

Green P&L: Reduction of greenhouse gas emissions

Consolidated statement of greenhouse gas emissions reduction of GIB portfolio for the year ended 31 March 2015

Notes 1, 2	Year ended	Year ended
	31.03.15	31.03.14
	t CO ₂ e '000	t CO ₂ e '000
Offshore wind	225	136
Waste	37	24
Non-domestic energy efficiency	9	0
Domestic energy efficiency via Green Deal	3	0
Biomass	3,294	2,420
Community-scale renewables	0	0
Total	3,568	2,580

Annual reduction KtCO₂e (year ending 31 March 2015)

Consolidated statement of estimated lifetime greenhouse gas emissions reduction of GIB portfolio at 31 March 2015

Note 3	Year ended	Year ended
	31.03.15	31.03.14
	t CO ₂ e '000	t CO ₂ e '000
Cumulative historical greenhouse gas emissions reduction of GIB portfolio		
Total carried forward from last year	2,602	22
Net contribution this year	3,568	2,580
Total historical greenhouse gas emissions reduction	6,170	2,602

Total lifetime reduction KtCO₂e at 31 March 2015

Estimated remaining lifetime greenhouse gas emissions reduction of GIB portfolio, by sector

Offshore wind	6,919	6,397
Waste	21,186	11,950
Non-domestic energy efficiency	389	604
Domestic energy efficiency via Green Deal	0	1,691
Biomass	38,674	35,786
Community-scale renewables	85	0
Total estimated remaining lifetime greenhouse gas emissions reduction	67,253	56,428
Total estimated lifetime greenhouse gas emissions reduction	73,423	59,031

Consolidated statement of estimated remaining lifetime greenhouse gas emissions reduction of exited transactions, at time of exit

Note 4	Year ended	Year ended
	31.03.15	31.03.14
	t CO ₂ e '000	t CO ₂ e '000
Domestic energy efficiency via Green Deal	1,688	0
Total	1,688	0

Remaining lifetime KtCO₂e of exited projects

The risk that a project may not deliver the forecast green impact.

- The formal green risk assessment framework is also a useful method to include risks associated with non-carbon related aspects such as non-compliance with investment criteria and other environmental and social issues associated with a specific project.
- Generic Green Risks include but are not limited to:
 - Lower Green Impact than assumed forecast
 - Green Investment Policy non-compliance
 - Responsible Investment Policy non-compliance
 - Equator Principles non-compliance
 - Contaminated land liability
 - Planning Consent Conditions / adequacy / breach / non-compliance
 - Environmental Permit adequacy
 - Environmental, Health and Safety incidents
 - Management policy and systems adequacy
 - Management capacity and capability
 - Counter-party / stakeholder / community reputational impact

Green risk

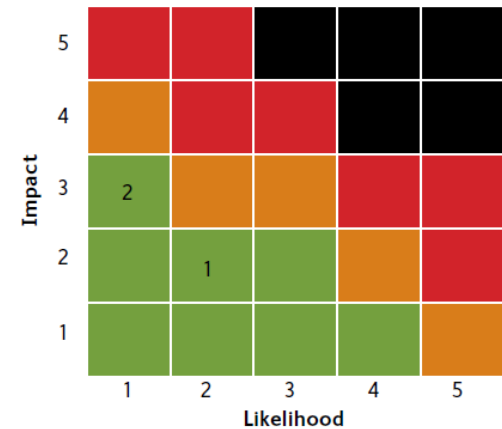
#	Risk	Inherent Risk Ratings		Mitigant / Control (rationale for effect on likelihood and impact ratings)	Residual Risk Ratings		Actions / safeguards
		Likelihood (1-5)	Impact (1-5)		Likelihood (1-5)	Impact (1-5)	
1							
2							
3							

Likelihood	Description	Definition
5	Definite	Expected to occur at least once per year, or more often.
4	Highly likely	Occurs approximately once per year.
3	Likely	Occurs approximately once in 3 years.
2	Rare	Occurs approximately once in 10 years.
1	Remote	Occurs approximately once in 25 years or less frequently.

Impact	Description	Definition
5	Extreme	A threat to the existence of the project.
4	Very Serious	A threat to the effectiveness of the project in delivering on its fundamental objectives.
3	Serious	An impact that could potentially make a material difference to the project's annual reported green performance.
2	Moderate	An impact that is significant but not, in itself, material in terms of the overall performance of the project.
1	Minor	An impact which is small but not zero.

Example table and radar for Investment Committee:

#	Green Risk	Current Mitigant / Control
1	Biomass feedstock not meeting GIB's sustainability criteria	Robust DD on fuel procurement strategy Covenants to ensure maintain high standards of sustainability (e.g. carbon stock, country risk reporting)
2	Other material risks identified	Other Key Control / Safeguards



- Material green risks identified during this process can be mitigated in an action plan
- Material risks and mitigation can be included in any post-financial close monitoring