

ANNEX F – GHG emissions offset report– CGD 2012

As part of its Baixo Carbono (Low Carbon) Programme, CGD offsets inevitable GHG emissions associated with its activity. CGD was the first bank in Portugal to implement a programme that includes quantification and reduction of emissions, placing on the market low-carbon products and financial solutions and raising environmental awareness involving all stakeholders and society as a whole.

CGD has therefore introduced good reduction practices and measures to improve its environmental performance. They include renewable energy, changes in efficient equipment, a more efficient lighting system, employee awareness of on-duty travel and a waste management policy. Between 2006 and 2012, CGD reduced electricity consumption at premises by 19%.

There are, however, GHG emissions that are inevitable, despite CGD's good performance. This is why, in 2010, it undertook to offset these emissions by collaborating in projects that reduce emissions overseas and contribute to the sustainable development of the communities to which they belong and renovation of national forests.

In this report CGD informs its stakeholders of emissions offset and, as a form of transparency, also describes the quantification method used, the selection criteria and carbon credit management in place.

Offset scope

This is the third year running that CGD has offset the emissions that it cannot reduce after quantification of greenhouse gas emissions generated by its activity in Portugal. Offsetting covers CGD's activity in the reporting period of the sustainability report (1 January to 31 December 2012)

In 2012, it extended the scope of emissions to be offset, as set out in the 2011 sustainability report, covering the following activities or emission sources:

- CGD's commercial vehicles: offset of direct GHG emissions from combustion of petrol and diesel in CGD vehicles
- Fundação Caixa Geral de Depósitos Culturgest Lisbon and Porto: -offset of indirect GHG emissions from electricity consumption and treatment of waste produced at these premises, head office building (Lisbon) and Avenida dos Aliados (Porto)
- Head office building: offset of indirect GHG emissions from treatment of waste
- Publications: offset of indirect GHG emissions from production of the following publications (paper paste and printing): Cx with supplement Nós Caixa; Annual Report and Accounts; Caixa Woman; Caixa Activa; Caixa no Mundo; Azul and Caixa Empresas.

Carbon footprint – offset

CGD's carbon footprint was calculated in accordance with the Greenhouse Gas Protocol guidelines developed by the World Business Council on Sustainable Development and World Resources Institute. Emissions are determined by applying emission factors to consumption during CGD activity as obtained from the Inventário Nacional de Emissões (NIR)¹² de Portugal, published in 2012. The

¹² Portuguese National Inventory Report on Greenhouse Gases, 1990 – 2009, Agência Portuguesa do Ambiente, 2011

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). In addition, if there are no emission factors in the above sources of information, the emission factors published by Defra in 2012 were considered¹³.

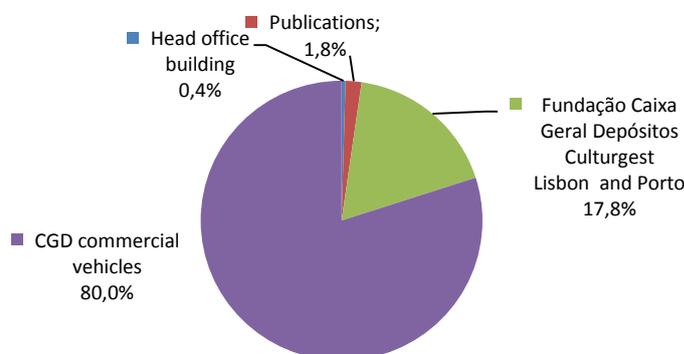
As a result of the above, the emissions to be offset considered the following information:

- CGD's commercial vehicles Diesel and petrol consumption by commercial vehicles collected from petrol 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 in area that they occupy at the central buildings
- Waste: Amount produced at Fundação Caixa Geral de Depósitos Culturgest Lisbon and Porto and head office building based on SIRAPA data and estimates¹⁴
- Publications: Survey of printed publications based on technical characteristics (weight, width, length, number of copies and number of pages)

During the above activities, following CGD's inventory of GHG emissions, 3784 tonnes of CO₂e were offset in 2012.

		GHG emissions (t CO ₂ e)
CGD's commercial vehicles	Fuel consumption	3,025.98
Fundação Caixa Geral de Depósitos Culturgest Lisbon and Porto	Electricity	670.86
	Waste treatment	1.06
Head office building:	Waste treatment	16.82
Publications	Production	69.4
Total offset		3,784.12

Emissões de GEE



¹³ 2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting

¹⁴ Fundação Caixa Geral de Depósitos Culturgest Lisbon and Porto are located at the head office building and Avenida dos Aliados, respectively Paper, plastic and household waste consumption was calculated on the basis of the number of performances and exhibitions in 2012.

Carbon credits–selection

CGD has a set of criteria to guarantee the use of carbon credits of high integrity to offset its emissions and boost the environmental and social benefits.

- Guaranteed effectiveness, measurability, additionality, permanence, absence of double counting and external assurance
- Preference for renewable energy and energy efficiency projects CGD also considers agro-forest projects meeting certain eligibility criteria, showing high contributions to sustainable development and ensuring appropriate reversibility risk management mechanisms

Carbon credits – projects

CGD also used credits generated by a technological project for replacing fossil fuel by biomass in Brazil (Voluntary Carbon Standard certification), complemented by credits generated by the Floresta Caixa Carbono Zero project in Tapada Nacional, Portugal.

CREDIT GENERATING PROJECTS

BIOMASS PROJECT - BRAZIL

It consists of the installation at Nobrecel Celulose e Papel, S.A. in Pindamonhangaba, Brazil, of a cogeneration system that uses biomass waste as fuel. The system made it possible to replace the fuel oil boilers and reduce consumption of grid electricity. This generated a reduction in emissions of CO₂ and emissions from operation of the mill.

The project contributed to local environmental sustainability by replacing fossil fuels with a renewable energy source and ensuring good use of wood waste and chippings that previously released methane when decomposing.

TAPADA NACIONAL DE MAFRA PROJECT, PORTUGAL

Tapada Nacional de Mafra is a unique natural, historical and cultural heritage site in Portugal with a number of traditional Portuguese flora species. It is also the stage for community environmental awareness activities and encourages visits from schools, communities and the general public. The intervention funded by CGD covers an area of 50 hectares affected by a fire in 2003. This project will ensure proper management of the natural regeneration process and of the recently planted stands totalling more than 10,000 trees. The aim is to increase protection against fire, guarantee sustainable forest management and foster biodiversity

Management system

CGD has a system in place to ensure that the selected credits are acquired, registered and controlled in accordance with certain requirements. At any time, it is possible to determine: i) the quantity of available credits; ii) the quantity of credits allocated, by project, emission offsets and their sources of emission. The system also ensures that, once allocated to offset the emissions from an activity, the carbon credits are not used again by CGD for offset purposes.

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

Recalculation policy

The quantity of emissions offset may be revised whenever the emissions determined by the CGD inventory are recalculated. The recalculation policy covers changes in the emissions calculation method or an increase in the accuracy of data, if they are 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 2012 there was a change in the method for calculating GHG emissions from treatment of waste produced at facilities. This change had to do with the use of a different emission factor.