



CGD REPORTS

GHG Emission Offset Report
CGD 2013

Brand and Communication Department

www.cgd.pt



**Caixa Geral
de Depósitos**

GHG Emissions Offset Report – CGD 2013

1.1 Introduction

The creation of the Programa de Baixo Carbono (Low Carbon Programme), which was ground-breaking for the banking sector at the time, allowed CGD to quantify and reduce emissions, place low-carbon financial solutions on the market and raise all its stakeholders and society's awareness of the environmental aspect.

Over the years CGD has introduced good reduction practices and measures to improve its environmental performance. They include: renewable energy, changes to equipment and lighting to improve energy efficiency, employee awareness of on-duty travel and a waste management policy.

In spite of our efforts and an improvement in CGD's environmental performance, there are still emissions that are unavoidable. Since 2010, CGD has been offsetting some of these emissions resulting from its business activities in Portugal, by acquiring carbon credits associated with projects that reduce emissions overseas and contribute to the sustainable development of the communities to which they belong.

In this annual report CGD informs its stakeholders of emissions offset and is transparent in describing quantification methods used, selection criteria and carbon credit management in place.

1.2 Offsetting emissions

SCOPE

Offsetting covers CGD's activity in the reporting period of the sustainability report (1 January to 31 December 2013).

GHG emissions that are offset were calculated as part of the annual CGD S.A. inventory. We consider GHG emissions resulting from the following activities:

	Activity
CGD's commercial vehicles	Fuel consumption
Fundação Caixa Geral de Depósitos – Culturgest Lisbon and Porto	Electricity consumption
	Waste treatment
Head office building:	Waste treatment
Publications	Publications production (Cx, Nós Caixa, Caixa Empresa)

METHODOLOGY

CGD's annual inventory of greenhouse gas emissions is conducted in accordance with the guidelines of the GHG Protocol (Greenhouse Gas Protocol), which was developed by the World Business Council on Sustainable Development and World Resources Institute. The gases considered are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O).

Emissions are determined by applying emission factors to consumption during the work of CGD, S.A. as obtained from the Inventário Nacional de Emissões (NIR)¹ de Portugal, published every year. The NIR is based on methods proposed by the Intergovernmental Panel for Climate Change (IPCC), a document adapted annually to the situation in Portugal by Agência Portuguesa do Ambiente (APA – Portuguese Environment Agency). For GHG emissions from electricity consumption, we considered the emission factor published by the power supplier. In addition, the emission factors published by Defra² were considered if there were no emission factors from the above sources of information.

As a result of the above, the emissions to be offset took account of the following information:

	Information
CGD's commercial vehicles	Diesel and petrol consumption by commercial vehicles collected from fuel card records.
Fundação Caixa Geral de Depósitos – Culturgest Lisbon and Porto	Electricity consumption in Lisbon and Porto based on estimates. Overall consumption in the two central buildings in Lisbon and Porto were considered in the calculation, applying the percentage of the area that they occupy at the central buildings.
	Amount produced at Fundação Caixa Geral de Depósitos Culturgest Lisbon and Porto and based on estimates and SIRAPA data.
Head office building	Amount produced at the head office building based on SIRAPA data and estimates.
Publications	Publications printed in 2013 and technical characteristics (weight, width, length, number of copies and number of pages).

¹ Portuguese National Inventory Report on Greenhouse Gases, Agência Portuguesa do Ambiente

² 2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting

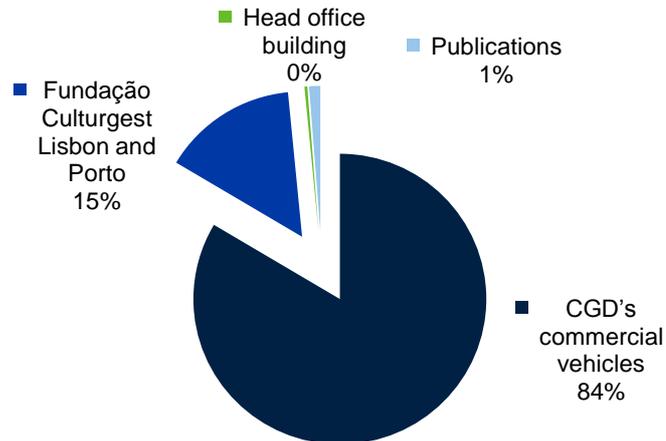
EMISSIONS TO BE OFFSET

On the basis of the above-mentioned activities, 3607 t CO₂e were offset following the CGD S.A. annual inventory. These emissions were fully offset with credits acquired from the Hydro Brasil project, which is described in Section 1.3.

GREENHOUSE GAS EMISSIONS TO BE OFFSET IN 2013

(tonnes CO₂e)

		2013
CGD's commercial vehicles	Fuel consumption	3013
Fundação Caixa Geral de Depósitos – Culturgest Lisbon and Porto	Electricity consumption	538
	Waste treatment	1
Head office building	Waste treatment	11
Publications	Production	44
Total offset (t CO ₂ e)		3607



RECALCULATION

Our recalculation policy covers changes in the emissions calculation method or an increase in the accuracy of data, if they prove to be material to the total emissions calculated.

If this recalculation affects activities within the scope of the commitment to GHG emissions to be offset, the following procedure is used:

1. If there is an increase in emissions to be offset, CGD undertakes to allocate the necessary carbon credits to cover the increase.
2. If there is a decrease in emissions to be offset CGD will release the resulting credits and can use them to offset other activities.

In 2013 there was no change in the method used for calculating GHG emissions and we used the same one as in 2012.

1.3 Carbon credits

SELECTION

The carbon credits used by CGD to offset emissions abide by a set of criteria that guarantee eligibility and boost environmental and social benefits:

- Guaranteed effectiveness, measurability, permanence and external assurance;
- Preference for renewable energy projects and energy efficiency.

CREDIT GENERATING PROJECTS

PROJETO HYDRO BRASIL

The project is designed to generate electricity from renewable sources. It builds small hydroelectric dams in the municipalities of Júlio de Castilhos and Salto de Jacuí, in Rio Grande do Sul, the idea being to replace fossil fuel consumption in the region.

The project is accredited in accordance with the specifications of the Voluntary Carbon Standard (VCS), such as:

- Use clean, efficient technology to reduce consumption of fossil fuels;
- Contribute to the development of the local economy by creating jobs and reducing the costs of buying fossil fuels.

The project is inspected periodically. The monitoring reports are available on: <http://www.vcsprojectdatabase.org/> (ID: 708)

TAPADA NACIONAL DE MAFRA

Tapada Nacional de Mafra was one of the projects previously used to offset greenhouse gas emissions. The intervention funded by CGD covers an area of 50 hectares destroyed by fire in 2003³. Tapada Nacional de Mafra is a unique natural, historical and cultural heritage site in Portugal with a number of species of traditional Portuguese flora. The project includes a carbon management plan, an action plan for conserving biodiversity and monitoring of these two components of the forest for 30 years. CGD and the Tapada's management annually inspect the area of the forest that has been worked on to ensure that the trees that have been planted are still there.

CREDIT MANAGEMENT

CGD ensures that the selected credits are acquired, registered and monitored. Credit management enables CGD to determine the number of carbon credits available and check on their allocation to each project.

This management also ensures that the carbon credits are not used again once allocated to offset emissions from a CGD activity.

These procedures undergo annual external assurance to check the accuracy and transparency of the offset process.

³ CGD still has available a number of credits to use (about 55% of total credits under the Tapada Nacional de Mafra project). The CGD may also allocate these credits to future compensation projects associated with their activity.

REVIEW REPORT

Translation of a report originally issued in Portuguese.

To the Executive Committee of
Caixa Geral de Depósitos, S.A.

Introduction

1. We have performed a review of the GHG emission offset report – CGD 2013 (“Report”) that covered the reliability of the contents related to the functioning of the greenhouse gas emissions (“GHG”) offset process carried out by Caixa Geral de Depósitos, S.A. (“CGD”) during the year of 2013, as well as if the presentation of this information is coherent, in general terms and taking into account the circumstances, in accordance with the concept, criteria and relevant methods for its functioning, identified by CGD in the Report.

Responsibilities

2. The Board of Directors of CGD is responsible for preparing the GHG emission offset report – CGD 2013, as well as defining, implementing and carrying out adequate processes, procedures and criteria for collecting, processing, presenting and validating the information contained therein. Our responsibility is to issue a report, based on the procedures described below, on the information referred to above.

Scope

3. We conducted our review in accordance with the International Standard on Assurance Engagements 3000 – ISAE 3000, issued by the International Auditing and Assurance Standards Board, for assurance engagements other than audit or limited reviews of historical financial information, for a limited level of assurance.
4. This standard requires that we plan and perform procedures and apply audit skills and techniques, in order to obtain an adequate understanding of the subject matter and, considering the circumstances, to obtain sufficient and appropriate evidence on which to base our opinion. In a limited assurance engagement, the procedures performed consist primarily of making inquiries to CGD responsible and applying analytical procedures, including tests on a sample basis, and therefore, less assurance is obtained than in an engagement aimed at obtaining reasonable assurance.

5. The main procedures performed were:
- Interview of those responsible in CGD for the management of the greenhouse gas offsets, for the preparation of the Report and for the data reported therein;
 - Review of the processes, criteria and systems in place to:
 - Quantify the GHG emissions associated to the offset processes;
 - Assess and select the credits generated by the reduction projects used to compensate those emissions; and
 - Obtain and allocate credits in sufficient amount to ensure the compensation of the above referred emissions;
 - Analysis of the consistency of processes, criteria and systems described in the Report and confirmation that they were actually performed; and
 - Analytical data review, and tests on a sample basis of the calculations made by CGD related to the quantitative data subject to our review, as well as tests to verify the quantitative and qualitative information included in the scope of our work, by obtaining and reviewing evidence.

Opinion

6. Based on the work performed, described in paragraph 5 above, which was executed with the purpose of obtaining a moderate level of assurance, nothing has come to our attention that causes us to believe that, the information referred in paragraph 1 above, in all material aspects, has not been reliable and consistently prepared and that it does not conform with the concept, criteria and relevant methods of the offset process of greenhouse gas emissions, identified by CGD in the GHG emission offset report – CGD 2013.

Independence of the team

7. We comply with Deloitte's policies of Independence, which are in all respects similar to the Code of Ethics of the International Ethics Standards Board for Accountants, set by the International Federation of Accountants.

Lisbon, 19 December 2014

Deloitte & Associados, SROC S.Á.

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Represented by João Carlos Frade

