

Carbon Disclosure Project (CDP5) Greenhouse Gas Emissions Questionnaire

Intesa Sanpaolo S.p.A response as at 07 November 2007 22:25

General Introduction

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

Intesa Sanpaolo is a new 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. An environmental policy was approved at the beginning of 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.

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?

Potential regulatory risks to our business are mainly related to indirect aspects, i.e. the implications for credit risk and the value of business assets.

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?

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 indirect aspects, i.e. the implications for credit risk and the value of business assets.

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?

Potential risks to our business, including shifts in consumer attitude and demand, are related mainly to indirect aspects, i.e. the implications for credit risk and the value of business assets.

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?

The Emission Trading system is an interesting opportunity of business for Intesa Sanpaolo. 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).

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.

The Group aims to support development in the renewable energy sector, with initiatives in the various fields of activity. This orientation is implemented both through the creation of special finance instruments for enterprises and private individuals and through the assistance provided in the technical and economic assessment of complex and innovative projects. The Group will also evaluate business opportunities linked to the Emission Trading system (see question 1 (b)). Regarding direct impacts, the Group undertakes to improve progressively energy-efficient systems and to increase the use of renewable energy. The main objective of our energy consumption policy is the reduction of carbon dioxide emissions, as a contribution to preventing further climate change, which we recognize to be one of the most important environmental changes at global level.

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

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?

Intesa Sanpaolo is committed to reduce emissions as a result of the following actions:- increasing the use of renewable energy (in particular hydroelectric energy);- prevalent use of natural gas, which generates less atmospheric emissions than other fuels;- use of systems to recover the heat produced by electronic processors in the data processing centers;- use of heat pumps in the branches where allowed by the climactic conditions;- replacing company cars with cars having lower emissions. There are no quantitative targets set.

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

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

Data obtained by using the new transformation coefficients for calculating emissions proposed for 2006 by ABIENERGIA (consortium in the Italian banking sector for energy management). Emissions from the production of electricity (indirect emissions) were calculated considering the progressive modernization of power plants and using a transformation coefficient of 0.501 instead of 0.6.

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

Option 4 - other

Please provide additional information below

We estimate the quantity of annual emissions produced by our owned facilities in Italy.

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

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

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

Yes

The information provided can be found in the 2006 Sanpaolo IMI Social Report and in the 2006 Banca Intesa Social and Environmental Report. Both reports have been submitted to an auditing company for examination (respectively PriceWaterhouseCoopers and Reconta Ernst & Young)

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

Data on emissions of the two banking groups, Sanpaolo IMI and Intesa, have been aggregated in order to obtain consolidated data for 2006 to answer to this

questionnaire (though the new Group has been created in 2007). Therefore it is not meaningful to comment variations in emissions in 2006. As for variations at the level of the two banking groups separately, explanations are given in the respective Social Reports.

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

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

Total Emissions Annex B countries

Scope 1 activity emissions globally

50735 O2e metric tonnes

Scope 1 activity emissions Annex B

50735 O2e metric tonnes

Scope 2 activity emissions globally

210511 O2e metric tonnes

Scope 2 activity emissions Annex B

210511 O2e metric tonnes

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

599343MWh

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

599343MWh

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

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?

Yes

The percentage of purchased and consumed electricity from renewables in Sanpaolo IMI was 69% in 2006, while Banca Intesa up to 2006 mainly used non-renewables. The new Group Intesa Sanpaolo is committed to increase the share of consumed renewable energy (a new contract for the purchase of hydroelectric energy for ex Intesa branches has already been signed).

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

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.

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

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.