

## CDP 2009 Information Request

Respondent: Banca Monte dei Paschi di Siena Group

## Risk and Opportunities

## 1. Regulatory Risks: (CDP6 1(a)(i))

1.1 Is your company exposed to regulatory risks related to climate change?

We consider our company to be exposed to regulatory risks.

The social and economic impacts of global climate change are becoming increasingly evident. Countries, and Italy too, have started implementing legislative rules for energy use or carbon mitigation. While as financial services provider we are less exposed to regulatory risks from climate change than companies from carbon-intensive industries, regulations are expected to increase our operational costs and business risks.

## 1) Internal operations

As a financial services provider we have a relatively small greenhouse footprint and consequently with respect to our own operations, we are not likely to be materially impacted by future climate change regulation. To date, we have also not been subject to any mandatory national or international emission trading scheme. Potentially, international and national policies on climate change as well as requirements for energy efficiency standards may influence energy prices and lead to greenhouse gas mitigation costs. This could affect our operations in the locations where we conduct business both through rising energy costs and altered requirements for renovations. New requirements could be, also, cause major costs in buildings construction and depreciation of premises with low energy performance. We therefore continuously monitor regulatory developments to mitigate the anticipated impacts through proactive measures.

For Mps managing climate change regulatory risks means improving continuously energy efficiency and increasing the use of power from renewable sources, with the goal of reducing energy costs. 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. An environmental management system, certified according to ISO 14001, has been carried out since 2003, with special attention to energy savings. Consumption is monitored monthly to identify possible areas for improved efficiency. This year a new Energy Data Manager procedure was implemented that will make it possible over the years to accurately manage energy supplies, control their costs, hypothesise future scenarios and analyse the load curves for high-consumption sites.

## 2) Business risk

Business risks may arise through the way our clients are affected by changing regulatory frameworks (e.g., EU Emissions Trading Scheme) and the measures they take to mitigate these effects. Rising energy prices and carbon mitigation requirements as a consequence of regulatory frameworks might influence our clients (e.g., impacts on operating costs, shifts in consumer demand). This could have an impact, in particular, on our businesses as well as influence our lending portfolios. Most exposed to these kinds of risks will be clients with high carbon exposure, while businesses active in the area of carbon mitigation might profit from more stringent regulatory requirements. Related to business risks, we apply an environmental credit risk system, which considers, among others things : the danger of the activity and the legislative obligations in the sector, the scale of the activity – as an approximation of the extent of potential harm to the environment - the holding of environmental certifications. Following our Policy on Climate change, approved in April 2009, we are committed to develop credit and investment policies that reward processes and products with a positive impact on the environment and on society, and also making other companies aware that they should do the same and to assist customers in energy management through specific products and services

We are also exposed to regulatory risk of our suppliers, who could have difficulties in meeting new requirements and as a result in providing goods and services. Montepaschi Group follows a process for identifying and containing environmental risks present in the supply chain. This process applies to all proposed supplier and includes:

- checking whether they hold an environmental process certification (ISO 14001 or EMAS)
- an examination of the requirements of environmental compatibility of the activities performed based on information released by the supplier through a special questionnaire regarding: policy, organisation, procedures and tools likely to ensure proper and effective management of the supplier's impacts.

We are implementing a new Policy on Sustainability in Supply Chain that calls for:

- training for the staff involved
- specific discussions with suppliers
- application of criteria of exclusion and environmental preference in assessing the supplies
- monitoring of performances and benchmark analysis.

## Further information

## 2. Physical Risks: (CDP6 1(a)(ii))

2.1 Is your company exposed to physical risks from climate change?

We consider our company to be exposed to physical risks.

Extreme weather events such as floods or storms could affect our operations through damage to office buildings and infrastructure and could make our daily business more difficult. Physical effects stemming from climate change may also affect energy demand and supply. As a financial services company, we rely heavily on our data processing systems. If any of these systems does not operate properly or is disabled, we could suffer financial loss, a disruption of our businesses or reputational damage.

Direct physical risks are managed in Business Continuity Management System for operational aspects. To guarantee the continuity of banking services in the presence of especially critical scenarios, such as natural disasters, the Group has established an Operational Continuity plan, which includes suitable organisational measures and specific instrumental resources. The Operational Continuity plan includes the Disaster Recovery Project, which establishes the technical and organisational standards to compensate for any outages of the data processing centres. The Project is intended to ensure the continuity of computer procedures by using alternatives to the production sites.

Physical risks from climate change may affect the creditworthiness of our clients (e.g., through damage to physical property, disruption of transports, yield losses) and therewith indirectly impact our businesses. Especially our clients, which are active in sectors sensitive to climate change (e.g., agriculture, tourism), are highly exposed to climate-related natural catastrophes.

Related to business risks, we apply an environmental credit risk system, which considers, among others things : the danger of the activity and the legislative obligations in the sector, the scale of the activity – as an approximation of the extent of potential harm to the environment - the holding of environmental certifications.

Further information

### 3. Other Risks: (CDP6 1(a)(iii))

3.1 Is your company exposed to other risks as a result of climate change?

We consider our company to be exposed to other risks.

#### Reputation risk

As climate change becomes a more visible social concern, there is increasing pressure on businesses to disclose climate change impacts more completely. Financial institutions that do not have policies or programs in place to address their own contribution to climate change, as well as the impact of climate change on their business, may face criticism from clients, investors, and other stakeholders. Depending on how climate change activity is managed, there is also the potential for reputational benefits. Positive and proactive actions will enhance our reputation with the SRI community and can enhance our evaluation by rating agencies. In April 2009 a specific policy on energy and Climate Change has been approved committing us to:

- better understanding energy aspects that matter to its own business;
- limiting its own energy consumption and increasing its use of energy from renewable sources by keeping track of the emissions produced annually;
- developing credit and investment policies that reward processes and products with a positive impact on the environment and on society, and also making other companies aware that they should do the same;
- assisting customers in energy management through specific products and services;
- supporting and promoting investments in renewable energy and in the development of low-emission technologies;
- contributing, in cooperation with civil institutions and organisations, to informing people and businesses and raising awareness on the topic

Further information

### 4. Regulatory Opportunities: (CDP6 1(b)(i))

4.1 Do regulatory requirements on climate change present opportunities for your company?

Regulatory requirements present opportunities for my company.

The transition to a lower carbon economy will require huge investments.

Climate change regulation has already created new markets, but also incentive frameworks that drive renewable energy markets and create new investment opportunities.

The Bank's approach is to support businesses to better understand those risks and manage them proactively – with mutual advantages – by making specific loans and bank services available.

We have identified the major opportunities in:

- Project Financing and the Corporate and Retail Commercial segments, with about 319 million in loans to the renewable energy sector in 2008
- Investment Banking, which at the end of 2008 posted equity in the capital of companies active in the renewable energy sector equal to approximately 63 million.

The following is a list of the main projects by area of business.

#### Project Financing

As arranger, MPS Capital Services handled the structuring of loans to install 9 wind farms and 2 photovoltaic facilities, for more than 194 million Euros. At the end of 2008 there were 590 million in investments in the renewable energy sector.

Other significant operations, under way or being formulated, include:

- 260 small photovoltaic facilities (total power: 5.2 MW) in Trapani province with a cost of 27.1 million
- a methane co-generating station and a district heating network in Piemonte
- two co-generating plants fed by natural gas and a district heating system in the town of Rozzano (MI)
- 2 biomass facilities in Calabria with a total power of 60 MW
- a power plant fed by agricultural biomass (marc left over from grappa processing) with a power of about 24 MW, with a cost of some 57 million.

#### Corporate and Retail Commercial

More than 200 loans were issued to small and medium enterprises for more than 29 million Euros, mainly through special agreements with specialised contractors. Added to these are leasing solutions for 24 facilities with a value of 88 million.

In the Retail segment we concluded almost 300 operations for approximately 7.8 million. These were mainly turnkey installations of photovoltaic panels and energy-efficiency projects in residential buildings, under agreements with major players in the sector.

#### Investment Banking

The Group holds equity in the capital of Sorgenia, Alerion, Kerself and as of this year Moncada Solar Equipment as well.

Other opportunities for which a specific strategy is under analysis include:

- Carbon emission certificates brokerage.
- Asset management (e.g. green funds).
- Financial derivatives (e.g. cat bonds).

Further information

## 5. Physical Opportunities: (CDP6 1(b)(ii))

5.1 Do physical changes resulting from climate change present opportunities for your company?

Physical changes present opportunities for my company.

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).

This kind of business is not managed directly by Montepaschi Group, but by a specif joint-venture with Axa.

Further information

## 6. Other Opportunities: (CDP6 1(b)(iii))

6.1 Does climate change present other opportunities for your company?

Climate change presents other opportunities for my company.

General opportunities also arise in the way how we manage our internal operations. Through proactive internal environmental measures we can build trust among our employees, clients and other stakeholders and be at the forefront of developing innovative solutions to help mitigate the negative effects of climate change.

Further information

## Greenhouse Gas (GHG) Emissions Accounting, Emissions Intensity, Energy and Trading

### 7. Reporting Year (CDP6 Q2(a)(ii))

Information about how to respond to this section may be found in "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)" developed by the World Resources Institute and the World Business Council for Sustainable Development ("the GHG Protocol"), see <http://www.ghgprotocol.org/>. ISO 14064-1 is compatible with the GHG Protocol as are a number of regional/national programme protocols. For more information see <http://www.ghgprotocol.org/> and use the guidance button above.

Please provide CDP with responses to questions 7, 8, 9, 10.1, 10.2, 11.1 and 11.2 for the three years prior to the current reporting year if you have not done so before or if this is the first time you have answered a CDP information request. Please work backwards from the current reporting year, so that you enter data for your oldest reporting period last.

Questions 10.1, 10.2, 11.1, and 11.2 are on subsequent webpages and the dates that you give in answer to question 7 will be carried forwards to automatically populate those webpages.

7.1. Please state the start date and end date of the year for which you are reporting GHG emissions.

Start date: 01 January 2008

End date: 31 December 2008

Financial accounting year: 01 January 2008

### 8. Reporting Boundary: (CDP6 Q2(a)(i))

8.1. Please indicate the category that describes the company, entities, or group for which Scope 1 and Scope 2 GHG emissions are reported.

Other

The reporting boundaries comprise more than 65% of the Group staff, they don't include Banca Antonveneta and BiverBanca merged in 2008.

8.2. Please state whether any parts of your business or sources of GHG emissions are excluded from your reporting boundary.

To guarantee the comparability with data of previous years

### 9. Methodology: (CDP6 Q2(a)(iii))

9.1. Please describe the process used by your company to calculate Scope 1 and Scope 2 GHG emissions including the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 GHG emissions.

Please provide your answer in the text box. In addition to this description, if relevant, select a methodology from the list of published methodologies. This will aid automated analysis of the data.

The methodology refers to Italian law, Italian Environmental Protection Agency database of emission factors and International Energy Agency data services 2007 (GHG tool)

The factors been used are:

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

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

0,000405 tCO2/kWh purchased electricity (International Energy Agency data services 2007 - GHG tool)  
0,002618 tCO2/liter oil (Italian law DEC/RAS/854/05)  
0,001966 tCO2/m3 methane (Italian law DEC/RAS/854/05)

Select methodologies:

Please also provide:

9.2 Details of any assumptions made.

9.3 The names of and links to any calculation tools used.

Select calculation tools:

9.4 The global warming potentials you have applied and their origin.

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

9.5 The emission factors you have applied and their origin.

The factors been used are:

0,000186 tCO2/Km car petrol (Italian Environmental Protection Agency database of emission factors [www.sinanet.apat.it](http://www.sinanet.apat.it))  
0,000178 tCO2/Km car diesel oil (Italian Environmental Protection Agency database of emission factors [www.sinanet.apat.it](http://www.sinanet.apat.it))  
0,000405 tCO2/kWh purchased electricity (International Energy Agency data services 2007 - GHG tool)  
0,002618 tCO2/liter oil (Italian law DEC/RAS/854/05)  
0,001966 tCO2/m3 methane (Italian law DEC/RAS/854/05)

Further information

## 10. Scope 1 Direct GHG Emissions: (CDP6 Q2(b)(i))

Instructions for question 10 and question 11 (following page)

When providing answers to questions 10 and 11, please do not deduct offset credits, Renewable Energy Certificates etc, or net off any estimated avoided emissions from the export of renewable energy, carbon sequestration (including enhanced oil recovery) or from the use of goods and services. Opportunities to provide details of activities that reduce or avoid emissions are provided elsewhere in the information request.

Carbon dioxide emissions from biologically sequestered carbon e.g. carbon dioxide from burning biomass/biofuels should be reported separately from emissions Scopes 1, 2 and 3. If relevant, please report these emissions in question 15. However, please do include any nitrous oxide or methane emissions from biomass/biofuel combustion in your emissions under the three scopes.

Please answer the following questions using Table 1.

Please provide:

10.1. Total gross global Scope 1 GHG emissions in metric tonnes of CO<sub>2</sub>-e

Please break down your total gross global Scope 1 emissions by:

10.2. Country or region

Please provide CDP with responses to questions 10.1 and 10.2 for the three years prior to the current reporting year if you have not done so before or if this is the first time you have answered a CDP information request. Please work backwards from the current reporting year, so that you enter data for your oldest reporting period last. Table 1 (below) and table 5 (Q11.1 and 11.2) will be automatically populated with the dates that you give in answer to 7.1.

Electric utilities should report emissions by country/region using the table in question EU3.

Table 1 - Please use whole numbers only. Use the "Other" option in the drop down menu to enter the name of a region.

Reporting year Q7.1 Start date	01/01/2008
Reporting year Q7.1 End date	31/12/2008
10.1 Total gross global Scope 1 GHG emissions in metric tonnes CO <sub>2</sub> -e	11750

**10.2 Gross Scope 1 emissions in metric tonnes CO<sub>2</sub>-e by country or region**

Italy	11750
-------	-------

Your answer to question 10.1 will be automatically carried forward to tables 2 and 3 below if you add a country or region in answer to 10.2 or press "Save" at the end of the page.

Please tick the box if your total gross global Scope 1 figure (Q10.1) includes emissions that you have transferred outside your reporting boundary (as given in answer to 8.1). Please report these transfers under 13.5.

Where it will facilitate a better understanding of your business, please also break down your total global Scope 1 emissions by:

10.3. Business division

and/or

10.4. Facility

10.3. Business division (only data for the current reporting year requested)

Table 2 - Please use whole numbers only.

Business Divisions - Enter names below	Scope 1 Metric tonnes CO <sub>2</sub> -e
<b>Total gross global Scope 1 GHG emissions in metric tonnes CO<sub>2</sub>-e - answer to question Q10.1</b>	<b>11750</b>

10.4. Facility (only data for the current reporting year requested)

Table 3 - Please use whole numbers only.

Facilities - Enter names below	Scope 1 Metric tonnes CO <sub>2</sub> -e
<b>Total gross global Scope 1 GHG emissions in metric tonnes CO<sub>2</sub>-e - answer to question Q10.1</b>	<b>11750</b>

10.5. Please break down your total global Scope 1 GHG emissions in metric tonnes of the gas and metric tonnes of CO<sub>2</sub>-e by GHG type. (Only data for the current reporting year requested.)

Table 4 - Please use whole numbers only.

Scope 1 GHG Type	Unit	Quantity
CO <sub>2</sub>	Metric tonnes	11750
CH <sub>4</sub>	Metric tonnes	
CH <sub>4</sub>	Metric tonnes CO <sub>2</sub> -e	
N <sub>2</sub> O	Metric tonnes	
N <sub>2</sub> O	Metric tonnes CO <sub>2</sub> -e	
HFCs	Metric tonnes	
HFCs	Metric tonnes CO <sub>2</sub> -e	
PFCs	Metric tonnes	
PFCs	Metric tonnes CO <sub>2</sub> -e	
SF <sub>6</sub>	Metric tonnes	
SF <sub>6</sub>	Metric tonnes CO <sub>2</sub> -e	

10.6. If you have not provided any information about Scope 1 emissions in response to the questions above, please explain your reasons and describe any plans you have for collecting Scope 1 GHG emissions information in future.

Further information

11. Scope 2 Indirect GHG Emissions: (CDP6 Q2(b)(i))

Important note about emission factors where zero or low carbon electricity is purchased:

The emissions factor you should use for calculating Scope 2 emissions depends upon whether the electricity you purchase is counted in calculating the grid average emissions factor or not – see below. You can find this out from your supplier.

Electricity that IS counted in calculating the grid average emissions factor:

Where electricity is sourced from the grid and that electricity has been counted in calculating the grid average emissions factor, Scope 2 emissions must be calculated using the grid average emissions factor, even if your company purchases electricity under a zero or low carbon electricity tariff.

Electricity that is NOT counted in calculating the grid average emissions factor:

Where zero or low carbon electricity is sourced from the grid or otherwise transmitted to the company and that electricity is not counted in calculating the grid average, the emissions factor specific to that method of generation can be used, provided that any certificates quantifying GHG-related environmental benefits claimed for the electricity are not sold or passed on separately from the electricity purchased.

[Click here](#) to see the instructions from the previous page on answering question 11.

Please answer the following questions using Table 5.

Please provide:

11.1. Total gross global Scope 2 GHG emissions in metric tonnes of CO<sub>2</sub>-e.

Please break down your total gross global Scope 2 emissions by:

11.2. Country or region

Please provide CDP with responses to questions 11.1 and 11.2 for the three years prior to the current reporting year if you have not done so before or if this is the first time you have answered a CDP information request. Please work backwards from the current reporting year, so that you enter data for your oldest reporting period last. Table 5 will be automatically populated with the dates that you gave in answer to 7.1.

Table 5 - Please use whole numbers only. Use the "Other" option in the drop down menu to enter the name of a region.

Reporting year Q7.1 Start date	01/01/2008
Reporting year Q7.1 End date	31/12/2008
11.1 Total gross global Scope 2 GHG emissions in metric tonnes CO <sub>2</sub> -e	61498
11.2 Gross Scope 2 emissions in metric tonnes CO <sub>2</sub> -e by country or region	
Italy	61498

Your answer to 11.1 will be automatically carried forward to tables 6 and 7 below if you add a country or region in answer to 11.2 or press "Save" at the end of the page.

Where it will facilitate a better understanding of your business, please also break down your total global Scope 2 emissions by:

11.3. Business division

and/or

11.4. Facility

11.3. Business division (only data for the current reporting year requested)

Table 6 - Please use whole numbers only.

<b>Business Divisions - Enter names below</b>	<b>Scope 2 Metric tonnes CO<sub>2</sub>-e</b>
Total gross global Scope 2 GHG emissions in metric tonnes CO <sub>2</sub> -e - answer to question Q11.1	61498

11.4. Facility (only data for the current reporting year requested)

Table 7 - Please use whole numbers only.

<b>Facilities - Enter names below</b>	<b>Scope 2 Metric tonnes CO<sub>2</sub>-e</b>
Total gross global Scope 2 GHG emissions in metric tonnes CO <sub>2</sub> -e - answer to question Q11.1	61498

11.5. If you have not provided any information about Scope 2 emissions in response to the questions above, please explain your reasons and describe any plans you have for collecting Scope 2 GHG emissions information in future.

Further information

The figure is different from the value exposed in CSR report 2008 because in calculating CO2 emissions for CSR Report we considered for electricity purchased (96%) produced in hydroelectric plants an emission factor equal zero.

## 12. Contractual Arrangements Supporting Particular Types of Electricity Generation: (CDP6 Q2(b)(i)- Guidance)

12.1. If you consider that the grid average factor used to report Scope 2 emissions in question 11 does not reflect the contractual arrangements you have with electricity suppliers, (for example, because you purchase electricity using a zero or low carbon electricity tariff), you may calculate and report a contractual Scope 2 figure in response to this question, showing the origin of the alternative emission factor and information about the tariff.

Contractual Scope 2 = 2,526 metric tonne CO<sub>2</sub> e.

To calculate this figure we considered that 96% of purchased electricity is supplied by Consorzio Idroenergia, which sources their electricity from hydroelectric plants without carbon emission.

For the 4% left we considered the emission factor reported in ENEL (the Italy's largest power company) Environmental Report 2007 (0,000496 metric tonne CO<sub>2</sub>/kWh).

12.2. If you retire any certificates (eg: Renewable Energy Certificates) associated with zero or low carbon electricity, please provide details.

Further information

## 13. Scope 3 Other Indirect GHG Emissions: (CDP6 Q2(c))

For each of the following categories, please:

- Describe the main sources of emissions,

- Report emissions in metric tonnes of CO<sub>2</sub>-e,

- state the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

Notes about question 13

When providing answers to question 13, please do not deduct offset credits, Renewable Energy Certificates etc, or net off any estimated avoided emissions from the export of renewable energy, carbon sequestration (including enhanced oil recovery) or from the use of goods and services. Opportunities to provide details of activities that reduce or avoid emissions are provided elsewhere in the information request.

Carbon dioxide emissions from biologically sequestered carbon e.g. carbon dioxide from burning biomass/biofuels should be reported separately from emissions Scopes 1, 2 and 3. If relevant, please report these emissions in question 15. However, please do include any nitrous oxide or methane emissions from biomass/biofuel combustion in your emissions under the three scopes.

13.1 Employee business travel

Describe the main sources of emissions

[Employee business travel by their car](#)

Emissions in metric tonnes CO<sub>2</sub>-e.

4774

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

The factor been used are:

0,000186 tCO<sub>2</sub>/Km car petrol (Italian Environmental Protection Agency database of emission factors [www.sinanet.apat.it](http://www.sinanet.apat.it))

0,000178 tCO<sub>2</sub>/Km car diesel oil (Italian Environmental Protection Agency database of emission factors [www.sinanet.apat.it](http://www.sinanet.apat.it))

13.2. External distribution/logistics

Describe the main sources of emissions

[To date we are not able to measure these emissions](#)

Emissions in metric tonnes CO<sub>2</sub>-e.

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

### 13.3 Use/disposal of company's products and services

For auto manufacture and auto component companies – please refer to the additional questions for these sectors before completing question 13.3.  
Describe the main sources of emissions

[Not relevant for our activity](#)

Emissions in metric tonnes CO<sub>2</sub>-e.

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

### 13.4 Company supply chain

Describe the main sources of emissions

[To date, we are not able to measure these emissions](#)

Emissions in metric tonnes CO<sub>2</sub>-e.

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

### 13.5 Other

If you are reporting emissions that do not fall into the categories above, please categorise them into transferred emissions and non-transferred emissions (please see guidance for an explanation of these terms).

Please report transfers in the first three input fields and non-transfers in the last three input fields.

Transfers

Describe the main sources of emissions

Transfers

Report emissions in metric tonnes of CO<sub>2</sub>-e.

Transfers

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

Non-transfers

Describe the main sources of emissions

Non-transfers

Report emissions in metric tonnes of CO<sub>2</sub>-e.

Non-transfers

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

13.6 If you have not provided information about one or more of the categories of Scope 3 GHG emissions in response to the questions above, please explain your reasons and describe any plans you have for collecting Scope 3 indirect emissions information in future.

Further information



#### 14. Emissions Avoided Through Use Of Goods And Services (New for CDP 2009)

14.1. If your goods and/or services enable GHG emissions to be avoided by a third party, please provide details including the estimated avoided emissions, the anticipated timescale over which the emissions are avoided and the methodology, assumptions, emission factors (including sources), and global warming potentials (including sources) used for your estimations.

[In 2008 Montepaschi Group financed renewable energy facilities for 320 millions of euros. For some time now, we have been in the lead in project financing, especially for wind parks in southern Italy, for a total at the end of 2008 of 1.4 GW installed, and total investments of over 1 billion euro.](#)

Further information

#### 15. Carbon Dioxide Emissions from Biologically Sequestered Carbon: (New for CDP 2009)

An example would be carbon dioxide from burning biomass/biofuels.

15.1. Please provide the total global carbon dioxide emissions in metric tonnes CO<sub>2</sub> from biologically sequestered carbon.

Emissions in metric tonnes CO<sub>2</sub> - Please use whole numbers only

Further information

#### 16. Emissions Intensity: (CDP6 Q3(b))

16.1. Please supply a financial emissions intensity measurement for the reporting year for your combined Scope 1 and 2 emissions.

Please describe the measurement.

[GHG emissions per Financial and insurance income](#)

16.1.1. Give the units. For example, the units could be metric tonnes of CO<sub>2</sub>-e per million Yen of turnover, metric tonnes of CO<sub>2</sub>-e per US\$ of profit, metric tonnes of CO<sub>2</sub>-e per thousand Euros of turnover.

[metric tonnes of CO2e per million Euros of Financial and insurance income](#)

16.1.2. The resulting figure.

Use a decimal point if necessary. Please use a "." rather than a ",", i.e. please write 15.6 rather than 15,6

[12.3](#)

16.2. Please supply an activity related intensity measurement for the reporting year for your combined Scope 1 and 2 emissions.

Please describe the measurement.

[See 16.1](#)

16.2.1. Give the units e.g. metric tonnes of CO<sub>2</sub>-e per metric tonne of output or for service sector businesses per unit of service provided.

16.2.2. The resulting figure.

Use a decimal point if necessary. Please use a "." rather than a ",", i.e. please write 15.6 rather than 15,6

Further information

#### 17. Emissions History: (CDP6 Q2(f))

17.1. Do emissions for the reporting year vary significantly compared to previous years?

Yes

We achieved a reduction in total and per capita emissions, 2.9% and 0.8% respectively. This is mainly due to a reduction in the length of work-related automobile trips and, to a lesser extent, to the energy efficiency programmes for buildings and computer systems.

If the answer to 17.1 is Yes:

17.1.1. Estimate the percentage by which emissions vary compared with the previous reporting year.

This box will accept numerical answers containing a decimal point. Please use "." not "," i.e. write 10.6, not 10,6.

2.9 %

Have the emissions increased or decreased?

Decreased

Further information

For this analysis we considered figures reported in Montepaschi Group - Csr Report 2008. We didn't take in account Scope 2 emissions calculated following CDP 2009 requests (grid average emission factor)

18. External Verification/Assurance: (CDP6 Q2(d))

18.1. Has any of the information reported in response to questions 10 – 15 been externally verified/assured in whole or in part?

Yes, it has been externally verified/assured in whole or in part.(Please continue with questions 18.2 to 18.5)

It would aid automated analysis of responses if you could select responses from the tick boxes below. However, please use the text box provided if the tick boxes menu options are not appropriate.

18.2. State the scope/boundary of emissions included within the verification/assurance exercise.

Scope 1 Q10.1

Scope 2 Q11.1

Contractual Scope 2 Q12.1

Scope 3 employee business travel Q13.1

Please use the text box below to describe the scope/boundary of emissions included within the verification/assurance exercise if the tick box menu options above are not applicable.

18.3. State what level of assurance (eg: reasonable or limited) has been given.

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

18.4. Provide a copy of the verification/assurance statement.

Please attach a copy/copies.

18.5. Specify the standard against which the information has been verified/assured.

Data, emission factors and calculations have been verified by Kpmg SpA in the context of Csr Report review, with reference to Italian Law [http://www.mps.it/bilancio\\_08/bilancio\\_accessibile/pdf/bilancio\\_2008\\_supplemento.pdf](http://www.mps.it/bilancio_08/bilancio_accessibile/pdf/bilancio_2008_supplemento.pdf) (Pag 14)

18.6. If none of the information provided in response to questions 10-15 has been verified in whole or in part, please state whether you have plans for GHG emissions accounting information to be externally verified/assured in future.

Further information

19. Data Accuracy: (CDP6 Q2(e) – New wording for CDP 2009)

19.1. What are the main sources of uncertainty in your data gathering, handling and calculations e.g.: data gaps, assumptions, extrapolation, metering/measurement inaccuracies etc?

If you do not gather emissions data, please select emissions data is NOT gathered and proceed to question 20.

[Emission data is gathered.](#)

[Same uncertainties can arise from metering inaccuracies due to consumption owelties present in energy bills.](#)

19.2. How do these uncertainties affect the accuracy of the reported data in percentage terms or an estimated standard deviation?

[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.](#)

19.3. Does your company report GHG emissions under any mandatory or voluntary scheme (other than CDP) that requires an accuracy assessment?

[No \(Please go to question 20.\)](#)

19.3.1 Please provide the name of the scheme.

19.3.2. Please provide the accuracy assessment for GHG emissions reported under that scheme for the last report delivered.

Further information

20. Energy and Fuel Requirements and Costs: (New for CDP 2009)

Please provide the following information for the reporting year:

Cost of purchased energy

20.1. The total cost of electricity, heat, steam and cooling purchased by your company.

[46493864](#)

Select currency

[European euro](#)

20.1.1. Please break down the costs by individual energy type.

Table 8 - The "Cost" column will not accept text. Please use whole numbers only.

Energy type	Cost	Currency
Electricity	<a href="#">40451234</a>	<a href="#">European euro</a>
Heat		<a href="#">European euro</a>
Steam		<a href="#">European euro</a>
Cooling		<a href="#">European euro</a>

Cost of purchased fuel

20.2. The total cost of fuel purchased by your company for mobile and stationary combustion.

[6042630](#)

Select currency

[European euro](#)

20.2.1. Please breakdown the costs by individual fuel type.

Table 9 - The cost column will not accept text. Please use whole numbers only.

Mobile combustion fuels	Cost	Currency
<b>Stationary combustion fuels</b>	<b>Cost</b>	<b>Currency</b>
Natural gas	5050916	European euro
Crude oil	991714	European euro

#### Energy and fuel inputs

The following questions are designed to establish your company's requirements for energy and fuel (inputs). Please note that MWh is our preferred unit for answers as this helps with comparability and analysis. Although it is usually associated with electricity, it can equally be used to represent the energy content of fuels (see CDP 2009 Reporting Guidance for further information on conversions to MWh).

#### Purchased energy input

20.3 Your company's total consumption of purchased energy in MWh.

Please use whole numbers only.

198743 MWh

#### Purchased and self produced fuel input

20.4. Your company's total consumption in MWh of fuels for stationary combustion only. This includes purchased fuels, as well as biomass and self-produced fuels where relevant.

Please use whole numbers only.

46896 MWh

In answering this question and the one below, you will have used either Higher Heating Values (also known as Gross Calorific Values) or Lower Heating Values (also known as Net Calorific Values).

Please state which you have used in calculating your answers.

[Conversion factor m3 of natural gas to MWh 0.00953488](#)

[Conversion factor oil litres to MWh 0.01036047](#)

20.4.1. Please break down the total consumption of fuels reported in answer to question 20.4 by individual fuel type in MWh.

Table 10 - Please use whole numbers only

Stationary combustion fuels	MWh
Methane	40445
Crude oil	6451

#### Energy output

In this question we ask for information about the energy in MWh generated by your company from the fuel that it uses. Comparing the energy contained in the fuel before combustion (question 20.4) with the energy available for use after combustion will give an indication of the efficiency of your combustion processes, taking your industry sector into account.

20.5. What is the total amount of energy generated in MWh from the fuels reported in question 20.4?

Please use whole numbers only.

20.6. What is the total amount in MWh of renewable energy, excluding biomass, that is self-generated by your company?

Please use whole numbers only.

#### Energy exports

This question is for companies that export energy that is surplus to their requirements. For example, a company may use electricity from a combined heat and power plant but export the heat to another organisation.

20.7. What percentage of the energy reported in response to question 20.5 is exported/sold by your company to the grid or to third parties?

Please use whole numbers only.

20.8. What percentage of the renewable energy reported in response to question 20.6 is exported/sold by your company to the grid or to third parties?

Please use whole numbers only.

Further information

## 21. EU Emissions Trading Scheme: (CDP6 Q2(g)(i) – New wording for CDP 2009)

Electric utilities should report allowances and emissions using the table in question EU5.

21.1. Does your company operate or have ownership of facilities covered by the EU Emissions Trading Scheme (EU ETS)?

[No \(Please go to question 22.\)](#)

Please give details of:

21.2. The allowances allocated for free for each year of Phase II for facilities which you operate or own. (Even if you do not wholly own facilities, please give the full number of allowances).

Table 11 - Please use whole numbers only.

	2008	2009	2010	2011	2012
<b>Free allowances metric tonnes CO2</b>					

21.3. The total allowances purchased through national auctioning processes for the period 1 January 2008 to 31 December 2008 for facilities that you operate or own. (Even if you do not wholly own facilities, please give the total allowances purchased through auctions by the facilities for this period).

Total allowances purchased through auction

21.4. The total CO<sub>2</sub> emissions for 1 January 2008 to 31 December 2008 for facilities which you operate or own. (Even if you do not wholly own facilities, please give the total emissions for this period.)

Total emissions in metric tonnes

Further information

## 22. Emissions Trading: (CDP6 Q2(g)(ii) - New wording for CDP 2009)

Electric utilities should read EU6 before answering these questions.

22.1. Please provide details of any emissions trading schemes, other than the EU ETS, in which your company already participates or is likely to participate within the next two years.

[We do not participate or anticipate participating in any trading schemes within the next two years. \(Please go to question 22.3\)](#)

22.2. What is your overall strategy for complying with any schemes in which you are required or have elected to participate, including the EU ETS?

Further information

## 22. Carbon credits

22.3. Have you purchased any project-based carbon credits?

[No. \(Please go to question 22.5\)](#)

Please indicate whether the credits are to meet one or more of the following commitments:

Please also:

22.4 Provide details including the type of unit, volume and vintage purchased and the standard/scheme against which the credits have been verified, issued and retired (where applicable).

22.5. Have you been involved in the origination of project-based carbon credits?

[No. \(Please go to question 22.7\)](#)

22.6. Please provide details including:

- Your role in the project(s),
- The locations and technologies involved,
- The standard/scheme under which the projects are being/have been developed,
- Whether emissions reductions have been validated or verified,
- The annual volumes of generated/projected carbon credits,
- Retirement method if used for own compliance or offsetting.

22.7. Are you involved in the trading of allowances under the EU ETS and/or project-based carbon credits as a separate business activity, or in direct support of a business activity such as investment fund management or the provision of offsetting services?

[No. \(Please go to question 23\)](#)

22.8. Please provide details of the role performed.

Further information

Performance

23. Reduction plans & goals: (CDP6 Q3(a))

23.1. Does your company have a GHG emissions and/or energy reduction plan in place?

[Yes. \(Please go to question 23.3\)](#)

23.2. Please explain why.

It would aid automated analysis of responses if you could select a response from the options below as well as using the text box. However, please just use the text box provided if the options are not appropriate.

If the menu options above are not appropriate, please answer the question using the text box below:

Goal setting

23.3. Do you have an emissions and/or energy reduction target(s)?

[Yes. \(Please answer the following questions\)](#)

23.4 What is the baseline year for the target(s)?

[2006](#)

23.5. What is the emissions and/or energy reduction target(s)?

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.

23.6. What are the sources or activities to which the target(s) applies?

The target relate to whole Group

23.7. Over what period/timescale does the target(s) extend?

2007-2009

Further information

## 23. GHG emissions and energy reduction activities

23.8. What activities are you undertaking or planning to undertake to reduce your emissions/energy use?

Measures undertaken for containing emissions consist of:

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

### 1) Efficiency programmes in property management

The new branches and reorganisations are created with high service criteria, including in an effort to save energy and protect the environment. The objective is also to make work environments more comfortable at those sites that have hitherto not been served satisfactorily, which does not always contribute to an immediate savings in consumption.

Responsibility in this area is assigned to the Group's Paschi Gestioni Immobiliari company, where the Energy Manager works according to Law 10/91 to ensure a rational use of energy, achieve savings, and develop renewable sources.

The 2008 Plan involved:

- new branches and those being reorganised
- reorganisations of large buildings
- systems maintenance
- Information Systems

New branches, reorganisations and moves have for some time being carried out using the "Model Service" model, which calls for high efficiency standards and the following guidelines:

- Identification of the dimensions and qualitative type of the premises
- Cost effectiveness in construction and maintenance
- Maximum attention to the problems of environmental impact and on containing energy consumption
- Check of the range of application of energy-savings legislation
- Evaluation of the works for possible improvements in energy performance of the building and its systems
- Evaluation of the type of system to be adopted
- Intelligent management of interior lighting, according to the criterion of "light where it is needed, when it is needed."

This year 37 branches were constructed according to this model.

In addition, some large administrative centres were reorganised according to criteria of efficiency.

Through ordinary maintenance, obsolete systems are progressively replaced with new-generation systems.

Projects in 2008:

- transformation of 19 fuel-oil systems to methane condensing boilers
- installation of 46 high-efficiency heat pumps for air conditioning
- replacement of 5 Air Treatment units with heat-recovery systems
- replacement of numerous inefficient fan coils.

Computer management applies various measurements for containing electricity consumption:

- energy yields are an important criterion in deciding to purchase new systems
- management of the systems' standby status
- use of software and infrastructures that allow more efficient management of servers.

Projects in 2008:

- in evaluating the total cost of the new systems, electrical absorption for at least 4 years was also taken into account. Analyses show that high-efficiency personal computers allow savings of about 15 Watts compared to average models; with 34,000 computers in service as at the Bank, the savings to be achieved over the next four years is more than 9 million kWh in all, equal to about 1.6 million Euros
- 2,100 servers were replaced in the branches with Fujitsu Primergy TS120 – the winner of the EcoHighTech Award. Total savings over the next four years is estimated at about 3.3 million kWh, equal to about 550,000 Euros
- As part of the Ghro Project, which is intended to better manage electrical absorption by personal computers, we completed replacement of all obsolete machines that did not allow energy management when on standby. At present all workstations are centrally controlled for deactivation and turn-on
- at the Siene and Florence data processing centres, where some 2,000 servers are active, a specific software is used that concentrates processing on large-dimension machines, avoiding the installation of new servers and consequently saving energy
- adoption of the GRID (Gestione delle Risorse Distribuite – Distributed Resources Management) infrastructure, which manages parallel processing on servers momentarily

not in use, avoiding the purchase of more processors.

## 2) Rules on business travel

We have identified a "Mobility Manager" position which will be operational as of 2009, with the objective of seeking effective solutions for more sustainable home-work mobility for personnel. MPS Capital Services already has such measures in place for its employees: an "ecological" contribution of up to 350 Euros is granted for the purchase of bicycles, electric automobiles, subscriptions for public transit, and as of this year for the replacement of boilers and household appliances with more energy-efficient models (about 42,000 Euros issued this year to 67 people).

Travel for work and training is regulated so as to minimise the use of private cars in favour of public transit or corporate or rental cars, which perform better in terms of consumption and emissions.

This year the Bank's employees made some 172,000 work-related trips. With a new information system, it will be possible to analyse, more precisely and for all of the Group's companies, the distance travelled per means used, and to identify additional areas for improvement.

## 3) Training on-line and videoconfercices

The amount of training given online is increasing (by 28% in 2008) and more and more meetings are being held by video- and teleconferencing. In particular, our premises have 132 videoconferencing systems which this year were used more than 7,000 times

Further information

## 23. Goal evaluation

23.9. What benchmarks or key performance indicators do you use to assess progress against the emissions/energy reduction goals you have set?

- Total energy per employee (TEP)
- Electricity from renewable sources (%)
- CO2 emissions per capita (kg)

Further information

## 23. Goal achievement

23.10. What emissions reductions, energy savings and associated cost savings have been achieved to date as a result of the plan and/or the activities described above? Please state the methodology and data sources you have used for calculating these reductions and savings.

### GHG Emission

We achieved a reduction in total and per capita emissions, 2.9% and 0.8% respectively. This is mainly due to a reduction in the length of work-related automobile trips (from 39.9 million in 2007 to 36.3 million in 2008) and, to a lesser extent, to the energy efficiency programmes for buildings and computer systems.

### Energy

This year we did not achieve net energy savings. Analysis shows a slight increase in average per capita consumption (1.86 TEP, +2.7% compared to 2007), partly attributable to the organisational work that was especially intense this year in order to quickly complete the integration of Banca Antonveneta and Banca Agricola Mantovana – some offices worked beyond regular hours, and energy consumption was certainly higher for this reason.

23.11. What investment has been required to achieve the emissions reductions and energy savings targets or to carry out the activities listed in response to question 23.8 and over what period was that investment made?

Table 13 - The "Investment number" column will not accept text. Please use whole numbers only.

Emission reduction target/energy saving target or activity	Investment number	Investment currency	Timescale
--	-------------------	---------------------	-----------

Further information

We are not able to quantifie the investments specifically related to emissions reductions.

## 23. Goal planning & investment

Electric utilities should read the table in question EU3 for giving details of forecasted emissions.

23.12. What investment will be required to achieve the future targets set out in your reduction plan or to carry out the activities listed in response to question 23.8 above and over what period do you expect payback of that investment?

Table 14 - The "Number" column will not accept text. Please use whole numbers only.

Plan or action	Investment number	Investment currency	Payback
----------------	-------------------	---------------------	---------

23.13. Please estimate your company's future Scope 1 and Scope 2 emissions for the next five years for each of the main territories or regions in which you operate or provide a qualitative explanation for expected changes that could impact future GHG emissions.



If possible, please use table 15 below to structure your answer to the question or alternatively use the text box below.

Scope 1 forecasted emissions in Table 15 below are in the following units.

Scope 2 forecasted emissions in Table 15 below are in the following units.

Table 15 - The "Scope" columns will not accept text. Please use whole numbers only. Type in the name of the territory or region for which you are giving data and then press "Add Territory/Region". If giving a global figure instead of separate figures for regions or territories, please write "global" in the box labelled "Enter name of territory or region".

[Click here to see a sample table.](#)

Future reporting years:										
End date for year end DD/MM/YYYY										
Emission forecasts	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2

23.14. Please estimate your company's future energy use for the next five years for each of the main territories or regions in which you operate or provide a qualitative explanation for expected changes that could impact future GHG emissions.

If possible, please use table 16 below to structure your answer to the question or alternatively use the text box below.

Table 16 - Please use whole numbers only. Type in the name of the territory or region for which you are giving data and a description of the data you are giving e.g. electricity consumption. Then press "Add Row". If giving a global figure instead of separate figures for regions or territories, please use the word "global". This table will also accept different types of units e.g. units of volume or mass.

[Click here to see a sample table.](#)

Future reporting years:											
End date for year end DD/MM/YYYY											
Energy use estimates for territory/region	Number	Units	Number	Units	Number	Units	Number	Units	Number	Units	Units

23.15. Please explain the methodology used for your estimations and any assumptions made.

Further information

24. Planning: (CDP6 Q3(c))

24.1. How do you factor the cost of future emissions into capital expenditures and what impact have those estimated costs had on your investment decisions?

[Not relevant for our activities](#)

Further information

Governance

25. Responsibility: (CDP6 Q4(a))

25.1. Does a Board Committee or other executive body have overall responsibility for climate change?

[Yes. \(Please answer question 25.3 and 25.4\)](#)

25.2 Please state how overall responsibility for climate change is managed and indicate the highest level within your company with responsibility for climate change.

25.3. 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.

In order to make good the commitments set by Policy on climate change, Csr Department has been commissioned to coordinate the development of the Bank's efforts and its communication on this topic.

25.4. 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

Further information

26. Individual Performance: (CDP6 Q4(b))

26.1. Do you provide incentives for individual management of climate change issues including attainment of GHG targets?

No. (Please go to question 27.1)

26.2. Are those incentives linked to monetary rewards?

26.3. Who is entitled to benefit from those incentives?

Further information

27. Communications: (CDP6 Q4(c))

27.1. Do you publish information about the risks and opportunities presented to your company by climate change, details of your emissions and plans to reduce emissions?

yes, in annual Csr Report and in CDP questionnaire

If so, please indicate which of the following apply and provide details and/or a link to the documents or a copy of the relevant excerpt:

27.2. The company's Annual Report or other mainstream filings.

No

27.3. Voluntary communications (other than to CDP) such as Corporate Social Responsibility reporting.

Yes

See <http://english.mps.it/I+Nostri+Valori/Bilanci+e+Relazioni/>

Further information

28. Public Policy: (CDP6 Q4(d))

28.1. Do you engage with policymakers on possible responses to climate change including taxation, regulation and carbon trading?

Yes

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

Further information

