

NOVO BANCO

SUSTAINABILITY
2015



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NOVO BANCO

Mission

The main purpose of NOVO BANCO's activity is to create value for its Shareholder while simultaneously striving to meet the needs of its Clients. Its mission is to align a strategy of sustained reinforcement of its competitive position in the market with full respect for the interests and welfare of its Clients.

Created in August 2014 as a result of a resolution measure, NOVO BANCO is a financial institution recognised in Portugal for its high quality standards. Its share capital is fully subscribed by the Resolution Fund, in accordance with the European Community legislation.

The Bank has a vast network of branches, corporate centres and private banking centres in Portugal, complemented by the most advanced electronic banking systems.

NOVO BANCO'S 10 COMMANDMENTS

1. The Client

- The Client always comes first and is the centre of gravity of all we do;
- We do not sell products, we provide solutions tailored to our clients.

2. Ethics and transparency

- We must ensure maximum honesty and an ethical conduct in business ...
- ... and set an example in the compliance with laws, internal rules and codes of conduct, to ensure the transparency of management and the absence of conflicts of interest.

3. The team

- The Employees are our main asset and the only one that truly ensures sustainable competitive advantages;
- Team results are always greater than the sum of individual results.

4. Meritocracy

- Professional advancement within the Group should always be determined on the basis of integrity, professionalism, competence, dedication and performance.

5. leadership

- Our objective is to be in the top ten in all the businesses in which we take part;
- We recognise that competition with our peers is healthy and drives us to do better.

6. strength

- Our management must preserve the Bank's strength and adequate capital levels, guaranteeing security and trust to our Clients, investors and all other stakeholders.

7. Prudence

- We aim to cement a prudent and conservative management based on the adequate monitoring of the management of the credit, market, operational and reputational risks.

8. Objectivity

- Our objectives must be quantifiable, clear and challenging, but achievable.
- The results attained must be shared fairly among Clients, Employees and Shareholders.

9. Efficiency

- We value an efficient bank with simple processes that guarantees long-lasting benefits in the provision of products and services.

10. Pride and belonging

- We want to be the best bank to work for, where our teams recognise themselves and remain committed to a project with a future.

The Sustainable Business

8th Commandment - Objectivity

- **Our objectives must be quantifiable, clear and challenging, but achievable.**
- **The results attained must be shared fairly among Clients, Employees and Shareholders.**

NOVO BANCO has assumed the commitment to manage its business in a sustainable manner, adopting a management strategy that reconciles the expectations and needs of its Stakeholders with a performance and the marketing of services and products that are really feasible and combine the economic, social and environmental dimensions.

Microsaving

A package of saving solutions designed to respond to the current social and economic context, allowing any client to build up savings by small amounts. In 2015 this set of solutions enabled the creation of **microsavings in the amount of approximately EUR 985 million.**

Microcredit

NOVO BANCO offers Microcredit in its branch network. This product aims to assist people who are unemployed and thus incapable of otherwise obtaining credit from credit institutions. NOVO BANCO Group's current Microcredit portfolio comprises **total loans of EUR 19.9 million**, which permitted to **finance around 1,150 projects** and enabled the creation of **1,880 jobs.**

18.31 Account

Specifically designed to have a low environmental impact, the NB 18.31 bank account is carbon neutral. Because it is an online account, its only emissions result from its opening, and even these low emissions are neutralised. In 2015 NOVO BANCO had **103,092 fully carbon neutral 18.31 accounts.**

Value Chain

NOVO BANCO's sustainable development also depends on its value chain. For a more rigorous selection of suppliers, and based on information provided by each supplier, the Bank calculates the **"sustainability score"**, which takes into consideration labour and ethical aspects, aspects of hygiene and safety at the workplace and environmental aspects. is one of the criteria on which contracting decisions are based, with preference being given to suppliers that share the same principles and best practices of the Bank.



The Client

2nd Commandment - The Client

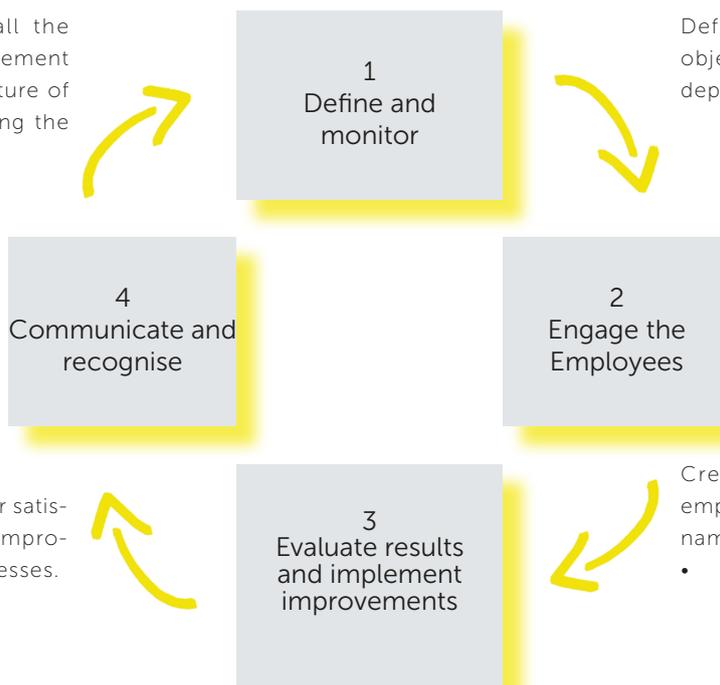
- **The Client always comes first and is the centre of gravity of all we do.**
- **We do not sell products, we provide solutions tailored to our Clients.**

9th Commandment - Efficiency

We value an efficient Bank with simple processes that guarantees long-lasting benefits in the provision of products and services.

Client Centric Strategy

Regular communication to all the employees, viewing their involvement and full internalisation of a culture of service to the client, recognising the best performances.



Definition and monitoring of quality objectives and indicators, for all the departments and Employees.

Monthly assessment of customer satisfaction results no enable the improvement and innovation of processes.

Creation of conditions that allow employees to focus on service quality, namely:

- Definition of personal objectives for quality and service levels correlated to variable remuneration incentives;
- Availability of diagnosis information;
- Training.

2.283

Mystery Client Visits

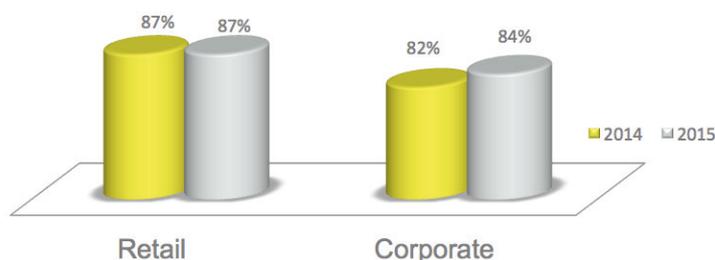
87.624

Surveys on satisfaction with Customer Service

81.536

Internal Client Surveys

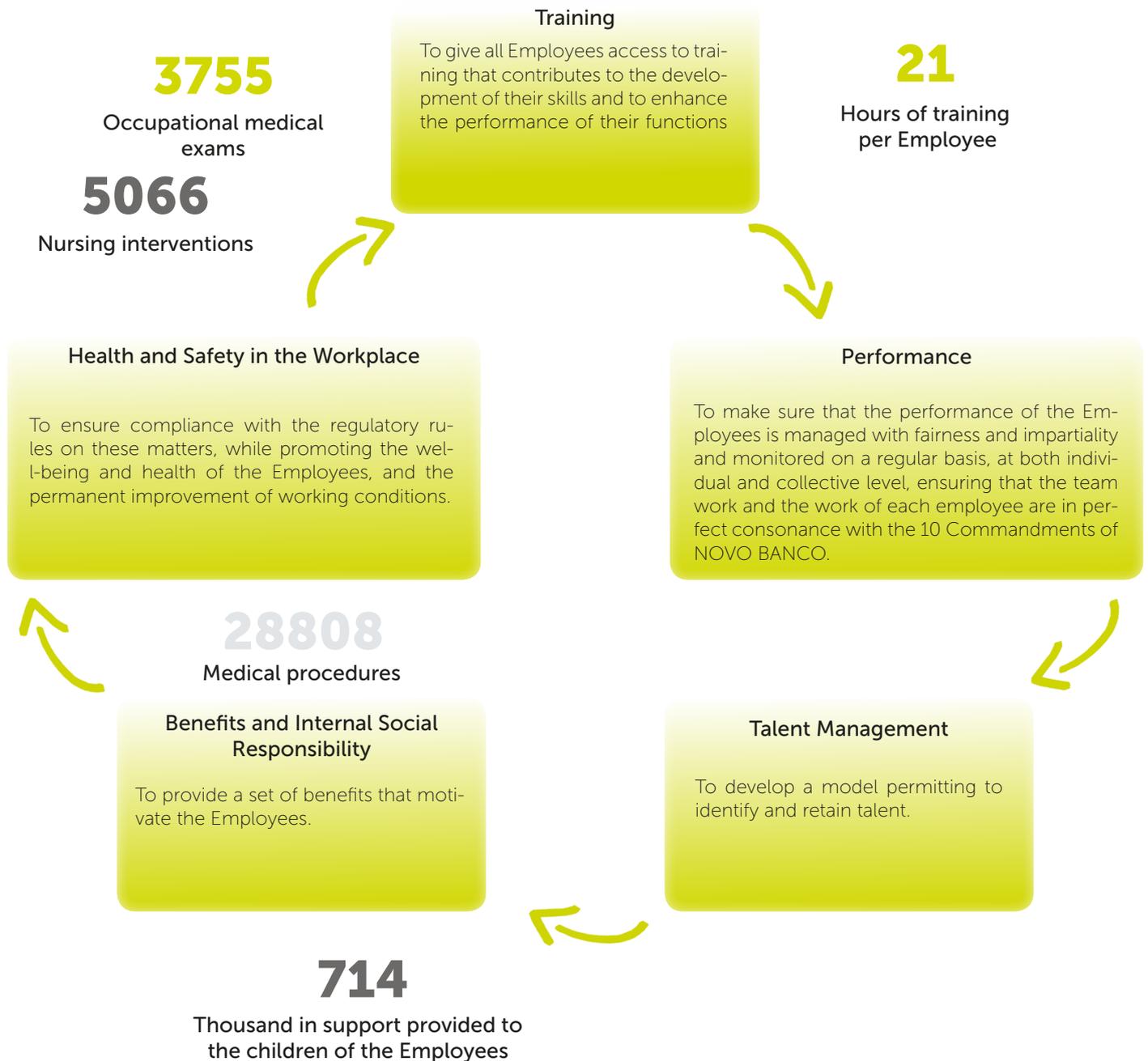
Very Satisfied Clients



The Employees

- **3rd Commandment - The Team**
- **The Employees are our main asset and the only one that truly ensures sustainable competitive advantages.**
- **Team results are always greater than the sum of individual results.**

Management Pillars of NOVO BANCO's Human Capital



The Employees

- **10th Commandment - Pride and Belonging**
- **We want to be the best Bank to work for, where our teams recognise themselves and remain committed to a project with a future.**

NOVO BANCO believes that the Employees are one of the main drivers of value creation, therefore a positive and absorbing working environment is part of the its culture, translating into a set of benefits granted to the Staff.

Internal Social Responsibility

Under its Internal Social Responsibility Programme, NOVO BANCO has a policy on the provision of support to its Employees.

Employees' children - Attribution of child benefits, school grants, scholarships and support to children and youths with special needs, from nursery school to university.

Senior Employees - Co-payment of expenses with senior residences, day-centres, home support, medicines and other staple goods.

All staff in general - granting of

- Mortgage and consumer loans at low interest rates
- Health- Novo Banco clinical services which comprise occupational medicine, curative medicine, nursing, mental health appointments, nutrition appointments, quit smoking appointments and check-up programmes.

Canteens - Seven canteens and seven bars located in the areas of greater concentration of Employees, which provide nutritionally balanced meals at a low cost - in fact the Group was the first entity in Portugal to adopt the concept of 'nutrition traffic light'.

Talent Management

NOVO BANCO invests in different training plans covering all its employees, namely:

NOVO BANCO Attitude Programme – Training programme with two complementary components:

- Alignment of leadership culture and team management;
- Development of behavioural and technical skills viewing the continuous improvement of Customer service quality.

School Branch - Training programme on commercial, operational, procedural and product matters provided to the Employees of the retail network and central departments, with the aim of showing how the branch employees interact with the Clients.

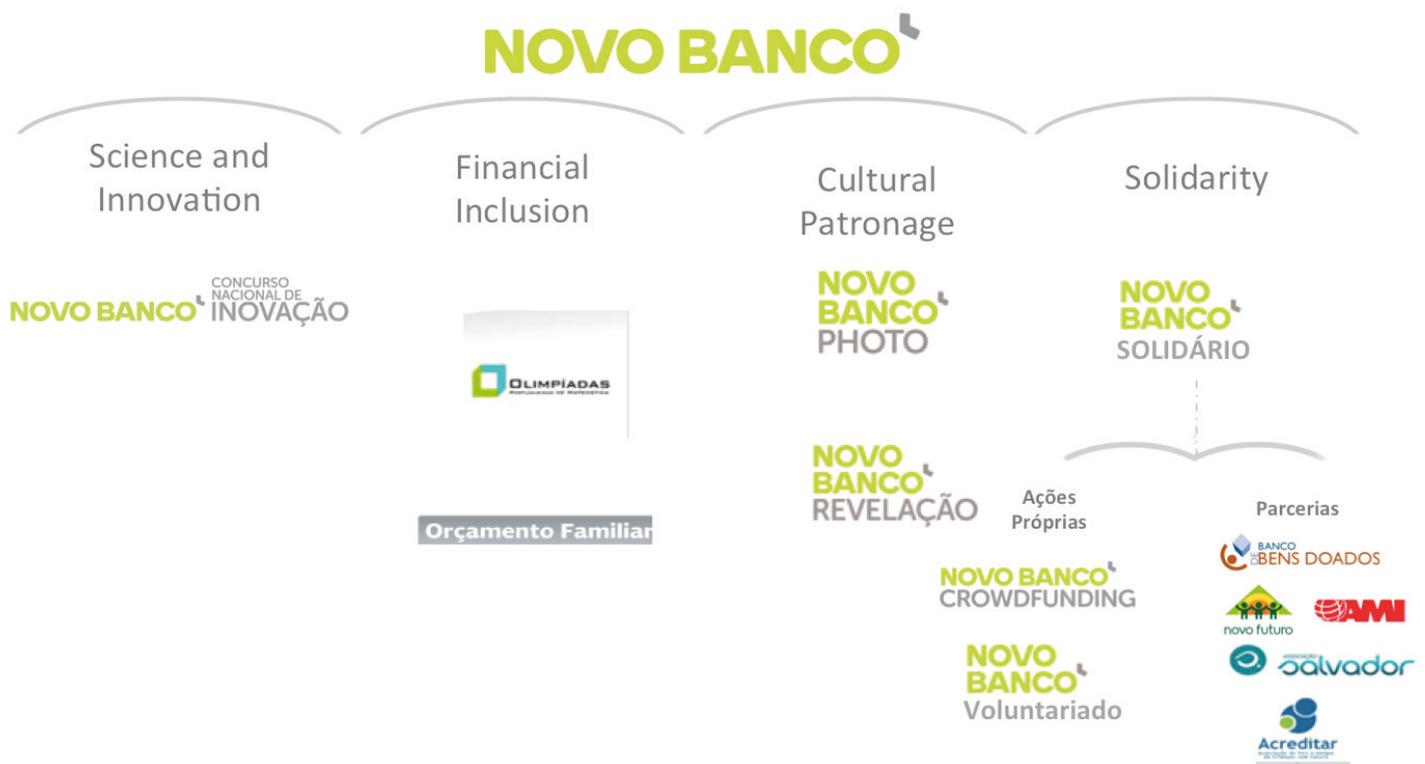
NOVO BANCO Corporate University -

a project based on partnerships with renowned universities and higher education institutes that relies on a significant number of Bank employees to design and execute the programmes. It comprises two distinct programmes:

- Executive Master in Management & Banking, in partnership with Universidade Católica Portuguesa;
- Support for the Degree in Bank Management.

Social Responsibility

NOVO BANCO's responsibility programme is based on four main pillars: Cultural Patronage, Science and Innovation, Financial Inclusion and Solidarity.



NOVO BANCO Concurso Nacional de Inovação

An initiative that promotes and rewards research projects applied to critical sectors for the future of the Portuguese economy. This initiative was born of a desire to contribute effectively to the spread of a culture of innovation in Portugal, bringing academic research closer to the business community.

NOVO BANCO Photo

The most important contemporary art award attributed in Portugal targeting artistic production developed by photographers from Portuguese-speaking countries, this is a joint initiative with the Berardo Collection Museum.

NOVO BANCO Revelação

An initiative designed to promote art production and creation by young Portuguese talents, which focuses on the disclosure, launch and support of all artists using photography as their medium. Conducted in partnership with the Fundação de Serralves.

NOVO BANCO Crowdfunding

NOVO BANCO was the first bank in Portugal to join the collective funding movement through the internet. The purpose is to promote the contribution to and involvement of the Portuguese people in solidarity projects, through small donations, with the bank providing 10 percent of the total financing.

Environmental Footprint

To promote the rational consumption of natural resources, and raise the employees' awareness to the need to reduce the environmental footprint has been a constant challenge for NOVO BANCO in its quest for becoming an increasingly ecoefficient organisation. Acting in an environmentally responsible manner is today a global requirement and NOVO BANCO is committed to a responsible environmental management.

2015-2018 Environmental Targets

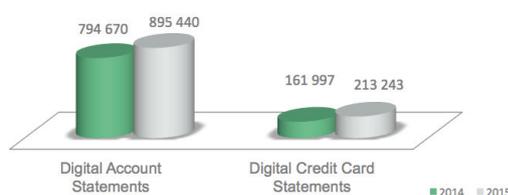
Year 1	-7%	CO ₂ Emissions *
	-5%	Energy / Water
	-2%	Paper
Year 3	-8%	Energy / Water
	-5%	Paper
	-11%	CO ₂ Emissions *
Year 5	-10%	Energy / Water
	-7%	Paper
	-14%	CO ₂ Emissions *

*Electricity consumption in kWh per employee

Digital Statements

Under its commitment to reduce paper consumption, NOVO BANCO actively promotes the dematerialisation of communications sent to customers, providing the respective documents online. In April 2015 NOVO BANCO started the dematerialisation of sundry notices, having sent more than 568 thousand such notices in digital form.

Digital Statements



The Bank already has 895,440 accounts whose statements are sent in digital form and 213,243 card accounts with statements issued in the same manner.

Environmental Footprint

Environmental Indicators	2014	2015	Change 2014/2015
Energy ¹ (G4-EN3, G4-EN5)			
Total electricity consumption (GJ)	160,176	149,938	-6.4%
Total electricity consumption (kwh)	44,493,607	41,649,568	-6.4%
Data Centre electricity consumption (kwh)	11,378,869	10,397,699	-8.6%
Data Centre electricity consumption (GJ)	40,964	37,432	-8.6%
Electricity consumption (kwh/Employee)	7,714	7,595	-1.5%
Natural gas consumption (GJ)	592,800	466,000	-21.4%
Natural gas consumption (N.m ³)	15,432	12,113	-21.4%
Butane gas consumption (Kg)	2,160	1,980	-8.3%
Butane gas consumption (GJ)	106	96	-8.3%
Generator diesel consumption (Litres)	5,000	3,544	-28.9%
Generator diesel consumption (GJ)	177	126	-28.9%
Vehicle diesel consumption (Litres)	2,540,686	2,161,035	-14.9%
Vehicle diesel consumption (GJ)	90,104	76,640	-14.9%
Vehicle gasoline consumption (Litres)	12,631	7,263	-42.5%
Vehicle gasoline consumption (GJ)	415	239	-42.5%
Total energy consumption (GJ)	251,570	227,505	-9.6%
Number of vehicles	1,179	1,118	-5.2%
Number of plane trips	982	707	-28.0%
Water ³ (G4-EN8)			
Water consumption from the public network (m3)	80 542	82 705	2.7%
Water consumption per employee (m3/employee)	14,0	15,1	8.0%
Emission of greenhouse gases (tCO₂e) (G4-EN15, G4-EN16, G4-EN17)			
Emissions from trips in company cars	6 641	5 658	-14.8%
Emissions from natural gas kitchen equipment	40,8	32,0	-21.5%
Emissions from emergency generators	31,2	9,3	-70.1%
Direct emissions (Scope 1)	6 712,8	5 699,3	-15.1%
Emissions from the production of electricity purchased	6 792,0	18 269,0	169.0%
Indirect emissions (Scope 2)	6 792,0	18 269,0	169.0%
Total emissions (Scope 1 and 2)	13 504,8	23 968,3	77.5%
Emissions resulting from business trips by plane	841,5	543,9	-35.4%
Emissions from the Employees' daily trips to work and home	7 133,2	6 854,6	-3.9%
Emissions from waste water treatment	200,1	192,7	-3.7%
Indirect emissions (Scope 3)	8 174,8	7 591,2	-7.1%
Consumption of Materials (G4-EN1, G4-EN2)			
White paper for internal use (tonnes)	317	351	10.9%
White paper for internal use (tonnes / Employee)	0.055	0.064	16.6%
Recycled paper for internal use (tonnes)	1	1	0,0%
Paper with FSC certification (%)	94%	61%	-35.1%
Forms - printing & finishing (tonnes)	192	147	-23.4%
Toners and inkjet cartridges (units)	346	303	-12.3%
Waste Management (G4-EN23)			
Paper sent for recycling (tonnes)	187	156	-16.9%
Cardboard sent for recycling (tonnes)	113	94	-16.9%
Consumables collected (units)	10 109	12 523	23.9%

* Includes the Data Centre consumption.

** the significant increase in scope 2 emissions (electricity consumption) was due to the compulsory change of supplier and the respective conversion factor.

NOVO BANCO Scope.

The figures for 2014 were calculated based on monthly averages since NOVO BANCO was only in operation in the last 5 months of that year.

The Sustainability Review aims to highlight NOVO BANCO's sustainable performance, summarising the sustainability report prepared in accordance with the Global Reporting, G4 methodology, which is integrated in the Annual Report. The Bank's website and the GRI table, available in the website, contain additional information on sustainability. The data included in this review, as well as the Sustainability Report included in NOVO BANCO's 2015 Annual Report, were subject to external verification in accordance with the principles set out by the International Standard on Assurance Engagements 3000 (ISAE 3000) by an independent entity, PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.

Contacts for additional information on Sustainability:

Sustainability Office:

Paulo Tomé

email: paulo.tome@novobanco.pt

Cláudia Sousa

email: claudia.arenga.sousa@novobanco.pt

NOVO BANCO, S.A., with registered office at Av. da Liberdade, no. 195, 1250-142 Lisboa, registered in the Lisbon Commercial Registry with corporate registration and taxpayer number 513 204 016, with share capital of €4,900,000,000.00.

SUSTAINABILITY

2015

