

Carbon Disclosure Project (CDP5) Greenhouse Gas Emissions Questionnaire

Banca Monte dei Paschi di Siena Group response as at 18 June 2007 17:08

General Introduction

If you would like to give an introduction to your answers, please enter it here.

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

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

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

Monte dei Paschi di Siena is committed to take this challenge managing related risks and opportunities.

An overview of its policy and programs is presented hereunder.

Section A - 1 Climate Change Risks, Opportunities and Strategy Question 1(a)(i) - Regulatory risks

For this question, please state the time period and where possible the associated financial implications.

What commercial risks does climate change present to your company including regulatory risks associated with current and/or expected government policy on climate change e.g. emissions limits or energy efficiency standards?

Legislation on climate change related issues has not applied directly to financial industry yet. This business sector is in fact characterized by low carbon emissions activities.

But, an ever more stringent regulatory framework is introducing severe risks in the financial markets too, since corporations have serious difficulties to comply with their provisions.

Political uncertainty (what will happen after 2012 ?) will also play a crucial role in the market arena, negatively affecting investments.

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

No

Question 1(a)(ii) - Physical risks

For this question, please state the time period and where possible the associated financial implications.

What commercial risks does climate change present to your company including physical risks to your business operations from scenarios identified by the Intergovernmental Panel on climate Change or other expert bodies, such as sea level rise, extreme weather events and resource shortages?

Emergency plans comprise evacuation of premises also in case of extreme weather related events, such as floods, with the aim at protecting employees' safety.

Commercial risks of such events have not been estimated yet.

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

No

Question 1(a)(iii) - Other risks

For this question, please state the time period and where possible the associated financial implications.

Apart from any regulatory and physical risks you have described in your answers to questions 1(a)(i) and 1(a)(ii) above, what other commercial risks does climate change present to your company including shifts in consumer attitude and demand?

Commercial risks that one can foresee include also:

- Loss in competitiveness for ghg-intensive businesses, can express itself into market erosion for banks too.
- Missing the opportunities which arise from climate change regulatory and market frameworks can penalize banks.
- Financings can fail if corporate customers face insuperable economic problems due to extreme natural events.
- Damages on reputation can occur in case of being involved in projects and businesses with high potential impacts to the environment. This is particularly true for banks which have declared their commitment in the environmental field.

These risks have been in a sense identified but not yet quantified.

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

No

Question 1(b) - Opportunities

For this question, please state the time period and where possible the associated financial implications.

What commercial opportunities does climate change present to your company for both existing and new products and services?

Commercial opportunities includes:

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

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

No

Question 1(c) - Strategy

For this question, please state the time period and where possible the associated financial implications.

Please detail the objectives and targets of the strategies you have undertaken or are planning to take to manage the risks and opportunities you have detailed in questions 1(a) and 1(b) above. Please include adaptation to physical risks.

For the year to come (a deadline has been set in 2009) we have set a climate change agenda, which provides:

- Company policy on climate change.
- A 3% reduction target on power energy consumption by the end of 2007.
- 100% of power energy from renewable sources by the end of 2007.
- Sustainable transportation programs (incentives to employees to use collective transportation, car pooling, videoconferencing, on-line training, etc.).
- Further development of products and services supporting low-carbon emissions businesses and the renewable energy sector (financing schemes, funds, etc.).

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

No

Question 1(d) - Reduction targets

What are your emissions reduction targets and time frames to achieve them? What renewable energy and energy efficiency activities are you undertaking to manage your emissions?

Ghg emissions reduction is pursued via:

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

Some of the main interventions undertaken comprise:

- Equipping premises with high energy efficient lighting systems.
- Purchasing green energy in the free market.
- Installing solar power plants.
- Upgrading and replacing air conditioning systems.
- Replacing oil with natural gas in the heating systems.

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

No

Section A - 2 Greenhouse Gas Emissions Accounting
Question 2(a)(i) - Methodology - Accounting Year

Please state the accounting year used to report GHG emissions.

Financial accounting year:31 December 2006

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

No

Question 2(a)(ii) - Methodology

Please state the methodology by which emissions are calculated.

Other

Please provide additional information below

The methodology refers to GHG Indicator-UNEP Guidelines and Enel Environmental Report 2005.

The coefficients are the follows:

0,000185	tCO2/km	car petrol
0,000156	tCO2/km	car diesel oil
0,000501	tCO2/kWh	purhased electricity (Enel Environmental Report 2005)
0,00268	tCO2/litri	oil
0,002101	tCO2/mc	methane

Please state the reporting boundaries for the data provided in this questionnaire

Option 4 - other

Please provide additional information below

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

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

No

Question 2(a)(iii) - Methodology - External verification

Please state whether the information provided has been externally verified or audited.

Yes

KPMG

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

No

Question 2(a)(iv) - Methodology - Variations in emissions

Please provide an explanation for any significant variations in emissions from year to year eg: due to major acquisitions, divestments, introduction of new technologies etc

The decrease in carbon emissions is mainly due to a rise of clean electricity purchased.

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

No

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

Please state your direct and indirect GHG emissions in metric tonnes CO2e for global and Annex B countries. If you are having difficulty reporting your emissions figures in CO2e metric tonnes please see the further guidance on answering the CDP5 questionnaire available [here](cdp5reportingguidance.asp).

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

31 December 2006

Total Global Emissions

24947 CO2e metric tonnes

Total Emissions Annex B countries

Scope 1 activity emissions globally

14550 CO2e metric tonnes

Scope 1 activity emissions Annex B

Scope 2 activity emissions globally

4529 CO2e metric tonnes

Scope 2 activity emissions Annex B

Please state the MWh of electricity purchased and consumed by your company globally.

148387MWh

Please state the MWh of electricity purchased and consumed by your company in Annex B countries.

Please state the **percentage** of purchased and consumed MWh of electricity from renewables globally.

94%

Please state the **percentage** of purchased and consumed MWh of electricity from renewables in Annex B countries.

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

No

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

Please state your direct and indirect GHG emissions in metric tonnes CO2e for global and Annex B countries. If you are having difficulty reporting your emissions figures in CO2e metric tonnes please see the further guidance on answering the CDP5 questionnaire available [here](cdp5reportingguidance.asp).

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

31 December 2005

Total Global Emissions

31158 CO2e metric tonnes

Total Emissions Annex B countries

Scope 1 activity emissions globally

14678 CO2e metric tonnes

Scope 1 activity emissions Annex B

Scope 2 activity emissions globally

10197 CO2e metric tonnes

Scope 2 activity emissions Annex B

Please state the MWh of electricity purchased and consumed by your company globally.

143712MWh

Please state the MWh of electricity purchased and consumed by your company in Annex B countries.

Please state the percentage of purchased and consumed MWh of electricity from renewables globally.

88%

Please state the percentage of purchased and consumed MWh of electricity from renewables in Annex B countries.

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

No

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

Please state your direct and indirect GHG emissions in metric tonnes CO2e for global and Annex B countries. If you are having difficulty reporting your emissions figures in CO2e metric tonnes please see the further guidance on answering the CDP5 questionnaire available here.

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

31 December 2004

Total Global Emissions

45224 CO2e metric tonnes

Total Emissions Annex B countries

Scope 1 activity emissions globally

15199 CO2e metric tonnes

Scope 1 activity emissions Annex B

Scope 2 activity emissions globally

23341 CO2e metric tonnes

Scope 2 activity emissions Annex B

Please state the MWh of electricity purchased and consumed by your company globally.

147870MWh

Please state the MWh of electricity purchased and consumed by your company in Annex B countries.

Please state the percentage of purchased and consumed MWh of electricity from renewables globally.

73%

Please state the percentage of purchased and consumed MWh of electricity from renewables in Annex B countries.

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

No

Question 2(c) - Scope 3 of GHG Protocol - Year 1 answers

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

31 December 2006

If possible, please provide estimates in metric tonnes CO2e for the following categories of emissions:

Use/disposal of company's products and services

Your supply chain

External distribution/logistics

Employee business travel

5868 CO2e metric tonnes

Other

Please provide details of the sources of emissions if you have entered a figure in the "Other" box

Please provide further information about your measurement of scope 3 emissions.

Emissions from Employee business travel consider only trips by employees' car.

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

No

Question 2(c) - Scope 3 of GHG Protocol - Year 2 answers

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

31 December 2005

If possible, please provide estimates in metric tonnes CO2e for the following categories of emissions:

Use/disposal of company's products and services

Your supply chain

External distribution/logistics

Employee business travel

6283 CO2e metric tonnes

Other

Please provide details of the sources of emissions if you have entered a figure in the "Other" box

Please provide further information about your measurement of scope 3 emissions.

Emissions from Employee business travel consider only trips by employees' car.

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

No

Question 2(c) - Scope 3 of GHG Protocol - Year 3 answers

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

31 December 2004

If possible, please provide estimates in metric tonnes CO2e for the following categories of emissions:

Use/disposal of company's products and services

Your supply chain

External distribution/logistics

Employee business travel

6683 CO2e metric tonnes

Other

Please provide details of the sources of emissions if you have entered a figure in the "Other" box

Please provide further information about your measurement of scope 3 emissions.

Emissions from Employee business travel consider only trips by employees' car.

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

No

General Information

Please add any general information and attachments that are not related to a specific question but that you would still like to include with your response here.

