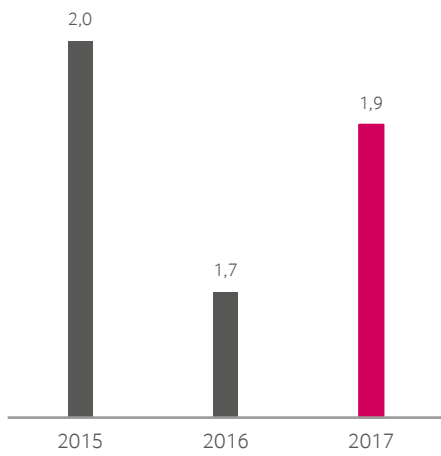
Main highlights



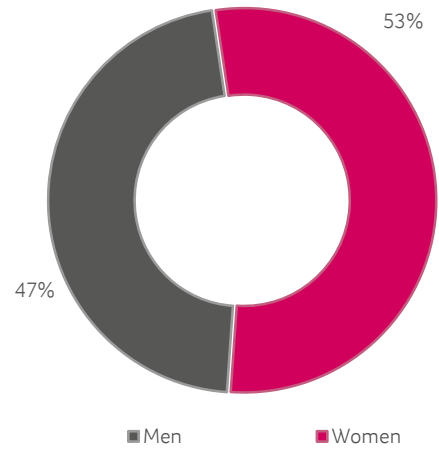


Main highlights

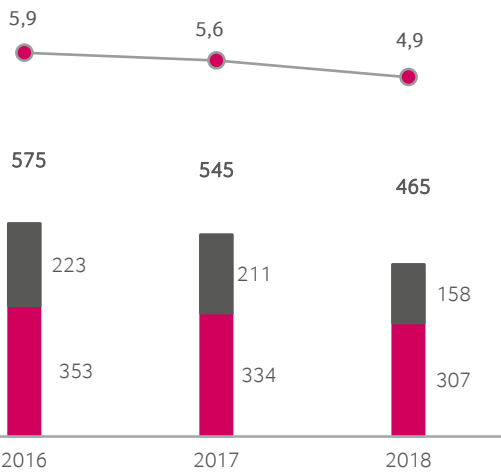
Donations
(Million euros)



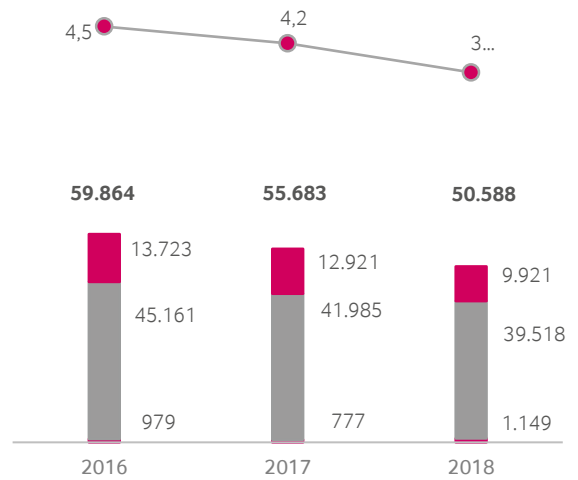
Breakdown by gender
(Percentage)



Total energy consumption - GRI 302-1
(Tj and Mwh/colaborador)



GHG emissions*
(tCO2e)



Direct Energy
 Indirect Energy
 Electricity consumption (MWh) by employee (2)

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

⁽²⁾ Includes the cogeneration plant in Portugal, excludes the data center in Portugal and data from Mozambique.

^(*) Does not include Mozambique.





Introduction

Introduction

Banco Comercial Português publishes Sustainability Reports every year, since 2004

Tema material: **REPORTE E COMUNICAÇÃO**

Sustainability report

These reports, already in their 15th 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 nr. 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, a format that the Bank decided to continue to adopt in the 2018 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](#) and of Foundation Bank Millennium, discloses information on several aspects of the performance of the BCP Group in material issues, duly identified in the materiality matrix available in the chapter Relation with Stakeholders.

BCP, aware of the importance of sharing good practices and actively participating in furthering the principles of Responsible Business, is a member of the Working Groups on Sustainable Finance of APB - Associação Portuguesa de Bancos, EBF - European Banking Federation and BCSD Portugal - conselho Empresarial para o Desenvolvimento Sustentável

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.

OBJETIVOS DE DESENVOLVIMENTO SUSTENTÁVEL



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.



2018 Main events



2018 Main events

Banco Comercial Português carries out every year several social and environmental actions and initiatives within the context of its sustainability and social responsibility policy.

January

- The European Investment Bank (EIB) and Millennium bcp join efforts to promote economic growth and the creation of jobs in the areas affected by the fires in the North and Centre of Portugal in 2017, providing funds for the economic recovery in these areas, in an amount of 150 million euros.

February

- Inclusion, for the 3rd time, of Group BCP in the Sustainability Yearbook, a reference publication in the area of Sustainability and edited every year by the analyst RobecoSAM based on the information gathered in the response to Dow Jones Sustainability Indexes.
- Attribution of one more Rui Osório de Castro Award/ Millennium bcp by Fundação Millennium bcp (2nd edition), distinguishing the development of innovative projects and initiatives in the area of child cancer.
- Millennium bcp is a subscriber of the Charter of Principles from BCSD Portugal - Business Council for Sustainable Development.

March

- Millennium bcp held another edition of "Millennium Days for Companies" in Vila Nova de Famalicão, an initiative from Millennium bcp the purpose of which is to go to several regions of the country in order to be closer to the Portuguese companies, supporting their internationalization and enhancing their competitiveness.

April

- The Bank Millennium, in Poland, was distinguished by the Foundation Widzialni for the accessibility of its website to individuals with special needs;
- Fundação BCP was recognised this year by the President of the Portuguese Republic with the commendation as Honorary Member of the Order of Infante D. Henrique for the work developed within the scope of culture.



*Millennium bcp: a bank committed
with People and with the future ...*



May

- Bank Millennium was awarded for the 4th time with the award “POLITYKA CSR Silver Leaf 2018”, a prize attributed to companies that implement Corporate Social Responsibility policies and practices in their daily activities.
- Fundação BCP was awarded with the award “Patronage” attributed by APOM - Associação Portuguesa de Museologia for its continued support to the Portuguese museums;
- Millennium bcp participates, at a national level, with 100 volunteers in the food collection campaign promoted by the Food Bank and held every six months.

June

- Millennium bcp becomes the only Portuguese bank to be part of the Sustainability Index Eurozone 120 Euronext VigeoEiris, including eleven banks from Euro area;
- Bank Millennium endorses the charter for Diversity, a European Union initiative that brings together organisations promoting diversity in the workplace

July

- Festival ao Largo, already in its 10th edition, is a yearly initiative that gives the best of opera, ballet and symphonic music shows at Largo de São Carlos, in Lisbon;
- Millennium bim, in Mozambique, held one more edition of the Mini Basketball Tournament, involving more than 1,600 athletes, aged between 6 and 11 years old, from 11 provinces of Mozambique.

August

- In Poland, Millennium Leasing established an agreement with the European Bank for Reconstruction and Development (EBRD), aiming at the granting of a loan of PLN 300 million under the Green Economy Financing Facility, PolGEFF;

September

- BCP confirmed in the Sustainability Index "Ethibel Sustainability Index (ESI) Excellence Europe" from Forum Ethibel;

“

*A leading bank, at the service of
economy, society and families...*

October

- Millennium bim holds, on the World Savings Day and within the scope of its Social Responsibility program "Mais Moçambique Pra Mim" ("More Mozambique for me") an action to increase the awareness on saving habits targeted at more than 15 thousand students from 35 schools throughout Mozambique;
- Millennium bim concluded the 9th edition of the Banking Olympics, a project intending to educate a new generation of financial services consumers in Mozambique;
- 8th 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

- Millennium bim rehabilitated, within the scope of its Social Responsibility Program "Mais Moçambique pra Mim", another school library, time time the one in the Primary School of Gorongosa;
- Millennium bcp launches the internal action for the collection of colourful child sticking plasters, painting books and pencils for the children supported by the association ACREDITAR

December

- 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.
- Bank Millennium rehabilitates, within the scope of its corporate volunteering program, another primary school for children with special needs, this time in Gdansk;
- Millennium bcp launches the internal action for the collection of essential goods "Millennium Solidário – Campanha de Natal 2018", in favour of Ajuda de Berço, in Lisbon, and of Cáritas, in Porto;
- Millennium bcp participates, at a national level, with 88 volunteers in the food collection campaign promoted by the Food Bank and held every six months.

“

*... but also in the preservation of cultural heritage,
protection of the environment and
support to local communities*





Relation with stakeholders

Relation with 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.

Material issue:

MANAGEMENT OF 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 (afterwards extended to 2013), its first SMP in Portugal, the Bank drew up and approved in 2013 the new SMP for the two-year period 2014 - 2015, which was then deemed pertinent to extend until 2019. 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.

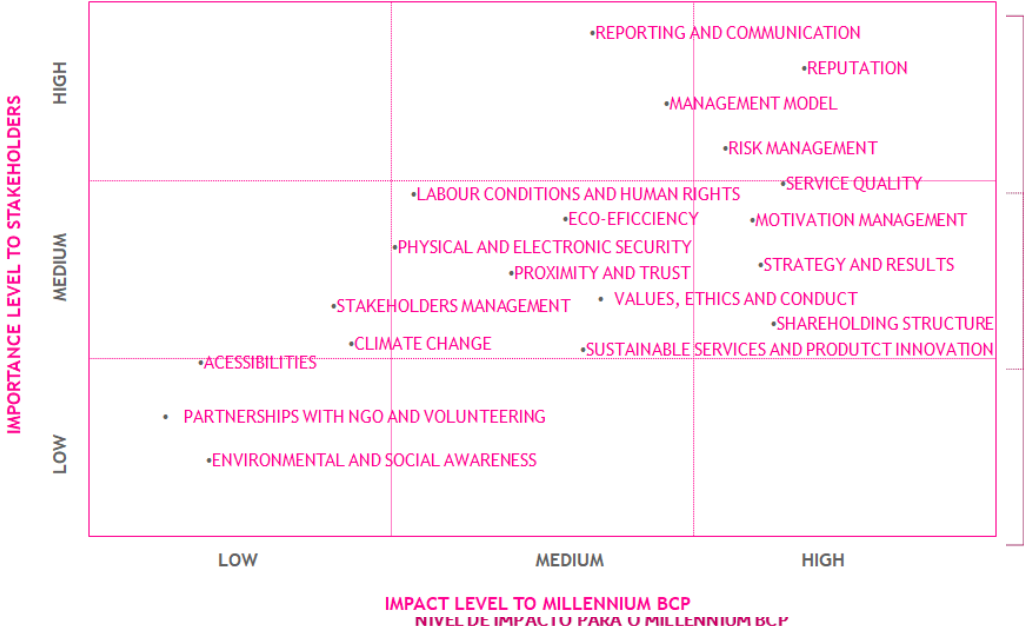
In the meantime, the process for the preparation of the next Sustainability Master Plan for the three-year period 2020/2022 is already in motion.

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The strategy of Millennium bcp in terms of Sustainability is translated in the Sustainability Master Plan



MATERIALITY MATRIX (*)



(*) Matrix in force since January 2018. In December 2018, the Bank reviewed the risks.

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, but also enabled it to rapidly detect improvement opportunities representing a strong contribution for the adoption of an appropriate sustainability strategy adapted to new realities, challenges and requirements.

The Sustainability Master Plan 2014/19 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:

Material issue:

STRATEGY AND RESULTS

SUSTAINABILITY MASTER PLAN (SMP) - 2014 - 2018

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

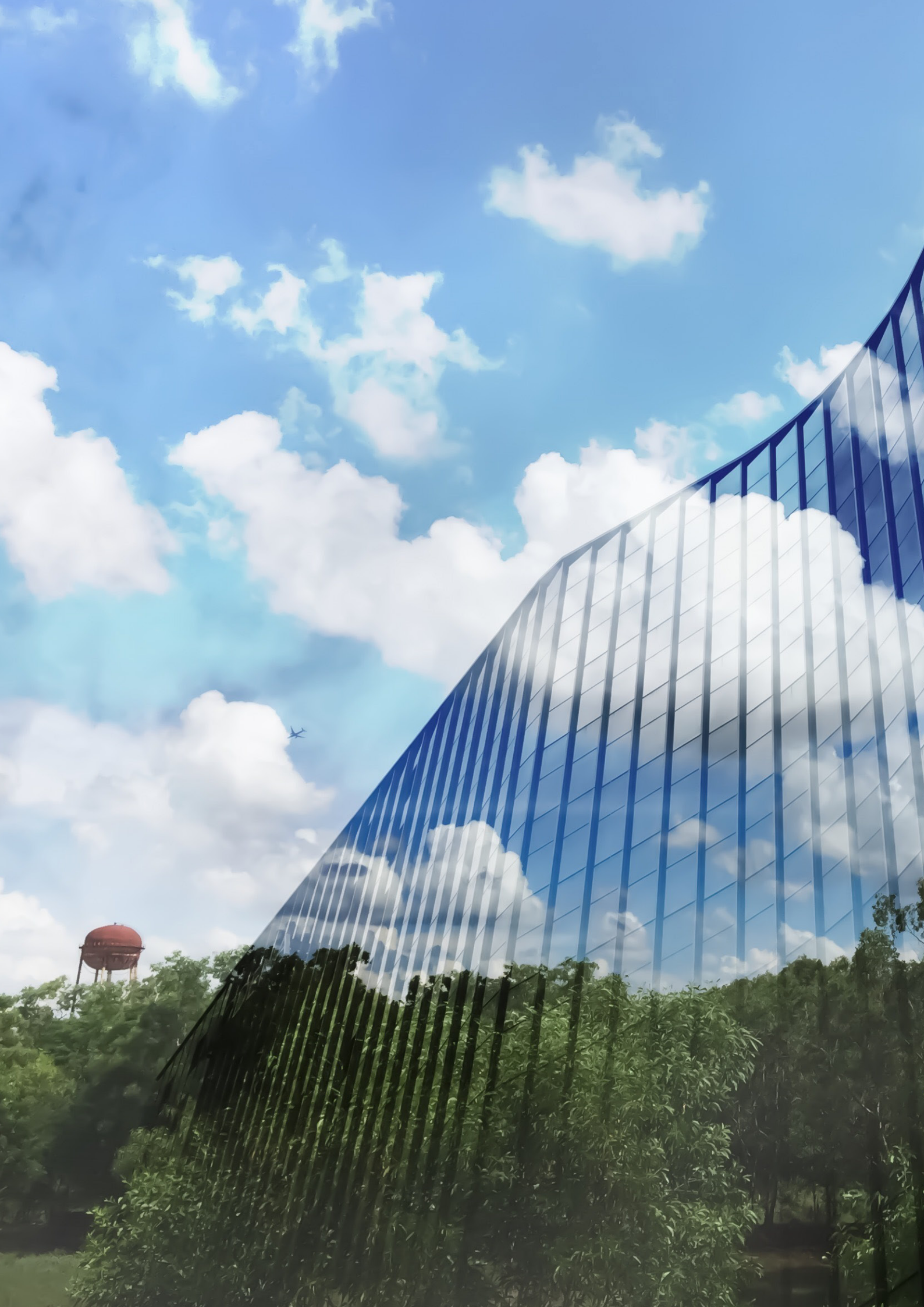
We shall present, in the following chapters, the most relevant initiatives carried out during 2018 together with the results obtained and the performance reached by the Bank in the several material issues identified in the materiality matrix. The 2018 Annual Report presents the performance of the BCP 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.



We shall present, in the following chapters, the most relevant initiatives carried out during 2018 together with the results obtained and the performance reached by the Bank in the several material issues identified in the materiality matrix. The 2018 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.

The Sustainability 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



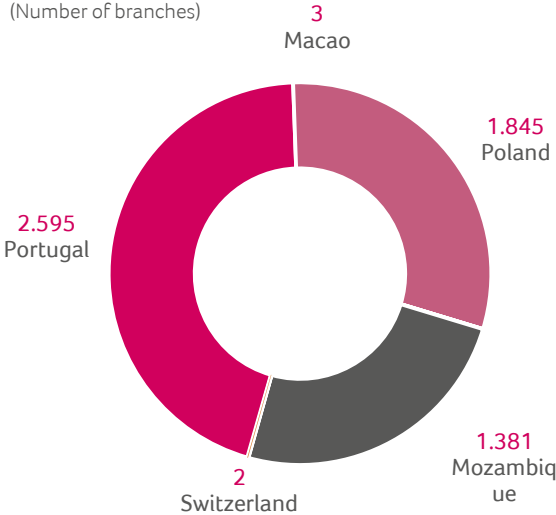
Economic responsibility

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:

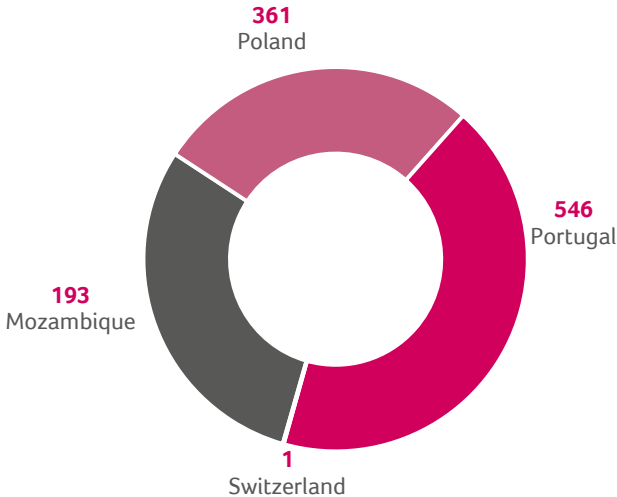
Millennium network

Millennium bcp is a bank with its decision-making centre in Portugal; it is the largest Portuguese private bank, serving, in 2018, approximately 4.9 million Customers with a network of 1,101 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 555 agencies.

Costumers (Number of branches)



Branches breakdown (Nr. of branches)

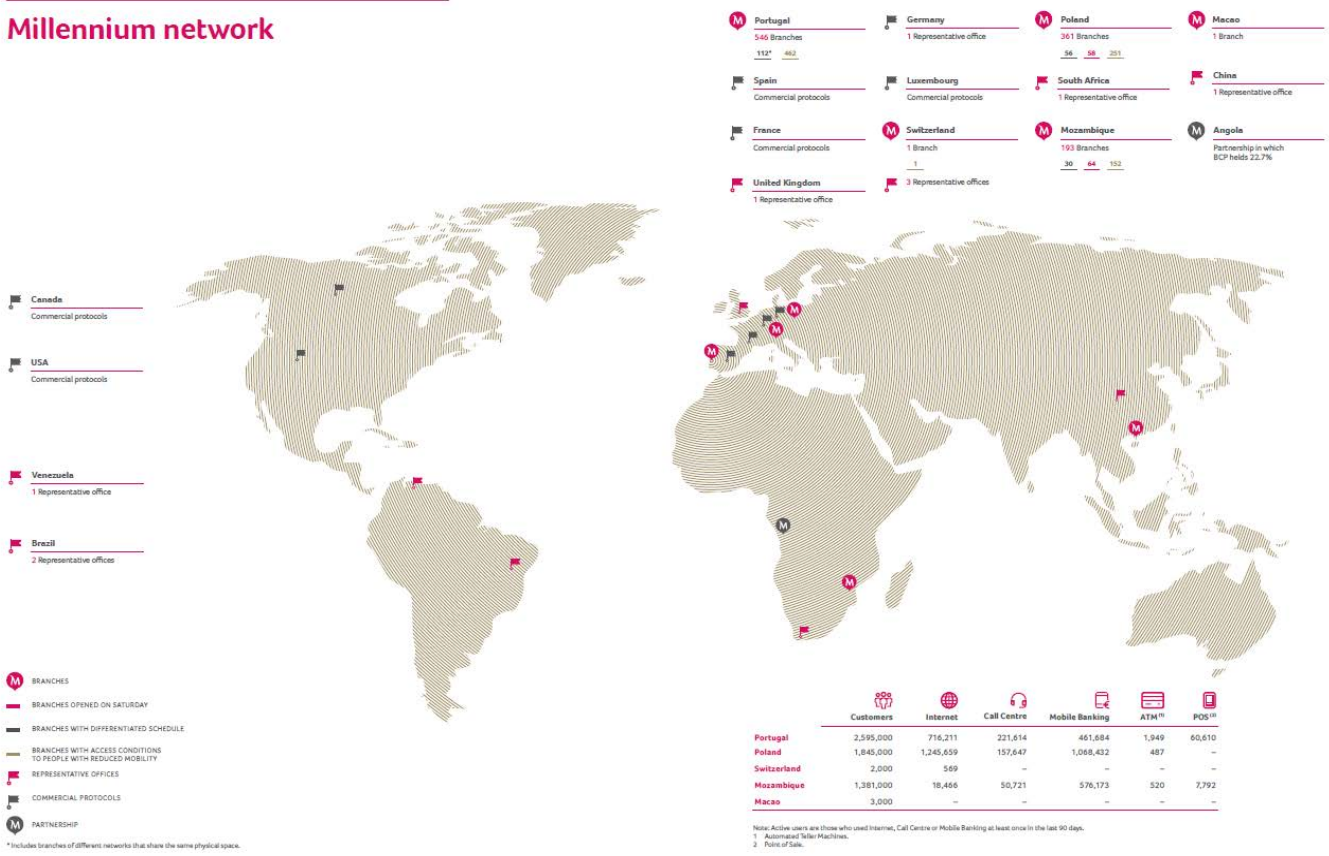


*5.8 million clients,
in 2018, of which 2.6 million in Portugal...*



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

Millennium network



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	716.211	221.614	461.684	1.949	60.610
Poland	1.245.659	157.647	1.068.432	483	-
Switzerland	569	-	-	-	-
Mozambique	18.466	50.721	576.173	520	7.792
TOTAL OF INTERNACIONAL OPERATIONS	1.264.694	208.368	1.644.605	1.003	7.792
TOTAL	1.980.905	429.982	2.106.289	2.952	68.402

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



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.



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 85% of the total network in Portugal and to 73%, in the remaining countries. In Portugal, 112 branches have differentiated office hours going from 8.30 a.m. to 7.00 p.m.. Poland has 56 branches with these office hours and Mozambique has 30.

We must also mention the opening of Branches on Saturday, extended working hours that, abroad, can be found at a total of 122 branches and even represent, as is the case in Mozambique, more than 1/3 of the branches of this operation.

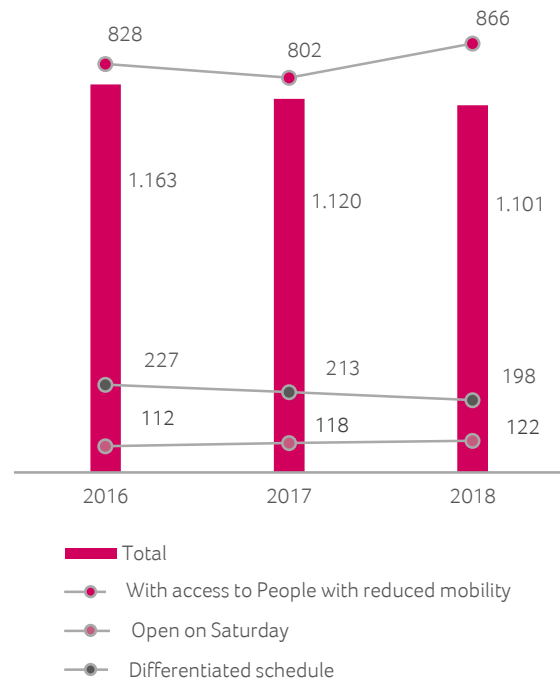
In Portugal, Millennium bcp continues to revolutionize its branch network. The Customer Branch Experience 2.0 of Millennium bcp is an innovative approach focused on the client, made through a cultural change, the re-design of products and processes and the integration of digital channels.

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 42 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.

Branches accessibilities
(Number of branches)





Information 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 program of Millennium bcp. It is based on a structured set of policies, rules of procedures and standards, aligned with international good practices, namely the regulation ISO/IEC 27001 - Information security management systems – Requirements and with the guidelines EBA/GL/2017/05 - Guidelines on ICT Risk Assessment.

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, the awareness regarding information security, classification of information, control over accesses, segregation of functions, response to security incidents, assessment of the security risk, the 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 an IT Safety Awareness action addressed to all Bank's employees in Portugal, covering a set of relevant issues, namely passwords, workstations, e-mail, internet and mobility.

Millennium bcp contracted the platform BitSight Security Rating, which enables getting an indicative on the global performance in terms of the Bank's cyber-security as also obtain compare it with the rest of the Portuguese Banks. This platform identifies commitment indicators (e.g. Infected machines, inappropriate configurations, incorrect behaviour by the users, etc.), analyses them and applies sophisticated logarithms to produce *security rating*. During 2018 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 2018, more than 530 discount vouchers were issued in the wake of the 192 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.

LABOUR CONDITIONS AND HUMAN RIGHTS

Material issue:

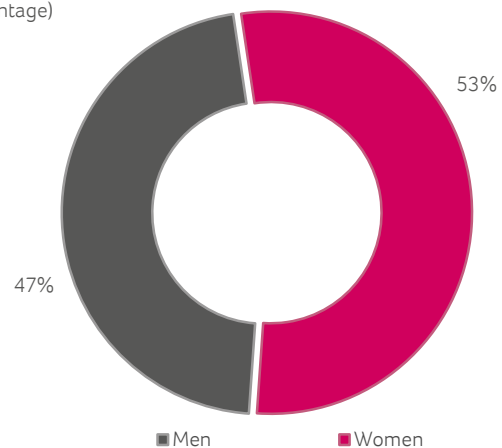
Group BCP gives to all its employees a fair and equal treatment, with equal opportunities, promoting meritocracy in all stages of their professional careers, defining the remuneration of the employees in accordance with his/her category and degree of compliance with the established goals, observing a 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/pt/Institucional/sustentabilidade/Pages/cod_internos.aspx

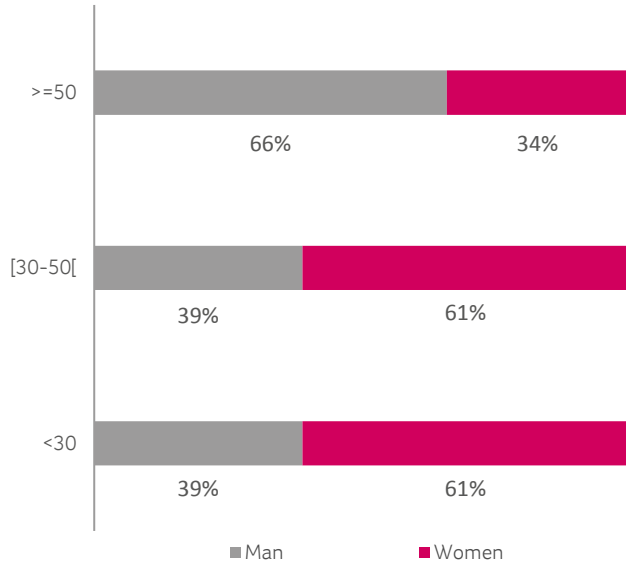
Breakdown by gender (Percentage)



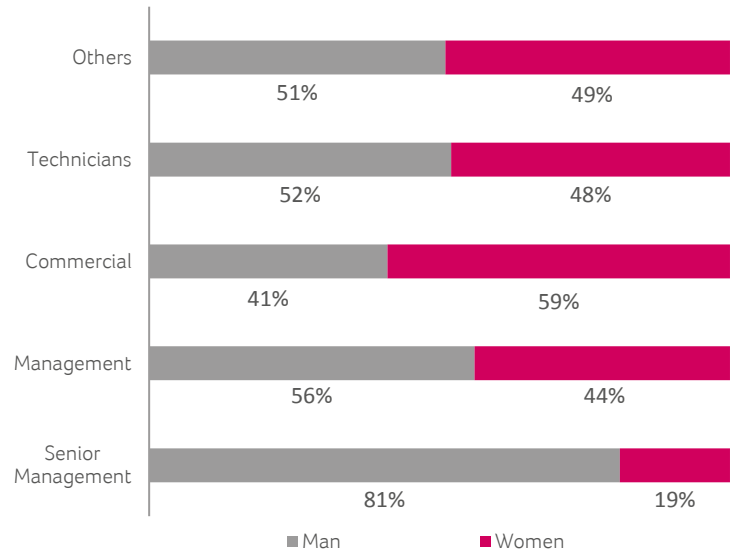


GRI 405-1G

Age breakdown by gender
(Percentage)



Professional category by gender
Percentage



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 the Board of Directors, in 2018, globally, in the Group 25% of these functions were performed by women.

Within the scope of gender diversity in management functions (Executive Committee/Senior Management and Management) in 2018, globally, 41% of these functions were performed by women – 21% in Portugal, 59% in Poland, 30% in Mozambique and 27% in Switzerland. In commercial functions, this figure increases to 59% in the Group, i.e. 46% in Portugal, 75% in Poland and 60% in Mozambique.

Millennium bcp reinforced its commitment to gender equality by renewing the subscription of the Commitment Agreement of the *Fórum Organizações para a Igualdade* (IGen). This Forum, promoted by the *Comissão para a Igualdade no Trabalho e no Emprego* (CITE), aims to encourage adherents to implement concrete and tangible actions that guarantee gender equality.



*BCP maintains its commitment, as Signatory,
with the ten principles of the
Global Compact of the United Nations*

The Organizational Environment Questionnaire addressed to the Employees of BCP in Portugal is now carried out every two years. In the edition carried out in 2018, with 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:

PROXIMIDADE E CONFIANÇA

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 2014-18 -, 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

The development of the personal and professional competences of the Employees is one of the Bank's priorities 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.

In overall terms, 6,233 training actions were ministered, corresponding to over 625 thousand hours of training, with an average of 39 training hours per Employee. During 2018, the training effort kept its focus not only on the commercial areas, but also on technical, operational and compliance areas and on team management.



	2018	2017	2016	Change % 18/17
NUMBER OF PARTICIPANTS ⁽¹⁾				
Presencial	42,906	47,731	39,350	-10.1%
E-learning	158,845	270,833	194,499	-41.3%
Distance Learning	63,512	62,143	68,914	2.2%
NUMBER OF HOURS				
Presencial	298,361	326,841	241,384	-8.7%
E-learning	121,634	469,357	94,199	-74.1%
Distance Learning	205,998	143,575	171,046	43.5%
BY EMPLOYEE	39	59	32	-34.3%

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



In Portugal and in order to respond to the challenges placed by the market and as a way to comply with the increasing 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.

2018 was also marked by the expansion of the leadership competences program, following a pilot successfully carried out in the Operations Division in 2017.

This program, named M Power, has the purpose the development competences for a Sustainable Leadership and comprises more than 300 Employees, from among young managers and Employees with potential.

This program has the special feature of ensuring flexible paths in the extent that the participants are able to shape them in accordance with their needs, selecting from optional elements, apart from the mandatory base components, accumulating credits which will contribute to value their professional career in terms of leadership.

“

In 2018, the average number of training hours per Employee was 39...

Globally, in Portugal in 2018, 364 training sessions took place, 192 in person, corresponding to a total of 325.006 hours. Regarding themed areas, the Bank continued to be mainly focused on matters related with the commercial activity, management and finance and legal and regulatory issues

In Portugal, in 2018, with an average of 7.1 hours of training through attendance per Employee, the Bank was not able to reach the 8 hours established goal.

By 2019, continuing a strategy that guarantees more and better training, we aim to increase the percentage of hours of on-the-job training to more than 5%.

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, always in line with its corporate values.

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 2018, the bank carried out 5,356 training sessions, in a total of 258,622 hours, 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 due to the implementation of new regulatory and legal frameworks is also a priority, as for example, in 2018, the training on data protection and information security.

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. The Company Advisers were also trained by an external company on national and regional support funds

From the initiatives carried out by Bank Millennium, we



M#leaders

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.

A training program on leadership, with two-year duration, was also initiated, being addressed to the Branch Managers of the Retail network.

In this country, we must also point out the “Millennium Campus”, a new program for the acquisition and increase of knowledge and competences intending to contribute to develop innovation in the organization. Structured based on regular sessions with professors coming from some of the most prestigious world universities, it is preferably addressed to expert technicians and heads of organic units from central services and commercial networks.

In 2018 and in terms of Compliance, Bank Millennium trained 6,229 Employees. In risk related issues, Bank Millennium gave specialized training to 176 Employees and in Occupational Health and Safety, it trained 3,522 employees, versus the 2,819 trained in 2017.

In Switzerland, whose training actions virtually include all its Employees, the actions developed, in a total of 1,708 hours, addressed commercial and risk issues. Reaching 75 Employees, 97% of its staff, they essentially consisted in training sessions especially designed to cope with the needs identified in this operation. More than 90% of the Employees of Bank Millennium also received training on Human Rights.



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 2018, a total of 41,898 of general and specialized training hours to 2,637 employees.

In this second year of activity are also worth mentioning, the training program addressed to the Commercial Division - "Charm Clients and Sell Solutions" -, with which the Bank tried to reinforce the skills of more than 1,000 Employees of the *front-office*, but also the leadership program "Lider Millennium bim 4.0" addressed to around 150 Employees with 1st line and 2nd line management functions.

In 2018, Millennium bim, trained 1,432 Employees in issues related with Compliance, 117 in issues related with Risk and 127 related with occupational safety and health.

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.

In Millennium bcp, in Portugal, 2018 was featured by the carrying out of the program InGenious Young Employees. It is a program envisaged and conceived for young people with an academic background in quantitative areas. With a duration of approximately one year, it trained 29 trainees distributed amongst the several bank's Divisions. Training was one of the major bets of this program, comprising diversified contents program on Banking, *Analytics and Soft Skills*.

This Program, which made a difference in the attraction and development of young talents, was distinguished in the HR 2018 Awards with the award "Best Trainees Academy", attributed by Instituto Informação Recursos Humanos.

In Poland, we must emphasize the internship programmes "Millennium Bankers" and "Expert Start-Up" - which, in its 2018 edition, counted with 67 and 4 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.

The Millennium Academy, that promotes training sessions free of charge for students - with the assistance from bank experts - and the purpose of providing knowledge on the specific nature of the work developed in the banking sector, had, in 2018, the participation of 612 students.

Bank Millennium, within the scope of a partnership with the Faculty of Economics of Warsaw, created the first Coworking Centre for Start-ups. The objective of the Centre is to put together students and graduates who created or are in the process of create their own *start-up* and wish to compare their ideas with the business reality. It is a place for meetings, networking and debates with experts from both the University and Bank Millennium.

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 Employees with High Levels of Performance and Potential, based on their merit, competences and skills for the assumption of new responsibilities.

The bank also launched the 4th 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 2,600 applications.

Millennium bim also supported the launching of the Yearbook of Mozambican Students with Higher Education, an initiative from the Câmara de Comércio Portugal Moçambique.



Evaluation and Recognition

GRI 404-3

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 97.1%.

In Portugal, where 98.5% 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 has two components: objectives and behaviours; the expected behaviours from each Employees are aligned with the Bank’s values. The M Desenvolvimento, the new process to manage the professional development of the Employees wherein the Employee self-assesses his/her competences, proposes improvement actions and respective plan for their implementation and shares his/her professional evolution prospects, enabled, during 2018, to satisfy many of the needs identified by the Employees, namely in terms of training but also in terms of mobility, being possible to ensure mobility for around 30% of Employees who wished to be transferred to another area.

72.4% of those being evaluated and 87.3% of the evaluators replied that they are satisfied or very satisfied – with the evaluation method and around 0.87% are not satisfied.

The international activity evaluated 98% of its employees; Poland evaluated 100% and Mozambique 95%.

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, the Bank distinguished 14 Employees, in 5 different categories, in Mozambique.

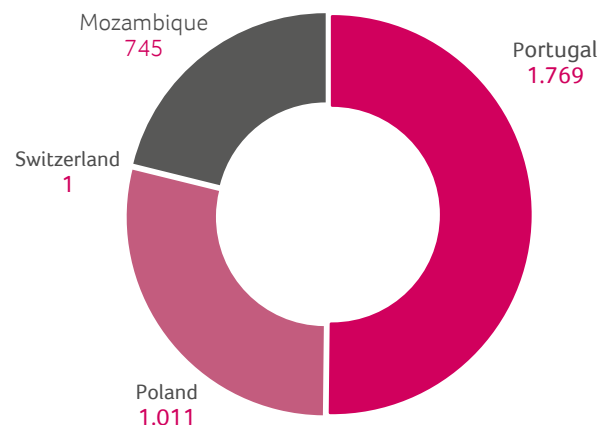
Poland, the Bank launched the 2nd edition of the programme IM-Pakt, an innovative initiative wherein the Employees appoint and vote for their colleagues. In this programme, 40 Employees were recognised for their performance..

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.

Within this context, and back in Portugal, the Millennium Recognition Program, initiated in 2017, intends to recognize the best Employees and bring visibility to all those who commit and distinguish by means of three types of distinctions: M Impacto, M Líder and M Valores (M Impact, M Leader and M Values).



Promotions
(Number of Employees)





By enabling the sharing amongst all Employees the exemplary projects, contributions and attitudes, it gives visibility to Employees, teams and projects that embody the values of Millennium, contributing for the union of all employees around a mission and common values.

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.

The second edition of this program distinguished 70 Employees.

In the whole of Group BCP, materializing a policy for recognising merit, the Bank ensured the professional appreciation of 3,526 employees (1,912 women and 1,614 men) of which 1,769 employees in Portugal, 1,011 in Poland and 745 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 91 suggestions in Portugal (35 in 2017), - 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 109 Employees, responsible for more than 191 ideas and 340 Comments. Three ideas were already adopted and 1 is waiting to be implemented.

These programmes, which are being reassessed in all countries, 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

Staff - Evolution

In 2018, the number of employees of the BCP Group increased 1.4% (225 Employees) versus 2017. Of the 16,061 Employees of the Group, 56% worked in the international business and 44% in Portugal.

EMPLOYEES

	2018	2017	2016	Change.% 18/17
TOTAL IN PORTUGAL	7.095	7.189	7.333	-1,3%
Poland	6.270	5.945	5.964	5,5%
Switzerland	77	71	72	8,5%
Mozambique	2.619	2.631	2.551	-0,5%
TOTAL INTERNATIONAL	8.966	8.647	8.587	3,7%
TOTAL	16.061	15.836	15.920	1,4%

In Portugal, the downward trend in the number of Employees continued, with 226 having left, 78% of whom through mutual agreement and/or retirement plans and the admission of 120 new Employees. Among the Employees who left, 57% worked in the commercial areas and 11% in management functions.

In Poland, the total staff number also declined (-0.5% relative to 2017), with 167 having left, 42% of whom of their own initiative, and 60% allocated to commercial areas, which was partially offset by the recruitment process, with the integration of 151 Employees.

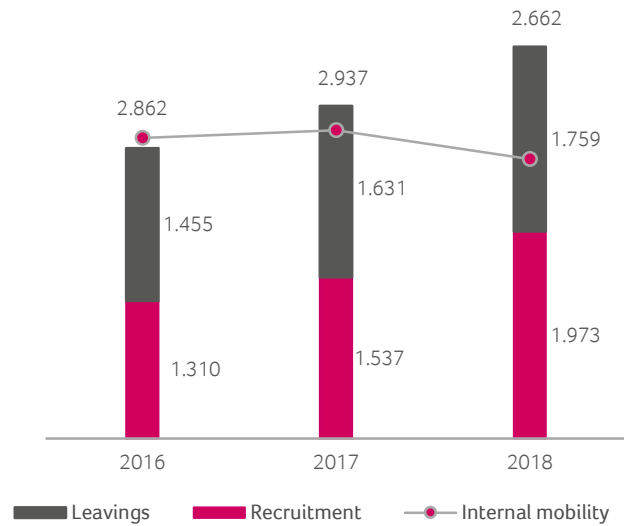
However, in Mozambique, the bank maintained its trend of growth of number of Employees (5.5%) with the recruitment of 1,687 Employees and 1,356 Employees leaving the Bank, 75% of the latter of their own initiative and 74% allocated to commercial areas.



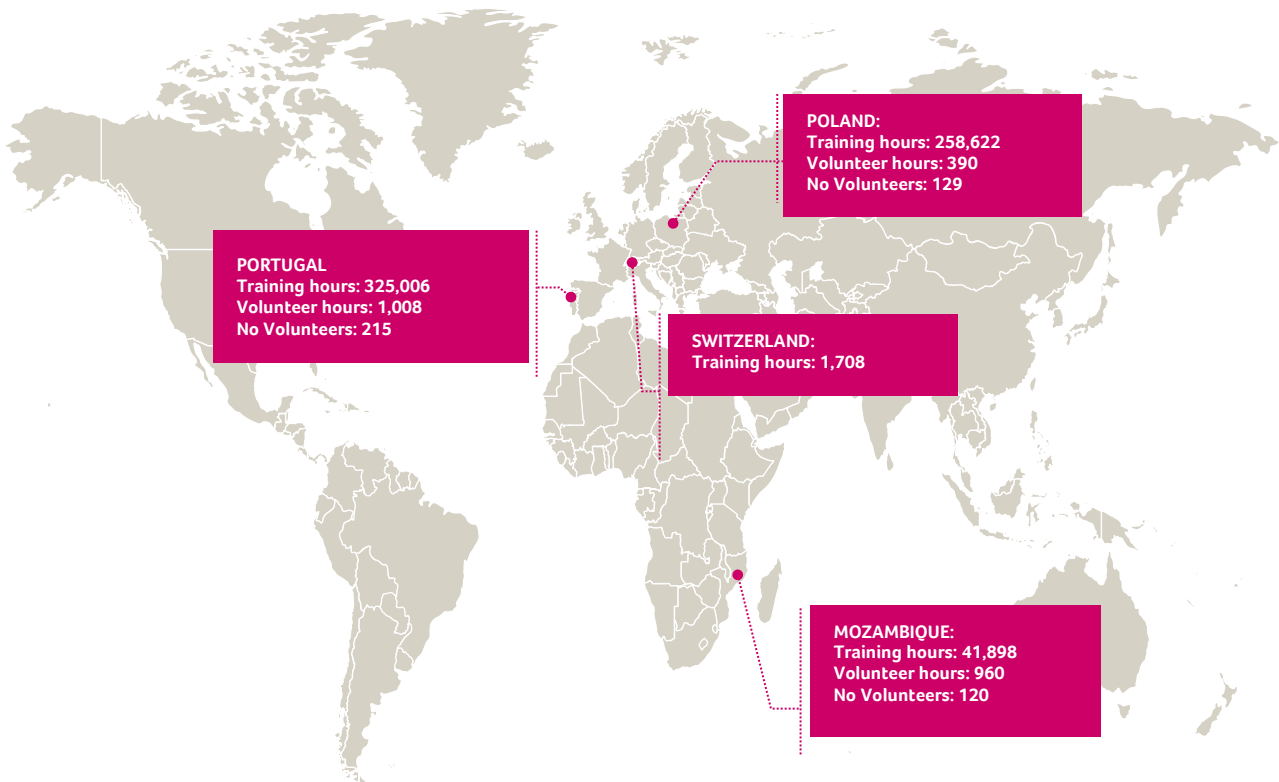
The BCP Group sees mobility as an opportunity for the Employees to develop their professional careers and their skills, and therefore fosters their contact with different realities of the Bank whenever possible. Thus, the employees' internal mobility processes are of strategic importance for Millennium.

In 2018, 16.6% of the Group's Employees were involved in internal mobility processes, notably in Portugal and Mozambique where 22.5% and 37.0%, respectively, of the Employees changed areas/ departments.

Employees turnover and mobility
(Number of Employees)



MAP WITH SOCIAL PERFORMANCE EVOLUTION BY LOCATION



Ethics and professional conduct

Material issue:

VALUES, ETHICS AND CONDUCT

Millennium bcp 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 include filtering operations 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.

Millennium also initiated a new process for the update of data on money laundering and terrorism financing of its correspondent banks, (RMA - *Relationship Management Application*) holders of an account, in order to mitigate reputation risks for the Bank, ensuring that its business partners comply with the international regulations.

The Bank also reinforced the detection mechanisms related with the increase of risk in some countries, particularly regarding transactions related with "bit coins" as indicated by the European Commission and also reinforced the practices for the prevention of money laundering and terrorism financing, in accordance with law nr. 83/2017, of 18 August - Regime for the prevention of money laundering and terrorism financing of Banco de Portugal.

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 30,300 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 an increase if compared to 2017 (year when the training on the new Code of Conduct of BCP took place) continue to translate the importance given to training actions on Internal Control, but also on the prevention of money laundering and terrorism financing, of which one may highlight, in Portugal:

- 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, comprising new certifications and the update of the existing ones.
- Training on the new regulations on data protection (GDPR - General Data Protection Regulation);
- Training on prevention of insider dealing;
- Update of knowledge on money laundering and terrorism financing practices taking into consideration the alterations due to Law nr. 83/2017, for the Employees in Portugal.



TRAINED EMPLOYEES ⁽¹⁾

GRI 406-1

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

	2018	2017	2016	VAR.% 18/17
Activity in Portugal	30,300	28,123	747	7.7%
International Activity	2,219	9,093	5,725	-75.6%
TOTAL	32,519	37,216	6,472	-12.6%

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

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.

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 the Bank 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 2016 and 2017, 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 783 communications to local Judicial Entities and replied to 2.402 requests.

COMMUNICATIONS TO LOCAL JUDICIAL ENTITIES

	2018	2017	2016	VAR.% 18/17
OWN INICIATIVE				
Activity in Portugal	431	300	196	43,7%
International Activity	352	228	176	54,4%
RESPONSE TO REQUESTS				
Activity in Portugal	364	160	254	-37,0%
International Activity	2.038	1167	750	36,7%
TOTAL	3.185	1.855	1.376	71,7%



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 programs 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 2018, 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 are also assessed and investigated and will originate disciplinary proceedings whenever deemed justified.

In 2018, 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 334 preliminary investigation proceedings. That same year, 17 disciplinary proceedings brought against Employees of the Bank in Portugal were completed. By the end of the year there were 7 proceedings underway. None of the cases involved situations of corruption.

DISCIPLINARY PROCEEDINGS AS RESULT OF RULES VIOLATION

GRI 419-1

	2018	2017	2016	VAR.% 18/17
Activity in Portugal				
Internal rules	13	14	16	-7,1%
External rules	4	6	7	-33,3%
Total	17	20	23	-15,0%

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/pt/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 Survey

GRI 102-43, 102-44

In Portugal, Millennium bcp continues to focus on the model of assessment of Customer experiences. 24 hours after interaction with the Bank, the Customer is invited to answer a brief questionnaire to assess Customer satisfaction with this experience with the Bank and the corresponding level of recommendation.

In 2018, the indicator NPS (*Net Promoter Score*), that translates the level of recommendation of the Bank recorded, in the case of Prestige Clients, an increase to 62,2 points, 4,7 points than in 2017; the Mass Market segment, that improvement showed an increase of 3.9 points, to 69.8. Regarding the NPS of Business Clients, it also recorded an expansion, improving to 60.2 (56.9 in 2017). Based on these results per segment, the global NPS of Millennium bcp is 67.7%, favourably comparing with 64.4% in 2017. Over 140,000 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, (vi) the use of Internet banking and (vii) the utilization of new Millennium Transactions Machines (MTM). Globally, in 2018, the Clients evaluated more than 190.000 experiences with Millennium.

The Bank also undertook another "Mystery Client" action which, with 4 vacancies, totalled more than 2,000 visits to Mass Market Branches. In 2018, the results achieved record a slight deviation versus the ones recorded in 2017 and reached, by the end of the year, the target of 81% 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.

In 2018, Millennium continued the program "Training #1" in the Mass Market Branches, every month, approaching themes aligned with the Bank's strategy. Thus, the employees were able to develop skills related with investment products, personal loans, cards, mortgage loans, retirement solutions, and offer for the Business Segment, opening of an account via and entitlement of heirs' process.

A weekly systematic of "Mini-Training #1", was also introduced, consisting in a 15 minutes session to be made as a team at the weekly sales meeting with the purpose of reminding and practice of relevant aspects of Customer servicing.

Considering the results achieved with the program in Mass Market, a similar project for the transformation of the Client's Experience was launched in the Prestige segment. The project began with a behavioural and commercial techniques training for all Prestige Managers and Branch Managers, followed by a process for the certification of the more than 500 Managers involved. In 2019, the project will continue with the implementation of the monthly training systematic "Training #1" at the Prestige Branches, together with the practice of weekly "Mini-Trainings #1".





The Bank carried out 26 surveys, using different approaches, for monitoring the satisfaction of the Clients with the several Direct Channels and Business Networks. Regarding the remote channels satisfaction levels, they 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 of which the 90% who wish to continue to use this service and the 90% of companies that wish to continue using the Internet Banking - Companies are a good example.

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 2018” in Portugal and in Mozambique, within the scope of “The World’s Best Consumer Digital Banks”. Millennium bcp was also distinguished by Global Finance in the categories “Best Online Deposit, Credit and Investment Product Offerings” and “Best Information Security and Fraud Management” - Individuals and Corporate websites - in Western Europe.

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, these opinion surveys started, as of 2018, to be carried biannually. The global value reached in the survey made in 2017, was 80.2 i.p., showing a positive development if compared with the previous three-year period.

In Mozambique, in 2018, the value recorded was 71 i.p. and 74 i.p., in the Swiss operation.

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 2018, 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 2018 survey, Millennium bcp is the main Bank for all the segments of companies, being also leader in the sectors, Commerce, Services and Exporting Industries and Portugal 2020.

Millennium bcp stands out in this study once again as the most innovative and efficient 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, on a faster servicing and on the sustainability of the value proposals.

In the international activity, customers' overall satisfaction levels with the Bank recorded a value of 80 index points (i.p.), influenced by the downturn in Mozambique, which fell from 79 to 73 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 2 market studies and 4 direct or specific surveys which enabled getting the opinion of more than 2,200 Clients.

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In the Evaluation of Experiences of Clients from the Prestige Segment - which had 3 cycles in 2018 - 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. Globally, in these surveys, with the participation of more than 1,100 Clients, the degree of recommendation reached 81 p.i..

The Operating Quality index of the branches of Millennium bim, recorded in 2018, an increase to 3.2 points, thus exceeding in 0.2 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

An additional reference must be made to the implementation of the model to evaluate Customer Experience in Millennium bim, through the NPS (Net Promoter Score) indicator. This 1st survey interviewed 735 Clients, and reached an aggregated value of 52.4 .i.p..

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 87 i.p. of global satisfaction, the internet banking and mobile banking channels reached 97% of positive reviews in 2018. Also branch servicing showed a very positive evolution, showing 91% 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. Additional reference must be made to the 17th edition of the ranking "Newsweek Friendly Bank 2018", and Bank Millennium was one of the best classified in all competing categories.

This operation, apart from the regular satisfaction surveys addressed to the Retail (NPS of 51%), Prestige (NPS of 33) and Companies (NPS of 41) - segments, also carries out "Mystery Client" actions by means of an outsourcer.

Bank Millennium, materializing an holistic approach and aware of the impact that the growing 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 2018, the Bank carried out 5 market studies and 22 direct or specific surveys which enabled getting the opinion of more than 61,000 Clients throughout the year.

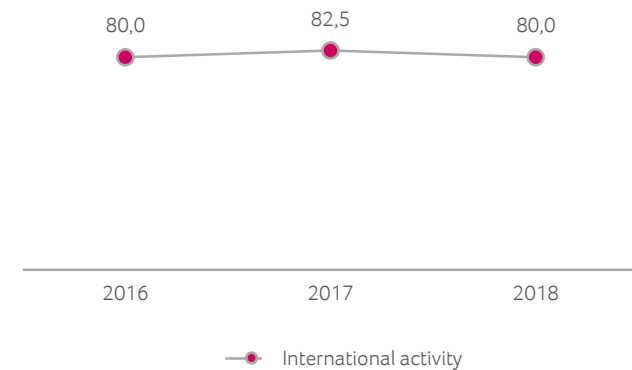
Claims

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.

	2018	2017	2016	VAR.% 18/17
CLAIMS REGISTERED				
Activity Portugal	26.648	22.104	20.423	20,6%
International Activity	81.596	54.814	53.940	48,9%
CLAIMS RESOLVED				
Activity Portugal	24.296	20.649	18.454	17,7%
International Activity ⁽¹⁾	83.157	54.535	51.894	52,5%

(1) Includes valid claims related with the disregard of the privacy of Customers in Poland (80) and in Mozambique (15) based on the wrong processing of personal data and operational errors.

Customers satisfaction (Index points)



Information not available for Switzerland.



In Portugal, the claims are managed by the Customer Care Centre (CAC). The total number of claims in this operation showed an increase of 20.6% if compared with the previous year, with a total of 26,648. A significant portion of these claims regards entries in the current account and mortgage loans. The effort to rapidly solve the claims has been a constant concern of the Bank, which has been able to ensure an average response time of 2 business days.

In Poland, the number of claims presented amounted to 68,007, showing a 47.6% increase versus the previous year. The majority of these claims and of the increase recorded (73%) is attributable to current and term accounts, credit and debit cards 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 2018 was still of 11 consecutive days.

In Mozambique, recording 13,587, the number of claims also grew 55.5% if compared with the same period of 2017. These claims are mostly attributable to cards and current accounts. This operation, due to the simplification of the claims workflow and process improvements was able to keep an average claims resolution deadline of 18 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 Bank's concerned areas and the Ombudsman Office is exclusively responsible for analysing and issuing a final opinion to claims received in connection with prior claims presented by the Clients that obtained an unfavourable decision.

The Ombudsman's Office, regulated by its own Regulations, is a body independent from the Bank's hierarchical structures, defending and upholding the rights, guarantees and legitimate interests of Millennium bcp's customers that address it.

OMBUDSMAN OF MILLENNIUM BCP

Activity in Portugal

	2018	2017	2016	VAR.% 18/17
CLAIMS REGISTERED	1.848	1.534	1.247	20,5%
Claims	1.342	1.099	926	22,1%
Requests	458	390	288	17,4%
NEW CLAIMS	48	45	33	6,7%
Concluded	45	44	32	2,3%
Complaints upheld	22	24	13	-8,3%
Complaints rejected	23	20	19	15,0%
Average resolution time (days)	14	18	28	-22,2%

Thus, and looking at the activity developed in 2018, the Ombudsman Office received 1,848 claims (1,534 in 2017), a figure representing, in accrued terms, a 20% increase versus 2017.

The Ombudsman Office analysed 1,342 Claims (1,099 in 2017), that were forwarded to the Customer Care Centre, the area responsible for ensuring the analysis and final response to the claimants; 458 Requests (390 in 2017), were forwarded to the respective services of the Bank which are responsible for ensuring the claims assessment and final response to the claimants and 48 New Claims (45 in 2017) which, for their nature, were analysed and replied by the Ombudsman Office.

The acceptance rate regarding New Claims was 49% and the average response time was 14 days (18 days in 2017).

The issues - from a product or financial standpoint - that raised the greatest number of claims from the Clients, were those related to "Current Accounts" (26% versus 25% in 2017) and "Mortgage Loans" (14% versus 17% in 2017).

When one assesses the business areas with a greater number of claims, the one showing the highest number is Retail Banking, with 90% followed by Activobank with 4%.





Social responsibility

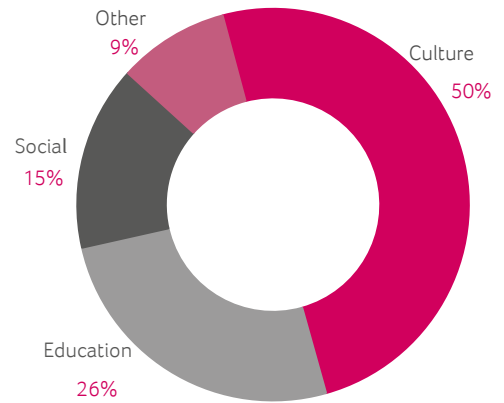


Social responsibility

The BCP Group's strategy is the promotion of a culture of social responsibility, developing actions for and with several groups of Stakeholders aiming at, directly and indirectly, contributing to the social development of the countries where 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)



In 2018, the number of hours of volunteer work was 1,008 in Portugal and 2,358 in the total of the Group's operations, figures showing a negative evolution versus the 1,483 and 3,272 hours recorded in 2017, not reaching the 10% 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 7% increase in volunteer hours.

Participate and share

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 2018, 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 2017/2018, 25 volunteers of Millennium bcp monitored more than 651 students of 23 schools in the various programmes of Junior Achievement Portugal, in a total of 248 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, Corporate Marketing, Operations, Quality and Network Support, we highlight:

- “Acreditamos: Ajudamos a Dar (mais) Cor à Esperança”, an internal initiative whose purpose was to collect colourful child sticking plasters, painting books and pencils for the children supported by the association ACREDITAR. With the

contribution given by the Bank's Employees at a national level, it was possible to collect around 700 boxes of band-aids - more than 250 individual band-aids;



- “Uns Comovem-se, Outros Movem-se”, an internal initiative of the Quality and Network Support Division the purpose of which is to collect animal feed, shelters and hygiene products for the animals sheltered by "APA - Associação de Proteção dos Animais" that was able of gathering 260 kg of animal feed and approximately 100 goods, such as feeders and crates, beds and warm clothing;
- “Millennium -Solidário (Solidarity) - Christmas 2018”, an internal campaign the purpose of which was to collect, in Lisbon, food, hygiene products and toys for the babies and children sheltered by Ajuda de Berço and in Porto, of clothes, warm clothes, food, hygiene products and toys, in this case for the children, young people and adults assisted by Cáritas Diocesana. By means of the usual commitment shown by the Employees of the Bank, it was possible to collect approximately 4,500 goods.

ENVIRONMENTAL AND SOCIAL AWARENESS

Material issue:

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 1st edition of Marketplace Cascais, 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 fourth time at events promoted by Marketplace, established 14 agreements for donation of material with different social solidarity institutions and already provided support, during these editions, to a total of 37 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 re-used. Currently, the Bank has a protocol signed with Entreatajuda, the main beneficiary Entity. In 2018, the Bank donated over 2,392 items of IT equipment and furniture to 78 institutions, 329 of which to Entreatajuda.
- 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.

SABEMOS O QUE CONTA

SUSTENTABILIDADE



GIRL MOVE ACADEMY

Believe ● Lead ● Change



- 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.
- 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 2018, one month training to a young Mozambican girl.

In Poland, Bank Millennium continues to carry out a significant number of actions, notably volunteer and cultural ones. 10 volunteer actions were carried out in 2018, involving 129 volunteers and totaling 390 hours. Amongst these initiatives, we must point out:

- Corporate volunteering program “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 projects developed so far counted with the involvement of 441 volunteers, corresponding to 1,099 volunteer hours, providing benefits to more than 6,900 persons;
- 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 2018, this initiative enabled gathering the record amount of 19 thousand euros;
- Races “Charity Corporate” – The employees of Bank Millennium continue to participate, on a regular basis, in solidarity races with the support of the Bank.



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 7th 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.

Millennium DOCS *against* GRAVITY FILM FESTIVAL

Reference must also be made to the “Youthful Art Compass”, a ranking of Polish artists 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.

In 2018, the Bank was partner of the Sciences Festival In Warsaw. This event counted with the participation of approximately 50,000 participants and was held in several universities of the city and developed more than 1,000 lectures, debates and workshops.

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.

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 4 volunteer actions in 2018, involving 120 volunteers and totalling 960 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 13th edition, involved 1,600 athletes, aged between 6 and 11 years old, from, for the first time, all Mozambican provinces;
- Millennium bim Race - 13th 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;
- 8th 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.
- Partnership with the Girl Move Foundation, whose objective is to support the Leadership and Entrepreneurial Skills Advanced Program for young women with a licentiate degree;
- 3rd edition “Playing without frontiers” - an initiative from the Ministry of Education and Human Development that provides disabled children and not 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, since 2014, aims to contribute for a quality teaching of music and also to promote young talents;



- Offer of sporting equipment to several elementary schools in the Island of Mozambique enabling the students to have physical education classes;
- Offer of construction material to support the communities affected by the floods in the boroughs of Hulene A and B, in Maputo, provoked by strong rains that caused damages in several infra-structures, particularly in 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, in 2018 the Aldeia da Paz – Quelimane, Orphanage Mundo dos Mais Pequenos Vovó Teresa, in Tete, and School Escola Criança Feliz, in Maputo;
- Project supporting the construction of classroom blocks and library in Escola Primária (primary school) Completa de Bêbedo (Gorongosa), together with Helpo. Within the scope of corporate volunteer actions, the bank undertook an action where 15 employees cleaned, painted and organized the school rooms;
 - Also within a partnership established with HELPO, Millennium Bim aided the rehabilitation of the Basic Education School Josina Machel, in the island of Mozambique, with 1,221 students, which was partially destroyed due to the heavy rainfall that affected that region of the country;
- “Sopa Solidária”, a volunteer project from the Makobo Association, wherein the 30 bank employees made and distributed soup to around 50 orphan children from the Bethel kindergarten in Nampula;
- Action for the renovation of the Paediatric Unit of Rural Hospital of Chicumbane, in the province of Gaza, wherein 25 employees painted, assembled and installed new furniture.



Millennium Bim also signed a protocol to join the Entrepreneurial Club of Gorongosa, to directly support the program “Girls Clubs”, an initiative the purpose of which is to fight against the high number of forced marriages and school drop-outs, through the promotion of activities targeted at the education of girls, their personal safety, nutrition and access to family planning. The several projects which are currently being undertaken at Parque Nacional da Gorongosa have as major goal to restore the ecosystem, support the local communities in their social and economic development and create, in a sustainable manner, a tourism industry, an emblematic example in nature conservation and in the creation of opportunities for local populations.

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 2018, 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: supporting the client to 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.



- 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 was to develop and support initiatives for the promotion of the financial education of all citizens. Of the activities developed in 2018, we highlight the European Money Quiz, an initiative for digital learning of financial literacy supported by the national Banking Associations of Europe, coordinated by the European Banking Federation, which was able to get for the first time over 41 thousand students, aged between 13 and 15 years old and coming from all over Europe, competing against each other, testing their ability to manage personal finances.
- 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 is an initiative carried out within the scope of the Financial Education national Plan that aims to increase the young people’s awareness for the importance of financial education, which counted with the participation of Millennium bcp, by attending Workshops on Saving and promotion of the Financial Education Quiz, held at Escola Secundária de Pombal.

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 9th edition, this initiative counted with the participation of 400 students, representing 10 schools. After trials, 40 finalists were selected. One of the initiatives included a social volunteering action held on the International Elderly Day at the Elderly People Support Centre of Lhanguene, 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. The winner project called “Culture”, of Escola Secundária Gwaza Mutine, will be implemented at the beginning of the school year with the support from Millennium bim;



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 2,300 students and 44 teachers. The training under the motto “I am able to save every day if...”, was conducted by employees of Millennium bim in a partnership with schools and their teachers. It took place in 33 schools from 5 provinces from north to south of the country, namely Inhambane, Tete, Sofala, Nampula and Maputo.



Also in Mozambique and part of the activities promoted by the Central Bank in the context of the World Savings Day celebrations promoted by Millennium bim, in 2018 in the Primary School Completa Casa de Educação da Munhuana in the province of Maputo, has been launching a number of educational initiatives in schools to promote the children's, young people's and adult's awareness for the importance of saving and of financial inclusion.

Together with the activities developed in schools, the Ban also carries out, in its personal Facebook page, a campaign on the theme wherein, through graphic images, alerts 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 1,300 workshops in 400 kindergartens involving more than 33,000 children throughout the country. This program 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

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.

Culture

Within the scope of Culture - the Foundation's main vocation - it gave precedence to initiatives for the free of charge access for the Conservation and Disclosure of the Bank's Heritage, among which are the following:

- Maintenance of the Archaeological Nucleus of Rua dos Correiros (ANRC) and management of the guided tours. It received 9,900 visitors
- Exhibits in the Millennium Gallery, namely the following: "A Partir do Surrealismo", opened on 25 September 2017 and ended on 3 February 2018, counting with the presence of approximately 1,370 visitors in 2018; "Poesia Mineral - Eduardo Souto de Moura por Nuno Cera", exhibited from 23 February to 19 May, welcoming around 2.000 visitors; "Salvem a Sardinha", an initiative that, from 2 to 30 June was visited by around 1,880 persons; "Ballets Russes", with around 1,860 visitors from 7 July to 20 October. The Millennium Gallery was visited by 7.110 persons in 2018.
- Within the scope of the programme "Shared Art", two exhibits also took place, "A Evolução do Braço" in the Municipal Museum of Faro, inaugurated on 7 July 2018 and in exhibition until 23 September, welcoming approximately 7,015 visitors and the exhibition "Os Modernistas. Friends and Contemporary artists of Amadeo de Souza-Cardoso, Coleção Millennium bcp", organized within the scope of the program of the Festival Mimo Amaranite which, from 19 July and 31 December welcomed 11,534 visitors.

Both spaces participated in the "International Day of Monuments and Sites", "International Museum Day", "Museum Night" and "Heritage Days", with NARC and Millennium Gallery opening until later.

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 activities developed by the Museum, restoration of the Nativity Scene Room and the maintenance of the Library;
- National Coach Museum - Support to the restoration of the coaches of the Museum made in situ and able of being observed by the visitors. During 2018, the museum received 233,295 visitors (80,332 Portuguese and 152,963 from abroad);
- Portuguese Museum of Contemporary Art - Museu do Chiado (MNAC) - support to the activities pursued by the Museum, to the International Congress "O Retrato: representações e modos de ser" with the displacement of works from Veloso Salgado into the International Congress;



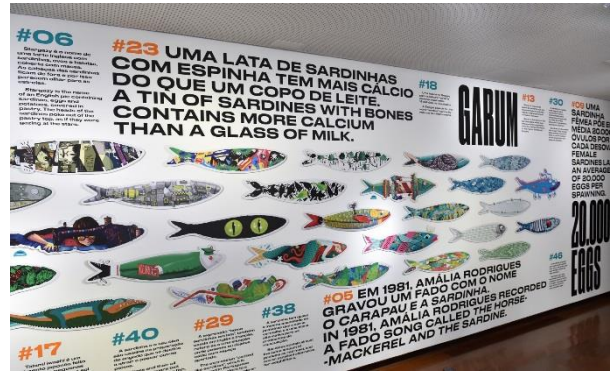
- Beja Regional Museum – support to the second stage of the process for the re-qualification and promotion of the museum’s assets;
- Directorate General for Cultural Heritage – support to the exhibit “Rota das Catedrais” at Palácio Nacional da Ajuda, within the scope of the European Year of Cultural Heritage;
- Diocese of Guarda: project “Paisagem Cultural Religiosa da Diocese da Guarda”, projecting the creation of a museum for the display the Museum’s religious art heritage.

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

- World Monuments Fund Portugal (Association) - Support to the project for the conservation of the church of the Monastery of Jerónimos;
- Palácio Nacional da Ajuda: support to the conservation and restoration works of Room D. João IV;
- Regional Directorate of Culture - North – Recovery of Churches of the Historic Centre of Oporto, namely of Igreja das Almas and São José das Taipas; Igreja de São Nicolau; Capela da Senhora do Ó and Igreja de São João Novo;
- São Pedro de Faro Church – Conservation and restoration of the painting of the altar of Nossa Senhora da Victória.
- Church of Santo Antão de Évora - Restoration of the paintings of the Main-Altar.

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

- Association Castelo D’ If - 9th edition of the event “Opening of Artists’ Studios ” which include the opening to the public of the work spaces of several artists, in Lisbon. This edition had the participation of 52 studios and 190 artists, 178 Portuguese artists and 12 from abroad;
- Isto não é um Cachimbo (Association) - Map of the Arts - a digital platform focused on the promotion of contemporary art that presents Lisbon’s contemporary art spaces, such as art galleries, museums and foundations. This map may be consulted using the website or in a hard copy;
- Architecture Triennial - Lisbon Architecture Triennial: the financial aid includes 3 awards: Millennium bcp Triennial Career Award, Millennium bcp Triennial Universities Award and Millennium bcp Triennial Début Award.
- Carpe Diem Arte e Pesquisa - Competition “Young Art Award Fundação Millennium bcp 2018” for students of visual arts or those that ended their course in the two previous. years It received 130 applications. Among them seven finalists were selected:
- OPART – Teatro Nacional de São Carlos - program of Art Residences in primary schools with the purpose of promoting the teaching of music and arts
- A+A Books - Publishing the Book “Guia de Arquitetura Souto Moura”;



- BoCA - Biennial of Contemporary Arts - creation and production structure focused on the production and programming of new works of art and of special events portraying different fields of contemporary art;
- Out of The Wall - support to the interactive exhibit “Extinction – the End or the Beginning?”. This show, belonging to the Natural History Museum of London, aims to raise awareness to the challenges faced by the preservation of the environment;
- Municipality of Lisbon: Financial aid to the 2018 edition of “Todos-Caminhadas de Cultura”, a festival dedicated to multiculturalism and to the dialogue amongst the different boroughs of Lisbon, involving their inhabitants. It was attended by 17,084 spectators From artists to technicians and volunteers, 230/individuals/employees from 37 countries participated in Todos de 2018;
- Óbidos Criativa – support to the 4th edition of FOLIO Festival Literário Internacional de Óbidos, a meeting of artists, writers and readers under the theme “Ócio, Negócio - A Invenção do Futuro”. It welcomed a total of 30,000 visitors and carried out 350 initiatives throughout the 831 hours of the program, which included exhibitions, author’s conferences and concerts;
- Sandra Oliveira: support to the festival “Jardins Efémeros”, in the city of Viseu. The 2018 edition under the theme “O Corpo” (The Body), included a program dedicated to the symbolism of the bodies, within actions within the scope of visual arts, dance, theatre, architecture, cinema and photography.
- Cultural Regional Centre of Santarém: support to the 4th edition of the “National Poetry Award Actor Mário Viegas” (2017/2018), where the winner was the poet and fiction writer Nuno Figueiredo, with the work “Epifanias”.
- International Musical Association of Costa do Estoril - Support to the 44th Festival Estoril Lisboa in the European Year of Art Heritage, coinciding with the 100th anniversary of the end of the I World War and the 100th anniversary of the death of the composer Claude Debussy.
- Monastery of Jerónimos: within the scope of the program of the European Year of Cultural Heritage a financial aid was granted to the cycle of conferences “Mosteiro dos Jerónimos: um diálogo entre o espaço e o tempo”, a program with free admission with the purpose of debating and sharing ideas on the past and future of our art heritage.

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, namely:

- Municipality of Pedrogão Grande – support to “+Future”, a project focused on three sides: Education and Citizenship, Road Prevention and Sustainability;
- IMM (Instituto de Medicina Molecular de Lisboa) – project developed by the Centre for Research of Brain Tumours aiming to do research on the mechanisms responsible for the onset and growth of brain tumours, focusing especially on children;
- University of the Algarve - support to the international Degree in Marine Biogeochemistry - organized by the Portuguese Institute for the Sea and Atmosphere (IPMA) and of the Centre for Sea Sciences of the University of the Algarve;
- A scholarship programme of Fundação Millennium bcp, aimed at students from Portuguese-speaking African countries and from Timor (PALOP) It had 7 scholars in 2018;
- 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; It had 27 scholars in 2018;
- Fundação para a Saúde (Foundation for Health) - Financial aid to the III Congress SNS: Art Heritage of All, at the Convent of São Francisco in May 2018;
- Universidade Católica Portuguesa (Portuguese Catholic University) - Health Sciences Institute: Pedipedia project, development of an online encyclopaedia, a pedagogical resource to support clinical practices and training in child health care. Its recipients are health professionals, parents and care providers, children and teenagers from the Portuguese-speaking community
- Portuguese Catholic University – Faculdade de Direito (Faculty of Law) – support given to three foreign students of the Master of Laws.
- University of Coimbra – Law School - BBS - Instituto de Direito Bancário, da Bolsa e dos Seguros. Supporting Post-Graduate Degrees from Instituto de Direito Bancário, da Bolsa e dos Seguros (BBS).;
- Fundação Rui Osório de Castro – attribution of an award to scientific investigation in the area of paediatric oncology; The award Rui Osório de Castro Millennium bcp was created aiming at the development of innovative projects and initiatives in this area, able to foster and promote better care for children with an oncologic disease;
- Instituto Camões – Award for the best student of Portuguese language 2018, in the United Kingdom;
- Universidade Autónoma Lisboa - support to the study of the Portuguese diplomatic structure by the International relations Department;
- Acege – Associação Cristã de Empresários e Gestores – support to activities that aim to promote a group of company leaders that works as a dynamic force for a responsible management of the Portuguese companies, thus promoting higher economic productivity and social justice;
- Associação Empresários pela Inclusão Social (EPIS) - projeto de educação para a inclusão social, programa “Mediadores para o Associação Empresários pela Inclusão Social (EPIS) – Educational project for social inclusion, programme “Mediators for academic success”. In 2018, the programme was extended to a greater number of locations, reaching a higher number of students. Within the scope of the programme, EPIS organized, within the European Year of Cultural Heritage for the 50 top students of the 3rd cycle, a visit to the Archaeological Nucleus of Rua dos Correiros (NARC);



- Associação Geopark Estrela - the Foundation supported an Investigation Scholarship with a 9 month duration in the area of Forest Management and e Risco de Incêndio Florestal na Serra da Estrela;
- CNIS – Confederação Nacional das Instituições de Solidariedade (National Association of Charitable Institutions) - support to the B-Learning program to the institutions associated with the CNIS. This action intends to provide training to teachers from infant school. on pedagogical practices, namely in the management of the classroom

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.

- Portuguese Food Bank – support to regular food collection campaigns;
- Vida Norte - Associação de Promoção e Defesa da Vida e da Família (Association for the defence of Life and Family) - support to the activities carried out by the institution that helps young mothers in need;
- Ponto de Apoio à Vida – support to an association that helps, welcomes and trains pregnant teenagers and women that are in a fragile economic situation and that, alone, do not have the conditions to take care of their children's birth and education;
- 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 purpose of this program is to provide management training to leaders of non-profit entities in the sector of social economy;
- BUS Association - Social Utility Assets: support for the development of its activities which are the collection of useful goods, forwarding them to individuals/families in need;
- Associação Terra dos Sonhos - “Bolsa com sonhos” - support to the accomplishment of a child’ dream or young people in situations of illness or risk;
- Critical Concrete – scholarship grant to the summer school of this sustainable and social architecture programme;
- Fundação Portuguesa de Cardiologia - support to the Month of the Heart which took place in May, this year under the theme "Colesterol, Dislipidemias e Aterosclerose";
- 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, between 12 and 18 years old;
- Access to Culture – support to the implementation of adequate accessibility services for live shows outside Lisbon and Oporto and set up of a network of theatre that have this access;
- SOS Families Association - Project “Estoril Working for Solidarity” an initiative that brings together various charitable events in the parish of Estoril;

O The work undertaken by Fundação BCP within the scope of culture was recognised this year by the President of the Portuguese Republic with the commendation as Honorary Member of the Order of Infante D. Henrique.

Besides this commendation, Fundação Millennium bcp also received the “Patronage” award of the Portuguese Museums Association (APOM).

For more information, please see the 2018 Activities Report of Fundação Millennium bcp at: https://ind.millenniumbcp.pt/pt/Institucional/fundacao/Docu-ments/RC18_FundacaoMbc_Pt.pdf



Products and services

Material issue:

PRODUCTS INNOVATION AND SUSTAINABLE SERVICES

GRI FS7, FS8

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 2018, 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 Micro credit. 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.

Pursuing this policy of proximity were also signed 19 new cooperation protocols for entrepreneurship and promotion of access to micro credit and creation of self-employment, namely the ones signed with the Regional Secretariat for Inclusion and Social Affairs of the Regional Government of Madeira and with BGI - Building Global Innovators, of the MIT Portugal, headquartered in ISCTE.

We must also mention the participation in the STARTPOINT@UM - Fair of Employment and Entrepreneurship from the University of Minho, but also the participation in the Cidade das Profissões (City of Professions) promoted by the municipality of Porto.

Millennium bcp, as corporate member of the European Microfinance Network (EMN), have the objective to analyse the growth and evolution of Microfinance in Europe.

Also in 2018 Millennium bcp altered the organizational structure of Micro credit. Thus, this instrument was made available to the entire Bank's commercial network, this way ensuring a greater proximity to customers and reinforcing the commitment with the activity developed by micro credit as an opportunity to aid all those with a feasible business idea.

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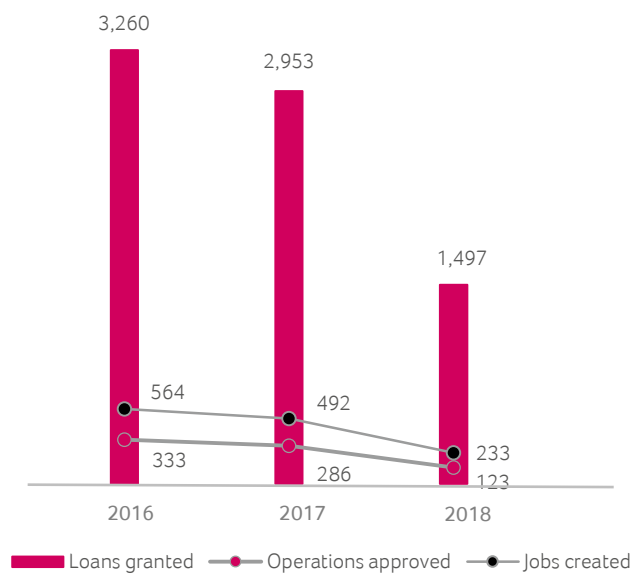
In 2018, Millennium bcp's Microcredit helped the creation of 233 new jobs in Portugal



Millennium bcp's Microcredit, created in 2005, 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. Since 2005, it adds up to 6,638 jobs resulting from projects funded by Millennium bcp's Microcredit.

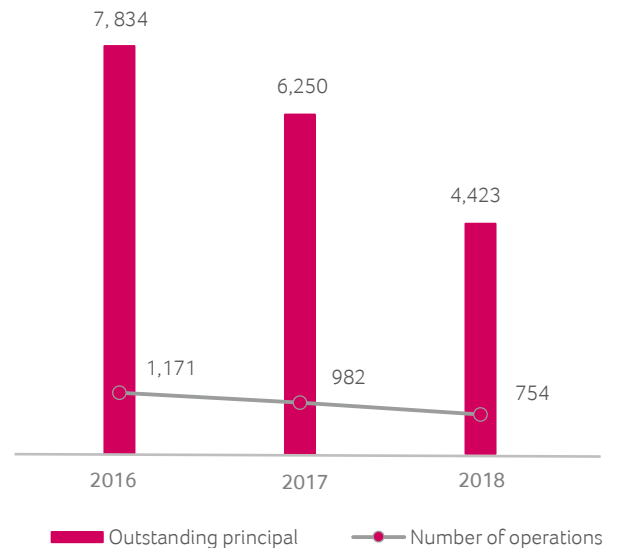
As a result of the work carried out in 2018, the Microcredit of Millennium bcp financed 123 new operations, totalling 1.497 million Euros of credit granted and the creation of 233 new jobs. The volume of active credit granted to the 754 operations in the portfolio, up to 31 December 2018, totalled 4.423 million Euros.

Microcredit activity
(Thousand euros)



The new - Operations approved - may have not be implemented in 2018 exercise.

Microcredit loan activities
(Thousand euros)



In 2018, the Millennium Microcredit proposed to increase in 15%, versus 2017, 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 486 contacts established, corresponding to a 14.9% decrease, the defined goals were not achieved.

In 2019, in Portugal, the goal is to increase once again increase the number of institutional contacts in 10%.



Since 2005, 6,638 new jobs were created due to projects financed by Millennium bcp Microcredit ...

Financial advisory services

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, 16,083 contractual amendments were made during 2018 (8,084 mortgage loans and 7,999 consumer credit), with a restructuring value of 643 million Euros (588 mortgage loans and 55 consumer loans) and comprised 13,771 Clients (5,918 mortgage loans and 7,853 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:

- Millennium bcp joined the “2020 Efficient House” programme, launched by the Portuguese Government and co-funded by the European Investment Bank (EIB), with total funding to be made available by the Bank of 50 million Euros (25 million Euros from the EIB and 25 million Euros from the Bank). This Programme aims to grant loans under favourable conditions to credit operations that promote the improvement of the environmental performance of private housing buildings, especially focusing on energy and water efficiency, as well as on waste management, and is available since June 2018- 15 operations were made involving a total financing of 173 thousand euros;
- Funding lines (SME Growth and SME Invest) aimed at SMEs intending to carry out investment projects or increase their working capital. Completion of 1,049 operations, with total funding of 119,666 thousand euros;
- Regarding support to companies in the agricultural and/or fisheries sector, 128 operations were conducted involving a total financing of 8,009 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. 4 operations were financed, totalling 1,256 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 43 operations totalling 11,266 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 Bank Millennium Leasing established in 2018 an agreement with the European Bank for Reconstruction and Development (EBRD), aiming at the granting of a loan of PLN 300 million under the Green Economy Financing Facility, PolGEFF (Polish Green Economy Financing Facility). The loan's purpose is to finance projects in the small and medium-sized companies sector, related with energy efficiency or renewable energy, including: projects to improve the energy efficiency of commercial buildings, expenses with hardware or projects promoting the use of renewable energy, among other.

- 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. With 635 operations, the total funding amounted to 11.92 thousand euros as at 31 December.
- 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

Individuals Support Solutions

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 130 new loans in 2018, amounting to 1,332 thousand Euros, under the University Credit Line. The volume of credit granted to the 381 operations in the portfolio amounted to 2.6 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 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. In 2018, there were 293,612 active accounts.;
- “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 2018, 842 new contracts were signed, with a total lending amounting to 37.89 million euros and representing 5% of the housing loan 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. 469 accounts were opened, adding up to 4,352 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 2018, the Bank kept a portfolio of 9 operations, totalling 251 thousand euros.

Regarding the support to enterprise creation investment projects by unemployed persons, through the following credit lines: i) Microinvest Line - which financed 18 entrepreneurs to a total of 212 thousand Euros; and ii) Invest+ Line which supported 15 entrepreneurs, to a total value of 527 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 2018, 833 accounts were opened, presently accruing to 6,196 accounts.

Millennium bcp signed in 2018 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 360° -, 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, (2,485€ PC, 2,449€ MR) to institutions such as Cáritas Portuguesa, Liga Portuguesa Contra o Cancro, Unicef, Casa do Gaiato, Acreditar, Ajuda de Berço, Cerci and Associação Portuguesa de Bombeiros Voluntários;
- 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 Restaurant Week in 2018 gathered over 25,000 Euros that were given to the charitable institutions Liga Portuguesa Contra o Cancro and Make a Wish;
- 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 evident 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 2018, over 11.6 thousand Euros were transferred from a total of 1,466 cards, 316 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..

SRI Funds (Socially Responsible Investment)

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 7,398 thousand Euros on 31 December; and ii) Activo-Bank – offering 16 investment funds, of which 8 are ethical funds and 8 are environmental funds, with a total portfolio value above 835 thousand Euros. On 31 December, 12 of these funds had participation units subscribed during the year, with a global subscribed value amounting to 226 thousand Euros, an increase versus the 220 subscribed in 2017;
- 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 724 Clients, totalling 6,5 million euros.

Employee Benefits

Material issue:

MANAGEMENT OF MOTIVATION

GRI 201-3, GRI 401-2

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.

In Portugal, to improve health benefits granted to its Employees, the Bank's Internal Medical Services in Taguspark now include Nutrition (578 consultations) - which was also extended to the employees in Porto - and Clinical Psychology (508 consultations). The bank also created a new service for the Posture Correction. In this stage and in Taguspark the goal is the correction of anomalies in the spinal column and nervous system as well as of the several symptoms thereto related. The Physiotherapy services are also available in Taguspark and in the registered office of Club Millennium in Lisbon. Moreover, and as of the third quarter of 2018, the Bank started a service for the collection of material for clinical analysis (70).

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⁾

	2018	2017	2016	Change % 18/17
MEDICAL SERVICES				
Appointed held	22.507	21.409	19.702	5,1%
Check-ups made	9.142	8.831	8.318	3,5%
HEALTH INSURANCE				
People covered	47.257	47.209	47.286	0,1%

(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 “Naval Commander 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.

Since 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.

In the beginning of 2018, the Bank inaugurated an innovative space near the meals area in Taguspark called the Books Bank a library based on a rationale of sharing wherein any employee of the Bank may take a book at his/her choice home, provided that he/she replaces it by another one. The Books Bank is made by all Employees. Therefore, the more the library is used, the more books it has.

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, 5,651 pieces were published on the intranet, 513 of which with videos produced by Millennium TV.

The bank also publishes a weekly *newsletter* transversal to all operations of Group BCP, the “About us”, a communication vehicle through which the most relevant internal news and events are disclosed.



VIDA SAUDÁVEL



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 2018, 182 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.

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.

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

	2018		2017		2016	
	Amount	Employees	Amount	Employees	Amount	Employees
MORTGAGE						
In portfolio	607,7	8.747	661,2	9.405	719,6	9.973
Granted in the reporting year	25,8	304	24,7	328	22,6	323
SOCIAL PURPOSES						
In portfolio	11,3	2.548	12,3	2.800	10,3	2.910
Granted in the reporting year	3,5	870	3,2	848	3,4	907

(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.

“

The BCP Group provides a diverse range of social benefits to Employees

Parenting

Portugal, the Bank, being aware of the demands that being a parent implies, put into practice a Programme for the Protection of Parenting to create the necessary conditions to enable the Employees to achieve a better balance between work and family life.

This program, which since its inception in 2015 has already benefited 476 Employees, of which 157 in 2018, includes:

A guide with all the useful and legal information on the main aspects of parenting, as well as on the related benefits granted by the Bank

- A structured process of communication through the internal portal to help Employees and hierarchies;
- Use of an outsourcing company, whenever necessary, to guarantee the replacement of the absent Employee (in commercial areas);
- A Millennium Baby Kit for the new-born children of Employees, which includes two gifts for the Baby, one of which is a savings voucher "Millennium Baby" amounting to 500 euros;
- Afternoon off work on the birthday of the child of an Employee (until the child's 12th birthday, inclusively);
- Follow-up questionnaire: a survey is made to all Employees that take parental leave so as to identify improvement opportunities.



The Programme for the Protection of Parenting has been well scored by Employees. The highest score - above 90 points - goes to the Millennium Baby Kit, the indicator that was better scored by the Employees, the Parental Leave and the Afternoon off on the child's birthday up to 12 years old - the latter being the indicator that gets the best score from the Employees. On the lower side of the score table, the breastfeeding break is an area that could be improved in the future, notwithstanding reaching a score of 83 points.

All employees with children under 12 years old (inclusively) were given the opportunity to make a Millennium Baby Savings Account for their children (using the voucher or by their own initiative to take advantage of the better conditions of this term deposit). 157 savings accounts were opened, totalling 116,310 thousand euros.

The creation of this programme enabled 1,616 Employees, in 2018, to take the afternoon off on the birthday of their children under 12 years old to celebrate the event with their family.

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 (SDGs) 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 4,133 Euros, to 25 Employees; ii) Employees with children of school age, supporting 4,505 Employees, totalling 1,569 thousand Euros; and iii) school-age children of deceased Employees, The bank supported 139 children and young people with 306,430 euros.

Culture and Leisure

The members of the Millennium bcp Club have the opportunity to balance professional and personal life and take advantage of discounts and of cultural, leisure and sporting proposals, but also to participate in regular social solidarity activities, which are published daily on the website and accessible, anywhere, through the club's mobile solution.

The Club is open to all Millennium bcp Employees, in 2018, members in Portugal, active and retired employees, and family members, totalled 35,498.

In 2018, 470 events were carried out involving 18,500 entries (17,613 via the Club website), 59% of which were Cultural Events, 37% Sports and 4% Leisure and Spare Time.

In terms of training, the bank organized language courses, namely English and Spanish, and art, photography and music courses, with a total of 832 participants, including a regular activity of painting and jewellery art.

During the year, more members have used the functional improvements developed on the Club's website, among the most significant, the possibility of members in their personal area to manage events and guests, consult registrations and select alerts of activities that they are interested in, including through personalized newsletters that match their, and their families interests.

From the events which took place in 2018, one must point out the Exhibition of Club Millennium bcp 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

We must also point out the 2nd Race ActivoBank/Clube Millennium bcp "Together we will support the Make-a-Wish", a charitable event that was supported by ActivoBank and organized by WeRun, which took place on 7 October. The athlete Rui Silva was the special Patron of the Race and the race had more than 1.000 runners in the several races for adults and children (1.273 enrolments for the adults' race and 68 for the Kids race).

One must also highlight the organization of the Christmas festivities in several locations of the country (9 locations), namely in Lisbon and Porto. With the money collected in these events promoted by the Club, which gathered 8,395 people, a donation was given to the Associação de Solidariedade as Irmãs do Cottolengo do Padre Alegre, Servidoras de Jesus. The Millennium bcp club also gave 1,285 tickets to the circus to children of various charitable institutions.

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 2018 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 92.2% in payments to local suppliers.

The Bank's main suppliers are companies that publish their economic, environmental and social performance, assuring a responsible purchase of goods 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.

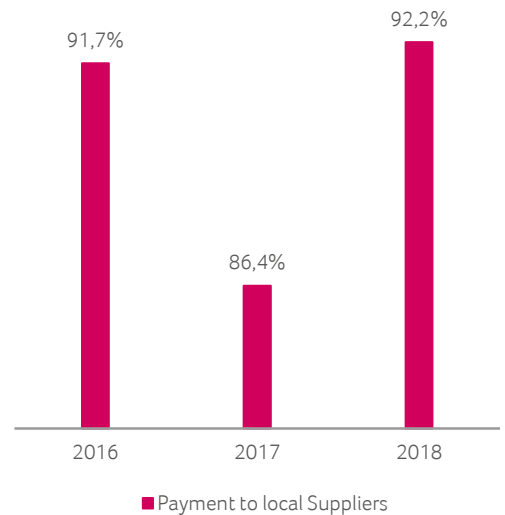
Millennium bcp assesses its suppliers through the application of a performance questionnaire including parameters related with the level of observance with the Principles for Suppliers. In 2018, suppliers were subject to continuous monitoring.

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 participates in the Commitment for Prompt Payment from ACEGE, an initiative that intends to promote the timely payment to suppliers as an ethical exercise contributing not only to the entrepreneurial success but also to increase the competitiveness of the economy. The ratio payment deadline/agreed deadline in Group BCP is 1.

Millennium bcp is a subscriber of 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)





PHOTOS OF EVENTS AND SOLIDARITY ACTIONS



Corrida Millennium bim, edition 2018 (Mozambique).



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



World Savings Day, edition 2018 (Mozambique).



Campaign "Natal Solidário 2018" in favor of Ajuda de Berço, in Lisbon, and Caritas Diocesana, in Porto (Portugal).



Financial literacy program "Finacial ABC" (Poland).



Solidarity campaign in favor of APA - Associação de Proteção dos Animais (Portugal).

PHOTOS OF EVENTS AND SOLIDARITY ACTIONS



Rehabilitation of the Pediatric Unit of Chicumbane Hospital (Mozambique).



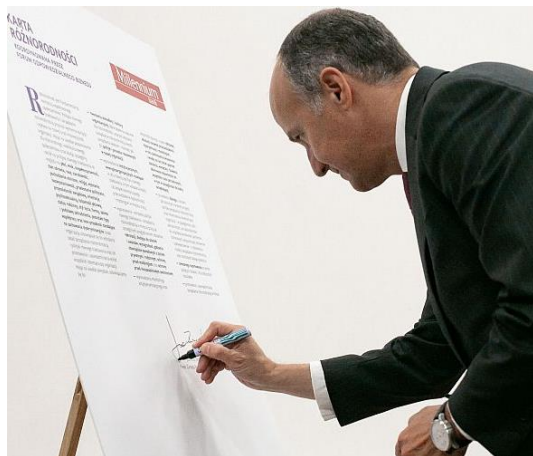
Reconstrução do parque infantil do Lar de Crianças em Zwierzyniec (Polónia).



Tournament "Mini Basketball Millennium bim", edition 2018 (Mozambique).



Renovation of the sports field of the school of Lublewo Gdanskie (Poland).



Bank Millennium signs Diversity Charter of the European Union (Poland).



Solidarity campaign in favor of the Associação Acreditar (Portugal).





Environmental responsibility



Environmental responsibility

BCP Group's contribution to the sustainable development goals of the United Nations, is as follows:



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.

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.

Raising internal awareness to the importance of adopting environmentally responsible habits.

Millennium bcp participates in collaborative initiatives on climate change and sustainable finance: member of the Working Group on Sustainable Finance of the "APB-Portuguese Association of Banks", one of the representatives of Portuguese Banking in the Working Group on Sustainable Finance of "EBF -European Banking Federation" and BCP is also a member of the Sustainable Finance Working Group of BCSD Portugal



ODS goals 15 - To protect, restore and promote the sustainable use of terrestrial ecosystems, to manage forests sustainably, to fight against desertification, to halt and reverse soil deterioration, and to stop the loss of biodiversity

BCP Group contribution

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

Financial products directed to finance the protection of forests, biodiversity and ecosystems - WWF Card (Poland): part of an amount of the transactions carried out by clients reversed to this institution. In addition, the card is made of environmentally friendly material.

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.

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

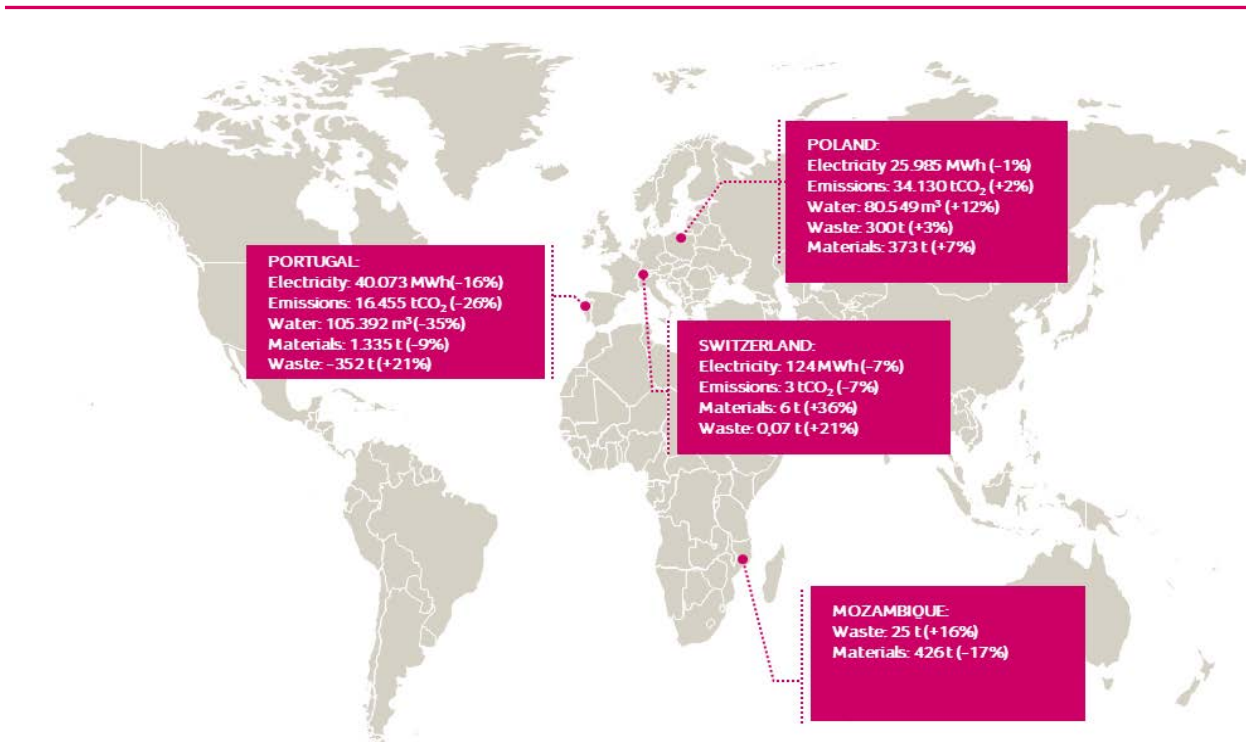
The BCP Group has been putting in place a sustainability strategy that incorporates and promotes a culture of environmental responsibility and fight against climate changes in line with its strategic objectives of digital and technological innovation.

The rationalization of energy, water and materials consumption based on a rationale both of dematerialization of processes and of protection of the surrounding environment are objectives that are part of the core of the environmental policy implemented in all operations of BCP (available for consultation at the Sustainability section of the Bank's website through https://ind.millenniumbcp.pt/pt/Institucional/sustentabilidade/Documents/Politic_Ambiental.pdf).

Main highlights

(2018 % vs. 2017)

MAP WITH ENVIRONMENTAL PERFORMANCE EVOLUTION BY LOCATION



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. In global terms, the Bank's level of eco-efficiency continued to improve, as a result of the ongoing investment in processes optimization - an example of which is the PV central for self-consumption of Tagus Park that began functioning by the end of 2017 - and of initiatives to increase the Employee's awareness towards the importance of adopting a more responsible attitude. These eco-efficiency measures have enabled the bank to continuously reduce the environmental impact of its activity but also the related operational costs. In 2018, Group BCP, keeping its trend of cost reduction as occurred in previous years, recorded a decrease in its costs with electricity and fuel in 4% versus 2017.

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 Group 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

A plan to replace fluorescent lights with LED lights in parking areas at Taguspark is under way, with a potential for a 50% reduction of energy consumption for lighting in those areas, thus giving continuity to the optimisation of energy performance in these central buildings; In 2018, LED lighting was incorporated into the garages of Taguspark, with an estimated saving of 132 MWh of electricity, which corresponds to an estimated cost savings of around € 16,100 per year.

The Bank has also equipped the commercial network with LED lights whenever intervention/remodelling work is carried out in the branches

Heating Ventilation and Air Conditioning systems (HVAC);

Variable speed drives were installed on about 90 ventilation motors in the headquarters buildings at Taguspark, with the potential to decrease by about 30 to 40% of energy consumption associated with the HVAC system ventilation.

Incorporation of variable speed drives in seven Taguspark buildings, with an estimated saving of more than 300 MWh of electricity, corresponding to a monetary saving of around € 36,600 per year.

First year of operation of the Photovoltaic Solar Energy Plant with around 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.

In 2018, the plant was able to generate a total of 1,256 MWh of energy for self-consumption, which meant 590.5 tons of CO₂ avoided.



Green IT Programme

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

The use of webcasting tools was consolidated, with a significant increase of 40% in its use compared to the previous year (28,049 minutes of use in 2018).

"GO Paperless" project that focuses on the dematerialization of operations as a way to innovate and optimize processes, using digital production and signature of the documents. In 2018 more cash and teller transactions were converted into "Paperless", and it was possible to save 2,989,538 prints corresponding to a reduction of about 11% of prints made in the devices of the branches when comparing with the same period of 2017.

The Bank continued to promote digitization, which in 2018 recorded a 10% rise versus the previous year.

Total savings of around 4 million black and white prints (Central Services + Branches), corresponding to around 25 thousand Euros in cost reduction with printing and paper.

36% decrease in cartridges used between 2013 and 2018.

Continues

continuation

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

Clients who subscribed to the e-statement in 2018: 1,582,759 accounts in Portugal (+ 12% compared to 2017); 89% of customers in Poland; 67,338 accounts in Mozambique and more than 80% of customers in Switzerland.

Digital sale of financial products:



In 2018 the Onboarding Digital service was launched, which allows the Bank to be able to open online accounts with Customer authentication via video conference.

Apart from that, Millennium BCP and ActivoBank implemented the 100% digital account opening process. 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.

Campaigns with draw prizes were developed to encourage Customers' use of basic digital elements (e-mail, e-Statement, website and APP) allowing in 2018 to reach the historical mark of about 68% of active accounts with digital e-statements.

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.

Kaizen Programme that promotes daily a range of practices related to the continuous improvement of team activities, based on a Lean methodology, thus contributing to processes with greater added value for the Customer and that has a direct impact on sustainability.

In 2018, the Kaizen Committees were resumed on a quarterly basis to monitor and identify the best initiatives of each department and the first team building event was also held to reinforce the team spirit and acknowledge the performance and participation of Employees in the Kaizen Programme.

All year round 467 improvement initiatives were implemented, of which about 10% represented savings in supplies (eg paper, file cabinets and others) of around 63,463 euros.

Mobility

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. Since 2017 the option of use/purchase of hybrid vehicles in the selection of the company's fleet is available.

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;

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

Installation of LED lighting in the commercial network;

Working parameters for gas heaters were optimized;

Reduction of the energy capacity of the reserve power supply units installed in the head office in Gdańsk and Warsaw from 120kW to 80kW.



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

Implementation of limits of use of water in the cisterns of the sanitary facilities and installation of water diffusers in all bathrooms and kitchenettes

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.

Measures for the reduction of plastic use

The rubber moulds with the rubber stamps contents are returned and destroyed and the empty enclosures are sent for regeneration to the entity with which the Bank signed a cooperation agreement.

Definition of quantity limits for sealed plastic envelopes, as well as orders for bottled mineral water, plastic cups and mixing sticks.

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.

Monitoring of prints by organizational unit, sending a report to the units with the highest number of prints in order to identify initiatives to reduce their number.

Consolidation and reduction/ summary of the contents of documents, including the sharing of documents online to replace their distribution in paper..

Launching of the project to transfer internal transactions in branches to online system storage, allowing to stop printing them.

Contract 8 in 1 - in respect of the sale of products and services, 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 banking packages, which receive the e-statement by default, and this option is deactivated at the customer's request, thus limiting the quantities of printed account statements.

Digitalization of the process related to customer information, updated annually, required by law, allowing related documents to no longer have to be printed, making the information available on the website and in electronic format.

Customers with e-statement subscription - 89% of customers in Poland. 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 electric 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 head office in Gdańsk, the waste is separated 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.

Continues

Mobility

Replacement of 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

Energy efficiency measures, such as automatically switching off the computers and main lighting of the buildings at 20:00, and from 22:00 all lights and signs on the branches of the commercial network. Currently conventional lighting is being replaced by LED lighting.

The replacement of the alternative sources "Generator Sets" by solar panels is under study.

Medidas de redução de consumo de água

Substituição dos jardins dos balcões da rede comercial por zonas pavimentadas, tendo em vista a redução do consumo de água.

Scanning documents and promoting the use of e-Statement

In 2018, 24,700 accounts were opened using a tablet, therefore without using paper. In 2018, 20,199 accounts subscribed to the e-statement in the Bank's branches in Mozambique (where they can access the bank statement, transaction slips notes and other e-documents), with a total of 67,338 accounts with e-statement subscription in Mozambique.

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 2018, more than 80% 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 a specific 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.

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

Portugal

Internal environmental signs campaign

The internal campaign was followed-up using environmental signs to promote the reduction of electricity, water and paper consumption through the adoption of behavioural practices to rationalize the use of these resources, contributing not only to the improvement of environmental performance, but at the same time to optimize operating costs and bolster the image of an organization with a strong environmental commitment

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

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 hierarchy 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

The Bank proceeded to the general removal of waste bins, with the purpose of rationalizing the configuration of the workstations in the Bank's Central Services, contributing to the reduction of waste and, above all, their correct separation and recycling. This means that paper/cardboard 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

**MENOS CAIXOTES DO LIXO
MAIS RECICLAGEM**

SERVIÇOS CENTRAIS

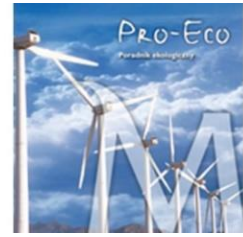
MILLENNIUM. AQUI CONSIGO.



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.



In 2018, the Bank developed a video presenting advices on how to protect the environment in the work place, which was made available to all employees via intranet, and was seen by more than 1000 individuals.

At the end of the year, an internal campaign for the collection of electronic waste in Warsaw headquarters building was carried out during 5 days. About 150 kg of electronic waste was collected from employees.

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.

Mozambique

Project "Uma Cidade Limpa Para Mim" contributes to the first tile wall made from recycled plastic in Africa

Within the scope of the project "Uma Cidade Limpa Pra Mim" integrated in the programme of Social responsibility "Mais Moçambique pra Mim", Millennium bim supported a pioneering initiative in the African continent: the production and execution of a tile wall made from recycled plastic collected at the beaches and streets of Maputo;

The tile wall was inaugurated by the Mayor of the city, in a ceremony that brought together several companies that wanted to join the project. The event was attended by several students, who painted sculptures of a sea turtle and a hippopotamus, symbols of the Mozambican fauna, as a way to raise awareness on the risks of pollution caused by plastic waste in the rivers and beaches of the country.

Millennium bim continued this environmental education project, which aims to warn civil society about the need to appreciate and preserve public spaces, as well as educate children and young people to the importance of implementing good hygiene habits in schools and neighbourhoods.

The Bank therefore strengthens its commitment to education and environmental protection, two of the action pillars of the Bank's social responsibility programme, which has been implemented over the years with a significant impact on the lives of Mozambicans.



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. For the third consecutive year, the Bank supported the assembly of waste bins in tourist sites in the city.



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 again recorded a year of improvement of the eco-efficiency levels due to the ongoing investment in the optimization of procedures, the installation of the photovoltaic solar plant, the focus on de-materialisation, as well as awareness actions to change employees' daily behaviour 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 plastic and water for human consumption. The increases are mainly due to the operation of Mozambique in the case of plastic, and to the operation of Poland in the case of water consumption.

ECOLOGICAL FOOTPRINT OF THE MILLENNIUM GROUP PER EMPLOYEE²

	Unit.	2018	2017	2016	Var.% 18/17
CONSUMPTION PER EMPLOYEE					
Ink cartridges and toners	Kg	0.09	0.10	0.14	-12.6%
Paper	Kg	67.74	76.98	66.13	-12.0%
Plastic	Kg	4.17	3.85	3.91	8.1%
Water for human consumption	m ³	11.39	11.38	11.98	0.2%
Electricity	MWh	4.92	5.62	5.94	-5.5%
Total Emission of GHG	tCO ₂ eq	3.76	4.22	4.48	-11%

Energy Consumption

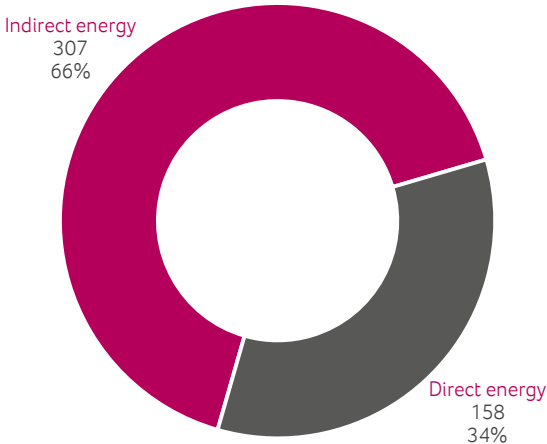
The Bank's consumption of energy is mostly of indirect origin (electricity and thermal energy) and meets 66% of the Bank's energy needs. In 2018, a reduction trend in indirect (-8%) and direct (-25%) energy consumption continued compared to 2017, resulting from reductions in the various geographies due to the energy efficiency measures that the Group has been implementing .

¹ The environmental performance of all the Bank's operations was monitored in 2018, 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 are yet not available since 2016.

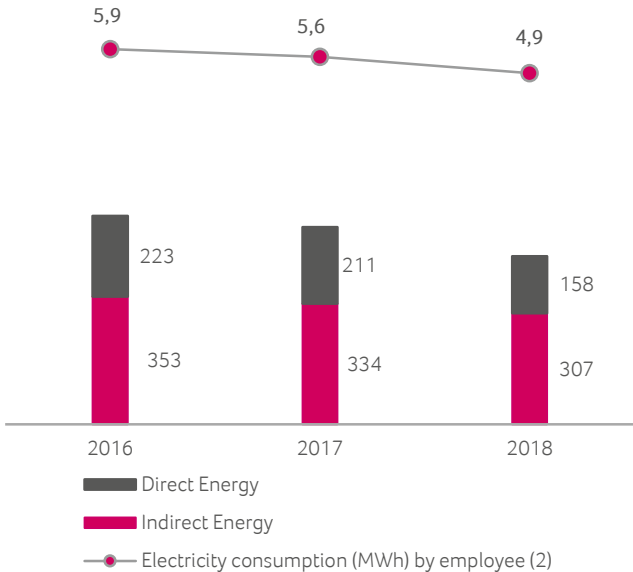
² Includes the operations in Portugal, Mozambique, Poland and Switzerland regarding the consumption of materials (ink and toner cartridges, paper and plastic); the operations in Portugal, Poland and Switzerland regarding the consumption of electricity (includes the co-generation plant) and emissions,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



Direct and indirect energy consumption in 2018
(T) and %)

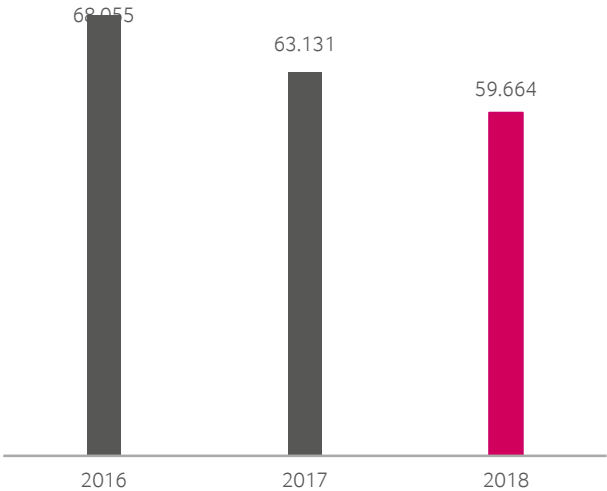


Total energy consumption - GRI 302-1
(Tj and Mwh/colaborador)



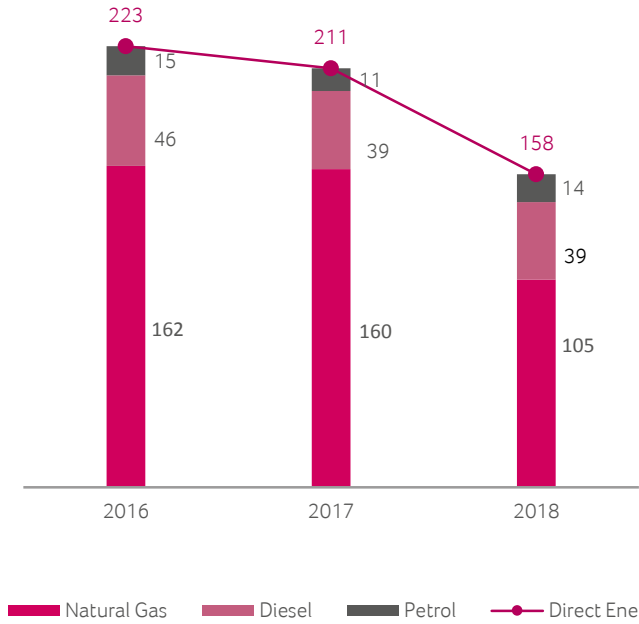
⁽²⁾ Includes the cogeneration plant in Portugal, excludes the data center in Portugal and data from Mozambique.

Electricity energy consumption⁽¹⁾
(MWh)

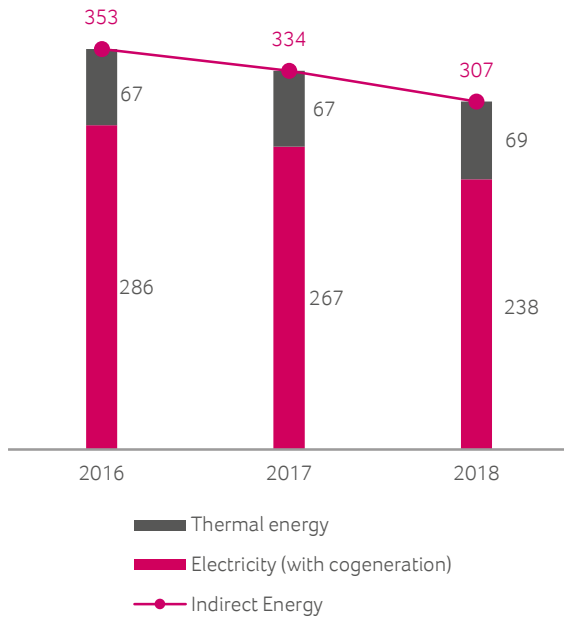


⁽¹⁾ Does not include the cogeneration plant and data center in Portugal, neither energy consumption in Mozambique.

Direct energy consumption
(Tj)



Indirect energy consumption (TJ)



⁽¹⁾ Includes electric energy consumption for Portugal, Poland and Switzerland, excludes the data center in Portugal

Concerning the domestic activity, BCP in Portugal reduced all types of energy consumption by 23% in total, and succeeded in attaining its annual target (-3%). Electricity from the utilities grid fell 9% vs. 2017, as mentioned above, a reduction which enabled to avoid the emission of around 2,673 tons of CO₂ and to save more than 500 thousand euros.

The co-generation plant in Tagus Park produced 16% of the electricity consumed by the Bank, a decrease of 7 pp of the consumption of own-production already registered in previous years.

Portugal

2018 reduction goals:

3% in energy consumption: 23% reduction, **achieved**

4% in the consumption of electricity from the public network: 9% reduction, **achieved**

2019 reduction goals:

4% in energy consumption

4% in the consumption of electricity from the public network

CO-GENERATION CENTRE OF TAGUS PARK

	Unit.	2018	2017	2016	Var.% 18/17
Electricity					
Consumed	MWh	6,517	11,033	11,378	-41%
Sold	MWh	41	845	962	-95%
Total	MWh	6,559	11,879	12,399	-45%
Total electricity from the public network	MWh	33,556	36,860	38,991	-9%
Consumption auto-generation / total consumption	%	23	23	16	- 7 p.p

Internationally, there was an increase in direct and indirect energy consumption in the Polish operation of 4% and 1% respectively, while in Switzerland there was a reduction of 7% to 2017.

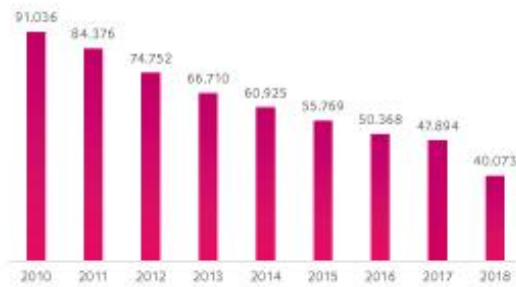


MILLENNIUM BCP ENERGY EFFICIENCY PATH IN PORTUGAL (2010-2018)

Main measures implemented

Replacement of traditional lamps by LED technology	Optimization of the operating parameter of lighting equipment, HVAC and thermal power station	Green IT Program	Environmental Signs Campaign	Periodic monitoring of energy consumption and energy audits	Installation of photovoltaic solar power plant
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Electric energy consumption (MWh)



Percentage of energy consumption from the Cogeneration Plant



Percentage of reduction in electric energy consumption



MWh/employee



Electric energy consumption

Reduction in **56%**

Electric energy consumption/Employee

Reduction in **37%**

Energy and indoor air quality certification

Classification B **71%**



CLIMATE CHANGE

Material issue:

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 has obtained a Management B classification in 2018.

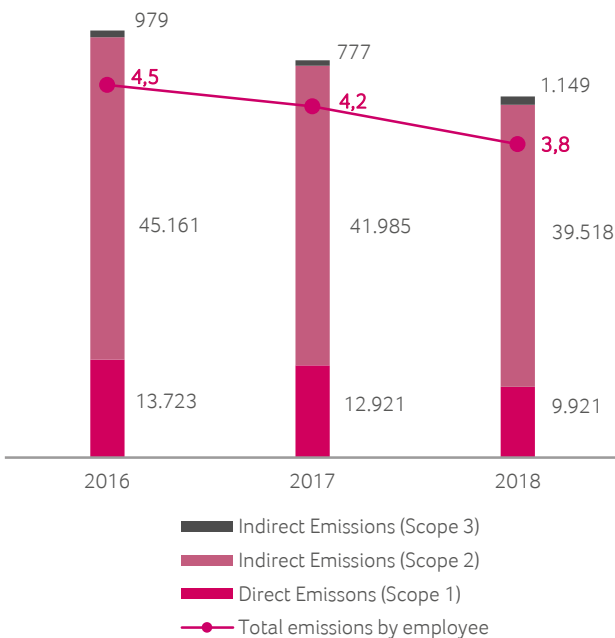
Commitment associated with the adjustment to climate change

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

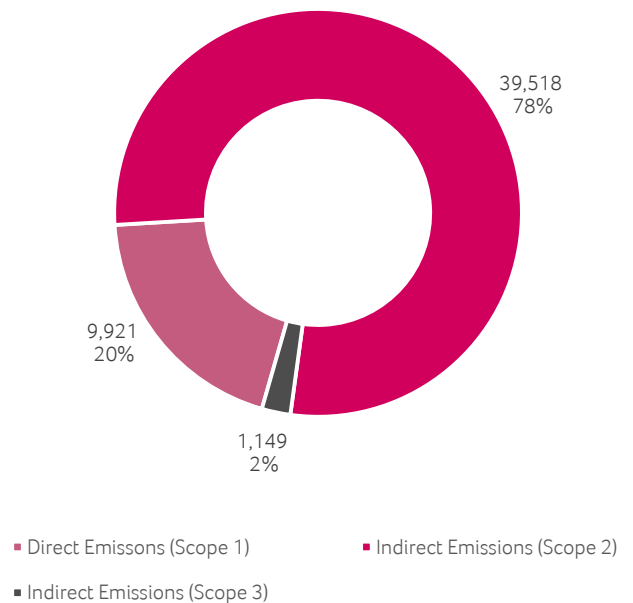
Overall, the GHG emissions associated with the Group's banking activity continued to decline in 2018, and a decrease of 9% compared to 2017 was registered, as a result of the continuous implementation of several energy efficiency measures introduced in the various geographies where the Bank is present, identified in the previous section.

In overall terms, the emissions associated to fuel consumption (scope 1) recorded a slight decrease of 23% compared to the previous year, mainly caused by a reduction in emissions associated with the consumption of natural Gas. Emissions associated to electricity/heat consumption (scope 2) rose slightly around 6%. In emissions associated to service mobility (scope 3) there was an increase of around 48%, mainly due to the emissions increase of plane and rail travels.

GHG emissions (tCO₂e)



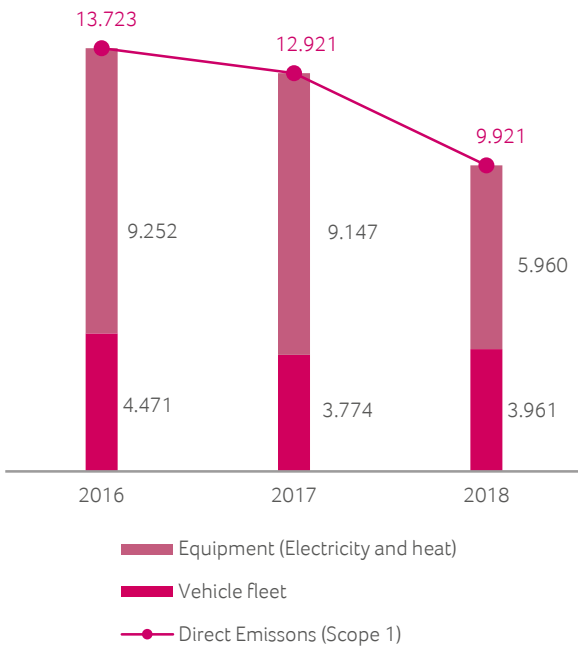
Total emissions (Scope 1, 2 and 3) in 2018 (tCO₂e and %)



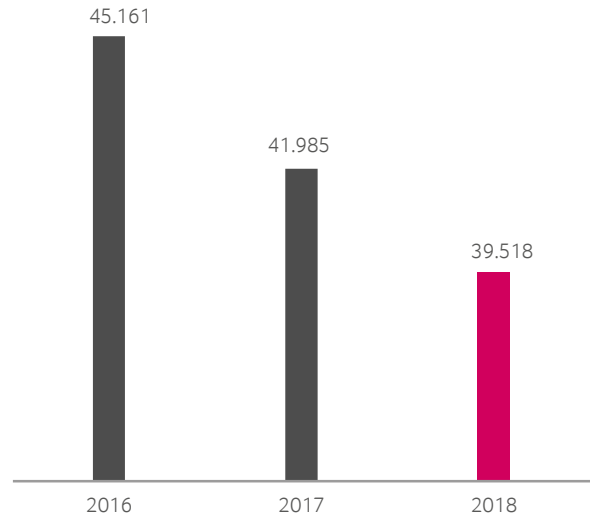
⁽¹⁾ Does not include Mozambique.



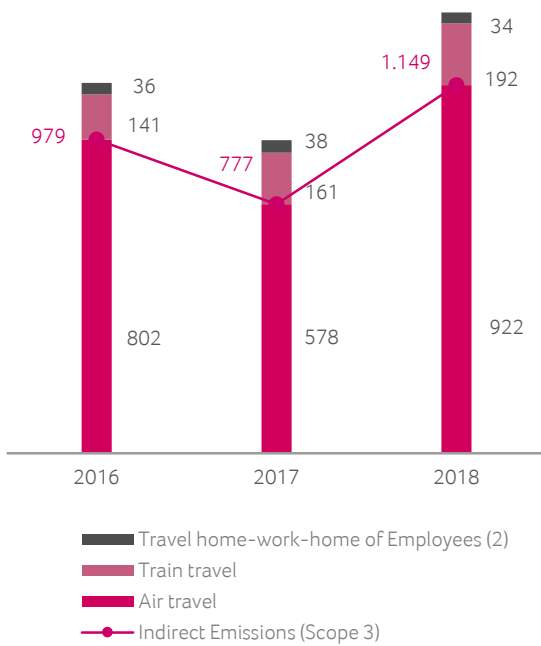
Direct GHG emissions (Scope 1) - GRI 305-1 (tCO₂e)



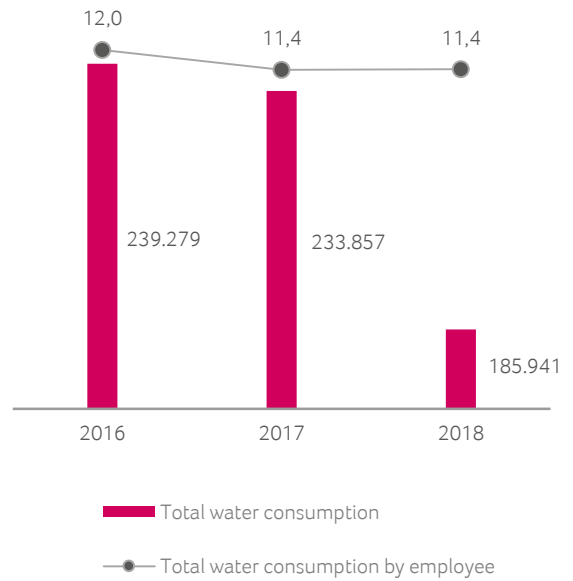
Indirect GHG emissions (Scope 2) - GRI 305-2 (tCO₂e)



Indirect GHG emissions (Scope 3) - GRI 305-3 (tCO₂e)



Water consumption - GRI 303-1 (m³)



(*) Does not include Mozambique and Switzerland.



Concerning domestic activity (Portugal), Millennium bcp recorded a 26% reduction in its greenhouse gas emissions versus 2017, exceeding the pre-defined goal (a 5% reduction in CO2 emissions).

Direct emissions fell 27% year-on-year, mainly due to the decrease in the consumption of fuel, namely natural Gas. Indirect emissions associated with electricity consumption decreased by 26% compared to the previous year, due to the reduction in electricity consumption from the public grid, while indirect emissions associated with mobility (scope 3) increased approximately 15% due mainly to the increase in long-haul travel.

Portugal

2018 reduction goals

5% of CO2 emissions: 26% reduction, **achieved**

2019 reduction goals:

7% of CO2 emissions

Water consumption

Overall, the total consumption of water in Group BCP has reduced approximately 6% in 2018, partly due to the reduction in water consumption for irrigation.

In Portugal, in Taguspark, total water consumption was 105,392 m³, down 35% from the previous year due to the decrease in the use of public water for irrigation of the green areas of the Bank's facilities. Therefore, the annual target of 2% reduction in water consumption was achieved.

Portugal

2018 reduction goals:

2% in energy consumption: 35% reduction, **achieved**

2019 reduction goals:

3% in water consumption

WATER CONSUMPTION IN PORTUGAL (M³)

Water consumed	Unit.	2018	2017	2016	Var.% 18/17
Coming from public network	m ³	105,392	161,779	146,486	-35%
Reuse of rain water	m ³	0	0	19,981	0%
Total	m ³	105,392	161,779	166,467	-35%



Consumption of materials

Overall, BCP recorded an 8% reduction in the consumption of its main supplies (paper and cardboard, plastic, and toners and cartridges), thus maintaining the trend of previous years as a result of process optimization measures.

The most consumed materials in terms of weight and quantity continue to be paper and cardboard, which, in overall terms, fell by 9% in relation to 2017, as a result of the dematerialisation initiatives that have been implemented in all the geographic areas. Ink and toner cartridges also showed a 11% reduction due to measures adopted to decrease printed documents and promote scanning

In Portugal, in 2018, a decreasing tendency in the use of paper and cardboard continued, 9% compared to the previous year, which did not reach the established annual target (-10% of material consumption). 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.

Portugal

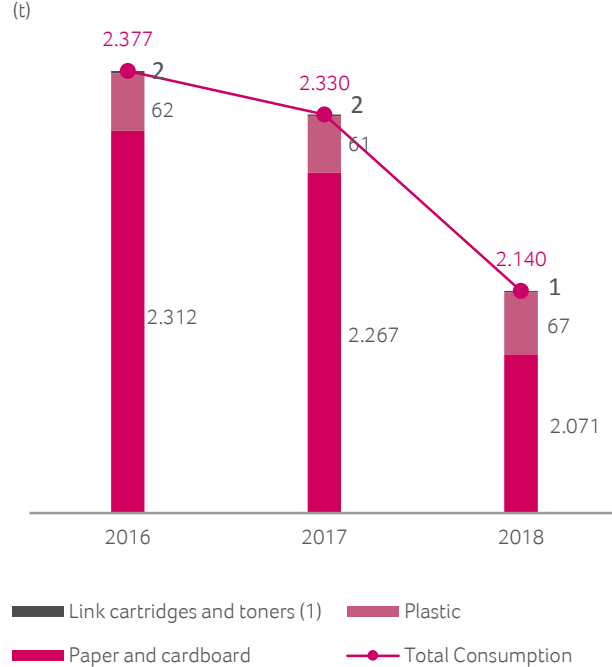
2018 reduction goals:

- 10% in materials consumption: 9% reduction, **not achieved**
- 10% in energy consumption: 15% reduction, **achieved**
- 10% in the consumption of plastic: 10% increase, **not achieved**

2019 reduction goals:

- 10% in materials consumption
- 10% in paper consumption
- 10% in plastic consumption

Materials consumption - GRI 301-1



WASTE PRODUCED BY BCP GROUP

GRI 306-2

Waste produced	Unit.	Paper and Cardboard			Plastic		Ink cartridges and toners			
		2018	2017	2016	2018	2017	2016	2018	2017	2016
Activity in Portugal	t	322.7	264.5	278.5	28.5	25.9	26.7	0.7	0.8	1.2
International activity	t	298.4	289.8	224.6	26.4	23.0	22.9	0.8	0.9	1.0
Total	t	621.1	554.4	503.1	54.9	48.8	49.7	1.5	1.7	2.3

With regard to waste production, by 2018, there was an overall increase in waste, at around 12%, namely waste paper, cardboard and plastic. However, there was an 11% reduction of ink and toner use.

In Portugal, there was also an estimated increase of 21% in total waste, mainly concerning plastic (10%) paper and cardboard (22%), the last two due to the increase in use of archive boxes that were sent to be destroyed. Similar to the Group, in Portugal there was also a reduction of 10% in ink and toner use. The recycling of paper and cardboard already provided the Bank with an additional income of around 249 thousand Euros between 2013 and 2018.

Portugal

2018 reduction goals:

- 8% in waste production: 21% increase, **not achieved**

2019 reduction goals:

- 10% in waste production



ENVIRONMENTAL PERFORMANCE – BCP GROUP

	Unid.	2018		2017		2016		
		Figure:	Var.% 18/17	Figure:	Var.% 17/16	V Figures	Var.% 16/15	
ELECTRICITY(*)	MWh	66,181	-11%	74,165	-7%	79,433	-9%	
ENERGY								
Total	TJ	465	-15%	545	-5%	575	2%	
	Direct	TJ	158	-25%	211	-5%	223	11%
	Indirect	TJ	307	-8%	334	-5%	353	-3%
WATER	m3	185,941	-20%	233,857	-2%	239,279	-3%	
WASTE PRODUCTION	t	677	12%	605	9%	555	-53%	
MATERIALS								
Total	t	2,140	-8%	2,330	-2%	2,377	-7%	
Cardboard/paper	t	2,071	-9%	2,267	-2%	2,312	-7%	
Plastic	t	67	10%	61	-2%	62	17%	
Ink cartridges/Toners	t	1	-11%	2	-27%	2	-12%	
CO2								
Total	tCO2eq	50,588	-9%	55,683	-7%	59,864	2%	
Direct Emissions	tCO2eq	9,921	-23%	12,921	-6%	13,723	10%	
Indirect Emissions	tCO2eq	40,667	-5%	42,762	-7%	46,140	0%	

(2) Does not include the co-generation plant and the data centre in Portugal and the data from Mozambique.



Sustainability indexes



Recognition - Sustainability indexes

Material issue:

BANK'S REPUTATION

In 2018, 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 2018 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.

In the 2018 edition of CDP - Carbon Disclosure Project, BCP Group was classified under “Leadership”, with an “B” (“A-” in 2017).





Methodology note





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 estimation 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.

The material consumption values of the report history have been recalculated and materials such as paper, for example, have been added (paper used in media/communication production).

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 Litre = 1m ³		
Litres - Tj	(litres/1000)*43,33*0,825	Diesel	
Litres - Tj	(litres/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 (only Tagus Park facilities) 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 a 305-3

The figures presented include the operations in Portugal, Poland and Switzerland.
The emission factors used were the following:

Portugal	Factor –2016	Factor –2017	Factor – 2018
Energy and Total Heat - Without disaggregation (CO2/ Kwh)	0.292 kgCO2/kWh Source : https://energia.edp.pt/particulares/apoio-ao-cliente/origem-da-energia/2012.aspx	0.28096 kgCO2/kWh Source: Total – EDP Comercial https://www.edp.pt/particulares/apoio-cliente/origem-energia/?sector=Total EDP Comercial&year=2017&period=0	00.22896 kgCO2/kWh Source: Total – EDP Comercial https://www.edp.pt/particulares/apoio-cliente/origem-energia/?sector=Total EDP Comercial&year=2017&period=0

Poland	Factor – 2016-2018	Source – 2016-2018
Electricity	Coal/peat (CO2/ kWh)	0.87422 kgCO2/kWh http://www.ghgprotocol.org/calculation-tools/all-tools (consumo em 2012)
	Oil (CO2/ kWh)	0.48401 kgCO2/kWh http://www.ghgprotocol.org/calculation-tools/all-tools (consumo em 2012)
	Gas (CO2/ kWh)	0.33734 kgCO2/kWh http://www.ghgprotocol.org/calculation-tools/all-tools (consumo em 2012)
Energy and Total Heat - Without disaggregation (CO2/ Kwh)	0.75584 kgCO2/kWh	http://www.ghgprotocol.org/calculation-tools/all-tools (consumo em 2012)

Switzerland	Factor – 2016-2018	Source – 2016-2018
Energy and Total Heat - Without disaggregation (CO2/ Kwh)	0.02804 kgCO2/kWh	http://www.ghgprotocol.org/calculation-tools/all-tools (consumo em 2012)

Production of Electricity Mix

Portugal	MIX – 2016	MIX – 2017	Source – 2017	MIX – 2018	Source– 2018
Hydro	14%	9.4%	Total EDP Comercial	23,3%	Total EDP Comercial
Wind	16%	35.5%	https://www.edp.pt/particulares/apoio-cliente/origem-energia/?sector=Total EDP Comercial&year=2017&period=0	21,6%	https://www.edp.pt/origem-energia/
Renewable Co-generation	4%	4.0%		3,4%	
Other Renewable	3%	5.1%		6,7%	
Urban solid waste	1%	1.4%		0,8%	
Fossil co-generation	10%	8.1%		6,9%	
Natural Gas	10%	12.7%		17,8%	
Coal	36%	20.8%		19,5%	
Nuclear	6%	3.0%		0,0%	
Diesel	0%	0%		0%	
Fuel oil	1%	0%		0%	

Mozambique	MIX – 2016-2018	Source – 2016-2018
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%	

Polónia	MIX – 2016-2018	Source – 2016-2018
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 – 2016-2018	Source – 2016-2018
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%	

Emission factors - Fuel (source: UNL, EDP, IPPC)

Gasolina	CO2	69300,0 Kg/TJ
	CH4	25,0 Kg/TJ
	N2O	8,0 Kg/TJ
Diesel	CO2	74100,0 Kg/TJ
	CH4	3,9 Kg/TJ
	N2O	3,9 Kg/TJ
GPL	CO2	63100,0 Kg/TJ
	CH4	62,0 Kg/TJ
	N2O	0,2 Kg/TJ
Gás Natural	CO2	56100,0 Kg/TJ
	CH4	1,2 Kg/TJ
	N2O	2,3 Kg/TJ
AVAC - PAG	HFC-22	1810,0 kgCO2/kg
	R407	1774,0 kgCO2/kg
	R410	2158,0 kgCO2/kg

Emissions Factors – travels

	Type of fly	Distance (km)	Emission factor	Source
Plane	Short	<500	0,18 kgCO2/km	GHG Protocol
	Medium	500-1600	0,13 kgCO2/km	GHG Protocol
	Long	1600	0,11 kgCO2/km	GHG Protocol
	Radiative Forcing Index			1.9
Train			0,06 kgCO2/km	GHG Protocol
Bus			0,19 kgCO2/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 a difference...

Millennium network



* Includes branches of different networks that share the same physical space.

M Portugal
546 Branches
112* 462

Germany
1 Representative office

M Poland
361 Branches
56 58 251

M Macao
1 Branch

Spain
Commercial protocols

Luxembourg
Commercial protocols

South Africa
1 Representative office

China
1 Representative office

France
Commercial protocols

M Switzerland
1 Branch
1







M Mozambique
193 Branches
30 64 152

M Angola
Partnership in which
BCP holds 22.7%

United Kingdom
1 Representative office

3 Representative offices



	 Customers	 Internet	 Call Centre	 Mobile Banking	 ATM ⁽¹⁾	 POS ⁽²⁾
Portugal	2,595,000	716,211	221,614	461,684	1,949	60,610
Poland	1,845,000	1,245,659	157,647	1,068,432	487	–
Switzerland	2,000	569	–	–	–	–
Mozambique	1,381,000	18,466	50,721	576,173	520	7,792
Macao	3,000	–	–	–	–	–

Note: Active users are those who used Internet, Call Centre or Mobile Banking at least once in the last 90 days.

1 Automated Teller Machines.

2 Point of Sale.

2018 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:
5,600,738,053.72 Euros

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under the Single Registration and
Tax Identification Number 501 525 882

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

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 2018.

For further detail see the Verification Report included in the 2018 Annual Report.



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