

## CARBON DISCLOSURE PROJECT

# CDP6 Greenhouse Gas Emissions Questionnaire

**Responding corporation: Intesa Sanpaolo S.p.A**

---

### General Information

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

Intesa Sanpaolo is a banking Group resulting from the merger between Banca Intesa and Sanpaolo IMI. It has clear leadership in the Italian market and a strong international presence focused on Central-Eastern Europe and the Mediterranean basin. Its environmental policy was approved on February 2007 by the new Management Board. This policy defines the approach for preventing, handling and, where possible, reducing environmental impact generated, directly or indirectly, by the activities of the Group, thereby confirming the importance of integrating economic factors with social and environmental factors to protect future generations.

Its implementation is thoroughly and progressively carried out step by step, either fulfilling the challenges posed by the international standards the bank has adopted, or listening to the stakeholders to whom it relates, including potential criticisms towards its behaviour. Climate change is one of the issues in which the Group wants to engage. For this reason it guarantees its participation into the CCWG and AMWG of the UNEP FI.

At end 2007 the Group counts more than 96,000 employees, more than 7,300 branches and recorded 18 billion euro total revenues and 7.2 billion euro net income.

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

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

ISIN number

CUSIP number

SEDOL number

## 1 - Risks and Opportunities

### **Question 1(a)(i) Regulatory Risks**

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

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

Potential regulatory risks to our business are mainly related to the lack of clarity and confidence about the market framework and to potential strict regulation on emissions. Without a firm indication of what will happen with regard to carbon markets linked to the Kyoto Protocol rules, costs for financial companies may increase because the perversity of markets may affect negatively the role of demand and supply.

This can affect the bank in its financing activity.

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

No

### **Question 1(a)(ii) Physical Risks**

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

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

Intesa Sanpaolo, as a financial institution, is not directly affected by weather patterns. Regarding extreme weather events, Intesa Sanpaolo, according to Italian Central Bank guidelines, developed a Business Continuity Plan (BCP) that is not focused on specific events that could happen but on their consequences. The BCP provides specific solutions that allow the Bank facing the following scenarios: a) Unavailability of buildings that host Bank's personnel dedicated to Bank's relevant business processes (i.e. events that cause the unreachability of the ordinary work sites); b) Unavailability of personnel dedicated to Bank's relevant business processes (i.e. events that directly affect personnel); c) Unavailability of ICT systems (i.e. total / partial loss of ICT systems); d) Unavailability of Infrastructural services (i.e. Telecommunication and Power Supply services).

Potential physical risks to our business are also related to an inadequate integration of climate issues into business processes, such as credit screening, project finance (where the vulnerable part is surprisingly enormous according to the World Bank), and due diligence.

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

No

### **Question 1(a)(iii) General Risks**

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

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

Reputational risks are important as well.

Reputational risks can vary greatly: mainly they relate to our role in the financial intermediation with customers, not taking into due consideration climate change issues in the financing screening. They can also be linked to the supply chain: i.e. choice of suppliers (i.e. energy supply) presents a potential general risk.

NGO's are particularly active in this respect, monitoring the activity.

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

No

### **Question 1(a)(iv) Risk Management**

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

We have taken or planned action.

In the intermediation process specific criteria have been introduced to take into account environmental aspects in the rating model for financing. As far as the continuity plan is concerned please refer to question about physical risks. Specific policies (regarding the financing of the arm sector for example) have been put in place for reputational risks. For Project finance operations we adopted the Equator Principles.

With respect to customers and as far as the regulatory risk is concerned, Intesa Sanpaolo plays a role of facilitator for those companies which are bound to respect the environmental commitments of the Kyoto Protocol. Through one of its controlled companies, Intesa Sanpaolo entered the carbon asset market in 2007. In this field of activity we have constituted a dedicated company in partnership with some of the most important operators of the Italian energy sector, to create and commercialise carbon emission property rights.

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

No

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

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

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

We have integrated environmental issues into our rating models. After the merger of Banca Intesa and Sanpaolo IMI into the Intesa Sanpaolo Group, the rating processes have been unified and the environmental risk has been specifically introduced as component of the qualitative questionnaires, which pertain to the rating models.

Financing to specific sectors, considered at risks, are punctually monitored.

Project finance operations are conducted according to Equator Principles and are consequently monitored and disclosed (see sustainability report).

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

No

### **Question 1(b)(i) Regulatory Opportunities**

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

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

they can create a market for financing products in favour of renewable energies, such as loans or mutual funds. Other market opportunities identified are the following:- brokerage and clearing services (emission trading for third parties, especially SME, in Italy and abroad);- commodity trading (risk management services through commodity derivatives);- carbon finance (legal and operational advisory for the start up of investments in clean technology, assistance in equity, debt and risk management); - direct investment in funds dedicated to CDM and JI projects;- fiduciary services; - finance instruments for enterprises and private individuals (for example products to support investments for the rationalization of consumption, the diversification of sources and the production of renewable and alternative energies). The Emission Trading System is an interesting opportunity of business for Intesa Sanpaolo, Equiter is active in this field (is a partner of GICA).

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

No

### **Question 1(b)(ii) Physical Opportunities**

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

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

....putting in place dedicated management systems we can prevent and manage in a better way our performances in terms of resources usage (energy, water, paper...), reducing costs and spreading environmental culture amongst our people.

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

No

### **Question 1(b)(iii) General Opportunities**

How does climate change present general opportunities for your company?

We consider that climate change offers opportunities because...

As a financial institution we face general opportunities related to climate change in several areas.  
- We decided to support the Sustenergy Campaign. In line with that project we provide concrete solutions to the issue of access to energy sector financing, on the one hand by supplying specific assistance to businesses interested in applying for European financing for renewable energy and on the other, by launching various product lines for businesses, small businesses and individuals to respond adequately to the customer demand for investment opportunities in energy saving and renewable energy resources (60 millio loans as of end 2007).

- The Bank has also stipulated an agreement with the Italian provider of electrical services to ensure that the incentives for the production of solar energy can be used as a guarantee for the financing application and, at a later stage, for the direct payment of the reimbursement instalment.
  - The bank already has mutual funds managed according to SRI criteria (664 million euro as of end 2007), on the other hand the demand for 'green' funds is increasing and may constitute an interesting opportunity;
- With regard to large companies we extend the project finance to renewable energy projects.
- In this particular area Intesa Sanpaolo is a financial partner in socially sustainable projects (energy efficiency) examined by the international community and NGOs both in Italy and abroad such as that in Slovakia, promoted by our subsidiary VUB.
- The need of public/private partnership has increased and we can be one of the players.
  - If we give an accurate and positive response to the need created by climate change, we can enjoy a good reputation in the competitors' arena.
  - Through Equiter and its Utilities and Environmental Desk, Intesa Sanpaolo carries out a scrupulous and continuous monitoring of investment risks and opportunities in the renewable energy sector, ranging from windfields and mini-hydroelectric plants to solar energy, biomass and biogas, to make an efficacious contribution to combating climate change.

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

No

### **Question 1(b)(iv) Maximizing Opportunities**

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

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

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

No

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

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

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

No estimates of the financial effects have been made on a Group basis for all the activities concerned.

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

No

## 2 - Greenhouse Gas (GHG) Emissions Accounting

### Question 2(a)(i) Reporting Boundary

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

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

[Companies over which financial control is exercised – per consolidated audited Financial Statements.](#)

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

[No](#)

### Question 2(a)(ii) Reporting Year

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

[Start date: 01 January 2007](#)

[End date: 31 December 2007](#)

[Financial accounting year: 01 January 2007](#)

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

[No](#)

### Question 2(a)(iii) Methodology

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

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

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

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

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

Yes

Punctual figures are provided for Italy based companies of the Group, while abroad companies often refer to estimates. For details on estimates used please refer to the 2007 Sustainability Report, page 122.

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

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

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

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

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

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

Start date: 01 January 2007

End date: 31 December 2007

Scope 1 Direct GHG Emissions: Please provide:

a. Total global Scope 1 activity in Metric Tonnes CO<sub>2</sub>-e emitted.

65466 CO<sub>2</sub>e metric tonnes

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

63400 CO2e metric tonnes

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

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

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

Scope 2 – Indirect GHG emissions: Please provide:

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

135315 CO2e metric tonnes

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

130089 CO2e metric tonnes

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

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

Electricity consumption

e. Total global MWh of purchased electricity

657872 MWh

f. Total MWh of purchased electricity for Annex B countries

648802 MWh

By country – MWh of purchased electricity by individual country.

**Country**

g. Total global MWh of purchased electricity from renewable sources

425197 MWh

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

425197 MWh

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

**Country**

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

Yes

Emissions Scope 1 include an estimate of combustion of fuels in company-owned transportation. The figures provided in the 2007 Sustainability Report and verified by the audit do not include these estimates.

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

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

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

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

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

Please provide where possible:

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

b. Details in metric tonnes CO<sub>2</sub>-e of GHG emissions in the following categories:

i Employee business travel.

11400 CO<sub>2</sub>e metric tonnes

ii External distribution/logistics

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

iv Company supply chain.

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

The figures are estimates and refer only to Italy based companies.

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

## **Question 2(d) External Verification**

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

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

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

Verified by Reconta Ernst and Young for the information reported in the 2007 Sustainability Report (aggregated figures provided only for emissions scope 1 and 2). The figures recorded in 2007 Sustainability Report, as already mentioned, do not include emissions linked to the fuel of company-owned transportation. For scope 3 the figures refer to internal estimates.

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

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

### **Question 2(e) Data Accuracy**

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

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

### **Question 2(f) Emissions History**

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

Yes, they do vary significantly.

A change in the reporting boundary has occurred (perimeter increased by 30% approximately).  
A major increase in the use of renewable energy has been implemented, which led to a decrease of emissions generated by electric power by 40%.

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

### **Question 2(g) Emissions Trading**

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

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

If so:

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

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

Please enter allowance in Metric Tonnes of CO<sub>2</sub>:

1 January 2005-31 December 2005

1 January 2006-31 December 2006

1 January 2007-31 December 2007

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

Please enter emissions in Metric Tonnes of CO<sub>2</sub>.

1 January 2005-31 December 2005

1 January 2006-31 December 2006

1 January 2007-31 December 2007

Phase II annual allowances

1 January 2008 – 31 December 2008

1 January 2009 – 31 December 2009

1 January 2010 – 31 December 2010

1 January 2011 – 31 December 2011

1 January 2012 – 31 December 2012

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

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

EU ETS

CDM/JI

CCX

RGGI

Others

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

### **Question 2(h) Energy Costs**

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

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

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

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

More details

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

### 3 - Performance

#### Question 3(a) Reduction Plans

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

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

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

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

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

So far the use of renewable energy has led to a reduction of emissions by 200 tons in 2007. The target for 2008 is to reduce by 230 tons.

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

Mainly renewable energy (hydroelectric) and increasing internal efficiency.

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

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

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

### **Question 3(b) Emissions Intensity**

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

Other

No such measurements are made.

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

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

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

Scope 1/ US\$millions turnover

Scope 2/ US\$millions turnover

Scope 1/ EBITDA

Scope 2/ EBITDA

iii) Has your company developed emissions intensity targets?

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

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

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

### **Question 3(c) Planning**

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

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

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

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

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

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

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

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

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

[Dates not selected.](#)

Forecasted Scope 1 Direct GHG Emissions: Please provide:

a. Forecasted Total global Scope 1 emissions in Metric Tonnes CO<sub>2</sub>-e.

b. Forecasted Total Scope 1 emissions in Metric Tonnes CO<sub>2</sub>-e for Annex B countries.

By country - Forecasted Scope 1 emissions in Metric Tonnes of CO<sub>2</sub>-e by individual country

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

**Country** **Scope 1 Emissions**  
**(metric tonnes CO<sub>2</sub>-e)**

Scope 2 Indirect GHG emissions: Please provide:

c. Forecasted total global Scope 2 emissions in Metric Tonnes CO<sub>2</sub>-e

d. Forecasted total Scope 2 emissions in Metric Tonnes CO<sub>2</sub>-e for Annex B countries

By country - Forecasted Scope 2 emissions in Metric Tonnes of CO<sub>2</sub>-e by individual country

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

Forecasted electricity consumption

e. Forecasted total global MWh of purchased electricity

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

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

**Country**

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

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

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

**Country**

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

**4 - Governance**

**Question 4(a) Responsibility**

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

No executive body has overall responsibility for climate change.

An Environmental Sustainability Office has been established with precise objectives (see Sustainability Report 2007)

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

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

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

#### **Question 4(b) Individual Performance**

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

No, we do not.

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

No

#### **Question 4(c) Communications**

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

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

No

ii) formal communications with shareholders or external parties

iii) voluntary communications such as Corporate Social Responsibility reporting

Yes

[2007 Sustainability Report](#)

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

#### **Question 4(d) Public Policy**

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

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

Yes

[Intesa Sanpaolo, through Eurizon, is part of the Unep Fi Asset Management Working Group.](#)  
[Intesa Sanpaolo is a partner of the Sustenergy Campaign and it supports the Kyoto Club.](#)