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 approximately 30,000 employees and about 2,700 branches, the Montepaschi Group offers its services to about 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
Sun 01 Jan 2012 - Mon 31 Dec 2012

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(€)

0.6

Modules
As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors, companies in the oil and gas industry and companies in the information technology and telecommunications sectors 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 not appear below but will automatically appear in the navigation bar when you save this page. 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 Sustainability & Strategy Committee.

1.2

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

No

1.2a

Please complete the table

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator

Page: 2. Strategy

2.1

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

Integrated into multi-disciplinary company wide risk management processes

2.1a

Please provide further details

MPS has made a public commitment outlining its position on climate change related risks and opportunities. It then took a range of measures to adjust consequently its business operations.

The scope of the process include: operating cost management, environmental credit risk assessment, managing impacts of the supply chain on sustainability, preventing climate change related physical risks, developing climate change related financial product and services, training and internal communication.

How risks and opportunities are assessed. The CSR team is responsible for: understanding the implications of climate change for business operations; implementing the Group strategy. To these purposes it monitors the relevant information sources: regulatory requirements, independent ESG ratings, stakeholders' views, best practices, voluntary disclosures such as the CDP questionnaires.
In more details:

- Reducing costs – through energy efficiency measures – helps MPS to enhance its strength, stability, and profitability. Measuring our Carbon Footprint supports these goals. For this reason a specific management system is operating since years, which is compliant with all relevant international standards (ISO 14001, GHG Protocol and ISO 14064)
- Environmental impact assessment methodology (including climate change risks) is embedded in the creditworthiness evaluation 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 basically based on a CSR assessment of suppliers (including their carbon footprints) and on a green purchasing strategy.
- Climate change related physical risks (including those due to extreme weather events) are taken into account when general Contingency Plan are established and periodically reviewed.
- New products and services related to climate change. Research activity feeds marketing innovation process.
- Training and internal communication. MPS ensures that employees acquire and apply the necessary climate change Know-how/expertise through measures such as: internal awareness raising campaigns on climate change in gneral, road shows and intranet based dissemination of information on the issue, training of banking professionals.

Frequency risk/opportunity are assessed annually.

Criteria to determine priority. In keeping with:

- Business strategy
- Data relating to environmental trends and their impact on the banking industry.
- Perception of stakeholders' expectations.
- Rating agencies' assessments.
- Industry best practices.
- Analyses developed by organizations operating in the environmental field.

Results are reported to BoD and Sustainability & Strategy Committee for a periodical review of climate change related activities.

2.2

Is climate change integrated into your business strategy?

Yes

2.2a

Please describe the process and outcomes

How the business strategy has been influenced
1)Climate Change priorities are identified through a process of collection and analysis of the following inputs:
• Data relating to the environment trends, socio-economic scenario and their impacts on the banking industry.
• Perception of stakeholders' expectations.
• Rating agencies' assessments.
• Industry best practices.
• Analyses developed by organizations operating in the environment field.
2) These priorities are included in Csr strategy
3) Key goals of Csr strategy are eligible to be included in the overall business strategy.
Climate change aspects that have influenced our business strategy
• Changes in regulation (new taxes, incentives).
• Energy cost evolution.
• Development of the demand site hand-in hand with the growth of green economy regional markets.
The most important components of the long term strategy that have been influenced by climate change:
Climate change strategy is synergic with long term operational efficiency goals, particularly related to energy saving program and business travel optimization.
The most important components of the short term strategy that have been influenced by climate change:
• Green building Plan (i.e. install photovoltaic panels on the roof of the HQ premise in Siena).
• Green business travel Plan (i.e. fostering web communication system to manage meetings and activating car pooling tools).
• Green IT Plan (i.e. software solutions to achieving energy saving goals).

Strategic advantage
• Opportunity to increase market share in the green economy sectors.
• Cost/income ratio lower than sector benchmark.
• Green branding.

Substantial business decision:
•Branch network closing and optimization plan to pursuing cost cutting targets and gain substantial environmental benefits.
•To consolidate financial support to green economy business sector.

2.2b

Please explain why not

2.3

Do you engage in activities that could either directly or indirectly influence policy on climate change through any of the following? (tick all that apply)

Trade associations

2.3a

On what issues have you been engaging directly?

Focus of legislation	Corporate Position	Details of engagement	Proposed solution

2.3b

Are you on the Board of any trade associations or provide funding beyond membership?
Yes

2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to influence the postion?
Italian Banking Association	Consistent	-Simplify and enlarge in scope processes related to the management of Energy saving certificates -Make it viable to granting credit to Energy Saving Companies (ESCO) -Endorse Energy National Plan, as an important financial instrument to foster the ecological industrial development.	Sharing views on the issue, as participant in some specific working groups

2.3d

Do you publically disclose a list of all the research organizations that you fund?

2.3e

Do you fund any research organizations to produce public work on climate change?

2.3f

Please describe the work and how it aligns with your own strategy on climate change

2.3g

Please provide details of the other engagement activities that you undertake

2.3h

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

We don't have any process of this kind in place.

2.3i

Please explain why you do not engage with policy makers

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?

No

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

3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment

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	Comment

3.1d

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

ID	% complete (time)	% complete (emissions)	Comment

3.1e

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

i) Sustainability targets are currently under review
ii) We expect to see a further reduction of Scope 1+Scope 2 emissions due to sustainability objectives included in the business plan.

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:
• Loans for retail customers and businesses, also through project finance and leasing instruments. In 2012, approximately 1,500 environmental investment projects

were financed, for an amount of over EUR 1 bn (accounting for 14% of loans to businesses during the year).
• Preference is assigned to loans for enterprises running their business in accordance with the highest environmental standard (i.e. ISO 14001 certification).
• ESG labelling of investment products in offer might contribute to channel capital in favour of environmental leading companies and governments which best demonstrate their climate change responsibility. In 2012, funds with AuM totalling 1.3 bn (2.9% of Managed Accounts) received an ESG rating which was higher than the preset threshold;
• The Group places on the market investment products that focus on the returns of companies with the best sustainability performance.
• Internet and telephone channels (the so called remote banking) to carry out banking transactions without visiting the bank counter, total active customers 907,426 (+4% in one year). By running remote banking business we also reached the goals to reduce substantially the volume of paper being printed out from the Bank for communication purposes towards clients.

3.3

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

Yes

3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		
Implemented*	6	1500
Not to be implemented		

3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
Energy efficiency: Building fabric	Implementation of of the energy efficiency plan: replacement of obsolete air-conditioning systems, space management activities, etc.	500			
Transportation: fleet	Several initiatives were undertaken by the Mobility Management Function, such as: cutbacks in business trips, a significant reduction in the company car fleet, the introduction of electric cars for shorter commutes	1000			
Transportation: use	Reduction in the number of trips for office material supplies and in those for the internal transport of documents.				
Energy efficiency: Processes	Implementation of of the energy efficiency plan: upgrading of IT equipment, etc.				
Low carbon energy installation	Realization of 199kWp photovoltaic plant.				
Low carbon energy purchase	Continuation of low carbon energy purchaising (hydroeletric source) to run nearly all the Group premises/branches.				

3.3c

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

Method	Comment
Compliance with regulatory requirements/standards	Energy star Regulatory requirement on energy efficient building practices
Dedicated budget for energy efficiency	Energy management
Dedicated budget for other emissions reduction activities	-Sustainable management of business travel -Sustainable

Method	Comment
	management of supply chain

3.3d

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

Page: 4. Communication

4.1

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

Publication	Page/Section reference	Attach the document
In mainstream financial reports (complete)	Annual Report 2012	https://www.cdproject.net/sites/2013/84/1384/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifytAttachment/BMPSAnnualReport_2012.pdf
In voluntary communications (complete)	Sustainability Report 2012 -EC2, EN16, EN17	https://www.cdproject.net/sites/2013/84/1384/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifytAttachment/Sustainability report 2012.pdf
In voluntary communications (underway) – previous year attached	Carbon Footprint Report 2011 pages 54, 55	https://www.cdproject.net/sites/2013/84/1384/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifytAttachment/Carbon Footprint Report 2011.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 the 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
ID1	Uncertainty surrounding new regulation	Business risks may depend on 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. Uncertainty surrounding new regulations can hinder the capability of our clients to develop new products and services which might erode both their profitability and reputation.	Reduction/disruption in production capacity	1-5 years	Indirect (Client)	More likely than not	Medium
ID2	Fuel/energy taxes and regulations	New fuel/energy regulations might introduce additional operating costs.	Increased operational cost	1-5 years	Direct	More likely than not	Medium
ID3	Cap and trade schemes	Business risks may depend on 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 enhance operating costs for suppliers: -directly as a consequence of increased costs due to a rising of energy prices and new carbon mitigation requirements; -indirectly for higher insurance premiums due to increased event risks	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
		(frequency and severity of extreme weather events). Uncertainty surrounding new regulations can hinder the production capacity of our suppliers.					
ID4	Cap and trade schemes	Regulations may enhance operating costs for clients: -directly as a consequence of increased costs due to a rising of energy prices and new carbon mitigation requirements; -indirectly for higher insurance premiums due to increased event risks (frequency and severity of extreme weather events).	Reduction/disruption in production capacity	1-5 years	Indirect (Client)	More likely than not	Medium
ID5	Product efficiency regulations and standards	Regulations are expected to increase our operating costs through new energy efficiency requirements to be applied in owned buildings construction and renovation projects. New requirements could also cause economic depreciation of premises with low energy performances.	Increased operational cost	1-5 years	Direct	More likely than not	Medium-high

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

ID1 and ID4

i. The capability of our clients to adapt to regulatory requirements might have both direct impacts on their profitability and reputation and indirect effects on our revenues.

ii. A careful analysis is done 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. In more details:

• Project financing and corporate financing operations by the subsidiary Mps Capital Services are submitted to environmental screening which covers: 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 more details, for energy sector operations, the valuations are done on the basis of due diligence conducted by external technical consultants.

• The credit ratings assigned to the large corporate customers 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.

• Adequate insurance is required to customers against climate change related risks.

Information on climate change related regulatory issue are made available for banking professionals.
iii. Various costs (not yet quantified) are associated with these processes, which include expenses for:
• Personnel employed in environmental management activities (about 100 people in all, whom in part carry out these activities on a full-time basis).
• Training activity that in 2012 involved approximately 200 employees.
• External certification of environmental management systems.

ID2 and ID5
i. Possible financial implications of these risks basically consist in increase operating costs and the need for new investments.
ii. For Mps managing climate change regulatory risks means improving continuously energy efficiency and increasing the use of power from renewable sources. The underlined goal is to 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.
iii. Various costs (not yet quantified) are associated with these processes, which include expenses for:
• Personnel employed in environmental management activities (about 100 people in all, whom in part carry out these activities on a full-time basis).
• Training activity that in 2012 involved approximately 200 employees
• GHG emissions monitoring systems
• Energy efficiency interventions
• External certification of environmental management systems.

ID3
i. These risks might turn into increased costs of purchasing relevant services and products (energy, IT, paper, etc.).
ii. Implementation of a Csr Supply Chain Management System:
• It applies to around 200 suppliers accounting for 50% of Group total expenditure.
• Management cycle: CSR assessment, analysis of result, audit and interviews with management, action plan for improvement, monitoring and identification of possible corrective action.
iii. Various costs (not yet quantified) are associated with these processes, which include expenses for:
• Personnel employed in environmental management activities (about 100 people in all, whom in part carry out these activities on a full-time basis).
• Training activity that in 2012 involved approximately 200 employees.
• Time spent in suppliers engagement activities.
• External services for suppliers CSR assessment (the overall system is run in cooperation of Ecovadis).

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
ID6	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	Likely	Low-medium
ID7	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
ID8	Change in precipitation extremes and droughts	Suppliers struggling against disruptive effects of climate change related events might suffer for lack of productivity. This might reduce their capacity to guarantee the necessary supplies to our organization which would turn into a reduced productivity from our side	Reduction/disruption in production capacity	1-5 years	Indirect (Supply chain)	Very likely	Low-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

ID6

i. The financial implications associated with extreme whether events are primarily relate to the costs (not quantified) required to repair structural damage to offices and branches, as well as reduced profits as a result of an inability to do business.

ii. 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.
Physical risks related to extreme weather events eventually affecting our premises are covered through specific insurance policies.
iii. Costs (not yet quantified) are mainly associated with the necessary resources employed to run these processes and with insurance policies established against extreme weather events.

ID7
i. The potential financial implications associated with extreme whether events are indirectly related to the creditworthiness of our clients that could be affected.
ii. We apply an environmental credit risk assessment methodology, which considers, among other 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.
Adequate insurance is required to customers against climate change related risks.
Procedures and contractual terms are relaxed for clients under stress due to natural disasters.
iii.Various costs (not yet quantified) are associated with these management processes, particularly in relation to staff involved.

ID8
i.The potential financial implications associated with extreme whether events basically consist in a possible reduction of productivity
ii.Risks are prevented through a careful evaluation of these, as part of overall CSR supply chain management system
iii.Various costs (not yet quantified) are associated with these processes, which include expenses for:
• Personnel employed in environmental management activities (about 100 people in all, whom in part carry out these activities on a full-time basis).
•Training activity that in 2012 involved approximately 200 employees.
•Time spent in suppliers engagement activities.
•External services for suppliers CSR assessment (the overall system is run in cooperation of Ecovadis).

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
ID9	Reputation	As climate change becomes a more visible social concern, there is increasing pressure on businesses to disclose climate change impacts more thoroughly. 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	Reduced demand for goods/services	6-10 years	Direct	Unlikely	Medium

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		stakeholders.					

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

ID9
i. The potential financial implications are mainly related to a lack of policies and strategies on climate change that can lead to higher criticism from clients, investors, and other stakeholders, with negative impacts on revenues and capital attraction potential in the long run.
ii. Climate change risks, even those affecting our reputation are effectively managed through policies and systems. The item is covered through a full range of communication initiatives we think it guaranties stakeholders with the necessary disclosure.
iii. Costs (not yet quantified) are associated with the implementation of our commitment: staff, GHG monitoring and reporting, investments and operational costs to pursue climate change goals.

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

Page: 6. Climate Change Opportunities

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
ID1	Other regulatory drivers	Incentive scheme for renewable energy development set by Italian Legislation. This encourages and supports the expansion of renewable energy projects across Italy. This creates a number of opportunities for MPS,	New products/business services	Current	Indirect (Client)	Virtually certain	Medium

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		including investment opportunities in renewable energy sector and an increased demand for new products and services.					
ID2	Other regulatory drivers	Incentive scheme for renewable energy development set by Italian Legislation makes it convenient for Mps to realize plants to produce renewable energy (i.e photovoltaic plant)	Reduced operational costs	Current	Direct	Virtually certain	Medium

6.1b

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

ID1

i.This in an opportunity to make revenues from green business. In 2012 loans to green business totalled about 1 billion of eur.
ii.We have the opportunity to working with our customers to help them 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.
iii. The costs (not yet quantified) are associated to development of new products, advertising, etc.

ID2

i. This is an opportunity to achieve cost savings both form energy efficiency programs and through self-production of renewable energy: i.e. the installation of a photovoltaic plan at the headquarters of Siena-San Miniato (at full performance, we estimate annual savings of approx. EUR 50 thousand and a further EUR 70 thousand in economic benefits from specific government incentive schemes).
ii.To size these opportunities the Group Energy Manager continuously monitors either technical/legislative developments on the issue and KPIs concerning energy efficiency and GHG emissions
iii. Various costs (not yet quantified) are associated with these processes, which include expenses for:
-Personnel employed in environmental management activities (about 100 people in all, whom in part carry out these activities on a full-time basis).
-Training activity that in 2012 involved approximately 200 employees
-GHG emissions monitoring systems
-Energy efficiency interventions (i.e. 900,000 Eur in 2012 to install a photovoltaic plant)
-Rental of electric cars (EUR 31 thousand) and other expenses for renewal of the company car fleet

-External certification of environmental management systems.

6.1c

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
ID3	Change in precipitation extremes and droughts	Product innovation addressing climate change related risks and opportunities gives MPS a competitive advantage in the green business.	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 and (iii) the costs associated with these actions

ID3
i.This is an opportunity to make revenues from products and services that help our customers to adapt to climate change effects and to face the damage from extreme weather events (i.e. loans for adapting agricultural systems to adverse environmental and climate change related conditions.
ii.We have the opportunity to working with our customers to help them adapt to climate change effect in a more efficient manner. Our approach is to share knowledge on these problems with customers, to manage them in a pro-active way towards mutually advantageous solutions, using the appropriate loans and banking services.
iii. The costs (not yet quantified) are associated to development of new products, advertising, etc

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
ID4	Reputation	Through proactive climate change risks and opportunities management and by publicly showing awareness on the issues we can build trust among our employees, clients and other stakeholders.	Other: Brand value	1-5 years	Direct	About as likely as not	Medium

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

ID4
i.Positive impact on our reputation as a result of the action we take on climate change provides financial benefit where this results in retention of customers and attraction of new customers. Then our reputation can contribute to increase revenues.
ii. Climate change opportunities, even those affecting our reputation, are effectively managed through policies and systems. The item is covered through a full range of communication initiatives we think they guarantee stakeholders with the necessary disclosure.

iii. Various costs (not yet quantified) are associated with these processes, which include expenses for:
-Personnel employed in environmental management activities (about 100 people in all, whom in part carry out these activities on a full-time basis).
-Training activity that in 2012 involved approximately 200 employees
-GHG monitoring and reporting activities
-Energy efficiency interventions
-External certification of environmental management systems
-Rental of electric cars (EUR 31 thousand) and other expenses for renewal of the company car fleet
-Specialised information services, such as vendor sustainability assessment and ESG-Environment, Society, Governance ratings of investments.

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)
Fri 01 Jan 2010 - Fri 31 Dec 2010	21668	1025

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Sat 01 Jan 2011 - Sat 31 Dec 2011	22038	655

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
ABI Energia Linee Guida

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
CH4	IPCC Fourth Assessment Report (AR4 - 100 year)

Gas	Reference
CO2	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	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
Electricity	0.3975	metric tonnes CO2e per MWh	Abi Energia Linee Guida
Electricity	0	metric tonnes CO2e per MWh	from hydropower- Abi Energia Linee Guida
Natural gas	0.00197	metric tonnes CO2e per m3	Abi Energia Linee Guida
Diesel/Gas oil	0.00266	metric tonnes CO2e per litre	Abi Energia Linee Guida
Motor gasoline	0.00234	metric tonnes CO2e per litre	Abi Energia Linee Guida

Further Information

Question 7.1 To obtain a like-for-like comparison data as at 31/12/2010 and 31/12/2011 was restated by excluding contribution from BiverBanca (which was sold on 28/12/2012).

Page: 8. Emissions Data - (1 Jan 2012 - 31 Dec 2012)

8.1

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

Operational control

8.2

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

20905

8.3

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

143

8.4

Are there are 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
Energy office of foreign brances	Scope 1 and 2	lack of data

8.5

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

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
More than 2% but less than or equal to 5%	Data Gaps Extrapolation	Same uncertainties can arise from metering inaccuracies due to energy bill adjustments	Less than or equal to 2%	Data Management	Same uncertainties can arise from operational risk in data management

8.6

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

Third party 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	Attach the document
Reasonable assurance	Other: IFRS	https://www.cdproject.net/sites/2013/84/1384/Investor CDP 2013/Shared Documents/Attachments/Investor-8.6b-C3-RelevantStatement/Indipendent auditor report.pdf

8.6c

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

8.7

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

Third party 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	Attach the document
Reasonable assurance	Other: IFRS	https://www.cdproject.net/sites/2013/84/1384/Investor CDP 2013/Shared Documents/Attachments/Investor-8.7b-C3-RelevantStatement/Indipendent auditor report.pdf

8.8

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

8.8a

Please provide the emissions in metric tonnes CO2

Further Information

GHG data included in the Report on Operations of the Consolidated Financial Statements as at 31/12/2012 were submitted to consistency checks within the scope of audits conducted.

Page: 9. Scope 1 Emissions Breakdown - (1 Jan 2012 - 31 Dec 2012)

9.1

Do you have Scope 1 emissions sources in more than one country?

No

9.1a

Please complete the table below

Country/Region	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 emissions (metric tonnes CO2e)

9.2b

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

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude

9.2c

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

GHG type	Scope 1 emissions (metric tonnes CO2e)

9.2d

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

Activity	Scope 1 emissions (metric tonnes CO2e)
stationary combustion (diesel and natural gas boiler)	17095
mobile combustion (company fleet)	3810

9.2e

Please break down your total gross global Scope 1 emissions by legal structure

Legal structure	Scope 1 emissions (metric tonnes CO2e)

Page: 10. Scope 2 Emissions Breakdown - (1 Jan 2012 - 31 Dec 2012)

10.1

Do you have Scope 2 emissions sources in more than one country?

No

10.1a

Please complete the table below

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling (MWh)

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 emissions (metric tonnes CO2e)

10.2b

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

Facility	Scope 2 emissions (metric tonnes CO2e)

10.2c

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

Activity	Scope 2 emissions (metric tonnes CO2e)
office activities	143

10.2d

Please break down your total gross global Scope 2 emissions by legal structure

Legal structure	Scope 2 emissions (metric tonnes CO2e)

Page: 11. Energy

11.1

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

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

11.2

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

Energy type	MWh
Fuel	94696
Electricity	196583
Heat	
Steam	
Cooling	

11.3

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

Fuels	MWh
Motor gasoline	157
Natural gas	73283
Diesel/Gas oil	21257

11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comments
Tracking instruments, Guarantees of Origin	196224	The supply of power energy is formally guaranteed by the competent authority as been produced from renewable source (hydroelectric).

Page: 12. Emissions Performance

12.1

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

Decreased

12.1a

Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	7	Decrease	The main factors in the reduction are: -The reduction of approximately 3% of energy consumption. -The increase of electricity from renewable sources
Divestment			
Acquisitions			
Mergers			
Change in output			
Change in methodology			
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other			

12.2

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	Reason for change
4.214	metric tonnes CO2e	unit total revenue	1	Decrease	The main factors in the reduction are: -The reduction of approximately 3% of energy consumption. -The increase of electricity from renewable sources. Metric denominator: Financial and insurance income (loss) in million of euro. (In 2011 5,327 euro million and in 2012 4,995 euro million)

12.3

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	Reason for change
0.708	metric tonnes CO2e	FTE employee	7	Decrease	The main factors in the reduction are: -The reduction of approximately 3% of energy consumption. -The increase of electricity from renewable sources. Metric denominator: 98% of FTE (in 2011 30,424 and in 2012 30,265)

12.4

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	Reason for change

Page: 13. Emissions Trading

13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

13.1a

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

13.1b

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

13.2

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

No

13.2a

Please complete the 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

Page: 14. Scope 3 Emissions

14.1

Please account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Relevant, calculated	581	Data refer to emissions of greenhouse gas due to production of paper and PCs purchased in 2011. 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)	0%	
Capital goods	Not evaluated				
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	2600	Data refer to emissions of greenhouse gas due to extraction and refining processes for the fuels used (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)	100%	
Upstream transportation and distribution	Not evaluated				
Waste generated in operations	Not evaluated				
Business travel	Relevant, calculated	7396	Data refer to emissions of greenhouse gas due to business trips effected by means other than company cars: Private cars, Leased cars, Air transport,	60%	

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
			Long-distance trains, Local public transport Emission factors used are the following: Private and Leased cars gasoline: 0.0023368 t Co2e/l (Linee Guida ABI Energia) Private and Leased cars diesel: 0.0026627 t Co2e/l (Linee Guida ABI Energia) Air transport: 0.000139 t Co2e/km (Linee Guida ABI Energia) Long-distance trains: 0.0000314 t Co2e/km (Linee Guida ABI Energia) Bus: 0.00013514 t Co2e/km (Defra/GHG protocol) Local Train: 0.00005651 t Co2e/km (Defra/GHG protocol)		
Employee commuting	Relevant, calculated	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 in 2010 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	0%	
Upstream leased assets	Not evaluated				
Investments	Relevant, not yet calculated				
Downstream transportation and distribution	Not evaluated				
Processing of sold products	Not evaluated				
Use of sold products	Not evaluated				
End of life treatment of sold products	Not evaluated				
Downstream leased assets	Not evaluated				
Franchises	Not evaluated				
Other (upstream)					
Other (downstream)					

14.2

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

No third party verification or assurance

14.2a

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

14.2b

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

Type of verification or assurance	Relevant standard	Attach the document

14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

14.3a

Please complete the table

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Purchased goods & services	Emissions reduction activities	97	Decrease	In 2012 we didn't purchase/rent any new desktop and laptop computers.
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Emissions reduction activities	8	Decrease	This is mainly due to a decrease of business trips.
Business travel	Emissions reduction activities	21	Decrease	This is mainly due to a decrease of business trips.

14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our suppliers

14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

Assessment and selection of vendors, also taking into account their sustainability profiles and performances, through the use of data provided by the specialised company, Ecovadis.
Action plans aimed at improoving sustainability performance are then shared with suppliers through on site meetings and continous monitoring on progress.

14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment
73	40%	

14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details

14.4d

Please explain why not and any plans you have to develop an engagement strategy in the future

Module: Sign Off

Page: Sign Off

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

Francesco Mereu
Csr manager