

Module: Introduction

Page: Introduction

0.1

Introduction

Please give a general description and introduction to your organization

Banca Monte dei Paschi di Siena, founded in 1472 is considered to be the oldest bank in the world. Today's parent company of Italy's third largest banking group, the bank holds significant market shares in all areas of business. The Montepaschi Group is present all over Italy and in the major international financial centres, with operations ranging from traditional banking activities to Private Banking (mutual funds, wealth management, pension funds, and life insurance policies) and Corporate Banking (project finance, merchant banking, and financial advisory), with a special vocation for household accounts and small and medium enterprises. With some 32,000 employees and about 3,000 branches, the Montepaschi Group offers its services to more than six million customers. The objective of the Group is the creation of value over time for all stakeholders, giving priority to customer satisfaction, personal professional development, shareholders' interests, and the territory of reference.

All this is pursued through an established, shared system of values based on:

- A responsibility ethic
- Orientation towards the customer
- Attention to change
- Entrepreneurship and productivity
- Professional competence
- Team spirit and cooperation.

A characteristic trait of the Gruppo Montepaschi is its union of the pursuit of its goals of growth and creation of value, proper to any market-oriented business, with the value system expressed by its base territory and communities, a consequence also of the deep roots put down in the community by the banks that are a part of it. In this sense, the Group promotes a strategy of innovation in support of development, characterized by a proactive role focused on the promotion and stimulation of new opportunities for its clientele and for the areas where it maintains a presence

0.2

Reporting Year

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Fri 01 Jan 2010 - Fri 31 Dec 2010

0.3

Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response

Select country
Italy

0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

EUR(€)

0.5

Please select if you wish to complete a shorter information request

0.6

Modules

As part of the Investor CDP information request, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors and companies in the oil and gas industry should complete supplementary questions in addition to the main questionnaire.

If you are in these sectors (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will be marked as default options to your information request. If you want to query your classification, please email respond@cdproject.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see <https://www.cdproject.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

Module: Management [Investor]

Page: 1. Governance

1.1

Where is the highest level of direct responsibility for climate change within your company?

Individual/Sub-set of the Board or other committee appointed by the Board

1.1a

Please identify the position of the individual or name of the committee with this responsibility

The Board Committee responsible for climate change is 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.

1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

1.2a

Please complete the table

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator
Corporate executive team	Monetary reward	CO2 emission per capita, energy consumption per capita

2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

A specific climate change risk management process

2.1a

Please provide further details (see guidance)

BMPS has made a public policy outlining its position on the challenge of climate change and this has been supported by measures to embed assessment and management of climate change risks into our business operations:

- Reducing costs – through energy efficiencies – will help build the Group's strength and stability, and return profits to our shareholders. Carbon Footprint is assessed and managed in the framework of the Environmental Management System in compliance with ISO 14001. In 2010 a model to calculate our carbon footprint (GHG Protocol and ISO 14064 compliant) was implemented

- Environmental impact screening (including climate change risks) is embedded into the credit approval process for operations exceeding 5 million and in lines of credit to large enterprises. 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. Managing climate change risks in our corporate lending helps to protect the Group from both financial and reputational damage.
- Sustainable management of supply chain is set up by a CSR assessment of suppliers and purchase of ecological products.
- Climate related physical risks, particularly in relation to extreme weather events, are fed into Business Continuity Plans and Disaster Recovery Plans.
- Research activity feeds the strategic direction of the Group. The analyses also regard the main social dynamics Italy is currently undergoing in the banking and associated businesses. Amongst the themes analysed in 2010 by the Strategic Planning, Research and Investor Relations Division there is the energy industry with a focus on renewable energy sources.

2.2

Is climate change integrated into your business strategy?

Yes

2.2a

Please describe the process and outcomes (see guidance)

PROCESS

We pay close attention to developments in problem areas associated with the production and use of energy. The dynamics affecting the availability and price of fossil fuels, pollution and the effects of climate change raise increasingly urgent and widespread concerns for governments, industries and people, both globally and in local contexts. Even the financial sector has a major role to play in managing these problems. The Montepaschi Group is aware of this and intends to do its part. That is why it is committed 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.

In order to make good these commitments, we have established a Group office that coordinates the development of the Bank's efforts and its communication on this topic; there is also a specific focus on programmes to rationalise the use of energy for internal purposes, the Energy Manager.

OUTCOMES

- The climate change strategy fostered product innovation in the "green finance" business field. A specific product catalog on offer has been progressively enriched over the last 3-5 years.
- The climate change strategy provided relevant input in setting up a brand new supply chain management system which enhances environmental sustainability a key force driving operational performance.

2.2b

Please explain why not

2.3

Do you engage with policy makers to encourage further action on mitigation and/or adaptation?

Yes

2.3a

Please explain (i) the engagement process and (ii) actions you are advocating

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.

Bmps hold a membership in the Kyoto Club Association whose mission comprises lobbying the government policy on climate change.

Page: 3. Targets and Initiatives

3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Absolute target

3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
1	Scope 2	85%	5%	2009	123367	2010	base year figure was recalculated because of emission factor change (see question 10)

3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
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3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comments
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3.1d

Please provide details on your progress against this target made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
1	100%	100%	We reduced Scope 2 emission from 123,367 ton CO2e to 114,159 ton CO2e. Considering contractual figures (see question 11) we reduced Scope 2 emission from 16,538 ton CO2e to 2,928 ton CO2e through the increase of renewable energy purchased (from 87% to 97%)

3.1e

Please explain (i) why not; and (ii) forecast how your emissions will change over the next five years

3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

3.2a

Please provide details (see guidance)

As indicated by specific corporate policies, the Group commitment to climate change is not limited to managing business risks. We have the responsibility and the opportunity of working with our customers to help them to manage their own impact on climate change in a more efficient manner.

Our approach is to share knowledge of these problems with customers, to manage them in a pro-active way towards mutually advantageous solutions, using the appropriate loans and banking services.

The intervention of the Group is carried out with products and services chosen according to the specific nature of the investments and customers:

- Loans for retail customers and businesses, also through project finance and leasing instruments.
- Investment in companies active in renewable energies sector which at the end of 2010 was equal to almost 68 million Euros. In particular the equity investment in Moncada Solar Equipment Srl, controlled by Moncada Energy Group of Agrigento, which produces solar panels with the innovative "thin film" technology. The company, set up in June 2008, inaugurated the productive unit in December 2009. The overall equity investment made by MPS Capital Services is approximately 5 million Euros, for a corresponding interest of approximately 22% of the company's share capital.

In addition to the financing products, the Group offer in this particular segment is widened by the initiatives of AXA-MPS Assicurazione Danni, with the products “Ecoenergy” and “Guaranteed Installation” which provide various guarantees including protection against damage affecting the correct functioning of the photovoltaic plant during the installation stage and for all its life.

In 2010 operations in the field have more than doubled (+172% compared to 2009): 2783 loans have been provided for over 1 billion Euros, or approximately 4% of the Group's total loans

3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

3.3a

Please provide details in the table below

Activity type	Description of activity	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
Energy efficiency: building fabric	SUSTAINABLE MANAGEMENT OF PROPERTY The newly-established branches, restructuring and transfers, are planned using the “branch model” which sets out: -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 containment of energy consumption - Checking the scope of energy-savings legislation -Evaluation of works for possible improvements in energy performance for the building and its systems -Evaluation of the type of plant to be adopted - Intelligent management of interior lighting according to the criterion of “light where it is needed, when it is needed” In 2010, 40 operations of this type were carried out. The programme for the gradual improvement of energy efficiency in energy-using plants has continued. The main actions in 2010 were: -The transformation of a fuel-oil boiler (very low efficiency) to a methane gas condensing boiler. 76 fuel oil-boilers are still in use, and all are to be discontinued. -The installation and/or replacement of 87 high efficiency heat pumps for air conditioning, replacing obsolete plant. -The			>3 years

Activity type	Description of activity	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
	installation of 20 cooling systems and/or multi-split systems with varying refrigerating capacities, replacing obsolete ones or those with non-compliant refrigerating gas. -The replacement of 46 Air Treatment Units with heat-recovery units -The replacement of R22 gas on 29 cooling units by gas complying with current standards -The installation of 26 high performance condensing boilers			
Transportation: fleet	SUSTAINABLE MANAGEMENT OF CORPORATE VEHICLE FLEET The development of a specific methodology has been started to monitor the environmental impacts of personnel business trips In particular, the new methodology allows us to analyse the dynamics of: the types of vehicle used, the relative average CO2 emitted, the kilometres travelled, the CO2 emitted. The objectives are: 1) to improve the ecological quality of the vehicle fleet; 2) reduce fuel consumption; 3) reduce overall CO2 emissions. The main initiatives carried out in 2010 for these purposes are: -The establishment of a corporate car fleet at Siena, Florence and Mantua (soon at Padua) which will guarantee the constant availability of cars with better average performance in terms of consumption and CO2 emissions. The in-house standard for work travel is to consider these cars as the first travel option; this requirement is also disseminated through internal IT networks with "pop up" messages. -Further improvements of the average features of the cars by replacing the old models (characterised by higher CO2 emission coefficients) with new models with more environmentally friendly features. - Launching projects in cooperation with leasing companies to monitor and optimise the overall environmental impact of the corporate fleet			
Transportation: use	SUSTAINABLE MANAGEMENT OF BUSINESS TRAVEL A new evaluation and selection system has been established for agreed hotels for personnel business trips, taking into consideration CSR parameters such as: -The distances from the places most concerned (city centre, stations, metro and bus stops, etc.) relevant to estimated impacts in terms of CO ² . This criterion weighs 18% in the overall assessment. -The analysis of 16 specific environmental sustainability aspects. This criterion weighs 6% in the overall assessment. In 2010, 200 hotels were assessed, located in 14 of the main Italian cities.			
Low carbon energy installation	SUSTAINABLE MANAGEMENT OF IT SYSTEMS The programme for renewing the Group's IT systems continues. Thanks to procurement policies which take into account the electrical consumption of machines purchased, these replacements have resulted in marked energy saving. In 2010 we have mainly dealt with the data centers: -Latest generation servers and data "storage" systems have been purchased (we estimate future annual savings of approximately 520 thousand kWh). -An observatory for controlling electricity consumption has been established and practices have been developed for the correct positioning of the servers with the aim of facilitating cooling and therefore reducing electricity consumption. For 2011 the replacement of approximately 12 thousand PCs and the same number of LCD Wide Screen monitors is planned in the branches. This action should permit an average overall saving of over 2 million kwh annually.			>3 years
Transportation:	SUPPORT TO EMPLOYEES' HOME-WORK COMMUTING Work has continued on the mobility			

Activity type	Description of activity	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
use	management project concerning employees' home-work commuting in the main Italian centres where the Group operates (Siena, Rome, Florence, Padua, Milan, Lecce). In 2010 the surveys were completed for the above cities with special on-line questionnaires and focus groups (with a sample of respondents) which involved approximately 9,300 employees. Amongst the initiatives so far launched to support, also in terms of sustainability, employees home-work mobility requirements, there are: -The activation in April 2010 of a corporate shuttle service linking (with 7 daily journeys) the headquarters of the Bank in Rome, in Via Pedicino, to the nearest stop for local public transport. -The installation in the corporate car park of the Siena office in Via A. Moro, of 6 free recharging points for electric vehicles, available also for guests. -Agreement signed through company's CRALs (employees' recreational facilities) with the local public transport authority of Florence, which gives a discount of 10% on annual subscriptions			

3.3b

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Energy star, regulatory requirement for building energy efficiency
Dedicated budget for energy efficiency	Energy management
Dedicated budget for other emission reduction activities	Sustainable management of business travel Sustainable management of supply chain

3.3c

If you do not have any emissions reduction initiatives, please explain why not

4.1

Have you published information about your company's response to climate change and GHG emissions performance for this reporting year in other places than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section Reference	Identify the attachment
In annual reports (complete)	91-92	Financial Report
In voluntary communications (complete)	44-46; 50-51;58-78	Csr Report
In voluntary communications (complete)	56-58	Csr Summary Report
In voluntary communications (underway) – this is our first year		Carbon footprint report

Further Information

Financial Report 2010: <http://english.mps.it/Investor+Relations/Bilanci+e+Relazioni/>
Carbon Footprint Report 2010: <http://english.mps.it/I+Nostri+Valori/Download+center.htm>

Attachments

[https://www.cdproject.net/Sites/2011/84/1384/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/4.Communication/Csr Report 2010.pdf](https://www.cdproject.net/Sites/2011/84/1384/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/4.Communication/Csr%20Report%202010.pdf)
[https://www.cdproject.net/Sites/2011/84/1384/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/4.Communication/Csr Summary Report 2010.pdf](https://www.cdproject.net/Sites/2011/84/1384/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/4.Communication/Csr%20Summary%20Report%202010.pdf)

Module: Risks and Opportunities [Investor]**Page: 5. Climate Change Risks**

5.1

Have you identified any climate change risks (current or future) that have potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation
Risks driven by changes in physical climate parameters
Risks driven by changes in other climate-related developments

5.1a

Please describe your risks driven by changes in regulation

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
1	Uncertainty surrounding new regulation	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. Regulations may impact the earnings and the related competitiveness of clients : - directly through increased costs due to rising energy prices and carbon mitigation requirements as a consequence of regulatory frameworks; -indirectly through higher insurance premiums due to increased event risks (frequency and severity of extreme weather events). Different emission regulation between regions or nations may affect relative competitiveness of firms in affected markets.	Reduction/disruption in production capacity	1-5 years	Indirect (Client)	More likely than not	Medium
2	Fuel/energy taxes and regulations	Regulations are expected to increase our operational costs through rising energy costs and altered requirements for renovations. New requirements could, also, cause major costs in buildings construction and depreciation of premises with low energy performances.	Increased capital cost	1-5 years	Direct	More likely than not	Medium
3	Uncertainty surrounding new regulation	Business risks may arise through the way our suppliers are affected by changing regulatory frameworks (e.g., EU Emissions Trading Scheme) and the measures they take to mitigate these effects. Regulations may impact the earnings and the related competitiveness of suppliers: - directly through increased costs due to rising energy prices	Reduction/disruption in production capacity	1-5 years	Indirect (Supply chain)	Unlikely	Low-medium

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		and carbon mitigation requirements as a consequence of regulatory frameworks; -indirectly through higher insurance premiums due to increased event risks (frequency and severity of extreme weather events). Different emission regulation between regions or nations may affect relative competitiveness of firms in affected markets.					

5.1b

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

ID 1

A careful analysis has been made of the main aspects of environmental risk/opportunity in corporate banking and project financing: through the ordinary valuation procedures for creditworthiness, the rates of potential environmental impact and the possession of ad hoc certifications (1,300 cases were recorded at the end of 2010 under ISO14001 and 150 OHSAS18001) by the firms concerned are identified.

In particular:

- Project financing and corporate financing operations by the subsidiary Mps Capital Services were submitted to environmental screening which covered: the danger of the activity and the legal obligations of the sector, the dimension of the activity – as an approximation of the potential harm for the environment and the possession of environmental certificates. In 2010, 259 projects for almost 3.5 billion Euros were analysed, a marked increase over 2009. The increase in percentage terms, compared to the previous year, of the operations with the best environmental impact (B), is largely due to the growing commitment in the selection of operations. In particular, for energy sector operations, the valuations are done on the basis of due diligence conducted by external technical consultants.
- The ratings assigned to the biggest firms (with turnover exceeding 500 million Euros) also take into account the qualitative aspects of the operating risk, such as the potential environmental harm caused by their activity and, in positive terms, whether they hold any environmental certification. In 2010, 416 customers were surveyed for an amount of approximately 18 billion Euros. In addition, from time to time, during credit analysis and the assessment of the specific funding proposed, an evaluation is carried out of the environmental and social risks involved.
- The Credit Committee has adequately weighted its decisions including with considerations regarding the environmental implications of the most important lending projects (for example: energy performance)

ID2

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.

ID3

In 2009 a new Policy for the management of the supply chain in accordance with sustainability criteria came into effect, planning over 130 specific actions in the 2009-11 period. In particular, a new supplier evaluation model was developed, substantially increasing the depth of analysis of environmental and social components (CSR) and their relative effect on the overall qualification process (15%). The project which has involved 200 suppliers up to now, equivalent to 50% of Group turnover, has enjoyed the active and whole-hearted participation of suppliers who, using a dedicated internet portal, have provided the information and the documentation required for qualification.

At the end of the rating stage, each supplier was awarded points on the basis of its CSR performance. On the basis of the rating obtained, suppliers draw up improvement plans on the aspects which show the greatest room for development. Up to now 45 have been established and some of them include the development of pilot projects with the Group, in two case related to climate change performance.

5.1c

Please describe your risks that are driven by change in physical climate parameters

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
1	Change in precipitation extremes and droughts	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	Reduction/disruption in production capacity	1-5 years	Direct	Unlikely	Low-medium
2	Change in precipitation extremes and droughts	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.	Other: creditworthiness of our clients	1-5 years	Indirect (Client)	More likely than not	Medium

5.1d

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

ID1

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.

ID2

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.

5.1e

Please describe your risks that are driven by changes in other climate-related developments

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
1	Reputation	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.	Reduced demand for goods/services	6-10 years	Direct	Unlikely	Medium

5.1f

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions

A specific policy on energy and Climate Change has been set up 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.

5.1g

Please explain why you do not consider your company to be exposed to risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

5.1h

Please explain why you do not consider your company to be exposed to risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

5.1i

Please explain why you do not consider your company to be exposed to risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

6.1

Have you identified any climate change opportunities (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Opportunities driven by changes in regulation
- Opportunities driven by changes in physical climate parameters
- Opportunities driven by changes in other climate-related developments

6.1a

Please describe your opportunities that are driven by changes in regulation

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
1	General environmental regulations, including planning	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.	New products/business services	Current	Indirect (Client)	Virtually certain	High
2	Fuel/energy taxes and regulations	Saving energy for our operations.	Reduced operational costs	Current	Direct	More likely than not	Medium-high

6.1b

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

ID1

As indicated by specific corporate policies, the Group commitment to the protection of the environment is not limited to managing business risks. We have the responsibility and the opportunity of working with our customers to help them to manage their own impact on the environment in a more efficient manner. Our approach is to share knowledge of these problems with customers, to manage them in a pro-active way towards mutually advantageous solutions, using the appropriate loans and banking services.

The intervention of the Group is carried out with products and services chosen according to the specific nature of the investments and customers:

- Loans for retail customers and businesses, also through project finance and leasing instruments.
- Investment in companies active in the environmental and renewable energies sector which at the end of 2010 was equal to almost 68 million Euros. In particular the equity investment in Moncada Solar Equipment Srl, controlled by Moncada Energy Group of Agrigento, which produces solar panels with the innovative “thin film” technology. The company, set up in June 2008, inaugurated the productive unit in December 2009. The overall equity investment made by MPS Capital Services is approximately 5 million Euros, for a corresponding interest of approximately 22% of the company’s share capital.

In addition to the financing products, the Group offer in this particular segment is widened by the initiatives of AXA-MPS Assicurazione Danni, with the products “Ecoenergy” and “Guaranteed Installation” which provide various guarantees including protection against damage affecting the correct functioning of the photovoltaic plant during the installation stage and for all its life.

In 2010 operations in the field have more than doubled (+172% compared to 2009): 2783 loans have been provided for over 1 billion Euros, or approximately 4% of the Group’s total loans.

ID2

Our objective is to increasingly limit energy consumption by optimising the resources used, with positive effects also in terms of reducing the associated polluting emissions.

This objective is being pursued:

- at the moment of purchase, choosing supply contracts that ensure a better quality of energy (e.g. from renewable sources).
- by reducing waste through better management of the plant and equipment

In 2010 there was a drop of almost 6% in energy consumption.

The interventions were in the field of:

- Property management (restructuring and new branches).The newly-established branches, restructuring and transfers, are planned using the “branch model”.
- Maintenance of installations.The programme for the gradual improvement of energy efficiency in energy-using plants has continued.
- IT systems.The programme for renewing the Group’s IT systems continues. Thanks to procurement policies which take into account the electrical consumption of machines purchased, these replacements have resulted in marked energy saving

Please describe the opportunities that are driven by changes in physical climate parameters

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
	Change in precipitation extremes and droughts	possibility to offer product and services that help our customers to adapt to climate change effects	New products/business services	Current	Indirect (Client)	More likely than not	Low-medium

6.1d

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

Providing financial services to agriculture industry that address climate change mitigation and adaptation purposes.

6.1e

Please describe the opportunities that are driven by changes in other climate-related developments

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
1	Reputation	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.	New products/business services	1-5 years	Direct	About as likely as not	Medium
2	Reputation	Working with our suppliers to identify opportunities where we can reduce carbon emissions in our supply chain	Reduced operational costs	Current	Indirect (Supply chain)	Very likely	Medium-high

6.1f

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

ID1

The Bank partnered CDP to produce and communicate 2010 Italy 60 Report. This contributed to the aim of building the corporate reputation of Bmps as a leader in sustainable banking.

ID2

We have been working for the latest two years with our main suppliers to the aim of reducing the carbon footprint overall .

In 2010 an innovative sustainability project for procurement was pursued, which includes a qualification procedure and measurement of the CSR profile of suppliers. Through the use of technological platforms and structured procedures, the products and services offered by suppliers are assessed in light of their compliance with environmental and social sustainability criteria, also in relation with the dynamics of cost management.

The system enables us to define the sustainability profile achieved by each supplier and to identify possible actions to be developed with a view to establishing partnerships with these firms.

The CSR qualification project for the supply chain represents one of the elements of the Vendor Rating model that the Group is gradually introducing. There are four components on which suppliers will be assessed (each characterised by a different weighting):

- Financial rating.
- Commercial rating (Reciprocity)
- Sustainability rating (CSR).
- Performance rating.

In particular the model for assessing the CSR performance of suppliers, prepared by a specialised rating company, consists of 21 CSR criteria based on international standards and directives, relating, among others, to environment (energy and water consumption, waste production, etc.).

The project which has involved 200 suppliers up to now, equivalent to 50% of Group turnover, has enjoyed the active and whole-hearted participation of suppliers who, using a dedicated internet portal, have provided the information and the documentation required for qualification. On the basis of the rating obtained, suppliers draw up improvement plans on the aspects which show the greatest room for development. Up to now 45 have been established and some of them include the development of pilot projects with the Group, regarding also energy saving.

6.1g

Please explain why you do not consider your company to be exposed to opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

6.1h

Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

6.1i

Please explain why you do not consider your company to be exposed to opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading [Investor]

Page: 7. Emissions Methodology

7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Thu 01 Jan 2009 - Thu 31 Dec 2009	21096	123367

7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

Please select the published methodologies that you use

Defra Voluntary Reporting Guidelines

7.2a

If you have selected "Other", please provide details below

7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	IPCC Fourth Assessment Report (AR4 - 100 year)

7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data

Fuel/Material/Energy	Emission Factor	Unit	Reference
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Further Information

In 2010, in order to further increase our ability to control greenhouse gas emissions (direct and indirect) and the activities producing these, a new specific monitoring and reporting system has been implemented, in line with GHG Protocol standards and compliant with the ISO14064 (Carbon Footprint) standard. The new system was used to generate data as at 31.12.2010 and to accurately recalculate data as at 31.12.2009. Scope 2 figure reported herein differs from the one included in the Bmps Csr Report because the latest was calculated considering as equal to zero the GHG

emission factor for the share of electricity from renewable sources.

Attachments

[https://www.cdproject.net/Sites/2011/84/1384/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/7.EmissionsMethodology/worksheet-to-input-of-EF.xlsx](https://www.cdproject.net/Sites/2011/84/1384/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/7.EmissionsMethodology/worksheet-to-input-of-EF.xlsx)

Page: 8. Emissions Data - (1 Jan 2010 - 31 Dec 2010)

8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

8.2a

Please provide your gross global Scope 1 emissions figure in metric tonnes CO₂e

22838

8.2b

Please provide your gross global Scope 1 emissions figures in metric tonnes CO₂e - Part 1 breakdown

Boundary	Gross global Scope 1 emissions (metric tonnes CO ₂ e)	Comment
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8.2c

Please provide your gross global Scope 1 emissions figures in metric tonnes CO₂e - Part 1 Total

Gross global Scope 1 emissions (metric tonnes CO2e) - Total Part 1	Comment
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8.2d

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e - Part 2

Gross global Scope 1 emissions (metric tonnes CO2e) - Other operationally controlled entities, activities or facilities	Comment
---	---------

8.3a

Please provide your gross global Scope 2 emissions figure in metric tonnes CO2e

114159

8.3b

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e - Part 1 breakdown

Boundary	Gross global Scope 2 emissions (metric tonnes CO2e)	Comment
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8.3c

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e - Part 1 Total

Gross global Scope 2 emissions (metric tonnes CO2e) - Total Part 1	Comment
--	---------

8.3d

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e - Part 2

Gross global Scope 2 emissions (metric tonnes CO2e) - Other operationally controlled entities, activities or facilities	Comment

8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

8.4a

Please complete the table

Reporting Entity	Source	Scope	Explain why the source is excluded

8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

Yes

8.4a

Please complete the table

Source	Scope	Explain why the source is excluded
Electricity consumption of foreign branches	Scope 2	lack of data

Source	Scope	Explain why the source is excluded
Energy consumption of foreign branches	Scope 1	lack of data

8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and Scope 2 figures that you have supplied and specify the sources of uncertainty in your data gathering, handling, and calculations

Scope	Uncertainty Range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 2% but less than or equal to 5%	Data Gaps Extrapolation	Same uncertainties can arise from metering inaccuracies due to consumption overtimes present in energy bills.

8.6

Please indicate the verification/assurance status that applies to your Scope 1 emissions

Verification or assurance complete

8.6a

Please indicate the proportion of your Scope 1 emissions that are verified/assured

More than 90% but less than or equal to 100%

8.6b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Relevant standard	Relevant statement attached
Limited assurance (qualified)	ISAE 3000	Auditors Report

8.7

Please indicate the verification/assurance status that applies to your Scope 2 emissions

Verification or assurance complete

8.7a

Please indicate the proportion of your Scope 2 emissions that are verified/assured

More than 90% but less than or equal to 100%

8.7b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Relevant standard	Relevant statement attached
Limited assurance (qualified)	ISAE 3000	Auditors Report

8.8

Are carbon dioxide emissions from the combustion of biologically sequestered carbon (i.e. carbon dioxide emissions from burning biomass/biofuels) relevant to your company?

No

8.8a

Please provide the emissions in metric tonnes CO2e

Further Information

Figures refer to 98% of Group employees.

In 2010, in order to further increase our ability to control greenhouse gas emissions (direct and indirect) and the activities producing these, a new specific monitoring and reporting system has been implemented, in line with GHG Protocol standards and compliant with the ISO14064 (Carbon Footprint) standard. The new system was used to generate data as at 31.12.2010 and to accurately recalculate data as at 31.12.2009.

Attachments

[https://www.cdproject.net/Sites/2011/84/1384/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/8.EmissionsData\(1Jan2010-31Dec2010\)/Auditor Report 2010_ITA.pdf](https://www.cdproject.net/Sites/2011/84/1384/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/8.EmissionsData(1Jan2010-31Dec2010)/Auditor%20Report%202010_ITA.pdf)

Page: 9. Scope 1 Emissions Breakdown - (1 Jan 2010 - 31 Dec 2010)

9.1

Do you have Scope 1 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

No

9.1a

Please complete the table below

Country	Scope 1 metric tonnes CO2e
---------	----------------------------

9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By activity

9.2a

Please break down your total gross global Scope 1 emissions by business division

Business Division	Scope 1 metric tonnes CO2e
-------------------	----------------------------

9.2b

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

Facility	Scope 1 metric tonnes CO2e
----------	----------------------------

9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 metric tonnes CO2e
----------	----------------------------

9.2d

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

Activity	Scope 1 metric tonnes CO2e
stationary combustion (diesel and natural gas boiler)	17784
mobile combustion (company fleet)	5054

Further Information

In 2010, in order to further increase our ability to control greenhouse gas emissions (direct and indirect) and the activities producing these, a new specific monitoring and reporting system has been implemented, in line with GHG Protocol standards and compliant with the ISO14064 (Carbon Footprint) standard. The new system was used to generate data as at 31.12.2010 and to accurately recalculate data as at 31.12.2009 (Scope 1 emission 21,096 tCO₂e)

Page: 10. Scope 2 Emissions Breakdown - (1 Jan 2010 - 31 Dec 2010)

10.1

Do you have Scope 2 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

No

10.1a

Please complete the table below

Country	Scope 2 metric tonnes CO ₂ e
---------	---

10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By activity

10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 metric tonnes CO2e
-------------------	----------------------------

10.2b

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

Facility	Scope 2 metric tonnes CO2e
----------	----------------------------

10.2c

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

Activity	Scope 2 metric tonnes CO2e
office activities	114159

Further Information

Scope 2 figure reported herein differs from the one included in the Bmps Csr Report because the latest was calculated considering as equal to zero the GHG emission factor for the share of electricity from renewable sources.

Page: 11. Emissions Scope 2 Contractual

11.1

Do you consider that the grid average factors used to report Scope 2 emissions in Question 8.3 reflect the contractual arrangements you have with electricity suppliers?

No

11.1a

You may report a total contractual Scope 2 figure in response to this question. Please provide your total global contractual Scope 2 GHG emissions figure in metric tonnes CO2e

2298

11.1b

Explain the basis of the alternative figure (see guidance)

To calculate this figure we considered that 97% of purchased electricity is supplied by Consorzio Idroenergia, which sources their electricity from hydroelectric plants without carbon emission. For the 3% left we considered the emission factor reported by Terna (the italian major electricity transmission grid operator) (0,0005310 tCO2e/kWh).

11.2

Has your organization retired any certificates, e.g. Renewable Energy Certificates, associated with zero or low carbon electricity within the reporting year or has this been done on your behalf?

No

11.2a

Please provide details including the number and type of certificates

Type of certificate	Number of certificates	Comments
---------------------	------------------------	----------

12.1

What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

12.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has consumed during the reporting year

Energy type	MWh
Fuel	106640
Electricity	214989
Heat	0
Steam	0
Cooling	0

12.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Motor gasoline	714
Natural gas	73511
Diesel/Gas oil	32415

Further Information

Figures are not comparable to the previous year end include:

- motor gasoline: consumption of company fleet;
- natural gas: consumption for building heating;

- diesel:consumption of company fleet and for building heating.

Page: 13. Emissions Performance

13.1

How do your absolute emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

13.1a

Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	5.2	Decrease	From the analysis of data we can confirm a positive trend towards the objective of gradually reducing CO2 direct emissions (scope 1 and scope 2). The main factors in the reduction were: -The reduction of approximately 6% of energy consumption. -The change in the energy mix used, in favour of fuels with less carbon content

13.2

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Explanation
24.6	metric tonnes CO2e	unit total revenue	2.9	Increase	metric denominator: Financial and insurance income (loss) in million of euro in 2010 5,571 euro million and in 2009 5,707 euro million

13.3

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Explanation
4.43	metric tonnes CO2e	FTE Employee	3.7	Decrease	metric denominator: 98% of FTE in 2010 30,929 and in 2009 31,419

13.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Explanation
	metric tonnes CO2e				

Page: 14. Emissions Trading

14.1

Do you participate in any emission trading schemes?

No, and we do not currently anticipate doing so in the next two years

14.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership
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14.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

14.2

Has your company originated any project-based carbon credits or purchased any within the reporting period?

No

14.2a

Please complete the following table

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits retired	Purpose e.g. compliance
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Page: 15. Scope 3 Emissions

15.1

Please provide data on sources of Scope 3 emissions that are relevant to your organization

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
Fuel- and energy-	2882	Data refer to emissions of greenhouse gas due to extraction and refining processes for the fuels used	

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
related activities (not included in Scope 1 or 2)		(natural gas and diesel for heating; motor gasoline and diesel for vehicles). Emission factors used are the following: natural gas: 0.0001968 t Co2e/m3 (JEC Well-To-Wheels study) diesel for heating: 0.0005067 t Co2e/l (JEC Well-To-Wheels study) gasoline for vehicles: 0.0004109 t Co2e/l (JEC Well-To-Wheels study) diesel for vehicles: 0.0005067 t Co2e/l (JEC Well-To-Wheels study)	
Purchased goods and services	6030	Data refer to emissions of greenhouse gas due to production of paper and PCs purchased in 2010. Emission factors used are the following: paper: 0.3600000 t Co2e/t (Ecoinvent) notebook: 0.2992000 t Co2e (Apple) desktop: 1.2868 t Co2e (Apple)	
Business travel	9968	Data refer to emissions of greenhouse gas due to business trips effected by means other than company cars: Private cars, Leased cars, Air transport, Long-distance trains, Local public transport Emission factors used are the following: Private and Leased cars gasoline: 0.00025436 t Co2e/km (Defra/GHG protocol, JEC Well-To-Wheels study) Private and Leased cars diesel: 0.0002174 t Co2e/km (Defra/GHG protocol, JEC Well-To-Wheels study) Air transport: 0.0002162 t Co2e/km (Alitalia) Long-distance trains: 0.0000402 t Co2e/km (Trenitalia) Bus: 0.00013514 t Co2e/km (Defra/GHG protocol) Local Train: 0.00005651 t Co2e/km (Defra/GHG protocol)	
Employee commuting	48384	Data refer to emissions of greenhouse gas due to employees home-work commuting calculated on the basis of the results of the studies effected on a sample of approximately 10% of the Group's employees. The % breakdown of preferences for home-work commuting in the sample analysed is the following: Car 60% Motor cycle/scooter 3% Combined means 22% Foot/bicycle 6% Public transport 9% Km are estimated from journey time, emission factors are those reported above	

15.2

Please indicate the verification/assurance status that applies to your Scope 3 emissions

Verification or assurance complete

15.2a

Please indicate the proportion of your Scope 3 emissions that are verified/assured

More than 90% but less than or equal to 100%

15.2b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Relevant standard	Relevant statement attached
Limited assurance (qualified)	ISAE 3000	Auditors Report

15.3

How do your absolute Scope 3 emissions for the reporting year compare to the previous year?

This is our first year of estimation

15.3a

Please complete the table

Reason	Emissions value (percentage)	Direction of Change	Comment
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Further Information

It is not possible to make a comparison between 2010 and 2009 data of Scope 3 emissions because of the different boundary available for the two annual periods.

Attachments

[https://www.cdproject.net/Sites/2011/84/1384/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/15.Scope3Emissions/Auditor Report 2010_ITA.pdf](https://www.cdproject.net/Sites/2011/84/1384/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/15.Scope3Emissions/Auditor%20Report%202010_ITA.pdf)

Module: Sign Off

Page: Sign Off

Please enter the name of the individual that has signed off (approved) the response and their job title

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