



/CARBON NEUTRALITY REPORT 2011

CAIXA CARBONO ZERO PROGRAMME

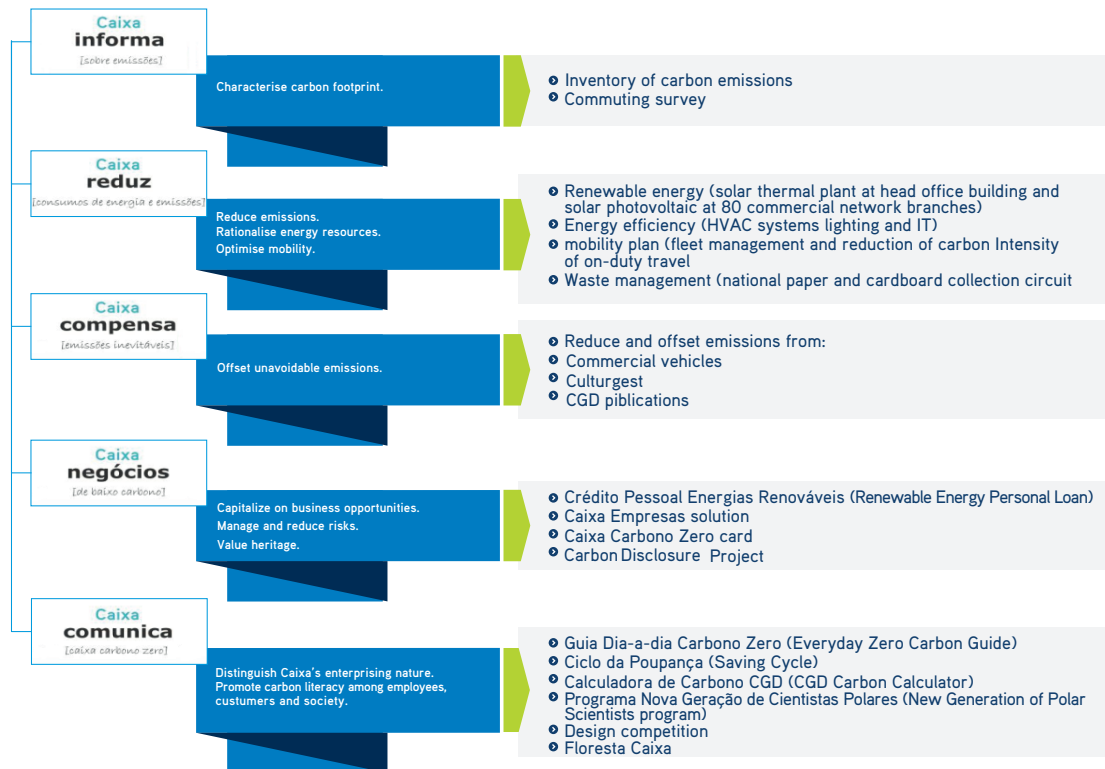
Offsetting unavoidable emissions from CGD's activity is part of the Caixa Carbono Zero Programme. The Caixa Carbono Zero carbon neutral target takes CGD even further in its commitment to manage its own emissions by offsetting unavoidable emissions, i.e. those that it cannot reduce.

The Caixa Carbono Zero Programme embodies CGD's climate strategy and results from broad reflection on the risks and opportunities of climate change inherent in its activity. This programme makes Caixa the first bank in Portugal to have an integrated action plan. It includes the quantification and reduction of emissions and the marketing of financial solutions aimed at a low-carbon economy and awareness of the issue on the part of customers and society as a whole.

In order to reduce its carbon footprint, CGD has been implementing a wide range of measures. These include the use of renewable energy, low-carbon technology in buildings and travel, and appropriate waste management. The measures taken between 2006 and 2011 helped to reduce electricity at CGD facilities by 13%. This represents an overall saving of around 14 GWh a year and avoids the emission of around 6,500 t CO₂e a year. These results have placed the bank on track in fulfilling its reduction goals.

In addition to these results, Caixa has been offsetting emissions since 2010 as a form of cost-effective reduction in its emissions balance. It has sponsored projects that reduce emissions outside its boundaries and contribute to sustainable development in the communities to which they belong.

CAIXA CARBONO ZERO PROGRAMME: PROJECTS AND AREAS OF ACTION 2007-2010



This report defines the terms on which the Caixa Carbono Zero target was met in 2011 and identifies the scope of offset, quantification methods and recalculation policies for emissions and the process used for selecting and managing carbon credits.

EMISSIONS OFFSET

/SCOPE OF OFFSET

2011 was the second year for meeting the Caixa Carbono Zero target, which covers emissions associated with CGD's banking business in Portugal (i.e. Caixa Geral de Depósitos, S.A. and support activities).

For the second year fulfilling the target, CGD committed to offsetting emissions from:

- CGD's commercial vehicles;
- Culturgest – Lisboa e Porto¹;
- Publications².

The following sources of emissions are offset:

1. direct emissions from petrol and diesel combustion in CGD's commercial vehicles;
2. indirect emissions from electricity consumption and the treatment of waste produced at Culturgest areas in the CGD head office building (Lisbon) and Avenida dos Aliados (Porto);
3. direct emissions from combustion and processing and indirect emissions from the generation of electricity purchased from the grid and used in the production of paper and paper pulp and in the operation of printing and finishing equipment used in the selected publications.

The period covers emissions from these activities between 1 January and 31 December 2011.

1. Fundação Caixa Geral de Depósitos – Culturgest is a foundation belonging to the CGD Group and is responsible for managing cultural facilities and their assets and organising cultural, artistic and scientific activities. Although it is not a formal part of Caixa Geral de Depósitos, its main activities are located in the company's building and are therefore included in its carbon emissions inventory. The scope of emissions offset was extended to the activities of Culturgest Porto in 2011 (only Culturgest Lisbon in 2010).

2. The publications included are the magazines Cx, Caixa Activa, Caixa Woman, Caixa no Mundo and Caixa Empresas and the booklets Caixa Azul and Nós Caixa.

/ACCOUNTING METHODS

The quantification of emissions to be offset is based on an inventory of CGD banking emissions in Portugal³. This undergoes external assurance during the preparation of the Caixa Sustainability Report.

The method used is the Greenhouse Gas Protocol, a standard developed by the World Business Council for Sustainable Development in collaboration with the World Resources Institute. The calculation criteria are those defined under the CarbonoZero®⁴, brand, which undergoes annual external assurance. The results are available to the public.

CGD considers the six greenhouse gases covered by the Kyoto Protocol⁵. They are expressed in equivalent carbon dioxide (CO₂e) using the Global Warming Potential (GWP) figures published by the Intergovernmental Panel on Climate Change (IPCC), in the version currently used by Agência Portuguesa do Ambiente (APA - Portuguese Environment Agency) for preparing the National Greenhouse Emissions Inventory. Emission factors are based on the figures defined by the IPCC, adjusted to Portugal whenever necessary on the basis of data published by official Portuguese bodies or CGD's electricity suppliers.

The count was based on the following information on levels of activity associated with each emission source considered:

- Quantity of fuel used by CGD company vehicles from records of fuel cards and other accounting records;
- Electricity consumption in Culturgest areas in the Caixa head office building (Lisbon) and CGD building in Avenida dos Aliados (Porto). These consumptions were calculated on the basis of the representativity factors obtained: i) in the energy audit conducted during energy certification (head office building, Lisbon) and ii) from ratios between the area occupied by Culturgest and the building's total area (Avenida dos Aliados, Porto). Overall consumption of electricity in buildings is obtained from the supplier's invoices;
- Quantity of waste produced in the Culturgest areas located in the Caixa head office building (Lisbon) and CGD building in Avenida dos Aliados (Porto) - head office building's own circuit and general circuit - based on SIRAPA records plus ratios per workstation and estimates from specific areas;
- Energy consumption needed to produce publications calculated on the basis of their characteristics (grammar of front and back cover and pages, format, number of pages and print run) and specific consumption ratios for the sector.

3. The exception is GHG emissions associated with CGD publications, which are accounted for separately.

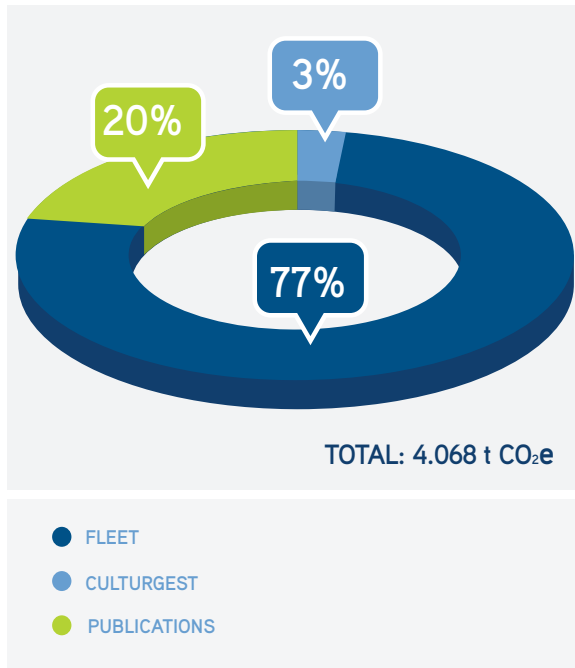
4. CarbonoZero® is a registered trademark of E.Value, S.A. All the information, including external assurance is available on www.carbono-zero.com.

5. Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and f-gases (HFCs, PFCs and SF₆).

/QUANTITY

Emissions from activities offset in 2011 correspond to 4,068 t CO₂e and were distributed as shown below.

CAIXA CARBONO ZERO TARGET 2011 EMISSIONS OFFSET



CARBON CREDITS

/SELECTION CRITERIA

The carbon credits used by CGD to offset emissions abide by a series of criteria that guarantee high levels of integrity and foster environmental and social benefits:

- Guarantee of effectiveness, measurability, additionality, permanence, absence of double counting and external assurance;
- Preferential use of credits generated by projects in the voluntary carbon market (VER - Verified Emission Reduction);
- Preference for credits Voluntary Carbon Standard (VCS) and Voluntary Gold Standard (VGS) certification and, for agroforestry projects, Climate Community and Biodiversity Alliance (CCB) and Plan Vivo certification;

- Preference for renewable energy and energy efficiency projects. Agroforestry projects are also considered, provided that they meet the criteria of CarbonoZero® eligibility, make a considerable contribution to sustainable development and guarantee appropriate reversibility risk management mechanisms.

/PROJECTS

In order to offset emissions in 2011, CGD used credits generated by a technological project to replace fossil fuel with biomass in Brazil (Voluntary Carbon Standard certification), complemented by credits from the Floresta Caixa Carbono Zero (Caixa Zero Carbon Forest) project in Tapada Nacional de Mafra in Portugal.

CREDIT-GENERATING PROJECTS

BIOMASS PROJECT - BRAZIL

It consists of the installation of a cogeneration system using biomass waste as fuel at Nobrecel Celulose e Papel, S.A. in Pindamonhangaba, Brazil. This system made it possible to replace the existing fuel oil boilers and reduce grid electricity consumption, thereby reducing CO₂ emissions from operation of the facility.

The project contributes to local environmental sustainability by replacing fossil fuels with a renewable energy source and also guaranteeing correct disposal of wood waste and chips that used to emit methane during decay.

TAPADA NACIONAL DE MAFRA PROJECT - PORTUGAL

Tapada Nacional de Mafra constitutes a unique natural, historical and cultural heritage in Portugal. Some of the most representative species of Portuguese flora are found here. It is also the venue for community environmental awareness activities involving visits from schools, organisations and the general public.

The intervention funded by Caixa covers an area of 50 hectares affected by a fire in 2003. The project will ensure appropriate management of the natural regeneration process and the regeneration of recently planted stands of more than 10,000 trees aimed at increasing fire prevention, guaranteeing sustainable forest management and fostering biodiversity.

The project includes a carbon management plan, an action plan for conserving biodiversity and monitoring these two components of the forest for 30 years.



/MANAGEMENT SYSTEM

CGD has an internal system in place to ensure that the selected credits are acquired, registered and controlled in accordance with the CarbonoZero® brand's requirements. This system guarantees that at any time it is possible to determine: i) the number of credits available and ii) the number of credits allocated per project and action taken to offset emissions and the emission sources to which they correspond. The system also ensures that once carbon credits have been allocated to offset emissions from an activity CGD cannot use them again for that purpose.

These processes undergo external assurance every year in order to guarantee integrity and transparency in the fulfilment of the Caixa Carbono Zero target.

RECALCULATION POLICY

The amount of emissions to be offset may be revised whenever emissions determined by the CGD inventory are recalculated. Recalculation covers changes in emission calculation methods or increases in data accuracy, whenever they are material to the total volume of emissions calculated.

The following procedure is followed if this recalculation affects activities involved in the Caixa Carbono Zero target:

1. If there is an increase in the volume of emissions to be offset, CGD undertakes to allocate the number of carbon credits necessary to cover it.
2. If the amount of emissions is lower than those offset, CGD will free up the credits resulting from the adjustment and may use them to offset other activities.

In 2011, it was not necessary to perform any revisions of amounts already offset.

INDEPENDENT AUDITOR ASSURANCE



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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 2011 Carbon Neutrality Report that covered the reliability of the contents related to the functioning of the offset process of greenhouse gas emissions carried out by Caixa Geral de Depósitos, S.A. ("CGD") during the year of 2011, as well if it is coherent, in general terms and taking into account the circumstances, the presentation of this information 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 Carbon Neutrality Report, 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. Our review was performed 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 require 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 inquiries of CGD personnel and analytical procedures, including tests on a sample basis, and therefore, less assurance is obtained than in an engagement aimed at obtaining reasonable assurance.



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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 Carbon Neutrality Report and for the data reported therein;
 - Review of the processes, criteria and systems in place to:
 - Quantify the greenhouse gas emissions associated to the offset processes;
 - Assess and select the credits generated by reduction projects and/or the forest areas chosen to compensate those emissions;
 - Estimate the offset capacity of those forest areas; and
 - Obtain and allocate credits in sufficient amount to ensure the compensation of the above referred emissions;
 - Analysis of coherence of the processes, criteria and systems described in the Carbon Neutrality Report and confirmation of their effective realization; 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.

Findings

6. Based on the work performed, as described in paragraph 5 above, which was executed with the purpose of obtaining a moderate level of assurance, nothing came to our attention that causes us to believe that, in all material aspects, the information described in paragraph 1 above, has not been prepared in a reliable and coherent way 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 Carbon Neutrality Report.

Lisbon, 31 May 2012

Deloitte & Associados, SROC S.A.

Deloitte & Associados, SROC S.A.
Represented by João Carlos Frade

CREDITS

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Deloitte & Associados, SROC S.A.

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This 2011 Sustainability Report is carbon neutral.
The GHG emissions resulting from its
production are entirely offset.

Caixa Geral de Depósitos

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Capital Social: 5.900.000.000 EUR
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