

Respondent CDP 2008: Banca Monte dei Paschi di Siena Group

General Information

It is not a requirement of the CDP questionnaire to give an introduction to your answer, but if you would like to do so, please give it here in the text box below or attach a document.

A policy on climate change is under approval by the Board of Directors. Hereunder we describe the principles which currently lead the action of Montepaschi Group in addressing climate change issues.

Climate change urges government as well as private businesses to intervene in a responsible manner.

There are severe risks to deal with. Potential damages are expected to the environment, the human well being and the economic development.

Financial services sector can play an important role to tackle this crisis in a wide range of ways.

Montepaschi Group is committed to take this challenge managing related risks and opportunities.

Where available please can you provide the following identification numbers for your primary listings/ordinary shares and information for your company:

Company Turnover (also known as sales) in millions of US\$

7303

ISIN number

IT0001334587

CUSIP number

SEDOL number

1 - Risks and Opportunities

Question 1(a)(i) Regulatory Risks

How is your company exposed to regulatory risks related to climate change?

We consider our company to be exposed to regulatory risks because...

Financial sector is exposed to regulatory risks, both directly and indirectly.

Direct risks

Legislation on climate change related issues has not applied directly to financial industry yet. This business sector is in fact characterized by low carbon emissions activities. However our operations could be affected by energy efficiency regulations regarding our office premises. In Italy in the last 12 months new laws on building's energy performance and energy certifications have been established. These new requirements could be cause major costs in buildings construction and depreciation of premises with low energy performance.

This kind of risk has risen compared to the last year.

Indirect risks

Indirect risks are related to the impact of new regulatory requirements to clients and suppliers activities.

Relating to clients, Montepaschi Group is exposed to risks that they have difficulties to comply with new provisions and consequently problems in loan reimbursement or reduction of security's value. This kind of risk has risen compared to the last year.

Montepaschi Group is also exposed to regulatory risk of its suppliers, who could have difficulties in meeting new requirements and as a result in providing goods and services. This kind of risk has risen compared to the last year.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(a)(ii) Physical Risks

How is your company exposed to physical risks from climate change?

We consider our company to be exposed to physical risks because...

Our activities could be directly affected by extreme weather related events, such as storms and floods, because of the possible damages to premises and IT structure. This kind of risks are evaluated and managed in Business Continuity Management Model, for operational aspects, and in emergency plans with the aim at protecting employees' safety.

With regard to clients, Montepaschi Group is exposed to risks of loan default resulting from damage to client's premises caused by extreme weather events or business difficulties due to changing in climatic conditions (tourism sector, agriculture).

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(a)(iii) General Risks

How is your company exposed to general risks as a result of climate change?

We consider our company to be exposed to general risks because...

Montepaschi Group is exposed to reputational risks, because of stakeholder's expectations about the role of bank in addressing climate change.

The banks have firstly to reduce their direct foot-print by cutting ghg emissions, but more importantly, limiting exposures that arise from lending and investments in high carbon sectors.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(a)(iv) Risk Management

Has your company taken or planned action to manage the general and regulatory risks and/or adapt to the physical risks you have identified?

We have taken or planned action.

Relating to the risks described in the previous questions, Montepaschi Group defined different ways to manage them.

Direct Regulatory risk: a specific energy efficiency program has been defined and all the new branches and buildings are projected with layouts, furnishings, engineering and lighting systems that comply with the criteria of the so-called "performance model," with special attention to energy efficiency.

Direct physical risks are managed in Business Continuity Management System. In this regard, Montepaschi Group has

formulated special "continuity plans" to ensure the immediate restoration and maintenance of the minimum activity vital to key corporate processes. Disaster recovery plans are also in place to quickly reboot computer systems in the event of serious damage suffered by the central electronic centre.

Related to client's indirect risks, both regulatory and physical, Montepaschi Group applies an environmental credit risk system, which considers, among others things:

- the hazardousness of the activity and the legislative requirements in the sector,
- the scale of the activity, as an approximation of the extent of potential harm to the environment,
- whether the customer holds environmental certifications.

Montepaschi Group follows a process for identifying and containing environmental risks present in the supply chain. This process applies to all proposed supplier and calls for:

- a check of whether the supplier holds environmental certification,
- an in-depth examination of the requirements of environmental compatibility for the firm's activities based on information released by the firm relating to: policy, organisation, procedures and tools used to ensure proper and effective management of its own impacts.

Environmental risk is a concern of ours in terms of investments as well. For this the Group's asset-management company, MP Asset Management, has for some years participated in the CDP.

This information proves useful for the asset-management company in managing common funds, especially with regard to the ethical line. The investment choices made in fact favour companies that do not pollute or in any case have solid policies for managing and controlling environmental risks. In 2007 the evaluation yardsticks were partially revised to include a special focus on the sustainability of the issuers' sustainability policies.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(a)(v) Financial and Business implications

How do you assess the current and/or future financial effects of the risks you have identified and how those risks might affect your business?

We assess current and/or future financial effects by...

Montepaschi Group has identified, but not yet quantified, some financial and business implications:

- loss in competitiveness for ghg-intensive businesses, that can results in market erosion for banks too;
- missing the opportunities which arise from climate change regulatory and market frameworks, such as renewable energy;
- reduced revenues due to customers' economic problems related to climate change;
- damages to reputation in case of being involved in projects and businesses with high (potential)impacts to the environment.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(b)(i) Regulatory Opportunities

How do current or anticipated regulatory requirements on climate change offer opportunities for your company?

We consider that current or anticipated regulatory requirements offer opportunities because...

Opportunities include:

- Financing eco-efficiency projects, renewable energy sector and clean technologies.
- Investing in low carbon emissions businesses (e.g. green private equity).
- Carbon emission certificates brokerage.

- Asset management (e.g. green funds).
- Financial derivatives (e.g. cat bonds).

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(b)(ii) Physical Opportunities

How do current or anticipated physical changes resulting from climate change present opportunities for your company?

We consider that current or anticipated physical changes offer opportunities because...

The opportunities resulting from physical changes are mostly related to insurance sector. It will be possible to develop new kinds of product to assure premises against damage from extreme weather events or to assure businesses against losses due to change in climatic conditions (agriculture, tourism).

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(b)(iii) General Opportunities

How does climate change present general opportunities for your company?

We consider that climate change offers opportunities because...

In the next few years many investments will be necessary to support adaptation and mitigation activities. For the banks there will be the opportunity to provide financial services to governments, companies and families.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(b)(iv) Maximizing Opportunities

Do you invest in, or have plans to invest in products and services that are designed to minimize or adapt to the effects of climate change?

Climate change has led to investment or planned investment in order to maximise climate change opportunities.

The opportunities in developing products and services to counter climate change effects are significant. For this reason was set up:

- an internal task force, coordinated by the marketing departments, which will report to general management, in the parent Company;
- a specific department with duties in developing renewable energies in the subsidiary Mps Capital Services.

With the aim of improve people and companies' awareness about the economic and tax benefits in investing in renewable energy, with the sponsorship of ENEA and the National Grid Manager, we collaborated with consumer organisations on preparing a Guide to government incentives complemented by the Bank's products.

Considering the complexity of the issues, there is a pressing need for a substantial commitment in terms of training and updating for the corporate positions involved, so that the marketing is effective.

Some things have already been done:

- in 2006, in cooperation with the Kyoto Club Association, a workshop was held entitled "The new markets for green finance in light of ratification of the Kyoto Protocol" which drew some twenty people representing the various institutions;
- the informational notices on products have been joined by a focus on energy, to enable marketing reps to better

understand the sales motivations and financial and other needs of the customers. And a real "guidebook" is being prepared.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(b)(v) Financial and Business Implications

How do you assess the current and/or future financial effects of the opportunities you have identified and how those opportunities might affect your business?

We assess current and/or future financial effects by...

Montepaschi Group has identified, and partially quantified, the follow financial and business implications:

- strategic investments in leading Italian companies in the renewable Energy sector, such as Sorgenia and Alerion, for a total of 55 million;
- project financing with a total of 1,200 MW so far installed thanks to the contribution from the subsidiary MPS Capital Services, for the promotion of electricity from renewable sources, with solid leadership in the wind sector (in 2007 new wind farms were financed in Basilicata, Campania and Sicily for 240 MW and a 2MW photovoltaic plant in Puglia);
- formulation of a family of products for individuals, companies and institutions that includes medium-long-term loans, leasing and personal loans at advantageous rates, with terms and ancillary services (including insurance policy to cover any damages to the plant) geared to the specific nature of the investments and the customers.
- promotion and facilitated offer of these products through agreements with primary operators in the sector: in 2007, there were 386 operations totalling 223 million (+70% compared to 2006), equal to about 1.3% of all loans issued;
- activation of specific ceilings, including those in agreement with Confindustria (totalling 500 million, to be used for innovative company projects and for the dissemination of renewable sources) and with the Tuscany Region (150 million allocated for projects to develop renewable sources and for energy savings among enterprises).

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

2 - Greenhouse Gas (GHG) Emissions Accounting

Question 2(a)(i) Reporting Boundary

Calculation tools that will assist companies in calculating GHG emissions from particular activities, such as the combustion of fuels, production processes, etc can be found at: <http://www.ghgprotocol.org/calculation-tools/all-tools>. Companies new to emissions reporting are strongly recommended to use these tools to assist them in their calculations. If you have used a calculation tool, please list it under the question on methodologies.

Please indicate the category that best describes the company, entities or group for which your response is prepared:

Other

The reporting boundaries comprise more than 80% of the Group staff.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(a)(ii) Reporting Year

Please explicitly state the dates of the accounting year or period for which GHG emissions are reported.

Start date: 01 January 2007

End date: 31 December 2007

Financial accounting year: 01 January 2007

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(a)(iii) Methodology

Please specify the methodology used by your company to calculate GHG emissions.

Please select the methodology that you have used using the radio buttons.

If you have used the GHG Protocol or ISO 14064-1, please also give references to any calculation tools that you have used or an explanation of any calculation methods that you have devised yourself. Please explain the data sources of the Global Warming Potentials and emission factors used in your calculations. If you cannot find a reference for them within a supplied calculation tool, please contact the provider of the calculation tool for the information.

If you have used a methodology that you have devised yourself, please would you explain your methodology, including methods of calculation, and the data sources of the Global Warming Potentials and emission factors.

Other

The methodology refers to Italian law, Italian Environmental Protection Agency database of emission factors and Enel Environmental Report 2006.

The factors been used are:

0,000186 tCO₂/Km car petrol (Italian Environmental Protection Agency database of emission factors www.sinanet.apat.it)

0,000178 tCO₂/Km car diesel oil (Italian Environmental Protection Agency database of emission factors www.sinanet.apat.it)

0,000496 tCO₂/kWh purchased electricity (Enel Environmental Report 2006)

0,002618 tCO₂/liter oil (Italian law DEC/RAS/854/05)

0,001966 tCO₂/m³ methane (Italian law DEC/RAS/854/05)

The emissions considered are carbon dioxide (whose GWP is by definition 1).

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(b)(i) Scope 1 and Scope 2 of GHG Protocol

Are you able to provide a breakdown of your direct and indirect emissions under Scopes 1 and 2 of the GHG Protocol and to analyse your electricity consumption?

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(b)(i)(y) Scope 1 and Scope 2 of GHG Protocol - Year 1 answers

Please enter the dates for the reporting period that you specified in (answer to question 2(a)(i)) , and then answer the questions for that period. By selecting the "Add Additional Year Figures" button at the end of this webpage, you can repeat the process for the previous reporting period, and then for the reporting period before that, and so on. If possible, please give data going back to the reporting period ending in 2004. You do not have to enter historical data if you have already reported this information in response to previous CDP questionnaires.

Please enter the accounting year used to report GHG emissions details below.

Start date: 01 January 2007
End date: 31 December 2007

Scope 1 Direct GHG Emissions: Please provide:

a. Total global Scope 1 activity in Metric Tonnes CO₂-e emitted.

11376 CO₂e metric tonnes

b. Total Scope 1 activity in Metric Tonnes CO₂-e emitted for Annex B countries.

11376 CO₂e metric tonnes

By country - Scope 1 activity in metric tonnes of CO₂-e by individual country

Using the same methodology please state your emissions per country. NB : If it is not practical for you to list emissions on a full country by country basis, please list here countries with significant emissions in the context of your business and combine the remainder under "rest of world". If you already have this information in another format (e.g Excel) please attach it.

	Scope 1 Emissions
Country (metric tonnes CO₂-e)	

Italy	11376
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Scope 2 - Indirect GHG emissions: Please provide:

c. Total global Scope 2 activity in metric tonnes CO₂-e emitted

2840 CO₂e metric tonnes

d. Total Scope 2 activity in metric tonnes CO₂-e emitted for Annex B countries

2840 CO₂e metric tonnes

By country - Scope 2 activity in metric tonnes of CO₂-e by individual country

	Scope 2 Emissions
Country (metric tonnes CO₂-e)	

Italy	2840
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Electricity consumption

e. Total global MWh of purchased electricity

149161 MWh

f. Total MWh of purchased electricity for Annex B countries

149161 MWh

By country – MWh of purchased electricity by individual country.

Country	
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Italy	149161
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g. Total global MWh of purchased electricity from renewable sources
143435 MWh

h. Total MWh of purchased electricity from renewable sources for Annex B
countries
143435 MWh

By country – MWh of purchased electricity from renewable sources by individual country.

Country

Italy 143435

Would you like to provide any additional information relating to this question that you have not provided elsewhere?
No

Question 2(b)(i)(y) Scope 1 and Scope 2 of GHG Protocol - Year 2 answers

Please enter the dates for the reporting period that you specified in (answer to question 2(a)(i)) , and then answer the questions for that period. By selecting the “Add Additional Year Figures” button at the end of this webpage, you can repeat the process for the previous reporting period, and then for the reporting period before that, and so on. If possible, please give data going back to the reporting period ending in 2004. You do not have to enter historical data if you have already reported this information in response to previous CDP questionnaires.

Please enter the accounting year used to report GHG emissions details below.

Start date: 01 January 2006

End date: 31 December 2006

Scope 1 Direct GHG Emissions: Please provide:

a. Total global Scope 1 activity in Metric Tonnes CO2-e emitted.
14102 CO2e metric tonnes

b. Total Scope 1 activity in Metric Tonnes CO2-e emitted for Annex B
countries.
14102 CO2e metric tonnes

By country - Scope 1 activity in metric tonnes of CO2-e by individual country

Using the same methodology please state your emissions per country. NB : If it is not practical for you to list emissions on a full country by country basis, please list here countries with significant emissions in the context of your business and combine the remainder under “rest of world”. If you already have this information in another format (e.g Excel) please attach it.

Scope 1 Emissions

Country (metric tonnes CO2-e)

Italy 14102

Scope 2 - Indirect GHG emissions: Please provide:

c. Total global Scope 2 activity in metric tonnes CO2-e emitted
4599 CO2e metric tonnes

d. Total Scope 2 activity in metric tonnes CO2-e emitted for Annex B
countries
4599 CO2e metric tonnes

By country - Scope 2 activity in metric tonnes of CO2-e by individual country

Country Scope 2 Emissions

(metric tonnes CO₂-e)

Italy 4599

Electricity consumption

e. Total global MWh of purchased electricity
148387 MWh

f. Total MWh of purchased electricity for Annex B countries
148387 MWh

By country – MWh of purchased electricity by individual country.

Country

Italy 148387

g. Total global MWh of purchased electricity from renewable sources
139208 MWh

h. Total MWh of purchased electricity from renewable sources for Annex B countries
139208 MWh

By country – MWh of purchased electricity from renewable sources by individual country.

Country

Italy 139208

Would you like to provide any additional information relating to this question that you have not provided elsewhere?
No

Question 2(b)(i)(y) Scope 1 and Scope 2 of GHG Protocol - Year 3 answers

Please enter the dates for the reporting period that you specified in (answer to question 2(a)(i)) , and then answer the questions for that period. By selecting the “Add Additional Year Figures” button at the end of this webpage, you can repeat the process for the previous reporting period, and then for the reporting period before that, and so on. If possible, please give data going back to the reporting period ending in 2004. You do not have to enter historical data if you have already reported this information in response to previous CDP questionnaires.

Please enter the accounting year used to report GHG emissions details below.

Start date: 01 January 2005

End date: 31 December 2005

Scope 1 Direct GHG Emissions: Please provide:

a. Total global Scope 1 activity in Metric Tonnes CO₂-e emitted.
14032 CO₂e metric tonnes

b. Total Scope 1 activity in Metric Tonnes CO₂-e emitted for Annex B countries.
14032 CO₂e metric tonnes

By country - Scope 1 activity in metric tonnes of CO₂-e by individual country

Using the same methodology please state your emissions per country. NB : If it is not practical for you to list emissions on a full country by country basis, please list here countries with significant emissions in the context of your business and combine the remainder under “rest of world”. If you already have this information in another format (e.g Excel) please attach it.

Country Scope 1 Emissions

(metric tonnes CO2-e)

Italy 14032

Scope 2 - Indirect GHG emissions: Please provide:

c. Total global Scope 2 activity in metric tonnes CO2-e emitted
10240 CO2e metric tonnes

d. Total Scope 2 activity in metric tonnes CO2-e emitted for Annex B countries
10240 CO2e metric tonnes

By country - Scope 2 activity in metric tonnes of CO2-e by individual country

Scope 2 Emissions

Country (metric tonnes CO2-e)

Italy 10240

Electricity consumption

e. Total global MWh of purchased electricity
143712 MWh

f. Total MWh of purchased electricity for Annex B countries
143712 MWh

By country – MWh of purchased electricity by individual country.

Country

Italy 143712

g. Total global MWh of purchased electricity from renewable sources
126123 MWh

h. Total MWh of purchased electricity from renewable sources for Annex B countries
126123 MWh

By country – MWh of purchased electricity from renewable sources by individual country.

Country

Italy 126123

Would you like to provide any additional information relating to this question that you have not provided elsewhere?
No

Question 2(b)(i)(y) Scope 1 and Scope 2 of GHG Protocol - Year 4 answers

Please enter the dates for the reporting period that you specified in (answer to question 2(a)(i)) , and then answer the questions for that period. By selecting the “Add Additional Year Figures” button at the end of this webpage, you can repeat the process for the previous reporting period, and then for the reporting period before that, and so on. If possible, please give data going back to the reporting period ending in 2004. You do not have to enter historical data if you have already reported this information in response to previous CDP questionnaires.

Please enter the accounting year used to report GHG emissions details below.

Start date: 01 January 2004

End date: 31 December 2004

Scope 1 Direct GHG Emissions: Please provide:

a. Total global Scope 1 activity in Metric Tonnes CO₂-e emitted.
14525 CO₂e metric tonnes

b. Total Scope 1 activity in Metric Tonnes CO₂-e emitted for Annex B countries.
14525 CO₂e metric tonnes

By country - Scope 1 activity in metric tonnes of CO₂-e by individual country

Using the same methodology please state your emissions per country. NB : If it is not practical for you to list emissions on a full country by country basis, please list here countries with significant emissions in the context of your business and combine the remainder under "rest of world". If you already have this information in another format (e.g Excel) please attach it.

Scope 1 Emissions	
Country (metric tonnes CO₂-e)	
Italy	14525

Scope 2 - Indirect GHG emissions: Please provide:

c. Total global Scope 2 activity in metric tonnes CO₂-e emitted
23404 CO₂e metric tonnes

d. Total Scope 2 activity in metric tonnes CO₂-e emitted for Annex B countries
23404 CO₂e metric tonnes

By country - Scope 2 activity in metric tonnes of CO₂-e by individual country

Scope 2 Emissions	
Country (metric tonnes CO₂-e)	
Italy	23404

Electricity consumption

e. Total global MWh of purchased electricity
147870 MWh

f. Total MWh of purchased electricity for Annex B countries
147870 MWh

By country – MWh of purchased electricity by individual country.

Country	
Italy	147870

g. Total global MWh of purchased electricity from renewable sources
107661 MWh

h. Total MWh of purchased electricity from renewable sources for Annex B countries
107661 MWh

By country – MWh of purchased electricity from renewable sources by individual country.

Country

Italy 107661

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(b)(ii) Scopes 1 and 2 of GHG Protocol

If you are unable to detail your Scope 1 and Scope 2 GHG emissions and/or electricity consumption, please report the GHG emissions you are able to identify together with a description of those emissions. If you have answered 2(b)(i), please go to question 2(c)(i).

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Question 2(c)(i) Other Emissions – Scope 3 of GHG Protocol

How do you identify and/or measure Scope 3 emissions?

We identify scope 3 emissions in the framework of our Environmental Management System ISO 14001 compliant. At the moment we are able to measure only the emissions from activities under operational control (such as employee business travel).

Please provide where possible:

a. Details of the most significant Scope 3 sources for your company.

The most significant scope 3 sources for our company are:

- employee business travel;
- external distribution/logistic;
- supply chain.

b. Details in metric tonnes CO₂-e of GHG emissions in the following categories:

i Employee business travel.

5414 CO₂e metric tonnes

ii External distribution/logistics

iii Use/disposal of company's products and services.

iv Company supply chain.

c. Details of the methodology you use to quantify or estimate Scope 3 emissions.

Reported emissions are those produced on business trips by using employee cars.

The factor been used are:

0,000186 tCO₂/Km car petrol (Italian Environmental Protection Agency database of emission factors www.sinanet.apat.it)

0,000178 tCO₂/Km car diesel oil (Italian Environmental Protection Agency database of emission factors www.sinanet.apat.it)

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(d) External Verification

(i) Has the information reported in response to Questions 2(b)- (c) been externally verified or audited or do you plan to have the information verified or audited?

Yes (Please go to 2(d)(ii))

(ii) If your answer to question 2d(i) is Yes, please provide or attach a copy of the audit or verification statement or state your plans for verification.

Data have been verified by Kpmg SpA in the context of Csr Report review. See

http://www.mps.it/csr2007/pag/accredit_14.html

(iii) Please specify the standard or protocol against which the information has been audited or verified.

Data, emission factors and calculations have been verified in the context of Csr Report review, with reference to Italian Law.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(e) Data Accuracy

Does your company have a system in place to assess the accuracy of GHG emissions inventory calculation methods, data processes and other systems relating to GHG measurement? If so, please provide details. If not, please explain how data accuracy is managed.

Yes, we do have a system.

We assess the accuracy of Ghg emission calculation method in the framework of our Environmental Management System ISO 14001 compliant. Data accuracy is estimated good.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(f) Emissions History

Do the emissions reported for your last accounting year vary significantly compared to previous years? If so, please explain reasons for the variations.

Yes, they do vary significantly.

The decrease in carbon emissions is mainly due to a raise of green electricity purchased and to a comprehensive program of energy efficiency.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(g) Emissions Trading

i) Does your company have facilities covered by the EU Emissions Trading Scheme?

No, we do not. (Please go to question 2(g)(ii) below)

If so:

a) Please provide details of the annual allowances awarded to your company in Phase I for each of the years from 1 January 2005 to 31 December 2007 and details of allowances allocated for Phase II commencing on 1 January 2008.

In all cases, please enter whole numbers without punctuation, For example, enter 2000 instead of 2,000.

Please enter allowance in Metric Tonnes of CO₂:

1 January 2005-31 December 2005

1 January 2006-31 December 2006

1 January 2007-31 December 2007

b) Please provide details of actual annual emissions from facilities covered by the EU ETS with effect from 1 January 2005.

Please enter emissions in Metric Tonnes of CO₂.

1 January 2005-31 December 2005

1 January 2006-31 December 2006

1 January 2007-31 December 2007

Phase II annual allowances

1 January 2008 – 31 December 2008

1 January 2009 – 31 December 2009

1 January 2010 – 31 December 2010

1 January 2011 – 31 December 2011

1 January 2012 – 31 December 2012

c) What has been the impact on your company's profitability of the EU ETS?

ii) What is your company's strategy for trading or participating in regional and/or international trading schemes (eg: EU ETS, RGGI, CCX) and Kyoto mechanisms such as CDM and JI projects? Explain your involvement for each of the following:

EU ETS

We are currently assessing risks and opportunities in operating in EU Emissions Scheme Trading. We expect to develop specific financial products and services by the end of the year.

CDM/JI

CCX

RGGI

Others

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(h) Energy Costs

i) Please identify the total costs in US \$ of your energy consumption eg from fossil fuels and electric power.

If you want to enter a number less than 1, please ensure you use a decimal point (e.g. 0.3) and NOT a comma (e.g. 0,3)
41895000 US\$

ii) What percentage of your total operating costs does this represent?

2.4 %

iii) What percentage of energy costs are incurred on energy from renewable sources?

90 %

More details

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Yes

The rate exchange Euro/\$ been used is 1.47 (value at 02/01/2008)

3 - Performance

Question 3(a) Reduction Plans

i) Does your company have a GHG emissions reduction plan in place? If so, please provide details along with the information requested below. If there is currently no plan in place, please explain why.

Yes, we have a reduction plan in place. (Please proceed to part (ii))

ii) What is the baseline year for the emissions reduction plan?

2006

If you want to give further information or describe a rolling target, please do so here.

iii) What are the emissions reduction targets and over what period do those targets extend?

Ghg emissions reduction is pursued via:

- A 3% annual reduction target on power energy consumption from 2007 to 2009.
- 100% of power energy from renewable sources by the end of 2009.

iv) What activities are you undertaking to reduce your emissions eg: renewable energy, energy efficiency, process modifications, offsets, sequestration etc? What targets have you set for each and over what timescales do they extend?

Some of the main activities include:

- new branches and remodelled branches realised with layouts, furnishings, engineering and lighting systems that comply with the criteria of the so-called "performance model," with special attention to energy efficiency;
- efficiency-raising plan for heating and air conditioning plants with the conversion to methane of boilers powered by fuel oil, the replacement of obsolete plants with high-efficiency heat pumps and latest-generation cooling systems , the elimination of numerous fancoils in inefficient air treatment units.
- installation of infrared presence detectors for timed lighting of service areas, annual programmers to start up heating and air conditioning units that avoid turning on for variable holidays, lighting fixtures compliant with the European standards introduced by the Green Light programme.
- diagnoses and ad hoc surveys of waste and potential savings using.

Other measures for containing emissions, especially those associated with transport, consist of:

- rules on business travel and a central information system for verifying and optimising it;
- development of the videoconferencing systems and online training courses.

The 2008 objectives include:

- installation of photovoltaic plants in the major buildings and branches;
- improving the efficiency of lighting systems;
- continuing the actions listed above.

v) What investment has been or will be required to achieve the targets and over what time period?

see question 3 (iv)

vi) What emissions reductions and associated costs or savings have been achieved to date as a result of the plan?

The ghg emissions reduction is -22.8% from 2006 and -57% from 2004.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 3(b) Emissions Intensity

i) What is the most appropriate measurement of emissions intensity for your company?

Other

Metric tonnes of CO₂-e per capita

Please give your company's emissions intensity figure for the measurement given above.

If you want to enter a number less than 1, please ensure you use a decimal point (e.g. 0.3) and NOT a comma (e.g. 0,3)

1.14

ii) Please state your GHG emissions intensity in terms of total tonnes of CO₂-e reported under Scope 1 and Scope 2 per US \$m turnover and EBITDA for the reporting year.

Scope 1/ US\$millions turnover

1.59

Scope 2/ US\$millions turnover

0.39

Scope 1/ EBITDA

6.1

Scope 2/ EBITDA
1.52

iii) Has your company developed emissions intensity targets?

No, we have not developed emission intensity targets for the following reason(s):

We are expecting a reduction of emissions intensity figure due to activities undertaken to meet energy efficiency targets.

a) If the answer to part (iii) above is yes, please state your emissions intensity targets

b) If the answer to part (iii) above is yes, please state what reductions in emissions intensity have been achieved against targets and over what time period.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Yes

The rate exchange Euro/\$ been used is 1.47 (value at 02/01/2008).

Question 3(c) Planning

Do you forecast your company's future emissions and/or energy use?

i) Please provide details of those forecasts, summarize the methodology used and the assumptions made.

If you are able to give quantified forecasts of Scope 1 and Scope 2 emissions and/or electricity consumption, you can enter numerical data on the next page.

ii) How do you factor the cost of future emissions into capital expenditure planning?

iii) How have these considerations made an impact on your investment decisions?

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Question 3(c) (i) Planning - Forecasted emissions/electricity use - Year 1 answers

This page gives you the opportunity to give numerical forecasts for emissions and electricity use. If possible, please provide emissions forecasts for the next five reporting periods. Use the "Add additional year figures" button at the end of the page to enter emission forecasts for successive reporting periods. Note: Please enter whole numbers without punctuation. For example, use 2000 instead of 2,000

Please enter the accounting period used to report GHG emissions details below.

Dates not selected.

Forecasted Scope 1 Direct GHG Emissions: Please provide:

a. Forecasted Total global Scope 1 emissions in Metric Tonnes CO2-e.

b. Forecasted Total Scope 1 emissions in Metric Tonnes CO2-e for Annex B countries.

By country - Forecasted Scope 1 emissions in Metric Tonnes of CO2-e by individual country

Using the same methodology please state your emissions forecasts per country. NB : If it is not practical for you to list emissions on a full country by country basis, please list here countries with significant emissions in the context of your business and combine the remainder under "rest of world". If you already have this information in another format (e.g Excel) please attach it.

Country **Scope 1 Emissions**
(metric tonnes CO2-e)

Scope 2 Indirect GHG emissions: Please provide:

c. Forecasted total global Scope 2 emissions in Metric Tonnes CO2-e

d. Forecasted total Scope 2 emissions in Metric Tonnes CO2-e for Annex B countries

By country - Forecasted Scope 2 emissions in Metric Tonnes of CO2-e by individual country

**Country Scope 2 Emissions
(metric tonnes CO₂-e)**

Forecasted electricity consumption

e. Forecasted total global MWh of purchased electricity

f. Forecasted total MWh of purchased electricity for Annex B countries

By country – Forecasted MWh of purchased electricity by individual country.

Country

g. Forecasted total global MWh of purchased electricity from renewable sources

h. Forecasted total MWh of purchased electricity from renewable sources for Annex B countries

By country – Forecasted MWh of purchased electricity from renewable sources by individual country.

Country

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

4 - Governance

Question 4(a) Responsibility

Does a Board Committee or other executive body have overall responsibility for climate change? If not, please state how overall responsibility for climate change is managed. If so, please answer parts (i) and (ii) below.

Yes, an executive body does have overall responsibility for climate change.

i) Which Board Committee or executive body has overall responsibility for climate change?

Corporate Social Responsibility committee.

It is composed of four directors, consults and makes proposals to the Board for measures aimed at safeguarding the environment and protection of the interests of all stakeholders.

ii) What is the mechanism by which the Board or other executive body reviews the company's progress and status regarding climate change?

Csr Plan 2007-2009 contains specific targets on reduction energy consumption, purchasing green electricity and promoting financial services for renewable energy. The Plan implementation is regularly reviewed by the Committee Board.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 4(b) Individual Performance

Do you assess or provide incentive mechanisms for individual management of climate change issues including attainment of GHG targets? If so, please provide details.

No, we do not.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 4(c) Communications

Please indicate whether you publish information about the risks and opportunities presented to your company by climate change, details of your GHG emissions and plans to reduce emissions through any of the following communications:

i) the company's Annual Report or other statutory filings

No

ii) formal communications with shareholders or external parties

No

iii) voluntary communications such as Corporate Social Responsibility reporting

Yes

See Csr Report 2007 <http://english.mps.it/1+Nostri+Valori/Bilanci+e+Relazioni/>

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 4(d) Public Policy

Do you engage with policymakers on possible responses to climate change including taxation, regulation and carbon trading? If so, please provide details.

Yes

A policy on climate change is under approval by the Board of Directors.

We participate in the working table on energy saving set up by the Italian Environment Ministry and we co-operate with Tuscany regional authority to develop strategies and instruments to support investments in renewable energy.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No