



PROFILES OF EUROPEAN BANKS

from

Corporate Governance and Climate Change: The Banking Sector

January 2008

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ABN AMRO has adopted climate change as a central theme to the company's sustainability strategy. It intends to become carbon neutral by 2008. Climate change issues are addressed by the company's Managing Board and are implemented through a central Sustainability Department and decentralized "sustainability experts" throughout the company's global Business Units. ABN AMRO is an active participant in greenhouse gas (GHG) emissions trading and has developed several climate-related products—including a Climate Change and Environment Index. It has twice sponsored the launch of the Carbon Disclosure Project. The firm has also actively integrated environmental and social factors into its mainstream risk assessment processes.

Summary Score: 66

During the evaluation period of this study, ABN AMRO was bought by a consortium including Royal Bank of Scotland, Fortis, and Banco Santander. The company's profile has been included separately for benchmarking purposes in this study.

Company Information

ABN AMRO is one of the largest banking groups in the world. The company operates internationally in four customer segments: personal banking, private banking, business and commercial, and corporate and institutional. ABN AMRO serves a broad range of clients, but focuses on the mid-market segment.

Contact Information

Chairman Arthur C. Martinez (Supervisory Board)/Mark Fisher (Managing Board)

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Board Oversight

Score: 11

Board Committee: Environmental Oversight None identified.

Board Committee: Climate Change None identified.

Board Member: Climate Change Huibert Boumeester, Managing Board member

Mr. Boumeester is the board member responsible for the company's sustainability strategy, which includes climate change as a central theme.

Board Role ABN AMRO's Managing Board acts as the governing and strategic decision-making body for the company's sustainable development agenda, including climate change. Sustainability is addressed at meetings of the Managing Board twice a year, and the board receives regular updates from the company's Sustainability Department. The Managing Board was responsible for committing the company to carbon neutrality as well as for approving the company's global energy efficiency program.

Board Training None identified.

Management Execution

Score: 17

CEO Leadership/ Statements In his introduction to the company's 2006 sustainability report, former Managing Board Chairman Rijkman Groenink states: "Our Managing Board is fully committed to sustainable development... We all have a responsibility to do our fair share in addressing the sustainability issues the world is facing." Groenink has also stated: "We believe we make our primary contribution to sustainable development by providing responsible financial services and by pursuing opportunities for sustainable products and services." In addition, Chairman Groenink has publicly advocated for regulatory measures addressing climate change (see Public Policy Statement section).

Company Policy ABN AMRO has identified climate change as one of its major global sustainability themes; this year, the company committed to become carbon neutral by 2008. ABN AMRO has developed a comprehensive approach to climate change, applying seven focus areas to the issue (science, measurement, avoidance, minimization, offsetting, adaptation, business initiatives, and advocacy) and involving different parts of the organization (risk management, human resources, services, product development, etc.) in climate solutions.

Chief Environmental/ Climate Officer Richard Burrett, Managing Director of Sustainable Development

Levels to CEO 1

ABN AMRO Holding N.V.

Executive Committee ABN AMRO's climate governance is structured around several sustainability teams, each with different responsibilities. Located within the Group Public Affairs Unit, the company's Sustainability Department is the central team responsible for defining, coordinating and overseeing execution of the company's group-wide sustainability strategy. Climate change is a key component of this strategy. In addition to the Sustainability Department, ABN AMRO has recently sought to improve sustainability efforts within individual Business Units by integrating "sustainability experts" into each of the Business Units and relevant Group Functions. All the Business Units and Functions are represented in the Sustainability Council, which meets on a monthly basis with the main goal of implementing the sustainability strategy globally.

In addition to this governance structure, ABN AMRO has established a Carbon Management Working Group responsible for implementing the company's commitment to carbon neutrality. ABN AMRO also has formed an "Eco-markets" team to develop the company's environmental- and climate-focused products.

ESG Factors in Risk Management/Financing ABN AMRO's Group Risk Committee (GRC) is mandated to include environmental, social, and ethical (ESE) considerations in decision-making on client and transaction engagements. To help fulfill this mandate, a Sustainable Risk Advisory (SRA) team, working within the Group Risk Management division, assesses ESE risks and advises the GRC on the acceptability of these risks in lending activities—particularly regarding client acceptance and business engagement decisions. SRA often advises on non-lending activities as well.

As part of the company's efforts to integrate ESE risk assessment into the mainstream risk assessment processes within all of the company's Business Units, ABN AMRO has developed a Sustainability Strategy and Strategic Risk Agenda. In line with this initiative, SRA has reviewed each Business Unit's current ESE risk practices in an effort to identify any areas in which the unit fails to meet the company's policy requirements. SRA works closely with the Business Units to improve the governance, policy application, and process development of the unit's risk management. In addition, ABN AMRO launched a Client Acceptance project in 2006 for further incorporation of ESE risk policy into its client acceptance activities. At the end of 2006, ABN AMRO set as goals for 2007 the finalization of its ESE Risk Integration and Client Acceptance projects and further capacity building in risk management for its Business Units.

Furthermore, ABN AMRO says that it has "identified the potential for its transaction banking and processing activities to expose the bank to ESE risks." In 2006, in response to these risks, ABN AMRO launched an initiative to develop frameworks and tools, such as the ESE risk filter, to guide transaction banking managers in their ESE risk assessments. The company seeks to enable its transaction banking activities to take full ownership of their ESE risk exposure.

ABN AMRO also adheres to an ESE framework in its project financing activities. Along with Citigroup, ABN AMRO drafted the revised Equator Principles, which the company applies to all of its project finance engagements. In its 2006 Sustainability Report, ABN AMRO directly addresses the climate risks associated with project financing. The company identifies regulatory risk from emerging emissions policies, cash-flow risks from volatile costs and physical risks from weather events. ABN AMRO states: "To be effective, risk management needs to minimize the overall carbon footprint of the project-financing portfolio and to work in the context of the newly emerging carbon markets."

Staff Training/Education ABN AMRO believes, "Training and awareness are crucial in helping our client, credit structuring and risk professionals to incorporate ESE issues in their work." The Sustainable Risk Advisory team provides "appropriate assistance, guidance and training" to each Business Unit in their implementation of ESE risk management. In 2006, SRA trained 226 employees whose roles involve applying the ESE Risk Filter and other tools.

ABN AMRO also publishes a bi-weekly e-newsletter on sustainability issues in every Business Unit, reaching around 11,500 employees worldwide. The company provides every Business Unit with a variety of tools for sustainability training, including awareness campaign materials, training sessions, e-mailed new alerts, an intranet library on sustainable development, a DVD, and an e-learning tool, called Chronos, for sustainability training. More than 12,000 employees have undergone training using this tool.

ABN AMRO also has established a training program for its top executives, called the ABN AMRO Executive Education Director, which includes several courses in sustainability and corporate social responsibility. Further, ABN AMRO offers its executives to participate in the Prince of Wales Business and the Environment Program, run by University of Cambridge.

- External Initiatives**
- The Bali Communiqué
 - Clinton Foundation – Energy Efficiency Building Retrofit Program
 - The Climate Group
 - Corporate Leaders Group on Climate Change
 - European Carbon Investors and Services (ECIS)
 - Equator Principles
 - Extractive Industries Transparency Initiative
 - The London Accord
 - Principles for Responsible Investment
 - UNEP – Finance Initiative
 - WBCSD Energy and Climate Change Working Group

Investment Research ABN AMRO says that its goal is to "generate knowledge with regards to climate change and energy challenges in order to underpin our strategy and approach for our clients with regards to products and services." ABN AMRO has hired an equity analyst in London to focus entirely on carbon/cleantech equity research. In addition to several larger equity research reports, the company publishes a monthly internal report, called Carbon Elements, that provides news, market information and company updates related to carbon and the renewable energy market for institutional investors. In 2006, ABN AMRO also drafted a Business and Energy Risk Paper. ABN AMRO is a participant in the London Accord, a co-operative research initiative aimed at bringing insight into climate change for investors and corporate decision-makers.

- Climate-related Research Reports**
- *Beyond Kyoto* (2005)
 - *Eco-Markets Equity Strategy Research Note*, Global Markets Equity Strategy (January 2007)

ABN AMRO Holding N.V.

Compensation Link None identified.

Public Disclosure

Score: 13

Annual Report	Every year, ABN AMRO publishes its Sustainability and Annual Reports together, "reflecting [the] view that both reports play a key role in enabling stakeholders to gain a complete picture of our business."
Securities Filings Statement	ABN AMRO's Form 20-F includes several mentions of climate change in briefly discussing the company's sustainability initiatives.
Sustainability Report	Sustainability Report 2006, published March 2007 http://www.abnamro.com/com/about/sd/sd.jsp GRI Accordance: G3 A+
Carbon Disclosure Project	Member: Yes (ABN AMRO has sponsored two launches of the CDP report) 2007 Signatory: Yes CDP5 (2007): Answered Questionnaire (Public) CDP5 Risk Disclosure: The firm states: "ABN AMRO, being a leading financial institution with a large exposure to the energy intensive industry and having a strong presence in emerging markets, is pro-active in addressing both the threats and the opportunities that have emerged. For this reason we adopted climate change as a focus area in 2005 and continue to work on this issue." ABN AMRO lists a variety of regulatory, physical, and reputational climate-related risks in its response to CDP5. Regarding regulatory risk, the company points to the new goals and targets set by the European Union in 2007 for energy efficiency, renewable energy and GHG reduction standards. ABN AMRO foresees such changing legislation to result in risks arising from increased energy and transportation costs, as well as changed consumer patterns. ABN AMRO says that it is "affected by this risk mainly through our client base in different sectors," and has therefore "started working on understanding and managing the carbon footprint for our banking activities—known as the 'indirect footprint.'" The company states that it is addressing these risks through internal research, participation with stakeholders and coordination with the Group Risk Management team to identify specific ways that climate change can be included in the company's general risk management practices.
Public Policy Statements	ABN AMRO says that its "objective is to contribute and lead the debate around climate change, through the involvement in key initiatives." Former chairman Rijkman Groenink has publicly advocated for a complete regulatory framework to address climate change, stating: "We as a private sector cannot do that alone. We need long-term policy guarantees and incentives to achieve carbon reduction." ABN AMRO has participated in and led climate-related policy discussions in a variety of forums worldwide. In 2006 ABN AMRO became a founding member of European Carbon Investors and Services (ECIS), a trade association launched to present the market perspective on emissions trading and climate investments to policymakers worldwide. The same year, ABN AMRO co-hosted the 'Making Markets Work for Climate' international conferences in Amsterdam and Seoul with the Netherlands Ministry of Housing, Spatial Planning and Environment (VROM), the World Business Council for Sustainable Development (WBCSD) and Shell Plc. This event focused on mapping a new frontier in capital markets for energy investment and the long-term policy, stability and incentives needed to help unleash capital flows. At the end of 2006, Chairman Groenink co-signed a letter to the Dutch government, initiated by IUCN Netherlands and CEOs of major Dutch companies, urging for more government action towards combating climate change and pledging more corporate commitment. ABN AMRO has also co-signed letters on climate change to the President of the European Commission and the Prime Minister of the United Kingdom. In November 2007, ABN AMRO signed the Bali Communiqué, organized by the Prince of Wales's UK and EU Corporate Leaders Groups on Climate Change. The Communiqué calls for a comprehensive, legally binding United Nations framework to tackle climate change.

Emissions Accounting

Score: 6

GHG Emissions Inventory **Year:** 2006 **Facility/Region:** All internal operations **Protocol:** GHG Protocol

Emissions	CO ₂ e (Metric Tonnes)
Total Emissions	414,720
Scope 1 (Direct)	
Scope 2 (Indirect—Electricity)	336,514
Scope 3	
Travel	78,206
Products	
Supply Chain	

Accounting Methods	Energy consumption data were gathered and monitored under the responsibility of ABN AMRO Global Property and Facilities Management Services (GPFMS).
Third Party Certification	Ernst & Young Accountants
Certification Year	2006
Emissions Savings & Offsets	2006 % Renewable Energy: 47.7% Energy Efficiency Savings: 5% (KWh/m ²) Certified CO₂ Offsets: ABN AMRO's Australia and New Zealand operations will become carbon neutral by the end of 2007, to be achieved in part through emissions offsets. The company intends for all operations to become carbon neutral by 2008.

Strategic Planning

Score: 19

GHG Emissions Targets

	Reduction Targets	Baseline Year	Target Year	Region
Total Emissions	Carbon neutrality	2004	Dec. 2008	All internal operations
Energy Use	10%	2004	Dec. 2008	All internal operations

Target Details ABN AMRO plans to become carbon neutral by 2008, and its Australia and New Zealand operations have announced that they will become carbon neutral by the end of 2007. The company says that this target will be achieved through: a) energy efficiency/energy use reduction measures; b) renewable energy purchases; c) emissions offsets.

Emissions Trading ABN AMRO's "Eco-Markets Initiative," a cross-disciplined group to identify innovative climate- or environment-related markets, includes a focus on commodity trading of emission allowances under the EU ETS. In 2006, in an effort to "take an early lead," ABN AMRO implemented its carbon trading strategy; the company now says it is "very active in the market for EU allowances." The company's Commodity Derivatives team, which spans three continents, acts as counterparty for over-the-counter exchanges and facilitates trading of EUAs on the European Climate Exchange. In addition to trading on behalf of corporate clients, ABN AMRO has also sold Phase I EUAs on behalf of the Netherlands Ministry of Finance. The company also facilitates CDM/JI projects, particularly in Brazil, where it conducted €9.7 million in carbon credit trades in 2006. Also in 2006, ABN AMRO's Banco Real in Brazil assisted the Central Bank in carbon trading capacity building.

Through Hoare Govett, its corporate broking arm, ABN AMRO was sponsor and advisor for AgCert International's IPO, participating in the first floatation in the market of a carbon credit company. Hoare Govett also floated EcoSecurities, a leading company in the business of sourcing, developing and trading emission reduction credits.

Renewable Energy As noted above, nearly half of ABN AMRO's purchased energy comes from renewable sources. ABN AMRO's Dutch offices are powered by renewable energy; the Amsterdam Head Office has launched a pilot project to implement a lake water-cooling system and on-site solar power generation. Energy for ABN AMRO's Zurich office is supplied exclusively by hydropower, and in 2007 the company's operations in Sweden also switched to 100% renewable energy.

In addition to its commitment to purchase renewable energy for its own operations, ABN AMRO has been involved in a variety of financing activities centered on the clean/renewable energy sector. ABN AMRO founded the CleanTech Community and New Energy Initiative with the aim of generating more business related to clean technology developments. ABN AMRO has also launched several Private Investor Products in clean/renewable energy (see below), and ABN AMRO asset management has created a Clean Tech Fund to invest in innovative companies involved in the clean/renewable energy sector. In the Netherlands, ABN AMRO Groenbank B.V. and ABN AMRO Groen Funds, ABN AMRO's two environmentally-focused subsidiaries, offer special "green loans" to finance renewable energy projects and other environmental initiatives. In Brazil, the number of ABN AMRO Banco Real's approved financing deals to reduce greenhouse gas emissions increased from 3,805 in 2005 to 3,915 in 2006.

Energy Efficiency ABN AMRO has implemented a variety of energy efficiency measures at its global offices, including remote monitoring of energy use and CO2 emissions, upgraded lighting systems, employee awareness programs, and incentives to reduce employee commuting. The company estimates an investment of €3.5 million annually to achieve its target of a 10% reduction in energy use.

As noted above, ABN AMRO is a founding financial partner to the Clinton Foundation's Energy Retrofit Program, launched in May 2007. In addition, in 2006 the company's North American Business Unit convened more than 50 developer client and employees to present research on green building, and the Business Unit is now financing Chicago's first residential LEED certification standards. ABN AMRO says that three of its U.S. office buildings are on track to be LEED certified in 2007. ABN AMRO India's Ahmedabad branch was LEED certified earlier in 2007.

Other Climate-Related Investment Products In March 2007, ABN AMRO launched a new equity index, called the Climate Change and Environment Index, which "tracks the performance of stock directly related to businesses that are addressing climate change and other environmental issues." Renewable energy companies make up 45% of the index. ABN AMRO has already launched a certificate to track the index.

Through its Eco-Markets Initiatives, ABN AMRO has launched a range of environmental- and climate-focused products, including Private Investor Products (PIPs) and equity products centered on renewable/clean energy sources. In October 2006, Hoare Govett launched ABN AMRO's Low Carbon Accelerator fund, a fund that invests in a wide portfolio of companies entirely devoted to low carbon and energy efficiency. The fund focuses on carbon credits, solar energy, fuel cells, wind energy, and bio-fuels. Other recent equity funding in this area includes traditional long-only funds, hedge funds and a group of specialist renewable energy and SRI funds. ABN AMRO Asset Management launched three new SRI funds in 2006, bringing the amount of assets under socially responsible mandates to €2 billion. The ABN AMRO Green Fund invests in guaranteed loans of which at least 70% is invested in "green projects."

ABN AMRO's PIPs include index-based products in water and global clean energy as well as sector-based solar and bio-fuels indices. The company now has more than €1 billion in retail client assets under management in this area. Through its Structured Funding and Investments team, ABN AMRO also offers a variety of climate-related services. The company acts as advisor, co-investor, and underwriter for clients seeking to sponsor environmental projects, helping clients to facilitate investment in environmentally friendly assets that attract favorable tax treatment. Furthermore, ABN AMRO offers risk management services tailored to clients to help mitigate climate change risk. The International Weather Derivatives team advises customers on hedging strategies using derivatives based on indices tracking temperature, rainfall, wind and stream flow.

Banco Santander has been active in the carbon trading market since 2005, launching a CDM/JI-focused fund “to support Spanish companies in their compliance with the targets established under the Kyoto Protocol.” The company has also financed a variety of renewable energy projects in Spain and several other countries. Santander has financed nearly one-third of Spain’s installed wind power capacity. The company declined to comment on this profile by deadline.

Summary Score: 22

Company Information

Banco Santander’s main businesses include retail banking, wholesale banking, asset management and insurance. Santander operates primarily in continental Europe, the United Kingdom and through several subsidiaries—including Banco Santander-Chile, Banco Río de la Plata in Argentina, and Grupo Financiero Santander Mexicano—in Latin America as well. In October 2007, Santander partnered with Royal Bank of Scotland and Fortis to acquire ABN AMRO.

Contact Information

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 Spain

Board Oversight

Score: 0

Board Committee: Environmental Oversight None identified.
Board Committee: Climate Change None identified.
Board Member: Climate Change None identified. However, Isabel Tocino, a Santander Director, was former Minister of the Environment of the Spanish Government and is currently a non-executive director for Climate Change Capital, an investment bank specializing in low-carbon opportunities.
Board Role None identified.
Board Training None identified.

Management Execution

Score: 6

CEO Leadership/ Statements None identified.
Company Policy Santander has identified three areas through which it addresses climate-related issues: awareness and training through the company’s CSR department; the development of climate-related business opportunities; and the incorporation of climate issues into the company’s measurement of risk, assessment of projects and lending policy.
Chief Environmental Officer None identified.
Levels to CEO Not determined.
Climate Change Executive None identified.
Executive Committee Santander’s Corporate Social Responsibility Department is responsible for defining, articulating and coordinating the company’s corporate environmental strategy. The CSR Department reports quarterly to the Bank’s Executive Committee on its progress in this area. In addition, Santander’s Wholesale Banking Division has created a team specializing in climate change. Santander created a Global Environment Committee in 2006.
ESG Factors in Risk Management/ Financing Santander’s environmental policy commits the company to including environmental risk analysis into its risk management process. Santander’s Risk Division has worked with Spanish Export Credit Company and Garrigues Medioambiental environmental consultants to evaluate environment risk across the Bank’s risk portfolio and to subsequently assign environmental risk ratings to loans. Santander says that it includes in its lending policy “a series of criteria aimed at protecting and respecting the environment...[that] involves evaluating whether the company and its strategies are focused on the broader concept of eco-efficiency.” The company now uses an Environmental Risks Valuation System (VIDA) to evaluate more than 36,000 companies. The tool divides companies into seven classes of environmental risk level.
Staff Training/Education Santander states that “it is vital to involve all employees when developing Santander’s environmental policy,” and says it offers environmental trainings for its staff members. A total of 293 executives and analysts received training on environmental risk in 2006.
External Initiatives

- UNEP – Finance Initiative

Banco Santander, S.A.

<i>Investment Research</i>	None identified.																
<i>Compensation Link</i>	None identified.																
Public Disclosure Score: 4																	
<i>Annual Report</i>	Santander's 2006 Annual Report discusses the company's use of VIDA to evaluate environmental risks associated with specific companies (see ESG Factors above).																
<i>Securities Filings Statement</i>	Similar to its annual report, Santander addresses environmental risks in the risk disclosure section of its 2006 Form 20-F. The company states that environmental risk analysis "is one of the commitments of the Strategic Plan of Corporate Social Responsibility," and reports on its use of VIDA to evaluate the environmental risk of each company.																
<i>Sustainability Report</i>	<i>Sustainability Report 2006: Corporate Social Responsibility</i> at Santander www.santander.com GRI Accordance: A+ GRI checked																
<i>Carbon Disclosure Project</i>	Member: No 2007 Signatory: No CDP5 (2007): Declined to participate. CDP5 Risk Disclosure: Santander did not respond to CDP5.																
<i>Public Policy Statements</i>	None identified.																
Emissions Accounting Score: 3																	
<i>GHG Emissions Inventory</i>	Year: 2006 Facility/Region: All operations Protocol: GHG Protocol <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Emissions</th> <th style="text-align: left;">CO₂e (Metric Tonnes)</th> </tr> </thead> <tbody> <tr> <td>Total Emissions</td> <td>94,567</td> </tr> <tr> <td>Scope 1 (Direct)</td> <td></td> </tr> <tr> <td>Scope 2 (Indirect—Electricity)</td> <td></td> </tr> <tr> <td>Scope 3</td> <td>15,325*</td> </tr> <tr> <td>Travel</td> <td></td> </tr> <tr> <td>Products</td> <td></td> </tr> <tr> <td>Supply Chain</td> <td></td> </tr> </tbody> </table> <p>* Emissions listed as "indirect." Santander does not define the scope of these emissions.</p>	Emissions	CO ₂ e (Metric Tonnes)	Total Emissions	94,567	Scope 1 (Direct)		Scope 2 (Indirect—Electricity)		Scope 3	15,325*	Travel		Products		Supply Chain	
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Travel																	
Products																	
Supply Chain																	
<i>Accounting Methods</i>	Calculations made using energy consumption data.																
<i>Third Party Certification</i>	None identified.																
<i>Emissions Savings & Offsets</i>	2006 % Renewable Energy: None identified. Energy Efficiency Savings: None calculated. Certified CO₂ Offsets: None identified.																
Strategic Planning Score: 9																	
<i>GHG Emissions Targets</i>	None identified.																
<i>Emissions Trading</i>	Santander has participated in carbon trading since 2005. Through its FC2E fund (see below), Santander finances CDM and JI projects to generate carbon credits.																
<i>Renewable Energy</i>	Santander has financed nearly one-third of Spain's installed wind power capacity. In 2006, Santander Investment financed seven new wind power projects, adding 3,803 MW to its wind financing portfolio. In addition, the company participated—along with eight other Spanish and international banks—in financing the Renomar project in Valencia, the world's largest wind farm promoted by a national sponsor; this project will generate more than 800 MW. Santander has also financed several wind projects in France, Germany and the United States. Also in the U.S., Santander financed six ethanol projects with an annual capacity of more than 2.2 million tonnes. In 2006, the bank financed three ethanol projects in Spain as well, generating a combined total of 900,000 tonnes—the largest biofuels financing in Spain to date. Santander has also financed the development of seven solar energy plants (generating 53 MW in total), and the company has partnered with BP to develop a solar energy project that will construct up to 278 installations in Spain with an aggregate capacity of between 18 and 25 MW (doubling Spain's current solar power production). Santander is also leading the financing of the first solar thermal plant in the United States.																
<i>Energy Efficiency</i>	Santander has made several efficiency upgrades in its U.K. facilities.																
<i>Other Climate-Related Investment Products</i>	In 2005, Santander partnered with Instituto de Credito Oficial (ICO) to launch FC2E (Fondo de Carbono para le Empresa Española), the first CDM-focused carbon fund in Spain. The purpose of the fund is to support Spanish companies in their compliance with the targets established under the Kyoto Protocol by financing CDM and JI projects and purchasing the carbon credits generated by these projects. Through its Company Banking division, Santander has also launched "Crédito IDi," a financing line that allows clients to finance the cost of both the energy audit and the investment needed to achieve emissions savings in private residences/facilities. The Corporate Finance business advises companies on various operations related to renewable energy.																

Barclays is the largest intermediary in the carbon market, having traded more than 500 million tonnes of carbon emissions allowances under the European Union Emissions Trading Scheme (EU ETS). CEO John Varley wants Barclays to be a leader in addressing climate change issues. Barclays has developed a five-point climate change strategy, and in 2006 it achieved carbon neutrality for its operations in the United Kingdom. Barclays offers several climate-related credit card products, and the company is currently rolling out its carbon neutral debit card to all customers.

Summary Score: 61

Company Information

Founded in 1690, Barclays is a U.K.-based financial services group with a large international presence. Barclays' global operations include retail and commercial banking, credit cards, investment banking, wealth management, and investment management services. Barclays is organized into two business units: the Global Retail and Commercial Banking businesses and the Investment Banking and Investment Management businesses. Barclays is the parent company to Woolwich, its mortgage-lending brand, and Barclaycard, a credit card and consumer loans business. Barclays Global Investors, based in the United States, is one of the world's largest asset managers. Barclays Capital handles foreign exchange, derivatives and fixed-income business.

Contact Information

CEO John S. Varley

Chairman Marcus Agius

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Board Oversight

Score: 3

Board Committee: Environmental Oversight Brand and Reputation Committee

Committee Chair Sir Nigel Rudd

Board Committee: Climate Change None identified.

Board Member: Climate Change Gary Hoffman, Group Vice Chairman
Mr. Hoffman represents Barclays' CSR agenda at the Board Level.

Board Role Barclays' Brand and Reputation Committee, a sub-committee of the Group Executive Committee, is charged with the role of identifying, reviewing and managing issues of ethical and reputational significance to Barclays.

Board Training None identified.

Management Execution

Score: 16

CEO Leadership/ Statements In the climate change section of Barclays' website, Group Chief Executive John Varley states: "There is no escaping the fact that climate change and its profound consequences are now firmly established as the most pressing and serious challenge facing mankind... My test is that our children should look back at what I and Barclays did in 2007 and beyond, and be able to say 'they recognised the immensity of the challenge, they evaluated it sensibly and they were amongst the leaders who, by their actions and influence, really made a positive difference.' More than anything, I want my children to be able to look me in the eye and to say with conviction 'You played your part.'" In his introduction to Barclay's 2006 Corporate Responsibility Report, Varley identifies climate change as one of the "two key developments" driving the "marked increase in the importance attached to Corporate Responsibility."

Barclays Chairman Marcus Agius is a member of the Confederation of British Industry's Climate Change Taskforce, a group of chairmen and CEOs from some of the United Kingdom's largest companies, whose aim is to set the agenda on how business tackles climate change.

<i>Company Policy</i>	<p>Barclays adopted an Environmental Policy, last reviewed in January 2005. The policy, which is signed by Group Chief Executive Varley, was created to ensure “Barclays as a leading company in the area of environmental responsibility.” The policy applies to both direct and indirect environmental impacts. Accompanying the policy statement is a Policy Governance outline for implementation. Furthermore, Barclays has developed a five-point Climate Action Program, which includes:</p> <ol style="list-style-type: none"> 1. Increasing energy efficiency 2. Purchasing renewable energy 3. Achieving carbon neutrality for Barclays’ U.K. operations by offsetting emissions 4. Offering climate products and services to customers 5. Engaging in the climate change debate <p>In 2006, Barclays engaged ICF International to provide an independent expert opinion on the pertinence, effectiveness and environmental integrity of Barclays’ overall Climate Action Programme.</p>
<i>Chief Environmental / Climate Officer</i>	<p>Andrew Flett, Head of Environmental Management Christine Farnish, Public Policy and Sustainability Director, chairs the Environmental Steering Group.</p>
<i>Levels to CEO</i>	Not determined.
<i>Executive Committee</i>	<p>Barclays has designed a top-down governance structure to implement its Climate Action Programme. According to the company, the program is “sanctioned at Group Executive Committee level and delivered under the supervision of our CEO and Chief Operating Officer.” Set directly below the COO in the governance structure is Barclay’s Environmental Steering Group, a group comprised of senior representatives from all major business units that sets the company’s greenhouse gas (GHG) emissions targets and invests in emission reductions programs. These programs are then implemented through the company’s Environmental Management team and Environmental Working Groups. The Environmental Steering Group meets quarterly and its effectiveness is reviewed externally each year as part of the bank’s ISO14001 certification.</p>
<i>ESG Factors in Risk Management/ Financing</i>	<p>Barclays was co-founder of the Equator Principles, and has since developed internal environmental risk guidelines that cover the company’s entire commercial lending book. In addition, Barclays has established an Environmental and Social Impact Assessment Policy to ensure that “lending proposals are thoroughly assessed to identify any environmental and social risks.” The company says that it “believes that taking due account of [its] environmental and social impacts is not only the right thing to do, but also makes good business sense.” This policy is implemented through an Environmental and Social Risk Structure that coordinates lending managers, credit teams, the central Environmental and Social Risk Policy (ESRP) team and the senior Brand and Reputation Committee (a sub-committee of the Executive Committee, which acts as a think tank for the development of the company’s CSR agenda). The ESRP team, along with the Public Policy and Sustainability team, provides initial advice to lending managers and credit teams on any transactions with material environmental or social sensitivities. Further escalation to the Brand and Reputation Committee occurs in cases where the sensitivities are likely to remain significant. In addition, all business clients operating in environmentally sensitive sectors and which are subject to sanction by Barclays Group Credit Committee are referred to the ESRP team for assessment, thus including banking relationships (in addition to lending transactions) in the risk assessment process.</p>
<i>Staff Training/Education</i>	<p>Barclays trains employees to ensure that environmental and social risks are appropriately factored into lending decisions. In 2006 Barclays trained 122 employees in its South Africa, New York, and London branches. The U.K. bank trained 60 people from its credit risk teams on ESG risk assessments. Barclays also undertakes regular employee communications and awareness programs on energy reduction/efficiency and climate change. Activities have included regular updates on Barclays’ climate approach on the intranet and in the company magazine, and participation in the climate-themed Earthwatch program.</p>
<i>External Initiatives</i>	<ul style="list-style-type: none"> • The Bali Communiqué • The Climate Group—Finance Leadership Group • Confederation of British Industry – Climate Change Task Force • Equator Principles • European Carbon Investors and Services • IETA • The London Accord • UNEP—Finance Initiative
<i>Investment Research</i>	In 2007 Barclays Capital published an analysis of how climate change will change the global economy (see below).
<i>Climate-related Research Reports</i>	<p><i>Credit Risks Impacts of Climate Change</i> (October 2007, in partnership with Acclimatise) <i>Equity Gilt Study</i> (2007).</p>
<i>Compensation Link</i>	None identified.
Public Disclosure	
<i>Annual Report</i>	Barclays’ 2006 Annual Report discusses the company’s climate change initiatives in the Corporate Responsibility section of the report
<i>Securities Filings Statement</i>	Barclays’ Form 20-F includes a discussion of the company’s climate change initiatives.

Score: 12

Sustainability Report Corporate Responsibility Report 2006: Responsible Banking, published May 2007
www.barclays.com/corporateresponsibilitypdf/barclayscr2006.pdf

GRI Accordance: 2002 CI

Carbon Disclosure Project **Member:** No **2007 Signatory:** Yes **CDP5 (2007):** Answered Questionnaire (Public)

CDP5 Risk Disclosure: Barclays identifies several regulatory and fiscal measures that pose risks to the company, including the E.U. Directive on the Energy Performance of Buildings, the E.U. target on car emissions, and other pending climate change legislation. The company notes that an increasing regulatory burden on its energy-intensive customers will affect the customers' credit profiles and pose credit risks to the company. Barclays also foresees increased physical and insurance risks associated with the bank's property portfolio. In addition, Barclays addresses the reputational risks associated with climate change, noting that "pressure on businesses to disclose climate change impacts more fully are certain to grow."

Public Policy Statements As noted above, Barclays participates in the European Carbon Investors and Services (ECIS) and the London Accord, a group investigating the implications of climate change for investors and corporate decision makers.

Louis Redshaw, head of environmental markets at Barclays Capital, stated in a September 2007 Euromoney article, "There are three options. Regulation is inefficient. Taxation is reasonably cost-efficient but does not achieve the ultimate ambition, because governments do not know the right level of tax to ensure that emissions are cut without distorting economic growth. But emissions trading works; it brings an absolute reduction in emissions as it creates a finite number of carbon credits; people are then incentivized to find clever ways to reduce their emissions and therefore increase their profits; and in turn that makes the cost of introducing carbon change lower as the focus on new technology to achieve it rises.

Additionally, Barclays signed the Bali Communiqué, organized by the Prince of Wales's UK and EU Corporate Leaders groups on Climate Change. The Communiqué calls for a comprehensive, legally binding United Nations framework to tackle climate change.

Emissions Accounting

Score: 8

GHG Emissions Inventory **Year:** 2006 **Facility/Region:** Most internal operations* **Protocol:** GHG Protocol

Emissions	CO ₂ e (Metric Tonnes)
Total Emissions	406,741
Scope 1 (Direct)	36,737
Scope 2 (Indirect—Electricity)	370,004
Scope 3	
Travel	66,460
Products	
Supply Chain	

* Data coverage includes 100% of U.K. operations, 80% of continental Europe operations, 94% of Africa/Americas/Asia Pacific operations

Accounting Methods Barclays has compiled its own Carbon Accounting and Offsetting Protocol that is based on the World Resources Institute's guidelines and DEFRA's "Environmental Key Performance Indicators: Reporting Guidelines for U.K. Business." The purpose of the protocol is to ensure that Barclays' offsetting process is transparent, auditable and consistent.

Third Party Certification Barclays' total U.K. emissions have been verified by emissions auditor SGS

Certification Year 2006

Emissions Savings & Offsets **2006 % Renewable Energy:** 4–6% (global); 50% (U.K.)
Energy Efficiency Savings: Total savings not calculated.

Certified CO₂ Offsets: 223,000 tonnes

Barclays achieved carbon neutrality in the United Kingdom in 2006, offsetting its emissions through CER purchases (133,000 tonnes, offsetting 60% of emissions) from CDM projects and investment in community based energy efficiency and renewable energy projects in Africa, China, and India (totaling 90,000 Verified Emissions Reductions). Barclays has also offset the CO₂ emissions created in the manufacture of the company's debit card, making it the U.K.'s first carbon neutral debit card.

Strategic Planning

Score: 22

GHG Emissions Targets

	Reduction Targets	Baseline Year	Target Year	Region
Total Emissions	20%*	2000	2010	United Kingdom
Energy Use	20% per employee	2005	2010	United Kingdom
	5% per employee	2005	2010	Most internal operations**
Emissions Intensity	12.6 tonnes CO ₂ per €1 million UK income	2005 (16.8 tonnes CO ₂ per €1 million UK income)	2010	United Kingdom

*This emission reduction target does not include carbon offsets. Accounting for carbon offsets, Barclays has already reduced emissions by 100% in the U.K., achieving carbon neutrality.

**Targets apply to Barclays' operations in France, Spain and Portugal and Barclays Capital's operations in the Americas (New York, New Jersey and Sao Paulo), Asia (Singapore, Tokyo and Hong Kong) and EMEA (Paris and Frankfurt).

Target Details

According to Barclays' 2006 Corporate Responsibility Report, the company does not foresee meeting its target of a 20% reduction of energy consumption for its U.K. operations, as a review of the U.K. data centers' future energy requirements revealed that their project growth was much higher than had originally been forecast. Barclays says that while "this is disappointing," the firm will take action "to ensure that the shortfall is as small as possible." Because the energy requirements of these data centers are so much higher, Barclays intends to split them out from the main energy reduction target and identify a separate performance target for them.

Emissions Trading

Barclays was the first UK bank to establish a carbon trading desk for the trading of emission allowances under the EU ETS. Barclays Capital's Emissions Trading Desk is the largest intermediary in the carbon market, having traded a total of roughly 500 million tones of carbon credits from January 2005 through September 2007. Barclays' activities in emissions trading continue to expand. In 2007, the company is launching two financial products that track carbon prices, and Barclays Capital has recently started transacting CERs in Asia and the Americas.

Renewable Energy

In 2007, as part of its commitment to achieving carbon neutrality, Barclays increased its purchase of renewable energy for its U.K. operations from 3% of electricity consumption to roughly 50%. Barclays has signed a contract with EDF Energy to purchase 300 GWh of renewable energy each year for the next three years (2007–2010); the deal is estimated to reduce Barclays' carbon emissions by 125,000 tonnes of CO₂ per year.

Barclays' Natural Resources Team has funded more than 2,600 MWh of renewable generating capacity, including onshore windfarms, landfill gas extraction plants, small-scale hydroelectric projects, biomass plants and biodiesel conversion plants. Barclays has also funded the installation of solar panels at Dunster Castle to provide a model for the U.K.'s Grade 1 listed buildings. In June 2006, Barclays Capital acquired a 16% stake in Greenergy International Limited, a company in the biofuels industry.

Energy Efficiency

Barclays has implemented several energy efficiency measures in its U.K. branches to achieve its energy savings goal of 20% per employee by 2010. The company has installed remote monitoring systems in more than 90 branches, and Barclays Capital worked with Carbon Trust to improve the energy performance of its two London's Canary Wharf properties; such measures included the construction of a green roof on its global headquarters. Other investments in energy-efficient technology include boiler upgrades, low CO₂-emitting IT equipment and modern air conditioning units. Barclays says that it is currently examining ways to increase energy efficiency in its data centers as well, and the company is working with Energy Savings Trust to review its car fleet and offer recommendations for improvement. Additional efforts to reduce business travel include increased investment in audio and video conferencing and development of a plan for to "green" employee commuting to the Barclaycard House in Northampton, U.K.

Other Climate-Related Investment Products

Barclays offers several climate-related products through its Barclaycard Business. In July 2007, the company launched Barclaycard Breathe, a credit card that donates 50% of net profits after tax to projects that address climate change issues. Barclaycard's Chief Executive, Anthony Jenkins, has guaranteed that Barclaycard Breathe will donate a minimum of £1 million to environmental projects in its first year and donate 50% of its profits in the following years. Barclays also developed the first carbon neutral debit card in the U.K., and is in the process of rolling the card out to the company's 11 million debit card users. All carbon credits used to offset the manufacturing of the cards are generated from projects situated in the U.K. Barclaycard Business Commercial Cards has launched a Carbon Offset corporate charge card that provides customers with a method of offsetting some of the environmental impact of the goods and services purchased through use of the credit card. In 2006 Barclays launched a joint website with offset provider Climate Care that gives customers the chance to offset the emissions generated when they travel by air.

In 2007 Barclays Capital, Barclays' investment banking division, launched the Barclays Capital Global Carbon Index, the world's first index tracking the performance of carbon credits from main greenhouse gas emissions trading systems. In addition, Barclays Stockbrokers has launched an Alternative Energy Investment Note, a 5 year growth investment linked to the performance of a basket comprising shares in companies in the alternative investment sector.

BNP Paribas has been an early leader in seeking opportunities in both the carbon trading and renewable energy finance markets. The firm has developed an expertise in wind project finance, and has also launched several innovative products to address climate needs for carbon emissions compliance.

Summary Score: 48

Company Information

BNP Paribas is one of Europe's largest banks, providing retail banking, corporate and investment banking and asset management services in more than 85 countries. Other activities include private banking (BNP Paribas Banque Privée), mortgage finance (UCB), private equity (BNP Paribas Capital) and insurance (BNP Paribas Assurance and Cardif). BNP Paribas also controls consumer lender Cetelem, online brokerage Cortal Consors, and property management firm Klépierre.

Contact Information

<i>Chairman</i>	Michel Pébereau
<i>CEO</i>	Baudouin Prot
<i>Contact</i>	Tel: 33-1-4014-4546 • Web: www.bnpparibas.com
<i>Address</i>	16 Blvd Des Italiens Paris 75008 France

Board Oversight

Score: 7

<i>Board Committee: Environmental Oversight</i>	None identified.
<i>Board Committee: Climate Change</i>	None identified.
<i>Board Member: Climate Change</i>	Bernard Lemée, Advisor to Senior Management and Secretary of the Board of Directors
<i>Board Role</i>	According to a UNEP-FI report published in August 2007 on green banking products and services, the BNP Paribas Board made an executive decision to enter the climate change market in 2004.
<i>Board Training</i>	None identified.

Management Execution

Score: 11

<i>CEO Leadership/ Statements</i>	The Chairman and CEO's introductory statement to the firm's 2006 Environmental and Social Report states, "The recent conclusions reported by the Intergovernmental Group of Experts on Climate Change (IGECC) in Paris reinforce BNP Paribas' commitment to combating climate change." The statement also highlights the firm's renewable energy project financing and carbon trading capabilities.
<i>Company Policy</i>	In accordance with the principles of the United Nations Global Compact, BNP Paribas has put in place a set of guidelines on environmental responsibility, rolled out company-wide since January 2004.
<i>Chief Environmental Officer</i>	Jean Clamon, Chief Operating Officer
<i>Levels to CEO</i>	0
<i>Climate Change Executive</i>	Jean Favarel, Sustainable Development Director
<i>Executive Committee</i>	The cross-disciplinary Group Sustainable Development function coordinates the firm's actions on climate change. Beginning in 2006, an Environmental Responsibility Committee was charged with overseeing BNP Paribas' environmental initiatives. BNP Paribas also has climate experts in each of its four regional offices.
<i>ESG Factors in Risk Management/ Financing</i>	BNP Paribas' Group Risk Management function (GRM) has created a specific working group on environmental issues. Environmental, social and governance (ESG) issues are taken into account in both the retail banking business line as well as worldwide project finance lending. The Project Finance business line calls on independent experts to carry out an environmental assessment of each new loan application submitted to the Credit Committee.
<i>Staff Training/Education</i>	Several internal communications channels are used to promote environmental responsibility. In 2006 a leaflet was produced outlining everyday gestures that employees can perform to be more environmentally friendly in the workplace.
<i>External Initiatives</i>	<ul style="list-style-type: none"> • Enterprises pour l'Environnement • European Carbon Investors and Services • Institutional Investor Group on Climate Change • Principles for Responsible Investment • UNEP-Finance Initiative
<i>Investment Research</i>	BNP Paribas is one of the founding members of the Enhanced Analytics Initiative (EAI) through which the firm allocated 5% of its research commission budgets to developing socially responsible investment analysis, including environmental issues.
<i>Climate-related Research Reports</i>	None identified.
<i>Compensation Link</i>	None identified.

BNP Paribas

Public Disclosure

Score: 9

Annual Report BNP Paribas' 2006 Annual Report states, "Alongside the Institutional Investors Group on Climate Change (IIGCC) and the Carbon Disclosure Project, BNP Paribas Asset Management strives to encourage companies to factor climate change issues into their investment decisions."

Securities Filings Statement BNP Paribas includes in its 2006 Registration Document a NRE Appendix, as the firm is required by French law to cover EHS issues in its annual report. This appendix discloses energy consumption, measures taken to improve energy efficiency, use of renewable energy sources and greenhouse gas (GHG) emissions.

Sustainability Report *Environmental and Social Report 2006*, published July 2007
<http://www.bnpparibas.com/en/sustainable-development/>
GRI Accordance: 2002: CI

Carbon Disclosure Project **Member:** Yes **2007 Signatory:** Yes **CDP5 (2007):** Answered Questionnaire (Public)
CDP5 Risk Disclosure: BNP Paribas notes that "carbon constraints have a direct impact on its clients' strategy and financials, and thus generates additional risk and opportunities to be managed by the bank." BNP Paribas includes customer physical risks, such as floods and storms, as well as its own reputation risk due to supporting transactions that may be considered environmentally damaging. However, BNP Paribas also notes that it is not directly concerned with the first wave of EU ETS regulations because of the firm's low carbon footprint.

Public Policy Statements None identified.

Emissions Accounting

Score: 7

GHG Emissions Inventory **Year:** 2006 **Facility/Region:** France, Italy, United States, Switzerland **Protocol:** GHG Protocol

Emissions	CO ₂ e (Metric Tonnes)
Total Emissions	435,738
Scope 1 (Direct)	
Scope 2 (Indirect—Electricity)	303,351
Scope 3	
Travel	132,387*
Products	
Supply Chain	

* Does not include all full-time employees.

Accounting Methods In 2006, BNP Paribas' emissions survey took into account electricity consumption in buildings, business travel of employees by car, train and plane, as well as commuting between home and office, and the distribution of documents and internal mail within the firm. The calculation methods aim to include the emissions generated by the production, transportation and consumption of energy sources. For example, for liquid fossil fuels, emissions are calculated for their burning, extraction, shipping and refinement.

Third Party Certification Qualitative and quantitative data have been reviewed and audited by PricewaterhouseCoopers.

Certification Year 2006

Emissions Savings & Offsets **2006 % Renewable Energy:** 15% in France, 100% in Canada, 18% in Frankfurt
Energy Efficiency Savings: The firm achieved a 6% reduction in electricity consumption in France in 2006.
Certified CO₂ Offsets: None identified.

Strategic Planning

Score: 14

GHG Emissions Targets BNP Paribas has not set emissions reduction targets. However, the firm has used its internally-developed Carbon Assessment model to track GHG emissions at one office site in order to plan for future emission reduction targets.

<i>Emissions Trading</i>	<p>BNP Paribas has been involved with carbon trading and financing since 2004, and has established an Environmental Markets desk to focus on emissions trading. The firm has financed CDM projects under the Kyoto Protocol, been a principal trader of European Union Allowances (EUA) and a clearer of European Climate Exchange (ECX) EUA futures. In Central America, BNP Paribas also played an advisory role for the development of small hydropower projects, to bring them into compliance with UNFCCC standards.</p> <p>BNP Paribas' view on the carbon markets is that carbon should be considered a new asset class integrated into existing lines of business. The firm's Carbon Finance Solutions team has four full-time staff and is expanding its CER portfolio through new CDM projects. In December 2006, the firm's CDM portfolio surpassed the \$25 million mark. This portfolio allows BNP Paribas to offer intermediation services to clients facing regulatory constraints on their CO2 emissions. These services include placing buy and sell orders for emission rights, developing derivatives-based hedging solutions and guaranteed delivery of carbon credits.</p>
<i>Renewable Energy</i>	<p>BNP Paribas ranked fourth globally in renewable energy finance in 2006, with over \$1 billion financed through eight projects, according to New Energy Finance. BNP Paribas is the top wind power financier in the world, financing five wind farms in Europe. The firm has also financed two solar power stations in Spain, one ethanol plant in the U.S., the Yowip wind farm in Korea and the Nam-Theum hydro-electric project in Laos/Thailand. The firm's financing of the Gangwong wind farm project in 2006 was registered with the UNFCCC as a CDM project. In addition, Capstar Partners New York, in which BNP Paribas holds a 60% stake, acted as a financial advisor for the \$266 million construction of the largest solar power station in Nevada.</p>
<i>Energy Efficiency</i>	<p>BNP Paribas has assigned its facilities management division, Imex, and the Group Operational Efficiency (GOE) division to manage company-wide energy efficiency and conservation efforts. GOE also requires that all supplier contracts involve an ESG analysis. In 2006, BNP Paribas signed an agreement with the organization Cerqual to certify eight new buildings in Paris under the "Habitat et Environnement" methodology for environmental performance.</p>
<i>Other Climate-Related Investment Products</i>	<p>In 2006, BNP Paribas created a Carbon Finance Solutions team to assist clients with evaluating environmental risk and to offer financing solutions for clients' GHG emission reduction efforts. BNP Paribas also offers clients weather derivative products, and in 2006 the firm arranged \$247 million of catastrophe bonds for Foundation Re II Ltd. BNP Asset Management also manages the Parworld Environmental Opportunities Fund, which invests in alternative energy, energy efficiency and other pollution control companies.</p> <p>In addition, Energibio is a loan product available to retail clients for individual energy savings. A BNP Paribas subsidiary focused on real estate finance, UCB, has also offered special mortgage financing terms for natural gas heating installations. In June 2007, UCB also launched a new green loan to support home energy saving projects.</p>

Crédit Agricole has developed a three-tiered governance structure to address climate change and other sustainability issues. The organizational structure includes an executive-level committee, a four-member “Mission” to implement the committee’s guidelines, and a network of directors spread across the company’s regional banks. Crédit Agricole has also developed a wide array of climate change-related products, including renewable energy/energy saving loans and insurance products, and has focused much of its project financing on the renewable energy sector.

Summary Score: 47

Company Information

Crédit Agricole Group (often referred to as the Group) is the largest banking group in France. The Group has a decentralised organisational structure, owning a 25% share in roughly 40 regional banks. Crédit Agricole S.A. represents all Group business lines and entities, which include corporate banking and government banking services, asset management services, insurance, and investment banking (through its Calyon unit). Crédit Agricole S.A. also offers traditional savings and loan services.

Contact Information

Chairman René Carron

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Board Oversight

Score: 1

Board Committee: Environmental Oversight None identified.

Board Committee: Climate Change None identified.

Board Role None identified.

Board Training None identified.

Management Execution

Score: 17

CEO Leadership/ Statements George Pauget, Crédit Agricole’s CEO, is the chair of the company’s Sustainable Development Committee. In his introduction to the company’s 2006 annual report, Mr. Pauget highlights efforts to reduce the company’s environmental impact—such as setting priority targets for reducing greenhouse gas (GHG) emissions—as a “key issue of 2006.”

According to the company’s 2006 annual report, “Senior executive management has reaffirmed the importance of social and environmental responsibility within the Group. This has notably led to a change in the reporting lines of the dedicated teams, a broadening of the Sustainable Development Committee and a strengthening of the management mechanisms.”

Company Policy According to the company’s 2006 Business Review, the Sustainable Development Committee has identified “responsibility to the environment” as a key issue for the company. Following the results of the GHG assessment, the Committee set priority targets for emissions reductions and committed to increase efforts to offer environmentally friendly financial products.

Chief Environmental Officer George Pauget, CEO, Sustainable Development Committee chair

Climate Change Executive None identified.

Executive Committee Crédit Agricole’s climate change policies are established and executed through a three-tiered structure, which includes a top-level Sustainable Development Committee, a Sustainable Development Mission, and a network of Sustainable Development officers. The Sustainable Development Committee manages the Group’s overall strategies on climate change. The Committee is chaired by the company’s CEO and includes top executives such as the Head of Group Development in France, the Group’s Human Resources Manager, the Head of Group Risk Management and Permanent Control, the Group Chief Financial and Strategy Officer, the Head of Regional Banks, the Corporate Secretary and the Group Sustainable Development Mission Manager. The Committee establishes the main guidelines for the Sustainable Development Mission, a four-person team supported by a network of sustainable development officers appointed by the heads of the Regional Banks, Subsidiaries and various departments. At the end of 2006, this network was comprised of 91 people. The Sustainable Development Mission reports regularly to the Sustainable Development Committee and the General Secretary.

Crédit Agricole has also established a 12-member specialized Environmental Unit responsible for developing the company’s carbon assessment and new climate-related product ideas. This Unit offers recommendations directly to the Committee.

Crédit Agricole SA

<i>ESG Factors in Risk Management/Financing</i>	<p>In 2005, Crédit Agricole began to integrate environmental risk software into its assessments of corporate project financing. The Group's 2006 Business Review notes that Calyon, the Group's corporate and investment banking arm, has decided to "move beyond the Equator Principles," increasing its efforts to take into account environmental and social risks in its activities.</p> <p>In addition, Chevreux, Crédit Agricole's European Brokerage and Research arm, has introduced a Carbon Research Focus into its research activities, hiring a full-time carbon analyst. Chevreux's carbon research risk analysis aims at measuring the financial impact of carbon constraints on European companies through the implementation of the Kyoto Protocol mechanisms such as the European Union Emissions Trading Scheme (EU-ETS). The research also provides investors with an approach for evaluating companies based on their carbon emissions management and strategies.</p>
<i>Staff Training/Education</i>	<p>The Sustainable Development Mission has held more than 20 sustainability trainings for 250 managers in various business lines of Crédit Agricole S.A., the subsidiaries, and the Regional Banks. The training programs emphasize the importance of assessing social and environmental impacts when analyzing financing and adapting this analysis to different types of financing. In addition, the IFCAM, Crédit Agricole's Training Institute, has formed an initial class of the Group's young managers to work as a team on a nine-month project on three sustainable development-related issues. Every new managerial recruit is also offered an initiation seminar that includes a section on sustainable development, and each employee is distributed a guide to the environmental and socially responsible initiatives at the company. Other employee training initiatives include distributing "An Inconvenient Truth" (a documentary on global warming) to company employees, issuing internal publications on environmental issues, and setting up an exhibition to explain sustainable development to employees and to discuss the company's GHG emissions and climate challenges.</p>
<i>External Initiatives</i>	<ul style="list-style-type: none"> • Equator Principles • Principles for Responsible Investment
<i>Investment Research</i>	<p>Chevreux has now made carbon emissions a high research priority for the firm. In 2006 the company published 10 reports on carbon-related topics, including Carbon Focus, an educational report on carbon market mechanisms, and Carbon Impact, an eight-report series evaluating the impact of carbon emissions in seven high-emitting sectors. Chevreux has also held Carbon Conferences to bring together scientists, members of the European Commission and around 100 investors for presentations on different aspects of the carbon market.</p> <p>Crédit Agricole has also published climate issue reports in its monthly publications.</p>
<i>Climate-related Research Reports</i>	<ul style="list-style-type: none"> • <i>The Economy and Climate Change (Part 2); Monthly Eclairages</i> (September 2007) • <i>The Economy and Climate Change (Part 1); Monthly Eclairages</i> (July 2007) • <i>Carbon Focus</i> (April 2006) • <i>Carbon Impact</i> (2006)
<i>Compensation Link</i>	None identified.
Public Disclosure Score: 10	
<i>Annual Report</i>	Crédit Agricole dedicates a chapter of its annual report to the company's environmental policy and climate change initiatives.
<i>Securities Filings Statement</i>	Crédit Agricole's Shelf Registration document reports on the company's key environmental indicators, including its greenhouse gas emissions, internal energy initiatives, and external initiatives (such as climate-related product development). The document follows both the NRE requirements and GRI guidelines in this reporting.
<i>Sustainability Report</i>	<p><i>Crédit Agricole: a responsible player in sustainable development (2005)</i> http://www.corporateregister.com/search/report.cgi?num=15915&com=9059-830157701-b</p> <p>GRI Accordance: 2002: CI</p>
<i>Carbon Disclosure Project</i>	<p>Member: No 2007 Signatory: Yes CDP5 (2007): Answered Questionnaire (Public)</p> <p>CDP5 Risk Disclosure: According to the company's CDP5 response, Crédit Agricole views climate change more in terms of commercial opportunities than risks. However, Crédit Agricole acknowledged a variety of company-specific climate risks, particularly to its insurance sector. The company also noted reputational and financial risks associated with financing of clients who are not addressing climate-related issues. In addition, the company commented that, as a farmers' bank, adverse effects of climate change on farmers could have an effect on the company, which therefore gives it a duty "to reply to its customers who suffer of crisis [sic]...[and] to inform them about these types of [climate-related] events."</p>
<i>Public Policy Statements</i>	None identified.

Crédit Agricole SA

Emissions Accounting

Score: 7

GHG Emissions Inventory

Year: 2005

Facility/Region: Île de France regions

Protocol: ADEME's Bilan Carbone

Emissions	CO ₂ e (Metric Tonnes)
Total Emissions	19,462
Scope 1 (Direct)	10,965*
Scope 2 (Indirect—Electricity)	6,097*
Scope 3	2,400**
Travel	
Products	
Supply Chain	

* Includes fuel consumption (116 CO₂e metric tonnes), freight or in-house bus (8 CO₂e metric tonnes) and company cars (10841 CO₂e metric tonnes).

** Emissions calculated in Scope 3 were consolidated into one category called "materials and general services purchased." This category includes data processing, studies ordered, telecommunication, databases and marketing.

Accounting Methods Crédit Agricole's carbon assessment was conducted by the French Environmental and Energy Conservation Agency (ADEME), according to the "Bilan Carbone" methods.

Third Party Certification The carbon assessment was not officially verified, but the process was led by ADEME.

Certification Year 2006

Emissions Savings & Offsets **2006 % Renewable Energy:** 15%
Energy Efficiency Savings: None calculated.

Certified CO₂ Offsets: Crédit Agricole's Sustainable Development Committee committed to offset 10% of the company's emissions produced in 2006. The company plans to reach this objective in 2007.

Strategic Planning

Score: 12

GHG Emissions Targets

	Reduction Targets	Baseline Year	Target Year	Region
Energy Use	10%	2006	2007	Group's offices of the Ile-de-France

Emissions Trading Calyon has been active in the EU ETS since April 2005. At the end of 2006, Crédit Agricole signed an agreement with EDF to partner in the trading of carbon credits for the company's regional banks' business customers. The Group has also committed to increasing the development of CDM projects in the farming sector.

Renewable Energy In May 2007, Crédit Agricole's leasing subsidiary, Unifergie, signed a partnership agreement with the European Investment Bank to bolster financing in the renewable energy sector. The EIB agreed to make a €100 million loan package available to Unifergie for financing the development plans of companies in the renewable energy sector. Unifergie has financed wind energy projects producing 336 MWh over the past four years.

In addition, Crédit Agricole has developed a variety of products specialized in renewable energy finance, including:

- An "environmental loan" for assisting personal clients in financing renewable energy and insulation improvement.
- A €100 million fund financed by Crédit Agricole Private Equity to assist SMEs specialized in renewable energy.
- The Capenergie fund, a private equity mutual fund for renewable energy. The fund invests in companies in the renewable energy sector as well as finances energy projects.
- An energy savings loan (available from April 1 to June 30) that provides financing for all energy savings work in residences.
- An insurance product for the installation of photovoltaic panels in personal clients' homes.

For the past 10 years, Calyon has focused its project financing strategy on the renewable energy sector. In 2006, the company arranged for the financing of a total of 1,235 megawatts of wind farm projects in Spain, Germany, and Ireland. The company has also worked on financing additional wind farm projects in France this year.

Energy Efficiency None identified.

Other Climate-Related Investment Products In April 2006, Crédit Agricole S.A. launched an "environmentally friendly" range of products available to all customers. This range of 12 products was developed by Crédit Agricole S.A. and presented to the Regional Banks, which are currently distributing the products among their customers.

Crédit Agricole's fully-owned SRI subsidiary, Integral Development Asset Management (IDEAM), manages approximately €1.4 billion in assets. IDEAM offers exclusively SRI products, primarily for institutional investors.

Credit Suisse Group achieved carbon neutrality for its Switzerland operations in 2006, and has set a goal to be carbon neutral company-wide by no later than 2009. The firm is focused on energy conservation efforts at its buildings and data centers, renewable energy purchases and growing its emissions trading business. In 2007, Credit Suisse introduced new alternative energy and global warming investment indices and acquired a 10% stake in low-carbon project developer EcoSecurities Group as well as a minority stake in the Cleantech Group.

Summary Score: 50

Company Information

Credit Suisse Group operates in three segments: Investment Banking, Private Banking, and Asset Management. Its investment banking division, formerly Credit Suisse First Boston (CSFB), provides debt and equity underwriting, mergers and acquisitions, and other securities services. Private banking provides wealth management solutions, while asset management offers a range of investment opportunities for private, government and institutional clients. The company also offers retail banking in Switzerland through more than 200 branches.

Contact Information

<i>Chairman</i>	Walter B. Kielholz
<i>CEO</i>	Brady W. Dougan
<i>Contact</i>	Tel: 41-44-212-1616 • Web: www.credit-suisse.com
<i>Address</i>	Paradeplatz 8 Zurich, 8070 Switzerland

Board Oversight

Score: 6

<i>Board Committee: Environmental Oversight</i>	Risk Committee
<i>Committee Chair</i>	Hans-Ulrich Doerig, Vice-Chairman
<i>Board Committee: Climate Change</i>	Risk Committee
<i>Board Member: Climate Change</i>	None identified.
<i>Board Role</i>	In 2004, the Credit Suisse Board of Directors decided that improving the bank's own environmental track record should be one of the priorities of the firm's sustainability strategy. The Board of Directors receives an annual progress report from the firm's Reputational Risk Sustainability Committee.
<i>Board Training</i>	None identified.

Management Execution

Score: 12

<i>CEO Leadership/ Statements</i>	At the 2007 World Economic Forum annual meeting in Davos, Switzerland, CEO Brady Dougan said, "Renewable energy is very much an issue of the future, but is increasingly becoming an issue of the present as well." A new CEO statement on sustainability is anticipated in late 2007. In a September 2007 Euromoney article, Michael Philipp, chairman and CEO of Credit Suisse in Europe, Middle East and Africa, was quoted as saying, "green finance is beginning to influence many of the things we do across investment banking, wealth management and asset management."
<i>Company Policy</i>	Credit Suisse has issued a climate change position statement on its website that states, "It is CSG's responsibility, and part of its license to operate, to take an active role through running an efficient environmental management system, developing innovative solutions and products to address climate change and realizing new market-oriented business opportunities." Credit Suisse has also implemented a Greenhouse Gas Neutrality Strategy for its internal operations, managed by the Real Estate and Provider Management division. The strategy consists of four key areas: 1) optimizing facility operations; 2) installing energy efficient technologies; 3) substituting energy sources; and 4) compensating for any remaining emissions through offset certificates. The firm also has a comprehensive Sustainability Policy, established in 2006, which outlines the firm's sustainability objectives and implementation strategies in both products/services and facility management.
<i>Chief Environmental/ Climate Officer</i>	Urs Rohner, Chief Operating Officer and General Counsel Mr. Rohner is the highest decision-making executive on sustainability issues at Credit Suisse, and is supported by the cross-divisional Reputational Risk Sustainability Committee.
<i>Levels to CEO</i>	0

Credit Suisse Group

<i>Executive Committee</i>	The Reputational Risk Sustainability Committee is composed of senior executives, including all four Regional CEOs and other members of the Executive Board of Credit Suisse. The Committee defines sustainability strategies and oversees their implementation. The Sustainability Affairs group, led by John Tobin, supports the Committee and the Chief Environmental Officer. The Operational Ecology group, together with Sustainability Affairs, ensures that the firm's greenhouse gas (GHG) neutrality strategy is implemented. Specialist units at the line management level also implement the relevant policies and directives. In addition, in recognition of the increasing importance of environmental issues to clients, Credit Suisse formed the Environmental Business Group (EBG) in October 2007. EBG will partner with the existing teams to identify business opportunities in the environmental area across the firm.
<i>ESG Factors in Risk Management/Financing</i>	Credit Suisse uses its risk management process to evaluate potential environmental risks in its business transactions. The firm carries out a comprehensive internal risk analysis, which focuses in particular on adherence to both local environmental regulations and international standards of the relevant industry. In the area of project finance, Credit Suisse in 2003 became one of the original Equator Principles financial institutions.
<i>Staff Training/Education</i>	Credit Suisse trained more than 1,300 employees in environmental issues in 2006.
<i>External Initiatives</i>	<ul style="list-style-type: none"> • Equator Principles • European Carbon Investors and Services • The London Accord • UNEP-Finance Initiative
<i>Investment Research</i>	Credit Suisse's Global Energy Research team has been involved in renewable energy equity research and the launch of the firm's Global Alternative Energy and Global Warming indices. Coverage of the alternative energy sector was expanded in March 2007, with Mark Flannery, Head of Global Equity Research in New York, and Edward Westlake, co-head of the European Energy Research team in London, leading the effort.
<i>Climate-related Research Reports</i>	<ul style="list-style-type: none"> • <i>Sun Rises on Solar Energy</i> (November 2007) • <i>CO2 is a New Commodity</i> (January 2007) • <i>Expert Tips on Sustainable Investments</i> (August 2005) • <i>Investment Ideas: Wind energy—lower growth, higher earnings?</i> (September 2003)
<i>Compensation Link</i>	Credit Suisse Information Technology (IT) is promoting energy conservation internally by evaluating managers according to how well they have reduced energy use. The IT department recently introduced green scorecards - an evaluation tool that provides metrics around green computing.

Public Disclosure

Score: 7

<i>Annual Report</i>	The Credit Suisse Group Business Review contains an overview of various sustainability-related activities in the chapter entitled "Credit Suisse Group in Society." This chapter includes a discussion of due diligence requirements, sustainable investing products, and environment and climate initiatives, among other things.
<i>Securities Filings Statement</i>	None identified.
<i>Sustainability Report</i>	<i>Sustainability Reporting—Milestones and Indicators 2006</i> , published 2007 http://www.credit-suisse.com/responsibility/en/sustainability_report.jsp GRI Accordance: G3
<i>Carbon Disclosure Project</i>	Member: No 2007 Signatory: Yes CDP5 (2007): Answered Questionnaire (Public) CDP5 Risk Disclosure: Credit Suisse says that the firm continuously monitors government policies on climate change and energy efficiency because changing regulations could affect energy prices and GHG mitigation costs. Credit Suisse also mentions physical risks, such as extreme weather events, and indirect client risks. In particular, the firm points out that credit, liability or reputation risks for clients could have an impact on Credit Suisse's Investment Banking and Asset Management divisions, as well as the firm's lending portfolios.
<i>Public Policy Statements</i>	Credit Suisse is a member of the European Carbon Investors and Services (ECIS), established in the fall of 2006. The ECIS aims to cooperate with policymakers in the design and implementation of a post-2012 GHG emission reduction regime and a market-based trading mechanism.

Credit Suisse Group

Emissions Accounting

Score: 7

GHG Emissions Inventory

Year: 2006

Facility/Region: All operations

Protocol: VfU Indicators

Emissions	CO ₂ e (Metric Tonnes)
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Total Emissions	335,495
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Scope 1 (Direct)	1,390*
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Scope 2 (Indirect—Electricity)	248,540**
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Scope 3	
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Travel	75,403
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Products	2,715†
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Supply Chain	7,447††
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* Includes Switzerland offsets; gross emissions totaled 19,130 metric tonnes.

** Includes Switzerland offsets; gross emissions totaled 256,260 metric tonnes.

† Waste management

†† Input of paper and water

Accounting Methods

Credit Suisse utilizes the VfU Indicators for 2005 (including an update to the calculation tool in February 2007), which are, in turn, based on the GHG Protocol and GRI indicators. Credit Suisse calculates emissions for owned facilities only.

Third Party Certification

Methodology was reviewed by Pré Consultants, Amersfoort, NL, an independent expert in eco-balancing methodology and software.

Certification Year

2006

Emissions Savings & Offsets

2006 % Renewable Energy: 25%

Energy Efficiency Savings: Energy consumption per employee in Switzerland fell by 4% between 2004 and 2005.

Certified CO₂ Offsets: Credit Suisse achieved GHG neutrality in all Switzerland operations and corporate air travel out of Switzerland in 2006 (approximately 46,000 metric tonnes CO₂ offsets). The firm plans to continue a goal of carbon neutrality, reaching a global level of operations by 2009 at the latest. The firm has purchased GHG emissions certificates for wind power, bio-gas and transportation projects.

Strategic Planning

Score: 18

GHG Emissions Targets

	Reduction Targets	Baseline Year	Target Year	Region
Total Emissions	Carbon Neutrality	—	2009	All internal operations

Target Details

Reduction targets also exist on a national level. In Switzerland, carbon legislation commits Credit Suisse to annual improvement in energy efficiency of 1.4 %, which was surpassed in 2006. The bank is also part of the group of major consumers associated with the Zurich Energy Model, which aims to increase energy efficiency by more than 13.5% by 2010. Credit Suisse has pledged to make an individual contribution of 14.4% towards the group's target. In the United Kingdom, Credit Suisse London is committed to supporting the Energy Accreditation Scheme as part of the Carbon Trust's portfolio and is engaged with the Energy Systems Trade Association Program.

Emissions Trading

With trading desks in New York and London, Credit Suisse is involved in the trading of carbon emission credits under the EU-ETS. Paul Ezekiel is Managing Director and Head of Credit Suisse's carbon trading business. The carbon trading team is also involved in financing emissions reduction projects in emerging markets. Credit Suisse has been appointed to a Market Advisory Committee advising the State of California on the design of its carbon legislation (AB-32).

In addition, Credit Suisse announced in December 2007 that the firm will be a founding partner with NYMEX, along with seven other firms, in the formation of the Green Exchange. This new exchange, set to launch in early 2008, will offer a range of environmental futures, options and swap contracts for climate change-focused markets.

Renewable Energy

Internally, Credit Suisse purchases certified green power (photovoltaic and hydroelectric) for its Switzerland facilities. The firm has also concluded multi-year renewable energy purchase contracts for its facilities in Frankfurt and London.

Credit Suisse's Investment Banking division has a group that covers the solar, wind and biofuels industries, as well as other alternative technologies. In June 2006, Credit Suisse was presented with the "Sustainable Energy Finance Deal of the Year" award by the Financial Times and the International Finance Corporation for executing the \$455 million IPO of Suntech Power, a Chinese solar power company. Through its leasing business in Switzerland, Credit Suisse has also financed facility and performance-contracting projects for several years, including heating network systems, woodchip heating and small-scale hydroelectric power plants.

In October 2007, Credit Suisse announced a strategic business relationship with the Cleantech Group and Consensus Business Group to accelerate global investment in clean technologies. As part of the relationship, Credit Suisse and funds advised by Consensus Business Group acquired minority equity positions in the Cleantech Group.

Energy Efficiency Credit Suisse has been operating an environmental management system that is certified according to ISO 14001 since 1997. Energy efficiency measures to date include:

- Optimizing operations in existing buildings and facilities;
- Using energy efficient technologies when renovating or constructing buildings, and
- Replacing oil and gas heating with heat pumps and district heating systems.

Credit Suisse has also made energy conservation a priority in its data centers in 2007. The firm is using virtualization software to increase server utilization and reduce energy consumption. More than 2,000 servers will be eliminated in 2007, leading to cost savings and reduced environmental impact. In the United States, Credit Suisse was commended by the New York State Energy Research and Development Authority for installing an ice storage-based air conditioning system at its New York City office. In Switzerland, 11 buildings have been certified to the "Minergie" low-energy standards.

Credit Suisse also works to minimize environmental impacts related to staff travel by encouraging travel alternatives and investing in videoconferencing infrastructure.

Other Climate-Related Investment Products Credit Suisse offers a range of environmentally focused investment products. New products launched in 2006 include the CS Future Energy Fund, which is geared towards renewable energy, and Clariden Leu's CO2 Certificate, which enables investors to participate in the price movements of European emission rights. Also in 2006, Credit Suisse, the Abu Dhabi Future Energy Company and other partners launched the \$250 million Masdar Clean Tech Fund, which invests in clean energy and sustainable technologies. The fund is part of the Abu Dhabi government's Masdar Initiative, which encompasses a special economic zone, a research network and an innovation center focused on renewable energy and GHG emission reductions.

In May 2007, Sustainable Forestry Management and Credit Suisse announced the formation of a new special purpose vehicle, Sustainable Carbon Finance, to provide up to \$200 million in carbon-backed financing for forestry projects. In June 2007, Credit Suisse also announced a \$59 million investment in EcoSecurities Group, a low-carbon project developer. The 10% stake in EcoSecurities will allow for future cooperation on emissions reduction projects, new carbon credit products, development of carbon-linked securities and other areas.

Also in 2007, Credit Suisse launched the Global Alternative Energy Index, which tracks 30 companies, and the Global Warming Index, focused on 40 renewable energy and carbon controlling stocks.

Deutsche Bank developed a company-wide climate change strategy in 2005. The strategy is focused on emissions reductions, renewable energy, raising public awareness and utilizing CDM/JI projects of the Kyoto Protocol to offset unavoidable greenhouse gas (GHG) emissions. The firm has early experience with emissions markets, having been involved in the World Bank's Prototype Carbon Fund in 2000. Deutsche Bank is also the only bank that participates in the World Bank Umbrella Carbon Fund (UCF), in which the firm has invested €50 million. The firm now offers a range of derivative emissions products as well as a climate-oriented retail investment fund.

Summary Score: 60

Company Information

Deutsche Bank provides a range of investment banking products and services worldwide. The company comprises three Group Divisions: Corporate and Investment Bank (CIB), Private Clients and Asset Management (PCAM), and Corporate Investments (CI). As part of the firm's focus on retail banking in Germany, Deutsche Bank acquired Bankgesellschaft Berlin AG, the parent of Berliner Bank. In the United States, Deutsche Bank owns investment bank Deutsche Bank Alex. Brown and mutual fund manager DWS Scudder.

Contact Information

Chairman/CEO Dr. Josef Ackermann (Chairman of Management Board/CEO)

Contact Tel: 49-69-91000 • Web: www.db.com

Address Taunusanlage 12
Frankfurt Am Main, 60325
Germany

Board Oversight

Score: 11

Board Committee: Environmental Oversight None identified.

Board Committee: Climate Change None identified.

Board Members: Climate Change Dr. Josef Ackermann, Chairman of Management Board and CEO
Caio Koch-Weser, Vice Chairman

Board Role The Group Board, and in particular Dr. Ackermann, are responsible for implementation of the Sustainability Management System, including climate change-related issues. In addition, the executive-level Committee on Sustainable Development is led by Dr. Ackermann and the executive-level Environment Steering Committee is led by Vice Chairman Caio Koch-Weser.

Board Training Board members have been trained on environmental issues through the Deutsche Bank Environmental Day, an informational flyer "Handling Sustainability" and through communications with the Committee on Sustainable Development and the Environment Steering Committee.

Management Execution

Score: 13

CEO Leadership/ Statements In his 2007 Annual General Meeting speech, Dr. Ackermann stated, "As part of our climate strategy, we intend to reduce emissions of greenhouse gases and promote the use of renewable energies...Through EU emissions trading, we foster market-based mechanisms to reduce greenhouse gases."

Dr. Ackermann's introductory letter to the firm's 2006 Corporate Social Responsibility Report also states, "Dealing with climate change is one of the biggest tasks we have to face. The rise in the number of natural disasters in particular does not have only ecological and social, but also huge economic consequences, which affect our customers, suppliers, staff, investors and other stakeholders. Fighting against climate change is therefore not only a social responsibility issue, but also in our best economic interest."

Company Policy Within the framework of its Sustainability Management System, Deutsche Bank developed a comprehensive climate protection strategy in 2005. It consists of four key areas: 1) avoiding GHG emissions; 2) using and promoting renewable energies; 3) raising public awareness of climate change; and 4) promoting the flexible mechanisms of the Kyoto Protocol and neutralizing unavoidable GHG emissions.

Chief Environmental/ Climate Officer Hanns Michael Hölz, Global Head of Sustainable Development

Levels to CEO 0

<i>Executive Committee</i>	<p>Mr. Hölz is responsible for the global strategy, coordination and implementation of the firm's Sustainability Management System and climate change strategies. The Committee of Sustainable Development, consisting of managers from across the bank, is charged with cross-divisional development of the system and meets annually. Sustainability Compliance Officers have also been appointed in each division to monitor and ensure implementation of the Sustainability Management System.</p> <p>Furthermore, Deutsche Bank has established an Environment Steering Committee, under the leadership of Vice Chairman Caio Koch-Weser, which disseminates information on environmental finance initiatives across the bank and coordinates other activities.</p> <p>Finally, Deutsche Bank Asset Management (DeAM) appointed Mark Fulton to the new role of Climate Change Strategist in October 2007. Fulton will create a strategic plan to address climate change investment opportunities, develop new products and coordinate the firm's Climate Change Investment Committee.</p>
<i>ESG Factors in Risk Management/Financing</i>	Deutsche Bank has a Sustainable Risk Management policy that incorporates environmental, social and governance (ESG) issues into lending and financing decisions. The Group Credit Policy Committee, a subcommittee of the Risk Executive Committee, reviews industry guidelines at least one every year.
<i>Staff Training/Education</i>	Deutsche Bank has regular communication with staff on sustainability issues, and in 2008 plans to launch a computer-based training tool on sustainability issues.
<i>External Initiatives</i>	<ul style="list-style-type: none"> • AGE • dena—Deutsche Energie-Agentur • European Carbon Investors and Services • Forum for Future Energies • G8 Gleneagles CEO Roundtable on Climate Change • Klima-Partner 2007 • UNEP-Finance Initiative
<i>Investment Research</i>	DB Research, an internal think tank, and Equity Research have issued several reports on renewable energy, emissions trading and energy policy. DB Research is focused on macroeconomic trends and releases several climate change-related research notes, mostly dealing with policy issues, each year. In October 2007, Deutsche Bank Asset Management published a white paper on climate change-related investment opportunities suggesting four themes for a climate change analytic framework: government regulation, carbon prices, competitive and reputation factors and new technologies.
<i>Climate-related Research Reports</i>	<ul style="list-style-type: none"> • <i>Bali Bearings - Reading the Roadmap to a Post Kyoto Deal</i> (December 2007) • <i>Coping with climate change: The role of financial markets</i> (November 2007) • <i>Investing in Climate Change: An Asset Management Perspective</i> (October 2007) • <i>Climate Change and Sectors: Some like it hot!</i> (May 2007) • <i>Airline CO₂ emissions: fuel for thought</i> (April 2007) • <i>EU energy policy: High time for action!</i> (April 2007) • <i>EU Emission Trading: Allocation battles intensifying</i> (March 2007) • <i>Technology to clean up coal for the post-oil era</i> (February 2007) • <i>EU Emission Trading: Kyotonomics: pricing carbon over 2008–12</i> (April 2006) • <i>The US's new energy policy—barely a start</i> (December 2005) • <i>Bioenergies after the petroleum age</i> (August 2005) • <i>Boom Industry Solar Energy</i> (May 2005) • <i>Energy prospects after the petroleum age</i> (December 2004)
<i>Compensation Link</i>	None identified.
Score: 8	
Public Disclosure	
<i>Annual Report</i>	The firm's 2006 report highlights the bank's Sustainability Management System and group-wide climate strategy.
<i>Securities Filings Statement</i>	None identified.
<i>Sustainability Report</i>	<p><i>Deutsche Bank 2006 Corporate Social Responsibility Report</i>, published July 2007 http://www.deutsche-bank.de/csr/en/social_responsibility.html</p> <p>GRI Accordance: G3 – A</p>

Deutsche Bank AG

<i>Carbon Disclosure Project</i>	Member: No	2007 Signatory: Yes	CDP5 (2007): Answered Questionnaire (Public)
	CDP5 Risk Disclosure: Deutsche Bank states, "Combating climate change represents one of the greatest environmental and social challenges of our time." The firm points out that indirect client risks are likely to be more prominent than direct risks. However, the firm recognizes the potential of extreme weather events to affect its supply chain, customer service, employee health and insurance costs. In terms of regulatory risks, Deutsche Bank sees regulatory changes potentially affecting clients in the agriculture and construction sectors. Further, the firm may face increased risks in commercial and property lending, as well as increased credit risk, and states, "an unprecedented accumulation of extreme events could even threaten Deutsche Bank's solvency."		
<i>Public Policy Statements</i>	The firm's 2006 CSR report states, "Global problems can only be solved through wide-ranging alliances and multinational regulations." The report highlights the emissions reduction targets set by the Kyoto Protocol and confirms the firm's support for Clean Development Mechanism (CDM) and emissions trading mechanisms to address climate change.		

Emissions Accounting Score: 8

<i>GHG Emissions Inventory</i>	Year: 2006	Facility/Region: Selected facilities	Protocol: GHG Protocol
	Emissions	CO₂e (Metric Tonnes)	
	Total Emissions	257,726	
	Scope 1 (Direct)		
	Scope 2 (Indirect—Electricity)	154,531*	* Includes Germany, London and New York offices
	Scope 3		**Worldwide
	Travel	103,195**	
	Products		
	Supply Chain		

<i>Accounting Methods</i>	Deutsche Bank conducts a monthly review of the energy consumption data from offices in Germany, as well as the DWS, DB Bauspar, London and New York offices. In 2007, the firm commissioned a study of its data collection system and the extrapolation of a global carbon footprint. Based on this study, the firm plans to expand data collection to other international locations in 2008.
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<i>Third Party Certification</i>	Data generation and consolidation have been externally certified by Gerling Risiko Consulting.
<i>Certification Year</i>	2007

<i>Emissions Savings & Offsets</i>	2006 % Renewable Energy: Germany: 20% (to be increased to 90% in 2008), Switzerland: 100%, New York: 75%.
	Energy Efficiency Savings: Germany offices reduced energy consumption by 10.6% and CO ₂ emissions by 32.6% between 2002 and 2006.
	Certified CO₂ Offsets: Deutsche Bank has joined the German national program "Klima-Partner 2007" and has offset a number of events and publications through certified CDM project offsets.

Strategic Planning Score: 20

<i>GHG Emissions Targets</i>	Each country of operation sets its own emissions reduction targets and baseline years.				
		Reduction Targets	Baseline Year	Target Year	Region
	Total Emissions	5–10% (per capita)	2006	2008	Germany
	Energy Use	Stabilization of per-capita use at 2004 level	2004	2008	Germany
	Energy Use	2%	2006	2007	New York
	Total Emissions	5–10% (per capita)	2006	2007	London
	Energy Use	5%	2006	2007	London

<i>Emissions Trading</i>	In 2000, Deutsche Bank became one of only two banks to participate in the World Bank's Prototype Carbon Fund. The firm also has a more than €50 million share in the World Bank's Umbrella Carbon Facility, which has invested in major emissions reduction projects in China.
	Through its Global Commodities Group in London, Deutsche Bank continues to be active in emissions markets in several ways. Mark Lewis is Director, Global Carbon Markets. To date, the firm has been involved in more than 50 CDM/JI projects that are expected to generate in excess of 180 million tonnes of emissions reductions annually. Deutsche Bank is also a liquidity provider in the emissions markets, and offers a range of derivative emissions products, such as "guaranteed delivery" CER and ERU contracts. Additionally, Deutsche Bank is developing new products linked to emissions markets for retail and institutional investors.

Renewable Energy

Internally, 20% of Deutsche Bank's total power consumption in Germany (to be increased to 90% in 2008) and 100% of the firm's total power consumption in Switzerland is from purchases of renewable energy. Externally, Deutsche Bank Asset Finance & Leasing (AFL) has a Renewable Energy Team that develops projects and provides advisory and project financing services. Deutsche Bank's commitment to renewable energy started in 2000 with a wind power fund. Since then, the firm has completed 27 wind power projects and as of year-end 2006 had lent approximately €350 million to solar energy companies. Deutsche Bank is currently financing a 20 MW solar power plant in Spain, developing a major wind farm in Canada and cooperating on a biomass plant in Greece.

In March 2007, Deutsche Bank announced a partnership with Solar Impulse, a project that aims to fly around the globe with a solar-powered airplane and encourage more broad-based use of solar energy.

Energy Efficiency

Deutsche Bank is focused on energy efficiency efforts in the following areas:

- Improving building and equipment technology and utilizing sustainability guidelines on facility management
- Considering energy efficiency criteria in purchasing
- Reducing employee travel, encouraging the use of public transportation and encouraging high fuel-efficiency company cars
- Energy conservation employee education campaigns

Externally, Deutsche Bank offers preferential interest rates for investments in environmental protection and energy saving technologies. The firm has also pledged \$1 billion to the Clinton Foundation's Climate Initiative to support an Energy Efficiency Building Retrofit Program in partnership with large city governments.

In May 2007, Deutsche Bank, as a major sponsor, helped convene the Large Cities Climate Summit—a bringing together of mayors from 45 cities alongside senior leadership from the private sector. The intent of the meeting was to arrive at synergies between the private and public sectors to develop more energy efficient and sustainable cities.

Other Climate-Related Investment Products

Through its subsidiary DWS Investments, Deutsche Bank offers a range of sustainable investment products. In particular, the DWS Klimawandel (Climate Protection Fund) is a retail fund that focuses on companies offering climate change mitigation and adaptation products and services. DWS Zukunftsressourcen is another fund, issued in 2006, which invests in renewable energy, water and agro-chemical companies. DWS Invest New Resources focuses on commodity, energy and utility sectors.

In addition, DWS Scudder, the firm's U.S. retail asset management division, recently launched the DWS Climate Change Fund which invests globally in clean technology, energy efficiency and environmental management companies.

Fortis has identified climate change as a key focus of its business. It has taken a leadership role in the financial services industry by providing a variety of “carbon-banking” services tailored to the needs of its clients operating under the European Union Emissions Trading Scheme (EU ETS), and the company has announced plans to expand this line of business. Fortis’ Executive Committee has also committed the company to achieve carbon neutrality through a combination of energy efficiency measures, renewable energy purchases and carbon offsets. In addition, Fortis continues to increase its financing of renewable energy, and the company has expanded consideration of environmental, social, and governance issues into its risk management for key areas of business. In Fortis’ CDP5 response, Chief Strategy Officer Lex Kloosterman states:

Summary Score: 54

“We consider climate change as probably the most important challenge facing the world and business leaders. Fortis has already developed highly visible business opportunities in carbon banking and renewable energy financing. We want to expand this experience into a thematic approach, leading to full carbon neutrality for all our operations as of 2007.”

Company Information

Fortis is an international provider of banking and insurance services to personal, business and institutional customers. Fortis ranks among Europe’s top 20 financial institutions, with a market capitalization of €43 billion.

Contact Information

Chairman Jean-Paul Votron
CEO Maurice Lippens
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 1000 Brussels
 Belgium

Board Oversight

Score: 3

Board Committee: Environmental Oversight None identified.
Board Committee: Climate Change None identified.
Board Member, Climate Change None identified.
Board Role In the “Message from the Board of Directors” section of Fortis’ 2006 Annual Report, the company’s Chairman, Maurice Lippens, and the CEO, Jean-Paul Votron, review the company’s accomplishments for the year, highlighting Fortis’ achievements in addressing climate change issues. The letter points to Fortis’ commitment to carbon neutrality and plans to expand its carbon banking and renewable energy financing.
Board Training None identified.

Management Execution

Score: 15

CEO Leadership/ Statements Fortis has posted a “Message from the CEO” on the company’s website, and the same message is included as the introduction to the company’s 2006 CSR report. In his overview of the company’s commitment to corporate social responsibility, Jean-Paul Votron highlights climate change as one of the company’s three overall areas of focus and reiterates Fortis’ program for carbon neutrality.
 Following Fortis’ partnership with UNDP to finance CDM projects through the MDG Carbon Facility, Votron stated that the arrangement, “gives us the chance to make a major contribution to spreading the benefits of sustainable development while at the same time securing a strong position in the carbon market.”

Company Policy Fortis’ Environmental Statement, signed by the company’s Executive Committee members, sets forth the company’s environmental commitments relating to internal operations and business activities and acts as a framework for Fortis’ priorities and goals for the period 2006–2009. While the statement does not discuss climate change directly, the company commits to pursue best practices—within Fortis’ internal operations—on energy, to develop and implement an Environmental Management System, to identify and mitigate environmental risks in lending and investment activities, and publish an annual sustainability report using the GRI framework.
 In 2006, Fortis committed to carbon neutrality. The company states: “To prove that we are serious in our commitment, we will first do our job of ‘good housekeeping’. We will then focus on the carbon impact, risks and opportunities related to our core business activities—lending, insurance and investments. With this comprehensive carbon neutrality programme we intend to establish Fortis’ position as a climate leader and first-choice provider of environmental products.”

<i>Chief Environmental Officer</i>	Lex Kloosterman, Chief Strategy Officer, Executive Committee As Chief Strategy Officer, Lex Kloosterman is in charge of Fortis' CSR initiatives, which include climate change. According to Fortis' CDP5 response, Kloosterman's recent appointment to the company's Executive Committee ensures that CSR has "become an integral part of the strategic function at the highest level of [the company's] organization."
<i>Levels to CEO</i>	0
<i>Climate Change Executive</i>	Eric Bouwmeester Eric Bouwmeester is General Manager Corporate Social Responsibility. Because Fortis has designated climate change as one of the three main strategic themes within the company's CSR strategy, Mr. Bouwmeester functions as the Climate Change Executive of Fortis.
<i>Executive Committee</i>	Fortis' CSR governance model includes a corporate CSR unit and CSR managers for each of the company's businesses. The CSR department is responsible for coordinating and orchestrating sustainability policies in line with the company's overall global strategy, and CSR managers integrate climate change-related issues into their specific lines of business. Climate change has been identified as one of the three main strategic themes to be addressed by the company's CSR unit, which is led by General Manager Eric Bouwmeester. Fortis has also established a Corporate Sustainability Steering group, comprised of 10 senior managers from various parts of the organization, to "embed sustainability deeper within the organization." In addition, in early 2007, Fortis set up a CSR Advisory Board, comprised of external experts, to offer additional perspective on the company's CSR initiatives. In addition to this governance structure, Fortis has appointed a Carbon Neutrality Programme Manager and a sustainability task force within its Facility department to work on the continuous improvement of its Corporate Environmental Management System to monitor environmental performance. Fortis' Global Energy and Utilities team includes a Centre of Competence for Renewable Energy, and Fortis' carbon banking activities are implemented through the Merchant Banking Global Markets division. These activities are headed by Seb Walhain, Director of Environmental Products.
<i>ESG Factors in Risk Management/ Financing</i>	Compliance with the Equator Principles is now a "condition precedent" for all of Fortis' project finance lending. In 2006, at the same time as adopting the revised Equator Principles, Fortis established an Environment and Social Unit to help integrate environmental and social considerations into credit decisions for project finance. Fortis has also stated that it intends to move beyond project finance and include environmental and social considerations in other key areas of business by the end of 2007. According to Fortis, "it is essential that the assessment of a transaction now considers whether a potential borrower might be faced with a ceiling on its [carbon] emissions." As part of the credit due diligence process, Fortis claims that project finance department will discuss with borrowers whether the possibility of such carbon credit expenses has been adequately planned for. Fortis has also developed—and continues to develop—a number of sector-specific sustainability tools and policies to counter climate change risks associated with corporate lending activities in certain sectors. For example, Fortis has developed a sustainable assessment tool for the shipping industry. The purpose of the tool is to rate the company's existing portfolio and potential clients and transactions according to critical social and environmental criteria, identifying climate change-related issues in the company's clients' businesses. Fortis is using this assessment tool to screen its entire shipping portfolio. In addition, Fortis' Agri Department of Commodities has developed a comprehensive policy with regards to the financing of clients involved in all stages of the production of palm oil. The group has developed a set of 'Agri Core Values' aimed at creating a uniform code of conduct. Fortis states that it has also developed a risk management process specifically to address the physical and business risks of climate change, recognizing that Fortis' banking activities could be affected both positively and negatively by extreme weather events. Fortis says that it "routinely monitors the environmental and other risks" confronting its corporate clients, undergoing reviews annually. Acknowledging the particular risks of extreme weather events in the company's insurance business, Fortis states: "It underscores the need to continually develop our understanding of risk accumulation in the client portfolio..." Fortis also considers climate change-related risks in its risk management for investment activities.
<i>Staff Training/Education</i>	Fortis has implemented employee awareness campaigns to reduce employee energy use and travel.
<i>External Initiatives</i>	<ul style="list-style-type: none"> • The Bali Communiqué • European Carbon Investors and Services • Equator Principles • International Emissions Trading Association • UNEP-Finance Initiative
<i>Investment Research</i>	Fortis publishes a "Carbon Weekly" report summarizing the week's market activity as well as future forecasts. In addition, the company releases "Energy & Environmental Markets Special Reports" periodically when specific market events require special attention.
<i>Climate-related Research Reports</i>	None identified.
<i>Compensation Link</i>	None identified.

Public Disclosure		Score: 8																	
Annual Report	Fortis' 2006 Annual Report reports on the company's various climate-related initiatives, including its commitment to climate neutrality, carbon banking services and renewable energy financing activities.																		
Securities Filings Statement	None identified.																		
Sustainability Report	<p>CSR Report 2006: <i>Stepping-stones for Sustainable Growth</i>, published 2006 http://www.fortis.com/sustainability/media/pdf/Corporate_Social_Responsibility_Report_2006_UK.pdf</p> <p>GRI Accordance: G3 - B+</p>																		
Carbon Disclosure Project	<p>Member: NO 2007 Signatory: Yes CDP5 (2007): Answered Questionnaire (Public)</p> <p>CDP5 Risk Disclosure: In its CDP5 response, Fortis identifies a variety of direct and indirect climate-related risks facing the company. Regarding risks posed to its own operations, Fortis notes the potential for significant physical risks arising from the increasing occurrence of extreme weather events. Fortis also points to climate change-related reputational risk as a direct risk. Indirect risks arising through the operations of its customers include credit and reputational risks relating to project financing and corporate lending, and regulatory risk in banking activities stemming from the negative economic valuation of carbon emissions and the positive economic valuation of GHG abatement under the EU ETS. Fortis also acknowledged increasing risks to the company's insurance business with the increase in frequency and severity of climate-related weather events.</p>																		
Public Policy Statements	Fortis says that it sees investment opportunity by investing in early adopters of carbon regulations. As noted above, the company participates in the ECIS. Additionally, in November 2007, Fortis signed the Bali Communiqué, organized by the Prince of Wales's UK and EU Corporate Leaders groups on Climate Change. The Communiqué calls for a comprehensive, legally binding United Nations framework to tackle climate change.																		
Emissions Accounting		Score: 7																	
GHG Emissions Inventory	<p>Year: 2006 Facility/Region: All internal operations* Protocol: GHG Protocol</p> <table border="1"> <thead> <tr> <th>Emissions</th> <th>CO₂e (Metric Tonnes)</th> </tr> </thead> <tbody> <tr> <td>Total Emissions</td> <td>220,000</td> </tr> <tr> <td>Scope 1 (Direct)</td> <td></td> </tr> <tr> <td>Scope 2 (Indirect—Electricity)</td> <td>191,000</td> </tr> <tr> <td>Scope 3</td> <td></td> </tr> <tr> <td>Travel</td> <td>29,000</td> </tr> <tr> <td>Products</td> <td></td> </tr> <tr> <td>Supply Chain</td> <td></td> </tr> </tbody> </table> <p>* Extrapolated from calculations of operations in Benelux countries and Turkey</p>		Emissions	CO ₂ e (Metric Tonnes)	Total Emissions	220,000	Scope 1 (Direct)		Scope 2 (Indirect—Electricity)	191,000	Scope 3		Travel	29,000	Products		Supply Chain		
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Products																			
Supply Chain																			
Accounting Methods	To estimate emissions for the company's global operations, Fortis monitored CO ₂ emissions from its operations in the Benelux countries and Turkey, which jointly account for over 75% of the organization. The company then extrapolated the emissions for all employees based on the results of this monitoring.																		
Third Party Certification	Emissions data are verified by KPMG Sustainability.																		
Certification Year	2007																		
Emissions Savings & Offsets	<p>2006 % Renewable Energy: 64.1%</p> <p>At the end of 2006, the proportion of energy purchased from renewable sources was only 4.7%. In 2007, however, Fortis switched entirely to high-quality green energy in Belgium and in the Netherlands. Based on the number of full-time employees working in these two countries, Fortis estimates the percentage of energy purchased from renewable resources to have risen to 64.1%.</p> <p>Energy Efficiency Savings: None calculated.</p> <p>Certified CO₂ Offsets: Following its 2007 commitment to carbon neutrality, Fortis purchased offsets for all remaining emissions after energy savings programs and renewable energy purchases.</p>																		
Strategic Planning		Score: 21																	
GHG Emissions Targets	<table border="1"> <thead> <tr> <th></th> <th>Reduction Targets</th> <th>Baseline Year</th> <th>Target Year</th> <th>Region</th> </tr> </thead> <tbody> <tr> <td>Total Emissions</td> <td>Carbon Neutrality</td> <td>—</td> <td>2007</td> <td>All internal operations</td> </tr> <tr> <td>Energy Use</td> <td>10% per FTE*</td> <td>2007</td> <td>2010</td> <td>All internal operations</td> </tr> </tbody> </table> <p>*Included in the carbon neutrality target. Includes both operational and travel-related energy consumption per full-time employee equivalent (FTE).</p>					Reduction Targets	Baseline Year	Target Year	Region	Total Emissions	Carbon Neutrality	—	2007	All internal operations	Energy Use	10% per FTE*	2007	2010	All internal operations
	Reduction Targets	Baseline Year	Target Year	Region															
Total Emissions	Carbon Neutrality	—	2007	All internal operations															
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Target Details Fortis' Executive Committee has committed the company to carbon neutrality on a global scale, launching a comprehensive Carbon Neutrality Program in 2007. While the company began to purchase offsets for its 2007 emissions to achieve carbon neutrality within the same year, the full plan consists of six measures that include efforts to reduce energy consumption, increase purchase of renewable energy, and offset remaining carbon emissions using the company's in-house Carbon Banking Desk. Fortis has set stringent specifications regarding the nature and standard of these offsets. The Carbon Neutrality Program also commits the company to reduce the carbon impact of its core business, which includes increasing carbon banking and renewable energy financing commitments from 2007 onwards. As part of the program, Fortis plans to be among the first banks to investigate the overall carbon impact, risks and opportunities related to its global lending, insurance and investment activities.

Emissions Trading Since 2003 Fortis has been active in trading in the European Allowance (EUA) market. Fortis trades in all existing carbon contracts, both bilaterally and on exchanges such as European Climate Exchange (ECX), Nord Pool and Powernext Carbon. The company provides services to over 100 carbon clients globally. Fortis' services under the EU ETS include:

- Carbon Trading services - Over the Counter, intermediary and exchange-based trading services, including structured transactions and index-based contracts on both EUAs and CERs.
- Carbon Finance services - Debt and equity solutions to corporates and projects with the aim of reducing carbon emissions, together with financial services (M&A) where carbon value is taken into account in cash flow forecasts and due diligence.
- Carbon Clearing services - Market access, clearing and settlement of exchange-traded OTC derivatives.
- Carbon Trust services - Carbon registry, administrative and custodian services for corporates, reduction projects and funds.
- Carbon Fund services - Establishing, structuring, engineering and managing carbon funds.

Fortis is also a co-sponsor of the European Carbon Fund (ECF). Set up by Fortis and Caisse d'Epargne and managed by Natixis Environment and Infrastructure, the original €142 million fund holds five million tonnes of issued CERs and 20 million tonnes in forward contracts. The ECF also plans to launch a second fund with a target size of €300–500 million. Fortis also foresees expanding its Carbon Banking services in Asia and the United States, aiming to participate in the Regional Greenhouse Gas Initiative (RGGI) in the Northeast U.S. and the Chicago Climate Exchange.

Fortis has also partnered with the UNDP as the financial services provider for the UNDP's Millennium Development Goals Carbon Facility. Under the partnership agreement, Fortis will buy and sell on the emissions reductions credits generated by UNDP-initiated projects in developing countries.

Renewable Energy In the past 10 years, the Fortis Global Energy and Utilities Group has provided almost \$2 billion of financing for renewable energy projects, and the company plans to continue to expand this renewable financing. In its Netherlands operations, Fortis Venturing has initiated the Start Green Sustainable Innovation Fund I to help innovative entrepreneurs who have sustainable new technology ideas and are looking to start their own business (sustainable technostarters). The fund is a joint venture between Fortis, DOEN Participaties and Triodos Innovation Fund. Fortis also has its own 'Green Bank'—Fortis Groenbank—to serve the sustainable energy financing niche in the Netherlands. According to the company, Fortis Groenbank has invested a total of € 44.6 million in renewable energy.

In 2006, Fortis Investments launched on the Belgian market the Fortis L Fund Equity Environment Sustainability World, a fund targeting sustainable energy, water, and air technologies. Approximately 40% of the fund's assets is invested in renewable energy. In addition, according to Fortis, the company invests a total of roughly €228 million in renewable energy companies through its SRI funds and mandates.

Energy Efficiency As discussed, the first step in Fortis' Carbon Neutrality Program is a 10% reduction in energy consumption per full-time employee, to be achieved through employee awareness campaigns and efficiency upgrades.

Other Climate-Related Investment Products Fortis' Environmental Finance Services span a diverse array of areas, including advisory, carbon, commodities, equity, finance, and insurance services.

Fortis Investments launched a new approach, jointly developed by Fortis Investments and Trucost, to quantify environmental benefits in the management of environmental sustainability funds. This methodology assigns a monetary cost to environmental damages and thus allows a comparison of all environmental impacts by relating these to benefits as well. The approach will be applied to the FLF Equity Environment Sustainability World Fund.

Other Environmental Finance Services include the Energy Saving Credit, a credit facility with lower interest rates for energy saving products, a Clean Car Credit and Clean Car Insurance. The Clean Car Credit product is a special car-financing arrangement to encourage motorists to cut CO₂ emissions. The insurance offers a 10% discount on vehicle cover for hybrids and bio-fuel models.

HBOS introduced a new Climate Change Policy in March 2007. The firm has also set up an executive-level Climate Change Action Group, which is coordinating policy implementation. In 2007, HBOS achieved carbon neutrality in the United Kingdom by reducing emissions through renewable energy purchases and offsetting remaining emissions through Kyoto-certified emission reduction credits. HBOS is also focused on customer strategies, with plans for energy efficiency and other “green” mortgage products as well as the carbon labeling of a savings account product.

Summary Score: 61

Company Information

HBOS plc Group was formed in September 2001 as a result of the merger of the Halifax and the Bank of Scotland. HBOS is the United Kingdom's largest mortgage and savings provider, and also offers consumer credit, insurance and retail banking services. The Group has five divisions: Retail, Corporate, Insurance & Investment, International and Treasury & Asset Management. HBOS' three main subsidiaries are the Bank of Scotland, HBOS Insurance & Investment Group Limited and Halifax Share Dealing Limited.

Contact Information

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 Edinburgh, EH1 1Y2
 United Kingdom

Board Oversight

Score: 9

Board Committee: Environmental Oversight None identified.

Board Committee: Climate Change None identified.

Board Member: Climate Change Phil Hodgkinson, Group Finance Director
 Each member of the Board holds responsibility for implementing corporate responsibility policies, including environmental and climate change-related issues. In 2006, HBOS established The Way We Do Business Action Group, chaired by Mr. Hodgkinson, to drive corporate responsibility strategy throughout the company. The Board reviews this strategy annually.

Board Role In early 2007, the HBOS Climate Change Policy was presented to the Board and Executive Committees for review. Going forward, the Board will review strategy, targets and achievements each year.

Board Training The Board receives regular presentations on key corporate responsibility and environmental issues, including a presentation addressing climate change in 2005.

Management Execution

Score: 18

CEO Leadership/ Statements CEO Andy Hornby led the internal communications campaign launching the firm's new climate change strategy. On the firm's website, Mr. Hornby states, “Committing to carbon neutrality in the U.K. is a major initiative. Offsetting our residual emissions is just a small part of our strategy. Our primary concern has been and remains to reduce the emissions we make in the first place.”

Company Policy The firm issued its first annual Climate Change Report in March 2007 focused on four key areas: reducing emissions, achieving carbon neutrality, reducing resource use and finding market solutions. The report states, “We believe it is time for the banking industry to take a more leading role in understanding and managing the impact of climate change.” The HBOS Climate Change Action Plan includes remaining carbon neutral in the United Kingdom, while also expanding energy efficiency initiatives for its buildings, computer use and business travel. The firm also aims to help customers calculate and reduce their own carbon emissions and offer new climate change-focused products.
 HBOS also has an Environmental Management System based on ISO 14001. The firm publishes Corporate Environmental Objectives and an Environmental Policy Statement, which was last updated in January 2007.

Chief Environmental Officer Liza Vizard, Head of Corporate Responsibility and Government Affairs
 The Corporate Responsibility team reports through Shane O’Riordain, General Manager, Group Communications.

Levels to CEO 1

Climate Change Executive Phil Hodgkinson, Chair, Climate Change Action Group and Group Finance Director

Executive Committee In 2006, a Climate Change Action Group was set up to examine the risk and opportunities posed by climate change. The Climate Change Action Group acts as a central coordination point for HBOS' response to climate change, and meets quarterly. Delivery is led by Mr. O’Riordain and Ms. Vizard.
 Additionally, the Corporate Responsibility Team facilitates and monitors the implementation of environmental policies. The Group Property Environmental Development Manager also supports division Chief Executives in environmental initiatives.

<i>ESG Factors in Risk Management/Financing</i>	<p>A new Operational Risk Management Framework was introduced in 2005. HBOS considers climate change risk under five main categories: credit, market, liquidity, insurance and operational risks, the latter including reputation and regulatory risks. The firm's asset management business, Insight Investment, also helped develop the Investor Statement on Climate Change. The Statement requires signatories to incorporate climate change risks and opportunities in their investment analysis and selection. Insight Investment incorporates environmental factors into its own investment decisions as well. HBOS also plans to introduce a new set of guidelines to manage risk in the development of green products, such as green mortgages.</p> <p>HBOS adopted the Equator Principles in 2005, and reviewed its entire environmental and social risk corporate lending strategy in 2006. The firm has a Lender's Guide to Environmental Risk Management available via intranet for all relevant employees. It has also set a goal to report on its conformance with the Equator Principles starting in 2007. Pricewaterhouse-Coopers has reviewed the firm's environmental and social risk management processes to ensure full adoption of the Equator Principles.</p>
<i>Staff Training/Education</i>	<p>HBOS conducts environmental education and training through intranet communications, presentations and seminars. In 2005, a two-day workshop was held to review the future of the HBOS energy strategy. Colleagues from across HBOS, the Carbon Trust and the Building Research Establishment discussed how to positively influence stakeholders and put forth proposals to manage costs and control CO2 emissions. In March 2007, over 40 senior HBOS executives were brought together in a workshop to review progress on managing the firm's carbon emissions and discuss future planning.</p> <p>The firm also promotes Energy Saving Week, an Energy Saving Trust initiative that raises awareness on climate change and energy use. Employees are encouraged to use environmentally friendly transportation and can take advantage of a free home energy saving assessment tool. HBOS is also one of the sponsors of Global Action Plan's "Greenscore" web site, an educational site on individual environmental impact.</p>
<i>External Initiatives</i>	<ul style="list-style-type: none"> • The Bali Communiqué • Equator Principles • Principles for Responsible Investment • Institutional Investors Group on Climate Change
<i>Investment Research</i>	<p>Insight Investment has analyzed how climate change might affect its investments in areas ranging from utilities to renewable energy. The group plans to increase its emphasis on corporate management of climate change-related risks, and its investor responsibility team engaged with companies on climate change on 122 occasions during 2006.</p>
<i>Climate-related Research Reports</i>	<ul style="list-style-type: none"> • <i>The Climate Change Disclosures of European Electricity Utilities</i> (May 2006)
<i>Compensation Link</i>	None identified.
<p>Public Disclosure Score: 10</p>	
<i>Annual Report</i>	<p>The 2006 Annual Report and Accounts states, "HBOS is well positioned for 2007 in terms of climate change impacts and the increasing need for transparency. We have signed a new two year contract for [U.K. Office of Gas and Electricity Markets]-accredited, Climate Change Levy exempt renewable energy and have ambitious targets for energy use, water use and waste recycling." The report also highlights employee and public awareness programs and climate-change related investment products.</p>
<i>Securities Filings Statement</i>	None identified.
<i>Sustainability Report</i>	<p><i>HBOS Corporate Responsibility Report 2006: The Way We Do Business</i> http://www.hbosplc.com/community/corporate_responsibility_home.asp</p> <p>GRI Accordance: G3 Draft</p> <p>HBOS also plans to produce a separate annual climate change report alongside its corporate responsibility and financial reports.</p>
<i>Carbon Disclosure Project</i>	<p>Member: No 2007 Signatory: Yes CDP5 (2007): Answered Questionnaire (Public)</p> <p>CDP5 Risk Disclosure: HBOS states, "The impact of GHG [greenhouse gas] emissions regulation, such as the [U.K.] Climate Change Levy, Emissions Trading and the EC Directive on The Energy Performance of Buildings are taken into account at strategic level through implementation of the HBOS Environmental Policy. HBOS's move to 100% renewable electricity was, in part, facilitated by the Climate Change Levy." HBOS also notes that extreme weather events have the potential to impact the firm's mortgage book and insurance losses, as well as affect client businesses, especially in industries such as agriculture, tourism and retail. Finally, HBOS is aware of a shift in consumer demand for climate change friendly products and services and believes there will be "increasing scrutiny over the 'greenness' of green products and services banks provide."</p>

Public Policy Statements Insight Investments is a member of the Institutional Investors Group on Climate Change, which has explicitly supported the U.K. government's policy target of a 60% reduction in U.K. GHG emissions over 1990 levels by 2050. Additionally, the Investor Statement on Climate Change, which Insight Investments helped to develop, calls on investors to support government targets and incentive policies that address climate change. In November 2007, Insight Investments signed the Bali Communiqué, organized by the Prince of Wales's UK and EU Corporate Leaders Groups on Climate Change. The Communiqué calls for a comprehensive, legally binding United Nations framework to tackle climate change.

Emissions Accounting Score: 9

GHG Emissions Inventory **Year:** 2006 **Facility/Region:** European, North American and Australian operations **Protocol:** GHG Protocol

Emissions	CO ₂ e (Metric Tonnes)
Total Emissions	79,123
Scope 1 (Direct)	47,532*
Scope 2 (Indirect—Electricity)	15,018
Scope 3	
Travel	16,573**
Products	
Supply Chain	

* Includes all car mileage (HBOS and non-HBOS vehicles), excluding normal employee commuting travel
 ** Rail and air travel emissions

Accounting Methods HBOS uses the emission conversion factors published by the U.K. Government's Department for the Environment, Food and Rural Affairs (Defra). In 2006, the firm included for the first time emissions data on road, air, rail and energy use from European and North American operations, as well as projected estimates for Australian operations based on the emissions profile of U.K. employees. HBOS is also considering ways of monitoring the overall environmental impact of its supply chain using a model developed by Trucost.

Third Party Certification Independent external corporate responsibility consultants WSP verified emissions data during review of the HBOS Corporate Responsibility Report 2006.

Certification Year 2006

Emissions Savings & Offsets **2006 % Renewable Energy:** 100% in U.K. buildings, 90% globally
Energy Efficiency Savings: In 2002, HBOS set a target of reducing energy consumption by 17.5% per FTE (full-time equivalent employee) by the end of 2007. By the end of 2006, the firm had achieved a 13% reduction over its 2002 baseline.
Certified CO₂ Offsets: HBOS offset projected 2007 U.K. CO₂ emissions (57,000 metric tonnes) by purchasing Kyoto compliant emissions credits (CERs). If actual 2007 emissions are higher than projected, this will be taken into account in the quantity of credits purchased in 2008.

Strategic Planning Score: 15

GHG Emissions Targets

	Reduction Targets	Baseline Year	Target Year	Region
Total Emissions	Carbon Neutrality	—	End-2007	United Kingdom
Travel Emissions	50% reduction in travel growth*	2006	2007	All internal operations

* This reduction is expected to prevent 1,304 tonnes of CO₂ that would have been produced if growth in business travel continued at 2006 and 2005 levels.

Target Details In the U.K., HBOS reduced CO₂ emissions by 65% from 163,000 metric tonnes in 2004 to 57,000 metric tonnes in 2006, mainly through increased use of renewable energy. The firm plans to introduce a new comprehensive set of targets by the end of 2007. Since U.K. operations account for approximately 88% of the firm's business (by profit), emissions reduction efforts have thus far been domestically focused. However, Colin Matthews, Chief Executive of Strategy & International, has appointed a senior executive, Martin Fleming, to develop an action plan for reducing the emissions of international operations.

Emissions Trading HBOS has worked with The Carbon Trust and ICF Consulting to identify potential commercial opportunities arising from the emerging emissions trading market. However, it has not yet entered the emissions trading market.

Renewable Energy In November 2004, HBOS entered into electricity supply contracts to provide 89.7% of electricity for U.K. buildings from Ofgem-accredited (U.K. Office of Gas and Electricity Markets) Climate Change Levy exempt sources; the contract was renegotiated in October 2005 to provide 100% of electricity through renewable sources. Also, the group headquarters building uses a geothermal heating/cooling system.

Bank of Scotland Corporate is a top five lender in Europe to renewable energy projects. As of year-end 2006, the division had a £250 million loan book mainly focused on wind farms. Other lending has included landfill gas, biomass, waste-to-energy and hydroelectric projects. The firm is also targeting emerging technologies, such as offshore wind, solar, energy-from-waste and biofuels. In addition, in June 2007, Bank of Scotland Corporate announced an equity investment in the Sigma Sustainable Energy Fund II, managed by Sigma Technology Management Limited.

Energy Efficiency The HBOS Group Property department works with an Energy Bureau on energy procurement, managing energy use and implementing efficiency opportunities. The current energy capital investment program is based on payback criteria of three years or less. The firm has undertaken an energy survey of all major employment sites to identify energy efficiency opportunities. For example, HBOS has installed low energy light bulbs in over 80% of its buildings. Further, subsidiary Clerical Medical's new headquarters building in Bristol will be the first HBOS building to achieve a BREEAM (Building Research Establishment Environmental Assessment Method) "Excellent" rating. HBOS has also launched EnergyTrack, an internal program to rate the energy efficiency of company buildings and display ratings to the public.

Additionally, in 2007, HBOS began a Green Miles program to reduce CO₂ emissions from business travel through the encouragement of audio/video conferencing. The firm has also worked to reduce the environmental impact of its car fleet, now offering only diesel or hybrid vehicles to "essential" company car users. HBOS has programs in place to reduce waste, paper and water use and encourage paper-free banking among customers. The firm achieved accreditation to the Carbon Trust's Energy Efficiency Accreditation Scheme in 2002 and again in 2005.

Other Climate-Related Investment Products HBOS is working with the WWF-UK to support its One Million Sustainable Homes Campaign. The project includes plans to develop a range of energy efficiency mortgage products. As part of the campaign, Insight Investment, HBOS' asset manager, published its third benchmarking survey of 20 home builders' performance on sustainability issues. In March 2006, Halifax launched an exclusive mortgage offer for customers buying new homes from the survey-leading builders.

Insight Investment also offers two "green funds"—the Evergreen Fund, investing globally, and the European Ethical Fund, investing in U.K. and European companies. HBOS is also the first bank in Europe to announce plans to carbon label a banking product. Working with the Carbon Trust, the firm will calculate GHG emissions from its Web Saver accounts, display these emissions online and aim to reduce them within two years.

In December 2004, HSBC made a commitment to become the world's first major bank to achieve carbon neutrality. The firm met this target in October 2005, and now believes it is well-positioned to offer clients new climate change-related products and services based on its own experience. In September 2007, the firm announced the launch of several investable climate change indices and plans for its own climate change fund. HSBC has also recently announced the appointment of Sir Nicholas Stern, former chief economist at the World Bank and lead author of a U.K. Treasury Department report on climate change, as its Special Advisor on Economic Development and Climate Change.

Summary Score: 70

Company Information

The second-largest bank in the world by assets, HSBC Holdings is active in more than 80 countries, providing consumer and commercial banking services, credit cards, asset management, private banking, securities underwriting and trading, insurance, and leasing. Its North American operations include HSBC USA, consumer lender HSBC Finance, and HSBC Bank Canada.

Contact Information

<i>Chairman</i>	Stephen K. Green (Group Chairman)
<i>CEO</i>	Michael F. Geoghegan (Group CEO)
<i>Contact</i>	Tel: 44-20-7991-8888 • Web: www.hsbc.com
<i>Address</i>	8 Canada Square London, E14 5HQ United Kingdom

Board Oversight

Score: 13

<i>Board Committee: Environmental Oversight</i>	Corporate Responsibility Committee
<i>Committee Chair</i>	The Right Honorable Lord Butler of Brockwell
<i>Board Committee: Climate Change</i>	Corporate Responsibility Committee
<i>Board Member: Climate Change</i>	Stephen Green, Group Chairman
<i>Board Role</i>	<p>Stephen Green, Group Chairman, has ultimate responsibility for climate change matters.</p> <p>At the board level, there are two committees that have responsibility for climate change matters. The Group Management Board (GMB), which is chaired by the Group Chief Executive, operates as a general management committee under the direct authority of the board. GMB responsibilities include the firm's 2004 decision to become carbon neutral, emissions reduction project investments and new business expansion relating to carbon market opportunities. The second committee with board representation is the Corporate Responsibility Committee, which is responsible for overseeing corporate responsibility and sustainability policies.</p> <p>Additionally, reputation risks, including social, ethical and environmental (SEE) risks, are considered and assessed by the board, the Group Management Board, subsidiary company boards, board committees and/or senior management during policy formulation.</p>
<i>Board Training</i>	The Corporate Responsibility (CR) Committee gives guidance on the CR component of directors' induction and training programs and provides the board with assurance that relevant executive training programs, including credit officer training courses, contain appropriate CR training.

Management Execution

Score: 17

<i>CEO Leadership/ Statements</i>	Speaking at a May 2007 news conference to announce HSBC's Climate Partnership, discussed below, Group Chairman Green said, "We believe we can tackle the causes and impacts of climate change. Over the next five years HSBC will make responding to climate change central to our business operations and at the heart of the way we work with our clients across the world."
<i>Company Policy</i>	In June 2006, HSBC announced its Carbon Finance Strategy. While the firm said it would continue to support fossil fuel electricity generation, it pledged to seek out new opportunities in key low carbon technologies (wind, solar, biofuels, energy/transport efficiency, landfill gas/methane capture, geothermal energy) in priority countries where government policy and fiscal regimes support early adoption. Jon Williams, Head of Group Sustainable Development, stated at Ethical Corporation's September 2007 Sustainable Finance Summit, "We can finance a wholesale shift to a low carbon economy... Climate change can be tackled at minimal economic cost if we do it today."
<i>Chief Environmental Officer</i>	<p>Jon Williams, Head of Group Sustainable Development</p> <p>In addition, Simon Martin is Head of Group Corporate Sustainability. Francis Sullivan is Deputy Head of Group Sustainable Development and Advisor on the Environment, Group Corporate Sustainability.</p>
<i>Levels to CEO</i>	0

<i>Climate Change Executive</i>	<p>Nick Robins, Head, Climate Change Center of Excellence</p> <p>In July 2007, HSBC announced the appointment of Nick Robins as head of its newly created Climate Change Center of Excellence. Robins is based in HSBC's London office and reports jointly to David Burnett, Head of Global Research, and Jon Williams, Head of Group Sustainable Development.</p> <p>Also in July 2007, HSBC appointed Sir Nicholas Stern as Special Adviser to the Chairman on Economic Development and Climate Change. Stern is the former World Bank Chief Economist and author of the <i>Stern Review on the Economics of Climate Change</i>. For HSBC, Stern serves as an advisor on strategic issues, contributes to management development programs and provides client advice related to climate change and sustainable business strategies.</p>
<i>Executive Committee</i>	<p>The Group Corporate Sustainability function is responsible, among other things, for addressing risks and opportunities derived from climate change and for embedding sustainability within the firm's mainstream operations from both a risk and business development perspective. Group Corporate Sustainability has five focus areas: business development, risk management, footprint management, communications/reporting and internal sustainable development advisory.</p> <p>In 2006, HSBC also created a Climate Change Center of Excellence, based in Bangalore, India, to evaluate the implications of climate change for the HSBC Group, its Global Research division and other business units. The Center is intended to be HSBC's central source of climate knowledge and will support the implementation of the firm's Carbon Finance Strategy.</p>
<i>ESG Factors in Risk Management/Financing</i>	<p>HSBC established an Environmental Risk Standard in 2003, which has been adapted into a Sustainability Risk Framework. HSBC is upgrading its risk approval systems to include sustainability risk ratings, which will be gradually assigned to clients globally. It is working with a third party to develop the underlying sustainability risk decision support tool. The risk ratings will enable it to differentiate deal approval levels, the type of facility it would offer a client and provide portfolio information. HSBC has a network of 27 environmental risk managers that support the Sustainability Risk team in London.</p> <p>In financing, HSBC has issued five sector lending guideline reports on forest lands and forest products, freshwater infrastructure, the chemicals industry, the metals & mining industry, and the energy industry. The Energy Sector Risk Policy report, issued in May 2006, states that "HSBC supports a transition to a lower carbon economy." It says it expects its clients to abide by regional or national laws to implement greenhouse gas (GHG) reductions under the Kyoto Protocol and the EU ETS. HSBC has also called on clients to disclose their carbon emissions and mitigation strategies in a consistent manner.</p>
<i>Staff Training/Education</i>	<p>In 2006, HSBC added a climate change module in the Group Graduate Development Program to inform participants about climate change and the role of HSBC in the issue. Climate change issues are also considered in other HSBC training courses, including the Chairman's Strategic Forum and Group Credit and Risk training. All project and export finance teams have been trained in the Equator Principles. In 2006, HSBC also staged a road show in mainland China, Hong Kong SAR, India, Malaysia and Singapore to educate more than 100 employees on carbon finance and other issues. The firm is also conducting a benchmarking survey of employee engagement on sustainability issues and planning e-learning forums.</p> <p>In 2007, HSBC launched the HSBC Climate Partnership, a five-year, \$100 million partnership between HSBC, The Climate Group, Earthwatch Institute, Smithsonian Tropical Research Institute and WWF. HSBC will work in some of the world's major cities to influence climate change policy and create employee "climate champions" who will undertake field research on climate change issues. The program will involve carbon measurement in the world's forests and protection of major rivers from the impacts of climate change.</p>
<i>External Initiatives</i>	<ul style="list-style-type: none"> • The Bali Communiqué • The Climate Group • EPA Climate Leaders • EPA Green Power Partners • Equator Principles • Extractive Industries Transparency Initiative • G8 Gleneagles Initiative CEO Roundtable on Climate Change • Institutional Investors Group on Climate Change • Principles for Responsible Investment • Roundtable on Sustainable Palm Oil (Board member) • UNEP-Finance Initiative <p>In 2004, HSBC formed the HSBC Partnership for Environmental Innovation with Newcastle University and the University of East Anglia. This three-year global program conducts research on climate change and other environmental challenges.</p>
<i>Investment Research</i>	<p>HSBC Investments launched a new SRI team in 2006 covering environmental, social and governance issues. The team consists of six SRI analysts based in Europe, India and Brazil, plus two product specialists. HSBC Global Research, a division of HSBC's Corporate, Investment Banking and Markets group, also offers coverage of alternative energy stocks.</p>
<i>Climate-related Research Reports</i>	<p>None identified.</p>
<i>Compensation Link</i>	<p>HSBC's Group Corporate Real Estate is responsible for proposing environmental targets and with the support of Purchasing and IT Functions ensuring delivery of such targets. Incentives around sustainability performance are built into objectives and reward structures for these units. More broadly, senior managers at HSBC have Corporate Responsibility objectives — including objectives related to climate change — as part of their remit with reward schemes recognizing achievements.</p> <p>In addition, starting in 2007, the cost of procuring carbon offsets to maintain HSBC's carbon neutrality is being borne by the regional offices responsible for the emissions, providing an increasing incentive to manage the company's total emissions.</p>

HSBC Holdings

Public Disclosure		Score: 9																
<i>Annual Report</i>	HSBC's 2006 annual report does not include a discussion of climate change. However, it provides a broad overview of corporate social responsibility issues and consideration of reputational risk issues arising from social, environmental and ethical issues as part of its corporate governance policy.																	
<i>Securities Filings Statement</i>	None identified.																	
<i>Sustainability Report</i>	2006 Corporate Responsibility Report, published May 2007 http://www.hsbc.com/1/2/corporate-social-responsibility/csr-reports-and-updates GRI Accordance: 2002: CI																	
<i>Carbon Disclosure Project</i>	Member: Yes 2007 Signatory: Yes CDP5 (2007): Answered Questionnaire (Public) CDP5 Risk Disclosure: The response states, "climate change risk will need to be increasingly factored in when performing equity valuations and making investment decisions." Customer-related risk ranges from business disruptions to slowed economic growth due to extreme climate events. To address potential physical risks, HSBC is undertaking an internal assessment of insurance coverage for facilities that may be impacted by extreme weather events or sea level changes. The firm has also established contingency plans for environmental risks. In terms of regulatory risk, HSBC notes that the firm is well-positioned to respond to future regulation regarding emissions limits and energy efficiency standards due to its voluntary implementation of its carbon neutrality policy. HSBC also recognizes the credit and reputational risk the firm may face due to client exposure to regulatory changes.																	
<i>Public Policy Statements</i>	HSBC states in its CDP5 response: "Climate change is a challenge that will require global solutions; collective action will be required from governments, business and individuals to stimulate adoption of energy efficiency and clean generation technologies to stabilize carbon dioxide (CO ₂) emissions." HSBC also states that it supports an international cap and trade system to achieve global emissions reduction targets. Jon Williams, head of Group Sustainable Development, said at Ethical Corporation's September 2007 Sustainable Finance Summit that "emissions trading needs to go global." He also suggested that a post-Kyoto global agreement could be negotiated with 20 major carbon-emitting countries. In November 2007, HSBC signed the Bali Communiqué, organized by the Prince of Wales's UK and EU Corporate Leaders Groups on Climate Change. The Communiqué calls for a comprehensive, legally binding United Nations framework to tackle climate change.																	
Emissions Accounting		Score: 7																
<i>GHG Emissions Inventory</i>	Year: 2006 Facility/Region: All internal operations Protocol: GHG Protocol <table border="1"> <thead> <tr> <th>Emissions</th> <th>CO₂e (Metric Tonnes)</th> </tr> </thead> <tbody> <tr> <td>Total Emissions</td> <td>813,000*</td> </tr> <tr> <td>Scope 1 (Direct)</td> <td></td> </tr> <tr> <td>Scope 2 (Indirect—Electricity)</td> <td>634,000**</td> </tr> <tr> <td>Scope 3</td> <td></td> </tr> <tr> <td>Travel</td> <td>179,000</td> </tr> <tr> <td>Products</td> <td></td> </tr> <tr> <td>Supply Chain</td> <td></td> </tr> </tbody> </table> <p>* Total emissions offset in 2006. ** Includes Scopes 1 & 2—While the vast majority of energy use is purchased energy (Scope 2), HSBC does own some on-site electrical generation facilities, but these are currently not tracked separately.</p>		Emissions	CO ₂ e (Metric Tonnes)	Total Emissions	813,000*	Scope 1 (Direct)		Scope 2 (Indirect—Electricity)	634,000**	Scope 3		Travel	179,000	Products		Supply Chain	
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Products																		
Supply Chain																		
<i>Accounting Methods</i>	HSBC converts data on building energy use (covering 96% of full-time employees) and employee business travel using emission factors set out by the local environmental authority or the utility supplier. If such information is not available, factors from the International Energy Agency and the DEFRA, the U.K. Government's Department of Environment, Food and Rural Affairs, are used.																	
<i>Third Party Certification</i>	Det Norske Veritas Certification BV (DNV) verifies HSBC's direct environmental performance. DNV conducted an audit of HSBC's CO ₂ emissions and carbon neutrality.																	
<i>Certification Year</i>	2006																	
<i>Emissions Savings & Offsets</i>	2006 % Renewable Energy: 40% Energy Efficiency Savings: None calculated Certified CO₂ Offsets: 2006 was the first full year that HSBC was carbon neutral. The firm estimated the quantity of emissions that would cover all properties and buildings (i.e., 100% of full-time equivalent employees), and then applied an additional 2.5% to estimated emissions from electricity, 10% to estimated emissions from other energy sources and 5% to estimated emissions from transport to account for any uncertainty in estimates. To achieve carbon neutrality HSBC purchased verified emissions reductions (VERs) from several renewable energy projects in China and Thailand.																	

Strategic Planning

Score: 24

GHG Emissions Targets

	Reduction Targets	Baseline Year	Target Year	Region
Total Emissions	5%	2004	2007	All internal operations
Energy Use	7%	2004	2007	All internal operations

Target Details

HSBC's carbon neutrality is achieved through a Carbon Management Plan, which involves reducing direct emissions, buying green electricity and offsetting remaining emissions (these costs are now included as part of the firm's normal operating budget). HSBC has set three-year reduction targets for energy, water and waste, as well as CO₂ emissions, covering 90% of its product portfolio. HSBC is setting new targets in 2007 for the 2008–2010 period, including emissions intensity targets. The firm also issued environmental target progress reports in 2005 and 2006. Its 2006 Corporate Responsibility Report states, "During 2006, our CO₂ emissions per person, our key CO₂ measure, increased due to a change in the type of energy we were able to purchase and an increase in air travel. We have programmes in place to reverse this trend. For a growing business, it is a challenge to reduce emissions consistently."

Emissions Trading

All emission reductions, including the bank's carbon neutrality goal, have been made on a voluntary basis. HSBC is also exploring options for participation in the CDM and JI markets under the Kyoto Protocol. In addition to traditional project financing structures, HSBC will increasingly look at new structures incorporating carbon as a stream of repayment. HSBC also plans to apply its own experience in the voluntary carbon markets to address client needs in this area.

Renewable Energy

HSBC ranked first in the Low Carbon Finance and Investment Leaders category in a survey by BusinessWeek and the Climate Group in December 2006. The firm provides debt financing for low carbon projects and technologies, as well as equity capital for early stage project development.

For its own operations, HSBC currently purchases green electricity in the U.K., the U.S., Australia, Brazil, Ireland, Luxembourg, Sweden and Switzerland. The firm has installed solar power panels at offices in the U.K. and France, introduced a bio-diesel plant at its Global Technology Centre in Pune, India, and installed micro wind turbines in the U.K. In 2006, HSBC was awarded the U.S. EPA "Green Power Partner of the Year" recognition for renewable energy purchases.

Energy Efficiency

In June 2007, HSBC launched a Global Environmental Efficiency Program, a commitment to reduce the firm's direct environmental impacts. The \$90 million commitment over five years will support renewable energy technology, water and waste reduction programs and employee engagement. Initiatives will include:

- Developing flagship buildings to benchmark environmental standards;
- Footprint management and innovation;
- Environmental Management Systems to optimize process efficiency.

Achievements to date include building HSBC's first "zero carbon" branch in Greece, New York; the building achieved Leadership in Energy and Environmental Design (LEED) Gold certification and optimizes energy efficiency using a ground-source heat pump. HSBC is also committed to reducing the environmental impact of business travel. The firm has conducted an employee green travel survey and invested in video-conferencing technology. Going forward, the cost of carbon will be more explicitly factored in real estate capital expenditure projects and energy procurement decisions.

Other Climate-Related Investment Products

In September 2007, HSBC Corporate, Investment Banking and Markets (CIBM) launched the HSBC Global Climate Change Benchmark Index, encapsulating a family of four investable global climate change sub-indices. The Benchmark Index is designed to provide exposure to companies that are best positioned to profit in the face of climate change challenges. The sub-indices include:

- HSBC Climate Change Index
- HSBC Low Carbon Energy Production Index (including: solar, wind, biofuels, geothermal)
- HSBC Energy Efficiency & Energy Management Index (including: fuel efficient autos, energy efficient solutions and fuel cells)
- HSBC Water, Waste & Pollution Control Index (including: water recycling, waste technologies, environmental pollution control)

In November 2007, HSBC Investments launched a climate change fund that invests in clean energy, energy efficiency, water, waste and pollution control companies. The fund aims to outperform the HSBC Global Climate Change Index. Structured products based on the new fund and index family are also being developed by HSBC Global Markets in partnership with HSBC Investments.

HSBC's insurance broking division is developing risk consultancy services to help customers assess and manage their physical exposures to climate change. The division is also developing insurance products to facilitate the development of renewable energy projects and carbon markets.

HSBC has launched green marketing campaigns for its retail products in both the United Kingdom and the United States. Additionally, HSBC has conducted an international survey of public attitudes on climate change—the HSBC Climate Confidence Index. The firm's research shows more optimistic markets in Asia and Latin America, which could mean that new products, such as green mortgages, are launched first in emerging markets.

ING Group announced a target in January 2007 to achieve company-wide carbon neutrality by the end of 2007. The firm plans to reach this goal through energy efficiency measures, renewable energy purchases and emissions offsets. ING also offers climate change-related retail banking and investment fund products. In September 2007, the firm advanced its involvement in the carbon market by funding the Sino-Dutch CDM Capacity Building Program in China to assist with technical aspects of CDM project development under the Kyoto Protocol.

Summary Score: 52

Company Information

ING Group is a Dutch banking, insurance and asset management firm. Its banking operations include wholesale and retail banking, as well as mortgage lending. The firm's ING Direct business offers retail banking services in several countries, while asset management services are provided for individuals and institutional investors through ING's insurance and banking arms.

Contact Information

Chairman Cornelius A.J. Herkströter, Chairman (Supervisory Board)

CEO Michel Tilmant, CEO & Chairman (Executive Board)

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1081 KL Amsterdam
The Netherlands

Board Oversight

Score: 6

Board Committee: Environmental Oversight None identified.

Board Committee: Climate Change None identified.

Board Member: Climate Change The Corporate Responsibility team falls under the responsibility of the Chief Executive Officer, Michel Tilmant.

Board Role The Corporate Responsibility team advises and informs the CEO and the Executive Board on environmental issues and climate change. The team initiated the firm's Environmental Statement and programs to offset emissions from business travel in 2006 and to become carbon neutral in 2007.

Board Training None identified.

Management Execution

Score: 12

CEO Leadership/ Statements In a January 2007 press release announcing the firm's carbon neutral strategy, CEO and Chairman Michel Tilmant stated, "Climate change, or global warming, is widely considered to be one of the greatest challenges facing our planet. ING has a role to play by developing strategies to manage the increasing risks and opportunities involved."

Mr. Tilmant also discussed the firm's corporate responsibility as a separate agenda item, including mention of its carbon neutral strategy, for the first time at the 2007 Annual Shareholders Meeting. In addition, Mr. Tilmant's introductory letter to the firm's 2006 Corporate Responsibility Big Picture Report mentions ING's alternative energy growth fund and internal measures to control GHG emissions.

Company Policy In 2005, ING issued a new global Environmental Statement outlining three areas in which the firm believes it can most effectively control its environmental impact: energy consumption, business travel and paper consumption. The statement encourages energy efficiency, renewable energy purchases and reduced business travel. Additionally, the policy is put forth that ING will offset carbon emissions from worldwide business travel until 2008. The statement applies to all ING business units worldwide and was implemented in 2006.

ING Group's Business Principles, first introduced in 1999 and updated in 2004, also include a sustainable development component. The principles state, "We recognize that certain natural resources are finite and must therefore be used responsibly." The firm pursues a two-pronged approach—anticipating and managing commercial opportunities and risks related to the environment and controlling internal environmental impact.

Chief Environmental Officer The Corporate Responsibility team falls under the responsibility of the Chief Executive Officer, Michel Tilmant. Dailah Nihot is head of the Corporate Responsibility team.

Levels to CEO 0

Climate Change Executive Climate change issues are also the responsibility of the Corporate Responsibility team.

Executive Committee The Corporate Responsibility team develops CR strategies and monitors the performance of each business unit on an annual basis, including on environmental issues. The team is also responsible for engaging stakeholders, performance reporting and benchmarking and participating in thought leadership forums. In addition, individual business units develop their own strategies to adhere to the policies set at the Group level.

<i>ESG Factors in Risk Management/Financing</i>	ING has Environmental and Social Risk (ESR) policies for financing, and utilizes the Equator Principles for projects over \$10 million. The firm has a dedicated ESR and Equator Principles Advisory Team that provides training, guidance and compliance advice. ING also has a Natural Resources & Chemicals Sector Policy, applicable to ING Wholesale Banking engagements. For transactions with high sustainability risk, involvement of the ESR Team is mandatory.
<i>Staff Training/Education</i>	An Environmental Toolkit has been distributed to business units worldwide. The toolkit provides guidelines on creating an environmentally friendly office and employee awareness programs. ING also set a target for 2007 to train 80% of employees involved in Environmental and Social Risk policy transactions on the revised Equator Principles.
<i>External Initiatives</i>	<ul style="list-style-type: none"> • EPA Green Power Partners • Equator Principles • Extractive Industries Transparency Initiative • Global Roundtable on Climate Change • UNEP-Finance Initiative
<i>Investment Research</i>	ING Equity Markets has offered brokerage services for socially responsible institutional investors since 2002. The department has published sector studies focused on sustainability issues, including climate change.
<i>Climate-related Research Reports</i>	<ul style="list-style-type: none"> • <i>Food and Beverages: Climate change; food versus oil</i> (December 2006) • <i>European Utilities: Climate change; when hell freezes over</i> (October 2006)
<i>Compensation Link</i>	Both short and long term Corporate Responsibility performance are included in the CEO's annual compensation review. In addition, the supervisory board and the executive board are largely compensated based on the overall performance of the company, with corporate responsibility an important part of this.

Public Disclosure

Score: 9

<i>Annual Report</i>	The firm's 2006 Annual Review mentions a focus on three areas of environmental performance: energy, paper and business travel. In the 2006 Annual Report, ING discusses its carbon neutral plan, green financing projects and Sustainable Equity Investment products.
<i>Securities Filings Statement</i>	The firm's 2006 Form 20-F states that "ethical, social and environmental factors play an integral role in our business decisions."
<i>Sustainability Report</i>	2006 Corporate Responsibility Report—Performance Report, published April 2007 http://www.ing.com/cr GRI Accordance: G3 Draft
<i>Carbon Disclosure Project</i>	Member: Yes 2007 Signatory: Yes CDP5 (2007): Answered Questionnaire (Public) CDP5 Risk Disclosure: ING does not expect climate regulatory risks faced by the firm's customers to have a negative impact on its business in the near term. However, ING states that it follows regulatory developments closely and offers products that can help customers reduce their carbon footprints. Additionally, the firm recognizes the potential for severe weather or sea level changes to affect its real estate and other businesses.
<i>Public Policy Statements</i>	In February 2007, ING endorsed the Joint Statement by the Global Roundtable on Climate Change, an initiative of The Earth Institute at Columbia University. This statement calls for world governments to "set scientifically informed targets, including an ambitious but achievable interim, mid-century target for global CO ₂ concentrations."

Emissions Accounting

Score: 8

GHG Emissions Inventory **Year:** 2006 **Facility/Region:** Extrapolated to 100% coverage of internal operations from data from subsidiaries in 36 countries
Protocol: GHG Protocol and VfU Indicators 2005

Emissions	CO ₂ e (Metric Tonnes)
Total Emissions	341,000*
Scope 1 (Direct)	56,000**
Scope 2 (Indirect—Electricity)	226,000
Scope 3	
Travel	59,000***
Products	
Supply Chain	

* Net total emissions after offset travel emissions were 282,000 metric tonnes.

** Natural gas and fuel oil

*** Air and car travel emissions—100% offset in 2006.

<i>Accounting Methods</i>	ING utilizes a Corporate Responsibility Tool, implemented in 2005, to collect and track data on an annual basis from all business units with more than 100 full-time equivalent employees. The firm calculates CO ₂ emissions from electricity, natural gas, fuel oil, air travel and car travel.
<i>Third Party Certification</i>	In 2006, DHV, an independent consultant investigated ING's environmental footprint and developed an "eco-point" system to identify relative impacts. Ernst & Young reviewed the accuracy of this process and the data collected.
<i>Certification Year</i>	2006

Emissions Savings & Offsets **2006 % Renewable Energy:** 17.4% (In 2006, ING Netherlands purchased 44% renewable energy.) This led to a CO₂ emissions reduction of 39,000 metric tonnes over 2005.

Energy Efficiency Savings: Energy consumption by fuel source is calculated and reported on an annual basis.

Certified CO₂ Offsets: In 2006, ING offset 100% of business travel CO₂ emissions through a reforestation project in Malaysia. In 2007, ING will offset 100% of electricity use at United States locations through the purchase of 70 million kWh of wind energy credits.

Strategic Planning

Score: 17

GHG Emissions Targets

	Reduction Targets	Baseline Year	Target Year	Region
Total Emissions	Carbon Neutrality	2006	2007	All internal operations

Target Details

ING Group announced a plan in January 2007 to achieve carbon neutrality by year-end by extending energy efficiency programs and green electricity procurement initiatives. Remaining emissions will be offset through reforestation projects in Malaysia. In addition, in 2006 ING met its target to reduce or offset CO₂ emissions by 30% compared to 2005.

Emissions Trading

The ING Emissions Products team assists clients in identifying and structuring CDM/JI projects under the Kyoto Protocol, as well as intermediating in the sale of emissions reduction credits. Mandates to date include renewable energy, industrial energy efficiency and, coal mine methane projects in the Ukraine and Russia. ING also offers emissions trading related products, such as project performance guarantees.

In September 2007, ING Bank and the Chinese government co-launched the Sino-Dutch CDM Capacity Building Program in Jiangxi Province, China. The program will establish technical service centers for CDM project development in five provinces in China.

Renewable Energy

Internally, ING encourages business units to purchase renewable energy when feasible. In 2006, ING purchased 102,000 kWh of green electricity, or 17.4% of total electricity purchased.

- In the United Kingdom, ING plans to increase its purchases of renewable energy to at least 15% by end-2007 and 25% by 2009.
- In Belgium, ING began purchasing 100% green electricity from July 2007.
- In the U.S., ING buys clean wind energy for approximately 10,000 U.S.-based employees. ING's online banking unit, ING DIRECT, will join the effort to purchase renewable energy in January 2008 resulting in 100% green electricity usage in the U.S.
- In the Netherlands, ING will purchase 100% renewable energy in 2007.

Externally, ING Green Finance provides loans for Dutch renewable energy projects and has financed a solar power project in Mali, a 24 MW wind farm in China and a sustainable transport project in the Dominican Republic. At the end of 2006, ING Green Finance had invested € 118 million in green energy projects.

The Natural Resources team of ING Wholesale Banking has also financed the construction and operation of a carbon emissions distribution network from a Dutch refinery to nearby greenhouses. The € 70 million investment will yield approximately 170,000 tonnes in reduced carbon emissions annually for the refinery.

Energy Efficiency

Internally, ING has implemented energy efficiency programs at most business locations. The firm also encourages the use of public transport among employees, develops transport management plans and requires company cars in the Netherlands to meet energy efficiency standards. For example, all employees in the Netherlands have recently been offered free public transportation cards.

Additionally, since 2006, ING Car Lease has offered Dutch customers the opportunity to lease energy efficient cars. In 2007, the firm also launched a carbon neutral car lease product.

Other Climate-Related Investment Products

In 2006, ING introduced a renewable energy investment fund, the Alternative Energy Growth Fund. The fund is managed by ING Investment Management Belgium and offers private investors exposure to various renewable energy sectors.

In 2007, ING introduced a fund investing in companies contributing to climate change solutions, the Climate Focus Fund. The fund is managed by ING Investment Management in The Hague and offers investors exposure to various sectors such as waste management, clean water and renewable energy.

ING's Green Finance department also arranges € 100 million in loans annually for Postbank Green, a Postbank subsidiary that focuses on environmentally friendly savings and investments. Postbank Green Notes allow retail customers in the Netherlands to support environmentally friendly projects, such as renewable energy projects, through their savings deposits. ING Bank Netherlands also offers retail clients a 'green mortgage' product.

In addition, ING Bank offers a sustainable portfolio scan to private banking clients and institutions, which includes consideration of energy use, carbon emissions and climate change policies. ING Investment Management's sustainable global equity fund analyzes company trends in CO₂ emissions and invests in best-in-class performers.

Intesa Sanpaolo approved a new Environmental Policy in February 2007, shortly after the group's merger (see below). The firm is focused on reducing its own greenhouse gas (GHG) emissions, mainly through energy efficiency programs and the purchase of hydroelectricity. In addition, Intesa Sanpaolo is exploring opportunities in the carbon trading market and has launched several preferential financing products aimed at encouraging the uptake of renewable energy among both corporate and retail customers. The company declined to comment on this profile by deadline.

Summary Score: 26

Company Information

Intesa Sanpaolo is a new banking group resulting from the merger between Banca Intesa and Sanpaolo IMI in January 2007. With leadership in the Italian market and an international presence as well, Intesa Sanpaolo has several Business Units: Banca dei Territori (domestic commercial banking), Corporate and Investment Banking, International Subsidiary Banks, Public Finance, Eurizon Capital, Banca Fideuram and Group Finance.

Contact Information

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CEO Corrado Passera (Managing Director & CEO)

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Board Oversight

Score: 3

Board Committee: Environmental Oversight None identified.

Board Committee: Climate Change None identified.

Board Member: Climate Change None identified.

Board Role Sanpaolo IMI's Ethical Committee was previously responsible for identifying corporate ethical and environmental policy, monitoring implementation and supervising publication of the firm's Social Report.

Board Training None identified.

Management Execution

Score: 2

CEO Leadership/ Statements None identified.

Company Policy In February 2007, Intesa Sanpaolo's new Management Board approved an Environmental Policy. The policy defines strategies for managing and reducing the firm's direct and indirect environmental impacts. The policy states, "The main objective of our energy consumption policy is the reduction of carbon dioxide emissions, to contribute to preventing further climate change, which we recognize to be one of the most important environmental challenges at the global level."

The firm has also implemented an Environmental Management System (ISO 14001 certified) to manage the environmental performance of internal operations and buildings.

Chief Environmental Officer None identified.

Climate Change Executive None identified.

Executive Committee Environmental affairs are handled by the Corporate Social Responsibility Unit. An energy manager is charged with handling the firm's energy policy and managing emissions reduction efforts.

ESG Factors in Risk Management/ Financing Intesa Sanpaolo's Environmental Policy states that the firm will consider environmental risk when evaluating creditworthiness. It applies the Equator Principles in all international project finance transactions. Sanpaolo IMI utilizes an independent third party to verify compliance with the Equator Principles for projects of significant social or environmental impact. In addition, Sanpaolo IMI follows the European Bank for Reconstruction and Development's environmental risk indicators to annually identify the proportion of its commercial loans with a high environmental risk level.

Staff Training/Education In 2006, the Banca Intesa Social and Environmental Responsibility Office and the Training Department collaborated on several employee training programs in social and environmental responsibility. Sanpaolo IMI has also distributed environmental education guides to employees and conducted employee training courses.

External Initiatives

- ABI Energia
- Sustainable Energy Europe
- Equator Principles
- UNEP-Finance Initiative

Intesa Sanpaolo S.p.A.

<i>Investment Research</i>	The Intesa Sanpaolo Research Department acts as a think tank with coverage of industrial sectors, financial markets and macroeconomics.
<i>Climate-related Research Reports</i>	<i>Kyoto and its impact on investment in the power industry</i> (September 2003)
<i>Compensation Link</i>	None identified.

Public Disclosure

Score: 6

<i>Annual Report</i>	The 2006 Banca Intesa Annual Report has a social and environmental responsibility section that discusses the adoption of social and environmental guidelines as well as the firm's CSR management model. The 2006 Sanpaolo IMI Annual Report mentions the firm's involvement in clean energy finance and its publication of a Social Report.
<i>Securities Filings Statement</i>	The 2005 Sanpaolo IMI Form 20-F mentions the firm's environmental audit of assets and Social Report.
<i>Sustainability Report</i>	<i>2006 Banca Intesa Social Report and 2006 Sanpaolo IMI Social Report</i> , published in 2007 http://www.intesasanpaolo.com/script/sir0/isInvestor/eng/sostenibilita/eng_home_sostenibilita.jsp GRI Accordance: G3 B+ (Sanpaolo IMI)
<i>Carbon Disclosure Project</i>	Member: No 2007 Signatory: No CDP5 (2007): Answered Questionnaire (Public) CDP5 Risk Disclosure: Intesa Sanpaolo sees potential regulation possibly indirectly affecting credit and asset valuation. In addition, the firm has developed a Business Continuity Plan to address extreme weather events. The firm also recognizes the potential for shifts in consumer demand as a result of climate change.
<i>Public Policy Statements</i>	Since January 2007, Intesa Sanpaolo has been a partner of Sustainable Energy Europe, a European Commission program to raise public awareness of renewable energy and achieve European Union energy policy targets. The European Union has set a target to reach 21.1% renewable energy use by 2010.

Emissions Accounting

Score: 6

<i>GHG Emissions Inventory</i>	Year: 2006 Facility/Region: Italy (aggregated data from the two banking groups in 2006) Protocol: GHG Protocol																
	<table border="1"> <thead> <tr> <th>Emissions</th> <th>CO₂e (Metric Tonnes)</th> </tr> </thead> <tbody> <tr> <td>Total Emissions</td> <td>263,600</td> </tr> <tr> <td>Scope 1 (Direct)</td> <td>50,735</td> </tr> <tr> <td>Scope 2 (Indirect—Electricity)</td> <td>210,511</td> </tr> <tr> <td>Scope 3</td> <td></td> </tr> <tr> <td> Travel</td> <td>2,354*</td> </tr> <tr> <td> Products</td> <td></td> </tr> <tr> <td> Supply Chain</td> <td></td> </tr> </tbody> </table> <p>* Employee travel in company vehicles for Sanpaolo IMI only</p>	Emissions	CO ₂ e (Metric Tonnes)	Total Emissions	263,600	Scope 1 (Direct)	50,735	Scope 2 (Indirect—Electricity)	210,511	Scope 3		Travel	2,354*	Products		Supply Chain	
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Supply Chain																	
<i>Accounting Methods</i>	The firm uses emissions coefficients proposed in 2006 by ABI Energia, a consortium of Italian banks working on energy management. Indirect electricity emissions were calculated considering the progressive modernization of power plants, using a coefficient of 0.501 instead of 0.6.																
<i>Third Party Certification</i>	The 2006 Sanpaolo IMI Social Report was audited by PricewaterhouseCoopers and the 2006 Banca Intesa Social and Environmental Report was audited by Reconta Ernst & Young.																
<i>Certification Year</i>	2006																
<i>Emissions Savings & Offsets</i>	2006 % Renewable Energy: Sanpaolo IMI purchased 69% renewable energy in 2006, while Banca Intesa used mostly non-renewables. Since January 2007, the firm has reported on emissions savings from hydroelectric power on a monthly basis. Energy Efficiency Savings: Sanpaolo IMI decreased emissions by 28% in 2006 as a result of improved energy efficiency and renewable energy purchases. Certified CO₂ Offsets: None identified.																

Strategic Planning

Score: 9

Intesa Sanpaolo S.p.A.

<i>GHG Emissions Targets</i>	Intesa Sanpaolo has not set emissions reduction targets.
<i>Emissions Trading</i>	Intesa Sanpaolo has identified several business opportunities in the carbon trading space. These include brokerage and clearing services, commodity trading, financial advisory services, direct investment in funds dedicated to CDM/JI projects and fiduciary services. The firm has evaluated opportunities to participate in the Italian Carbon Fund, a fiduciary fund managed by the World Bank.
<i>Renewable Energy</i>	<p>Intesa Sanpaolo aims to support the development of the renewable energy sector through project financing and innovative products for individual consumers. In October 2007, the firm announced with the Association of Producers of Energy from Renewable Sources (APER) preferential financing terms for renewable energy power producers, and particularly in solar photovoltaics. Intesa Sanpaolo has designed incentive schemes for small and medium enterprises to reduce initial capital costs and take advantage of government subsidies. The firm has signed an agreement with Gestore Servizi Elettrici, the local electrical services operator, whereby government incentives can be used as both a loan guarantee and as direct payment for the loan installment. Intesa Leasing has also financed two hydroelectric plants, a wind farm and several co-generation plants.</p> <p>Subsidiary FIN.OPI, specializing in the public works and infrastructure sector, also provides technical and economic assessments of renewable energy projects. The Utilities and Environment Unit finances renewable energy companies and construction companies using sustainable building criteria.</p> <p>For its own operations, the firm says it will focus on renewable energy purchases, in particular hydroelectric power, and switch to natural gas, where possible. In April 2007, the firm signed a hydroelectric power contract for electricity within Italy; Banca di Trento e Bolzano derives more than 90% of its electricity from hydropower. A pilot project to install solar powered systems has also begun at the main offices of the Central European International Bank Hungary.</p>
<i>Energy Efficiency</i>	<p>Intesa Sanpaolo says it will use heat recovery systems in its data centers, heat pumps in branches and replace company cars with more efficient models. The firm built a cogeneration plant in Parma, Italy, and in July 2006 participated in an energy efficiency study conducted by ABI Energia for the financial sector.</p> <p>Sanpaolo IMI carried out several building efficiency projects in 2006, including lighting system upgrades and installing LCD monitors at workstations. Since 2003, Sanpaolo IMI has participated in the GreenLight Program, a European Commission program based on voluntary agreements to improve lighting technologies and management methods. Meanwhile, both Sanpaolo IMI and Banca Intesa instituted mobility management programs to improve employee transportation options, reduce traffic congestion and reduce environmental impacts.</p>
<i>Other Climate-Related Investment Products</i>	The firm has developed "Intesa Clean Energy" to offer favorable loan terms to individual customers purchasing home renewable energy systems or "sustainable" vehicles such as hybrid cars. On the corporate side, Intesa Sanpaolo launched a new product line, "IntesaNova," which offers preferred financing terms and technical assistance for renewable energy projects.

Royal Bank of Scotland Group plc

NYSE: **RBS**

The Royal Bank of Scotland Group (RBS) has an executive-level Group Environmental Program Steering Group that manages environmental initiatives, and specifically climate change efforts. In 2006, RBS reduced CO₂ emissions in the United Kingdom and Ireland by purchasing 74% renewable electricity; the firm has also signed contracts to purchase 100% renewable energy in the U.K. over the next three years. RBS has also focused on renewable energy project finance, with a \$2.6 billion renewables portfolio in 2006. Finally, RBS has announced plans to launch a number of climate change-related offerings in the next year, such as carbon offset insurance products and environmentally screened investment products.

Summary Score: 55

Company Information

The Royal Bank of Scotland Group (RBS) is the holding company of The Royal Bank of Scotland plc (Royal Bank) and National Westminster Bank Plc (NatWest). RBS provides products and services to personal, commercial and large corporate and institutional customers. The firm's activities are organized into six business divisions: Corporate Markets (comprising Global Banking and Markets and UK Corporate Banking), Retail Markets (comprising Retail Banking and Wealth Management), Ulster Bank, Citizens, RBS Insurance and Manufacturing. In addition, in October 2007, RBS led a consortium with Fortis and Santander to acquire the Dutch bank ABN Amro Holding NV.

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Board Oversight

Score: 9

Board Committee: Environmental Oversight None identified.
Board Committee: Climate Change None identified.
Board Member: Climate Change Mark Fisher, CEO Manufacturing
Board Role Mr. Fisher has been responsible for the firm's Climate Change Policy and the Group Environment Program. He is now slated to head ABN AMRO, following the acquisition by RBS. The RBS Board receives regular reports from the Environment Program and discusses climate change and other sustainability issues through its Corporate Responsibility agendas. Group Chief Executive Sir Fred Goodwin has responsibility for corporate responsibility matters on the Group Executive Management Committee (GEMC) and Board, formally reporting twice a year.
Board Training None identified.

Management Execution

Score: 16

CEO Leadership/ Statements In the CEO's Corporate Responsibility online statement, Sir Fred Goodwin states, "Mindful of the threat posed by climate change, we purchased 74% of our electricity in the U.K. and Ireland from renewable sources, reducing our overall footprint by over 200,000 tonnes of CO₂, and moved to recycled paper for office use." The letter also mentions employee programs, renewable energy finance and the Equator Principles.
Company Policy RBS's Group Environmental Policy addresses both indirect (lending) and direct (operational) environmental impacts. Senior managers in all divisions are required to ensure annually that these policies are embedded into decision-making. RBS's Group Environment Program addresses environmental challenges and opportunities across business lines, while its operational Environmental Management System controls facility environmental impacts. The firm's CDP5 response states, "We are committed to reducing the carbon intensity of our business by focusing on minimizing emissions at source, through energy efficiency measures and the purchase of renewable energy. We take our responsibilities as a lender seriously, and are committed to working with our customers to assist in the long-term transition to a low-carbon economy."
Chief Environmental/ Climate Officer Mark Fisher, CEO Manufacturing and Chair, Group Environmental Program Steering Group
Levels to CEO 0
Executive Committee Under direction of Board member Mark Fisher, the Environmental Program Steering Group leads environmental initiatives through a multi-disciplinary team of representatives from across the company. In addition, four executive-led sub-groups focus on specific issues: Product and Service Innovation, Climate Risk, Employee Engagement and the Group Footprint. The Group Executive Management Committee also addresses environmental issues on a regular basis and significant issues are discussed at the daily Chief Executive's Advisory Group meeting. In addition, the Corporate Responsibility Department supports business divisions in managing key environmental issues, principally the members of the Corporate Responsibility Working Group.

Royal Bank of Scotland Group plc

<i>ESG Factors in Risk Management/Financing</i>	<p>RBS has established a Sustainable Business Development Directorate within its Project Finance division to oversee implementation of the revised Equator Principles and develop new sustainable business opportunities. In 2007, the firm initiated a major review of credit risk procedures with respect to climate change. This includes a redrafting of all credit policy documentation, guidance on "high impact" sectors for Corporate Credit committees and improved risk management information for clients. The firm also engages with relevant clients to encourage them to manage climate risks.</p> <p>Additionally, to better assess climate risks for its own business, RBS is participating in the Climate Change project led by the FORGE group of financial services companies, facilitated by PricewaterhouseCoopers. This project aims to provide a structured appraisal of climate change-related risks for the financial services sector.</p>
<i>Staff Training/Education</i>	<p>Training in the revised Equator Principles has been required for all Project Finance bankers (deal, credit and portfolio management teams). In addition, RBS sees significant potential for enhanced employee retention and productivity through environmental initiatives. In June 2007, RBS launched an internet portal for employees (www.rbsyourworld.com) that includes advice, products and incentives to encourage the reduction of personal greenhouse gas (GHG) emissions. The portal offers a carbon calculator, direct purchase of carbon offsets and discounts on environmental products from suppliers such as Toyota. In the second half of 2007, RBS launched employee targets to increase recycling by 20% and reduce paper consumption by 20% per employee.</p>
<i>External Initiatives</i>	<ul style="list-style-type: none"> • Equator Principles • UNEP-Finance Initiative
<i>Investment Research</i>	<p>The firm's insurance business is funding research to understand the likely impacts of climate change on the insurance industry.</p>
<i>Climate-related Research Reports</i>	<p>None identified.</p>
<i>Compensation Link</i>	<p>Responsibility for delivery of the Group Environmental Program lies with the Environmental Program Steering Group, and members of this group and other relevant senior managers are assessed against delivery on objectives. Delivery of key objectives is rewarded through the Group's annual performance bonus and salary increase review.</p>

Public Disclosure

Score: 9

<i>Annual Report</i>	<p>The firm's 2006 Annual Report and Accounts highlight the firm's carbon savings due to renewable energy purchases in the U.K. and Ireland and environmental certification of office facilities. In addition, the Chairman's introductory letter states, "The environment has appropriately become the focus of much attention. I am pleased to say that with our adoption of the revised Equator Principles and our approach to sustainability in all we do, RBS has established a fine reputation as a responsibly managed company."</p>
<i>Securities Filings Statement</i>	<p>The firm's 2007 20-F filing briefly mentions the challenge of climate change as a corporate responsibility concern.</p>
<i>Sustainability Report</i>	<p>2006 Corporate Responsibility Report, published July 2007 http://www.rbs.com/content/corporate_responsibility/downloads/2006_CR_report.pdf</p> <p>GRI Accordance: G3 - B+</p>
<i>Carbon Disclosure Project</i>	<p>Member: Yes 2007 Signatory: Yes CDP5 (2007): Answered Questionnaire (Public)</p> <p>CDP5 Risk Disclosure: RBS points to the U.K. Government's Stern Report, which says unmitigated climate change could result in a 20% reduction in global GDP growth by 2050, would have a "severe impact on the financial services sector". Direct regulatory risks on the firm are expected to be minimal, but a Group Regulatory Risk Department has in place a process to manage upstream regulatory risks. The firm cites indirect regulatory risks affecting both commercial and personal customers. In terms of physical risks, the firm mentions extreme weather events, impact on agricultural productivity and the availability of water. The firm utilizes disaster recovery and business continuity planning to address these risks, and also engages in long-term scenario planning to value its property portfolio.</p> <p>In addition, RBS addresses specific risks to its insurance business, as well as lending and project finance. The firm states that impact on credit risk could be the most serious risk it faces arising from climate change. Reputation risk is discussed in terms of customers, employees, suppliers and the firm's project finance and asset leasing businesses. RBS has a substantial asset leasing business in the transport sector, including airplanes and trains, and monitors the environmental impact of these sectors closely.</p>
<i>Public Policy Statements</i>	<p>RBS is engaged with the Confederation of British Industry (CBI) on climate change policy issues, and is a member of the CBI's Environment Steering Group. The firm is also involved with the Association of British Insurers (ABI) to engage in research and lobbying on flood protection and other environmental issues affecting the insurance business. In conjunction with ABI, the firm has joined Climate Wise, a group of insurance companies committed to addressing climate change risk and policy issues.</p>

Royal Bank of Scotland Group plc

Emissions Accounting

Score: 9

GHG Emissions Inventory **Year:** 2006 **Facility/Region:** U.K., Ireland and U.S. (96% of global operations by full-time employee equivalent)
Protocol: GHG Protocol

Emissions	CO ₂ e (Metric Tonnes)
Total Emissions	486,041
Scope 1 (Direct)	96,799
Scope 2 (Indirect—Electricity)	389,242
Scope 3	
Travel	70,000
Products	
Supply Chain	

<i>Accounting Methods</i>	RBS' data collection system currently covers 96% of operations measured by FTE. CO ₂ emission conversion factors are based on DEFRA (U.K. and Northern Ireland), Sustainable Ireland (Republic of Ireland) and the U.S. Department of Energy (U.S.) figures. RBS reports on facilities owned by the company.
<i>Third Party Certification</i>	Deloitte & Touche audited key environmental data from the firm's 2004, 2005 and 2006 Corporate Responsibility Reports. They have also provided verification on the firm's environmental data process.
<i>Certification Year</i>	2006
<i>Emissions Savings & Offsets</i>	2006 % Renewable Energy: 56% globally. In 2006, RBS reduced CO ₂ emissions in the U.K. and Ireland by 210,000 tonnes by purchasing 74% renewable electricity (global emissions were reduced by 210,339 tonnes through renewable energy purchases). Energy Efficiency Savings: As part of its energy efficiency investment program (described below), RBS will be tracking both cost and carbon savings on an annualized basis. Certified CO₂ Offsets: RBS is reviewing options for carbon offsetting and has put in place tools for employees to offset their own emissions. The firm's primary focus will continue to be source emissions reductions.

Strategic Planning

Score: 12

GHG Emissions Targets	Reduction Targets	Baseline Year	Target Year	Region
Total Emissions	20% per employee	2007	2011	All internal operations
<i>Target Details</i>	RBS aims to achieve its employee reduction emissions target through energy savings and a three-year £55 million investment program in energy efficiency in the firm's property portfolio, supplemented by the purchasing of renewable electricity in the U.K. and Ireland. The property portfolio investments are expected to achieve an annual reduction of 97,000 metric tonnes CO ₂ . RBS also published several five-year environmental targets (2006-10) in its 2005 Corporate Responsibility Report, covering energy, paper use, travel, water and waste. The firm has also estimated future emissions for the next five years by assessing changes in its property portfolio and the impact of new data centers coming online.			
<i>Emissions Trading</i>	The firm's corporate markets division has undertaken a review of carbon trading opportunities. These include opportunities to provide carbon-related products and services to corporate customers and retail opportunities in the voluntary carbon market. It has set up a working group to coordinate its approach to offsetting emissions.			
<i>Renewable Energy</i>	In 2006, RBS gained the leading global market share of finance arranging for renewable energy, at a level four times greater than the firm's market share of oil and gas arranging worldwide, according to Infrastructure Journal Magazine. Renewable energy project finance totaled \$2.6 billion in 2006. In particular, the firm is funding one of the largest studies to date on carbon capture and storage in coal beds. The Project Finance division has a specialist renewables team, with projects ranging from large European wind farms to micro-hydro schemes.			
<i>Energy Efficiency</i>	In 2006, the firm achieved ISO 14001 environmental certification at a number of facilities, including the Group Headquarters near Edinburgh (the Gogarburn site has also achieved the BREEAM "Excellent" rating). The firm has also instituted employee awareness programs to reduce PC monitor energy use and has invested more than £25 million in videoconferencing and other technologies to reduce travel emissions. Additionally, the U.K.'s new Planning and Building Regulations, including Energy Efficiency of Buildings and Energy Rating of Products Directives, are being factored into the firm's property and technology investment plans. Also, as part of the firm's investment program in energy efficiency, retrofits will be conducted within the firm's existing building portfolio and design standards will be enhanced for new construction. New standards are currently being incorporated into more than 10 new office development/refurbishment projects, while 150 retail branches are being checked for retrofit suitability. One highlight in 2006 was the "Flex Your Power" campaign launched by Citizens Financial Group to convert 300 company signs to photocell technology – a project that achieved a cost reduction of more than \$800,000.			
<i>Other Climate-Related Investment Products</i>	RBS says it will be launching a number of offerings in the next year, such as carbon offset insurance products and environmentally screened investment products.			

Société Générale has been an active participant in emission allowances trading on the carbon market under the European Union Emissions Trading Scheme (EU ETS). In 2006, its market share in this area reached six percent. The company has also initiated several joint ventures related to renewable energy and CER generation. Recently, Société Générale has integrated climate change-related research into its equity research department; in early 2007 the company partnered with Centre Info to develop a Carbon Risk Exposure Assessment Model that analyzes the long-term impact of carbon emissions on investment. In addition, the company has developed four climate-related index certificates. In 2007, Société Générale committed to become carbon neutral.

Summary Score: 46

Company Information

Société Générale is headquartered in France with operations globally. The company operates through three divisions: retail banking and financial services; global investment management and services; and corporate and investment banking. Société Générale's subsidiaries include ALD Automotive, a fleet leasing and management business.

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Board Oversight

Score: 1

Board Committee: Environmental Oversight None identified.
Board Committee: Climate Change None identified.
Board Member: Climate Change None identified.
Board Role None identified.
Board Training None identified.

Management Execution

Score: 13

CEO Leadership/ Statements Philippe Citerne, Société Générale's Co-CEO, is the sponsor of the company's sustainable development policy.

Company Policy In 2005, Société Générale developed an environmental policy that outlines the bank's commitments, organization, implementation and targeted results for environmental performance. The policy is centered on three priorities, which include the incorporation of social and environmental policies into business practice, pro-active and responsible management of staff, and management/reduction of the direct environmental impact of the company's activities.

Although Société Générale has not developed a climate-specific policy, the company's Executive committee voted in 2007 to achieve climate neutrality through offsetting the company's carbon emissions.

Chief Environmental Officer Philippe Laget, Head of Sustainable Development
 Société Générale says that it will be hiring an environmental specialist to manage all internal environmental issues in the company.

Levels to CEO 0

Climate Change Executive None identified.

Executive Committee Société Générale's Executive Committee defines the company's CSR policy. The Sustainable Development Department, comprised of four managers and housed within the Corporate Secretariat, is responsible for implementing and coordinating this policy. Société Générale has also formed a Supervisory Committee, made up of division and business line managers, to oversee implementation of CSR policies within each company division.

Environmental initiatives are further implemented through teams within the company's different departments. The Risk Management department is responsible for assessing relevant environmental risk issues. Within the corporate and investment banking division (SCGIB, Société Générale Corporate and Investment Banking), Société Générale has established a New Products Committee, a Screening Committee (for environmentally- or socially-sensitive projects) and a working group on the integration of non-financial criteria into credit and project finance activities. Société Générale also established a new environmental team in the first half of 2007 within the company business line of SCGIB's Capital markets and finance division.

Société Générale

<i>ESG Factors in Risk Management/Financing</i>	Société Générale's environmental policy commits the company to considering environmental risk in its financing and investment decisions. The firm states that "the analysis of the social and environmental risks linked to a given sector is an integral part of the overall risk analysis at Société Générale." In 2004 the company developed a Socially and Environmentally Responsible Approach (SERA) project to ensure that all employees comply with the bank's commitments (such as UNEPFI and Global Compact) in their project finance activities. Société Générale worked with a specialist consulting firm to develop a formal structure for the identification, evaluation and resolution of social and environmental risks. In addition to developing environmental guidelines listing the primary environmental risks for each sector of the bank's activities, Société Générale has implemented an environmental risk assessment software, called Projethic. The firm also reports that its real estate investment subsidiaries "factor in a multi-criteria environmental analysis in their investment decisions."
<i>Staff Training/Education</i>	Société Générale's sustainability initiatives are related to employees through "Planethic," a sustainable development-focused intranet accessible to all staff. The company's SERA team is responsible for training staff on the application of the firm's approach to evaluating social and environmental risk. In early 2007, nearly 150 staff members used Projethic for training in monitoring environmental issues linked to financing. In addition, the company has distributed a brochure describing its sustainable development initiatives to 80,000 employees, and the Sustainable Development department offers employee trainings every six months.
<i>External Initiatives</i>	<ul style="list-style-type: none"> • Equator Principles • European Carbon Investors and Services • The London Accord • Principles for Responsible Investment • UNEP – Finance Initiative
<i>Investment Research</i>	Société Générale's Equity Research Department has dedicated two analysts to SRI-related research. These SG Cross Asset Research analysts have been assigned to produce product stock, sector and theme-based reports that combine the analysis of social, environmental and corporate governance criteria with financial analysis when establishing an entity's medium- and long-term investment value. These analyses are used to calculate buy and sell recommendations. In 2007 SG Cross Asset Research collaborated with Centre Info to develop a Carbon Risk Exposure Assessment Model (CREAM) to analyze the long-term impact of carbon emissions on investment. In addition, in June 2007 Société Générale Asset Management (SGAM) became a founding member of the "Finance Durable and Investissement Responsable" research chair.
<i>Climate-related Research Reports</i>	<ul style="list-style-type: none"> • <i>CREAM-ing Carbon Risk: European Carbon Winners and Losers</i> (June 2007) • <i>European CO₂ market – EUA price scenarios to 2012: above €30/tonne CO₂?</i> (Aug. 2007)
<i>Compensation Link</i>	None identified.

Public Disclosure

Score: 8

<i>Annual Report</i>	In the Corporate Responsibility section of the Société Générale's Annual Report, the company reports on its participation in the Carbon Disclosure Project as one of the company's key CSR "obligations and commitments." The company also includes environmental risks in assessing its risk exposure and risk management processes. In accordance with NRE guidelines, Société Générale reports on a variety of environmental indicators, including water and energy use.
<i>Securities Filings Statement</i>	As required, Société Générale's 2007 Registration Document includes the same relevant sections of its annual report, as described above.
<i>Sustainability Report</i>	2006 FOCUS on Corporate Social Responsibility at Société Générale, published 2007 http://www.socgen.com/csr/Data/pdf/Focus_2006.pdf GRI Accordance: No
<i>Carbon Disclosure Project</i>	Member: Yes 2007 Signatory: Yes CDP5 (2007): Answered Questionnaire (Public) CDP5 Risk Disclosure: Société Générale does not list specific climate-related risks facing the company, but it does state that the company has internal consulting engineers "for the assessment of CSR concerns." The company notes that regulatory risk is particularly significant to ALD Automotive Group, its fleet leasing and management business.
<i>Public Policy Statements</i>	Société Générale is a member of European Carbon Investors and Services.

Emissions Accounting

Score: 7

<i>GHG Emissions Inventory</i>	Year: 2006	Facility/Region: All internal operations	Protocol: GHG Protocol
	Emissions	CO₂e (Metric Tonnes)	
	Total Emissions	223,948	
	Scope 1 (Direct)	27,829	
	Scope 2 (Indirect—Electricity)	128,479	
	Scope 3		
	Travel	53,672	
	Products		
	Supply Chain	13,968	

Société Générale

<i>Accounting Methods</i>	Société Générale uses an electronic data collection system, called Planethic Reporting, to calculate and report on its emissions.
<i>Third Party Certification</i>	Ernst and Young
<i>Certification Year</i>	2006
<i>Emissions Savings & Offsets</i>	<p>2006 % Renewable Energy: 12%</p> <p>Energy Efficiency Savings: None calculated.</p> <p>Certified CO₂ Offsets: Société Générale has committed to carbon neutrality through emissions offsets.</p>

Strategic Planning

Score: 17

GHG Emissions Targets

	Reduction Targets	Baseline Year	Target Year	Region
Total Emissions	Carbon neutrality	--	2009	All internal operations

Emissions Trading In 2004, Société Générale purchased a €10 million stake in the European Carbon Fund, and the company now sits on the board of the fund. In 2005, Société Générale set up a trading office in Paris to trade on the spot and forward markets. The company now participates in the carbon market both as an intermediary for the trading of emissions allowances as well as advisor for its customers participating in carbon trading under the EU ETS. In 2006, Société Générale traded 65 million tonnes of CO₂, representing a market share of around 6%. In addition, in 2006 Société Générale and Rhodia, a chemicals manufacturer, set up ORBEO, a joint venture to generate CERs through N₂O emission reductions. Société Générale expects to process 10 million CERs through this joint venture.

Renewable Energy Since 2005 Société Générale has committed to purchasing an amount of renewable energy equivalent to the energy consumption of its two primary facilities. The company has launched an initiative through Gaselys (Société Générale's joint venture with Gaz de France to specialize in energy trading) to ensure a long-term supply of 55 GWh of green energy per year. SG Zurich has been purchasing 100% renewable energy since October 2006.

In 2006, Société Générale provided €1.28 billion in "green" loans. The company financed two wind farm projects in France—totaling €25 million—as well as wind projects in Spain, Italy and Australia. In June 2007, Société Générale created a renewable energy financing team (comprised of 10 officers) which operates across Europe and Asia Pacific. The team has been developing green financing, including wind farms, biomass and solar plants.

In addition to renewable energy financing, Société Générale advises companies in the renewable energy sector involved in M&A, capital increases or current financing. The company acted as sole arranger and advisor to the capital increase of Theolia, a French renewable energy provider, and is lead arranger in a \$1.45 billion loan to finance the construction of a 1,050 MW hydroelectric power plant in Laos. Société Générale has also financed a variety of biofuels projects in the United States and France.

Energy Efficiency Société Générale began to implement a variety of energy efficiency upgrades in its France facilities in 2006. Société Générale's newest facility, the Granite tower, will be the first high-rise building in France to achieve High Environmental Quality (HQE) certification. In an effort to reduce employee business travel, the company also has issued a directive requiring employees to consider the feasibility of video/audio conferencing before traveling.

Other Climate-Related Investment Products In November 2006, Société Générale launched its first bespoke SRI product, the SG Perf ISR certificate, which includes 40 "best-in-class" stocks traded as a single security. The company now offers 100% sustainable development certificates tied to a range of "sustainable development" funds, with assets under management totaling €100 million. These funds include four climate-specific indices in the water, solar energy, bioenergy, and alternative energy sectors. In addition, Société Générale manages two SRI funds—the SGAM Invest Développement Durable (€116 million) and Etoile Développement Durable (€38 million).

In France, Société Générale has partnered with ADEME to offer "ecological mortgages," or loans that offer preferential rates to customers in financing and renovations of homes energy-efficient/low-impact homes. In May 2007 the company also launched a range of "sustainable development loans" to finance residential energy savings projects.

ALD Automotive, Société Générale's vehicle leasing and fleet management subsidiary, has launched a "CARbon Offset" program in the United Kingdom. The program allows customers to pay a supplementary fee to offset emissions—through tree planting or conservation—generated through vehicle use through tree planting/conservation. The offsets are implemented by Woodland Trust, a U.K. woodland conservation charity.

UBS has had an environmental policy since 1993. The firm's Group Executive Board is responsible for approving UBS's environmental policy. On climate change, UBS has set a target to reduce overall greenhouse gas (GHG) emissions from operations 40% by 2012, using a 2004 baseline. The firm is also focused on product innovation with several indexes, structured products and investment funds relating to renewable energy and emissions markets.

Summary Score: 52

Company Information

The UBS Group is an integrated financial services provider of wealth management, asset management and investment banking and securities services. The firm's Swiss retail and corporate banking business provides banking and securities services for individual and corporate clients.

Contact Information

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Board Oversight

Score: 9

<i>Board Committee: Environmental Oversight</i>	Corporate Responsibility Committee
<i>Committee Chair</i>	Stephan Haeringer, Executive Vice Chairman
<i>Board Committee: Climate Change</i>	Corporate Responsibility Committee
<i>Board Member: Climate Change</i>	Marco Suter, Chief Financial Officer, Group Environmental Representative, member of the Corporate Responsibility Committee (Group Executive Board)
<i>Board Role</i>	<p>UBS created its Corporate Responsibility Committee (CRC) in 2001. The committee is chaired by Vice Chairman Stephan Haeringer and includes one other Board member and eight senior UBS executives (from the Group Executive Board and the Group Managing Board).</p> <p>The Group Executive Board nominates a Group Environmental Representative to guide UBS's environmental strategy and raise relevant environmental concerns with the CRC. The Group Executive Board is updated on environmental performance both through an annual ISO 14001 Management Review and quarterly reporting processes. UBS Chairman Marcel Ospel also plays a leading role in positioning the Group on issues of public affairs and corporate social and environmental responsibility.</p>
<i>Board Training</i>	None identified.

Management Execution

Score: 16

<i>CEO Leadership/ Statements</i>	At the April 2007 Annual General Meeting, Chairman Ospel stated in his address, "We, too, are concerned by the surge in energy requirements and the growing burden being placed on the environment and the climate, for example. And these are challenges that we take seriously. As part of its climate policy, UBS is making considerable efforts to impact the environment as little as possible and offset unavoidable impact."
<i>Company Policy</i>	UBS's environmental policy, established in 1993, was last revised by the Group Executive Board in September 2005. UBS has a global environmental management system that is based on the environmental policy and certified according to ISO 14001. The policy is based on five principles: considering environmental risks in all business lines, pursuing opportunities for environmentally friendly products and services, seeking ways to reduce the firm's direct environmental impact from in-house operations, utilizing a certified global environmental management system and integrating environmental considerations into internal communications and training.
<i>Chief Environmental Officer</i>	Marco Suter, Chief Financial Officer, Group Environmental Representative
<i>Levels to CEO</i>	0
<i>Climate Change Executive</i>	Liselotte Arni, Head, Group Environmental Policy

<i>Executive Committee</i>	<p>UBS maintains an Environmental Committee, chaired by the Group Chief Credit Officer Philip Lofts, which consists of the Group and Business Groups' Environmental Representatives and other senior executives. The committee's work is supported by the Group Environmental Policy unit.</p> <p>Primary responsibility for implementing environmental policies lies within Business Groups, which have each appointed an Environmental Representative. These representatives act as sponsors for environmental initiatives and are supported by coordinators who assist in overseeing measures implemented by the Business Group's environmental units or related functions.</p> <p>Within the Investment Bank, the Global Ecology unit maintains the environmental management system at major locations outside Switzerland for all business groups, while a similar group within Global Wealth Management & Business Banking covers Switzerland facilities. The IT Infrastructure Office for Environmental Management coordinates environmental assessments in procurement, energy efficiency and other efforts. Group Real Estate sets worldwide building energy efficiency standards and coordinates reporting of energy efficiency measures.</p>
<i>ESG Factors in Risk Management/Financing</i>	<p>UBS Investment Bank has Global Environmental Risk Guidelines that are based on the firm's Environmental Policy. These guidelines are supported by an environmental risk framework that is integrated into the Investment Bank's due diligence and approval processes. An Environmental Risk Group works with business and control functions to assess and mitigate risk.</p> <p>Additionally, the environmental risk policy of Global Wealth Management & Business Banking applies to all credit transactions. Ecofact AG, a consultancy, is the Competence Center Environmental Risk for this unit. Environmental assessment procedures are tailored to client segments, transaction size and risk exposure.</p>
<i>Staff Training/Education</i>	<p>Specialized environmental training has been conducted in all Business Groups, with 3,466 employees trained in 2006. Also in 2006, an internal Extractive Industries Forum addressed social and environmental issues, a Group Real Estate workshop was held on energy efficiency and UBS was featured in a Harvard Business School case study on climate change.</p> <p>Environmental issues (including climate change) are also addressed within the corporate responsibility training at UBS. Nearly 3,000 employees received corporate responsibility training in 2006.</p>
<i>External Initiatives</i>	<ul style="list-style-type: none"> • Clinton Climate Initiative • Extractive Industries Transparency Initiative • UNEP-Finance Initiative
<i>Investment Research</i>	<p>In 2004, UBS Investment Bank created an SRI team within Equity Research, which works to quantify the effects of social and environmental issues on company valuation. As demand has grown for climate change-related research, UBS has added specialists in photovoltaics as well as bio-fuels. The Utilities research team also covers carbon market developments. UBS has published investment research through its Wealth Management Research Department and through its Investment Bank.</p>
<i>Climate-related Research Reports</i>	<ul style="list-style-type: none"> • <i>Q-Series: Climate and Materials</i> (September 2007) • <i>Need to Know – Reacting to Climate Change</i> (June 2007) • <i>Q-Series: Reacting to Climate Change</i> (June 2007) • <i>Climate Change: Beyond Whether</i> (January 2007)
<i>Compensation Link</i>	None identified.
<p>Public Disclosure Score: 4</p>	
<i>Annual Report</i>	<p>UBS's 2006 Annual Review states, "We consider efficient and sustainable management of our energy requirements, and the measures we have taken to reduce our carbon emissions, as an important factor in being a responsible corporation." The report also gives an overview of various SRI products and research, as well as the UBS Climate Change Strategy Certificate, an actively managed stock basket focused on renewable energy and energy efficiency. The Group's total CO₂ emissions are also reported under Social & Environmental key facts.</p> <p>The 2006 Handbook, a supplement to the Annual Review, states, "UBS acknowledges that climate change represents one of the most significant environmental challenges of our times." The Handbook includes a detailed list of environmental indicators, including energy consumption, business travel, paper consumption and waste disposal, as well as year-to-year trends for each indicator.</p>
<i>Securities Filings Statement</i>	None identified.
<i>Sustainability Report</i>	<p>UBS 2006 Environmental Report, published April 2007 http://www.ubs.com/1e/about/corporate_responsibility/environment/reports/2006.html</p> <p>GRI Accordance: G3 Draft</p>

Carbon Disclosure Project **Member:** No **2007 Signatory:** Yes **CDP5 (2007):** Answered Questionnaire (Public)

CDP5 Risk Disclosure: In its CDP5 response, UBS states, "Climate Change is likely to affect most of our risk categories such as credit risk, market risk or operational risk." UBS recognizes that "investment strategies of all types" will need to take climate change into account, and see winning and losing client companies depending on carbon exposure and growth opportunities.

The firm also mentions that operations are already affected by regulations such as the European Energy Performance of Buildings Directive. Further, UBS cites extreme weather events potentially affecting cooling/heating systems and power delivery. Lastly, the Group mentions potential reputation risk if other risks are not managed properly.

Public Policy Statements None identified.

Emissions Accounting Score: 9

GHG Emissions Inventory	Year: 2006	Facility/Region: All internal operations	Protocol: GHG Protocol
	Emissions	CO₂e (Metric Tonnes)	
	Total Emissions	293,169^a	
	Scope 1 (Direct)	31,519	a. Scope 1, 2 and 3 emissions less CO ₂ offsets for business air travel
	Scope 2 (Indirect—Electricity)	230,015	b. Less offset business air travel emissions
	Scope 3		c. Waste disposal
	Travel	1,001 ^b	d. Paper consumption
	Products	7,290 ^c	
	Supply Chain	23,333 ^d	

Accounting Methods The Group's inventory was prepared in accordance with the GHG Protocol and ISO 14064, the international standard for quantification and reporting of GHG emissions. UBS used the reporting boundary of consolidated financial statements and did not include industrial holdings of the firm.

Third Party Certification Emissions have been externally verified according to ISO 14064, and a verification statement has been provided by SGS Société Générale de Surveillance SA.

Certification Year 2006

Emissions Savings & Offsets **2006 % Renewable Energy:** 36%

Energy Efficiency Savings: A retrofitting project at the firm's Stamford, Connecticut, facility reduced 2006 electricity consumption by 5% despite business growth, with estimated annual energy savings of 2.3 GWh lowering costs by more than \$270,000 and cutting indirect CO₂ emissions by 740 metric tonnes. Replacing building chiller systems in Zurich have resulted in annual energy savings of 4.1 GWh and reduced CO₂ emissions of 2,000 metric tonnes. Other projects are discussed below under Energy Efficiency.

Certified CO₂ Offsets: UBS offset all CO₂ emissions that resulted from 2006 business air travel, over 100,000 tons of CO₂, representing about a quarter of total CO₂ emissions. The Group selected four projects in Brazil, Russia, India and China to provide offsets. Combined with renewable energy purchases for 2006, these offsets allowed UBS to reduce its total CO₂ footprint by 21% as compared to 2005.

Strategic Planning Score: 14

GHG Emissions Targets	Reduction Targets	Baseline Year	Target Year	Region	
	Total Emissions	40%	2004	2012	All internal operations

Target Details UBS seeks to achieve this target by increasing in-house energy efficiency whenever possible, by purchasing more green energy and by offsetting emissions, including those caused by business-related air travel.

Emissions Trading UBS is a member of the Intercontinental Exchange (ICE), an electronic marketplace for energy and emissions trading in conjunction with the European Climate Exchange (ECX). UBS trades carbon financial instruments on behalf of clients within the EU ETS.

Renewable Energy In 2007, UBS signed a new agreement (roughly 210 GWh per year) under which most of the electricity supply for Switzerland facilities now comes from renewable sources. The firm's Geneva building also has solar power installations producing around 150 MWh per year. In London, a new electricity agreement was signed in 2006 that guarantees a CCL-Free (Climate Change Levy exempt) product backed by 100% renewable sources until September 2008. These initiatives are a continuation of the renewable energy purchasing that began in 2000 in Switzerland and 2003 in London. The Group's Sydney, Australia, office has also secured 10% of its power from government-approved green sources.

UBS Investment Bank arranges financing and provides advisory services for companies in the biofuel, solar, wind, wave and other renewable energy sectors. Since 2006, UBS has led over 20 financing transactions and advised on a number of strategic combinations for companies in the renewable sector. UBS Investment Bank also hosts an annual Alternative Energy Conference in New York City, most recently in May 2007.

Energy Efficiency

Externally, UBS Investment Bank is a founding partner in the Clinton Foundation's Climate Initiative (CCI) Energy Building Retrofit Program, which aims to provide innovative financing solutions for city governments addressing building energy efficiency.

Internally, UBS has launched several projects as well. Apart from the Stamford, Conn., and Zurich projects discussed above, UBS has undertaken the following:

- A new functionality for PC workstation efficiency was introduced in Switzerland in 2006, and is expected to result in annual power savings of 8 GWh, worth CHF 1 million.
- A December 2005 upgrade to the firm's Weehawken, New Jersey, facility resulted in estimated annual energy savings of 2.1 GWh.
- A 2005 upgrade of a Zurich facility's heating, cooling and lighting systems resulted in annual energy savings of 3.5 GWh.

The firm has also installed lighting control systems and energy efficient office equipment in various facilities. UBS is awaiting Leadership in Energy and Environmental Design (LEED) certification for its Stamford building.

Other Climate-Related Investment Products

UBS has launched several indexes, structured products and investment funds that take into account the increasing demand for climate change related products. These include:

- In April 2007, UBS Investment Bank launched the UBS Global Warming Index (UBS-GWI). The index is a tradable benchmark for global investments in the weather derivatives market.
- The UBS Climate Change Strategy Certificate, an actively managed basket of around 20–25 stocks, was launched in February 2007 and includes companies developing solutions in renewable energy and energy efficiency.
- In November 2006, UBS developed the World Emissions Index (UBS-WEMI), the first of its kind globally. Index-linked products offered by the Investment Bank allow clients to participate in the index's performance, which is linked to tradable derivative instruments referencing emissions allowances.
- In March 2006, UBS Investment Bank launched the UBS Diapason Global Biofuel Index, the world's first biofuel index.
- In July 2005, Global Asset Management launched the UBS (Lux) Equity Fund – Global Innovators. The fund's investment themes include renewable energy, mobility, water, nutrition and healthcare.