Ceres

Profiles of U.S. Banks

from

Corporate Governance and Climate Change: The Banking Sector

January 2008

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Bank of America Corporation

NYSE: ***BAC***

Bank of America has committed $20 billion to support the growth of environmentally sustainable business activity to address global climate change. A ten-year initiative, it will encourage development of environmentally sustainable business practices through lending, investing, philanthropy and the creation of new products and services.

The firm has set voluntary targets for the reduction of greenhouse gases (GHGs) in both its own operations and utilities lending portfolio. In July 2007, Bank of America also joined the Chicago and European Climate Exchanges and acquired a minority stake in exchange parent company, Climate Exchange plc, a key step in developing its carbon credit trading platform.

Summary Score: 56

Company Information

Bank of America serves individual consumers, small and middle market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk-management products and services. Many of the bank's services to corporate and institutional clients are provided through its U.S. and U.K. subsidiaries, Banc of America Securities LLC and Banc of America Securities Limited.

Contact Information

Chairman/CEO	Kenneth D. Lewis
Contact	Tel: 704-386-5681 • Web: www.bankofamerica.com
Address	100 North Tryon Street Charlotte, NC 28255 USA

Board Oversight

Score: 3

Board Committee: Environmental Oversight	None identified.
Board Committee: Climate Change	None identified.
Board Member: Climate Change	None identified.
Board Role	The chair of the firm's Environmental Council reports to the CEO, the firm's executive management committee and board of directors on environmental issues as needed.
Board Training	None identified.

Management Execution

Score: 13

CEO Leadership/ Statements	In March 2007, CEO Ken Lewis gave the mandate that all areas of Bank of America's business would be involved in the firm's $20 billion climate commitment. Mr. Lewis was quoted in the commitment's press release as saying, "Today, we have a tremendous opportunity to support our customer's efforts to build an environmentally sustainable economy -- through innovative home and office construction, new manufacturing technology, changes in transportation, and new ways to supply our energy." In a speech to the Boston Chief Executives' Club in October 2004, Mr. Lewis said, "we are convinced that more efficient and cleaner use of our natural resources will result in healthier people, lower energy costs, lower maintenance costs, greater long-term investment value, and a stronger overall economy in our communities."
Company Policy	Bank of America's $20 billion ten-year climate change initiative was announced in March 2007. Details regarding emissions reduction targets and energy efficiency efforts are discussed below. The firm has announced that $18 billion will be met through financing, advising and creating market capacity to help clients develop and adopt low-carbon technologies, with participation from each of the bank's major lines of business. Earlier, in May 2004, Bank of America released a Climate Change Position Paper that states, "As a corporation, Bank of America has the responsibility to address climate change and the service sector has a role in promoting and implementing reductions of greenhouse gas emissions that extends beyond its own operations, including relationships with customers and suppliers." Anne Finucane, Chief Marketing Officer and Environmental Council Chair, is also quoted in the paper: "We, at Bank of America, recognize that climate change and atmospheric pollution represent a risk to the ultimate stability and sustainability of our way of life. Bank of America is committed to addressing climate change issues even more so today, when we believe we can set real and achievable targets for greenhouse gas reductions in both our operations as well as investment opportunities."
Chief Environmental Officer	Anne Finucane, Chief Marketing Officer, Head of Global Corporate Affairs and Chair, Environmental Council. Anne Finucane reports directly to the CEO on environmental issues and to the Chief Administrative Officer on all other issues.
Levels to CEO	0

Bank of America Corporation

Climate Change Executive	Climate change is one of the leading initiatives of the firm's Environmental Council, and as such, there are several lines of business and risk management executives that are responsible for climate change initiatives.
Executive Committee	The philosophy of Bank of America is that environmental issues be incorporated as a standard business consideration by all business lines and operating areas within the company. As such, the bank has not created one group that has sole responsibility for environmental progress. The Environmental Council with executive representation meets periodically throughout the year and members drive performance within their respective lines of business. The firm's public policy group supports this effort. Below the level of the Environmental Council, there are cross-functional teams that have been developed to address environmental issues and opportunities. These teams focus on areas such as credit risk, reporting and tracking, operations and Supply Chain Management, procurement and corporate services, energy management and associate engagement. As an example, the bank's Energy Team, established by Corporate Workplace, focuses on reducing energy consumption, promoting energy efficiency, implementing the firm's GHG emissions reduction commitment and exploring alternative energy potential.
ESG Factors in Risk Management/ Financing	As part of its new $20 billion environmental commitment, Bank of America will give favorable consideration, among other criteria, to clients that are creating and implementing environmentally sustainable products, services and technologies. Additionally, Bank of America's credit, investment and underwriting activities take into consideration more general environmental concerns. Environmental policy guidelines are included in online credit risk manuals. The firm has a detailed Forests Practices policy that applies to all extensions of credit and some bond underwriting, is a signatory to the Equator Principles and uses the World Bank's pollution control and abatement guidelines in project finance. The Environmental Services Department assists business lines in analyzing environmental risk.
Staff Training/Education	In 2005, Bank of America conducted expanded environmental credit risk training and aims to train all associates involved in credit decision-making. The firm also maintains a dedicated internal website on environmental training. Bank of America educates employees about commuter choices, has organized a car-pooling database and offers a hybrid vehicle reimbursement program for U.S. employees. The firm has a formal employee awareness campaign, Make It Second Nature, which educates employees on resource/energy conservation and employee engagement opportunities.
External Initiatives	• Ceres • EPA Climate Leaders • EPA Energy Star • Equator Principles • Nature Conservancy International Leadership Council • Pew Center on Global Climate Change's Business Environmental Leadership Council • UNEP-Finance Initiative
Investment Research	None identified.
Compensation Link	None identified.

Public Disclosure	***Score: 10***
Annual Report	Bank of America's 2006 Annual Report Letter to Shareholders states, "Bank of America has long been a leader in developing environmentally sustainable business practices, from energy conservation and recycling programs to the financing of green building initiatives to our hybrid vehicle purchase assistance program for associates. Our goal is to help our customers and clients take the lead in reducing greenhouse gas emissions, and to protect the physical environment on which economic activity depends."
Securities Filings Statement	None identified.
Sustainability Report	*2006 Sustainability Report*, published 2007 http://www.bankofamerica.com/environment/pdf/2006_Env_Report.pdf ***GRI Accordance:*** G3 Draft
Carbon Disclosure Project	***Member:*** No ***2007 Signatory:*** No ***CDP5 (2007):*** Answered Questionnaire (Public) ***CDP5 Risk Disclosure:*** Bank of America states that the firm "has not realized a substantial impact [from climate change] given current existing regulation of GHG emissions." However, Bank of America does recognize the movement towards GHG emissions regulation in the United States. The firm also supports research with the United Nations Environment Program Finance Initiative (UNEP-FI) on potential physical risks posed by climate change to the financial sector.

Bank of America Corporation

Public Policy Statements

Bank of America states in its Climate Change Position Paper that the firm is committed to serving as "an agent of change in elevating the public and private sector's commitment and approach to addressing climate change." In an October 2007 speech to the Seattle Chamber of Commerce Regional Leadership Conference in Vancouver, British Columbia, Brian Moynihan, head of Commercial & Investment Banking, stated, "At Bank of America, we believe that the key to reducing carbon emissions and accelerating our economy's adaptation to a sustainable future is for the United States to implement a cap and trade system to control carbon emissions. We favor a market based mechanism to set a value for carbon allowances. And we favor one clear, federal standard that would give investors the certainty they need to plan for the future."

The firm's Investment Strategies Group has also sent a note to clients on the economic transitions posed to industries by climate change and potential legislation. The note states, "Companies that recognize early the eventuality of emissions regulation will likely be best prepared for the widespread change. Their readiness should translate into lessened exposure to rising input costs, greater operating efficiency and productivity and reflect an innovative management body that is skilled at adapting to an ever-changing business environment."

In addition, in October 2007, Bank of America sent a letter to the California Air Resources Board urging support for the California Climate Action Registry Forest Protocols, a standard for the quantification and reporting of forest carbon stocks in the state of California.

Emissions Accounting

Score: 8

GHG Emissions Inventory

Year: 2006 ***Facility/Region:*** United States ***Protocol:*** GHG Protocol

Emissions	CO_2e (Metric Tonnes)
Total Emissions	**1,466,584**
Scope 1 (Direct)	
Scope 2 (Indirect—Electricity)	1,380,000*
Scope 3	86,584**
Travel	
Products	
Supply Chain	

* Aggregate Scope 1 & 2 emissions
**Global business travel by air

Accounting Methods

Bank of America defines its organizational boundaries using the Operational Control Approach under the U.S. EPA Climate Leaders program.

Third Party Certification

A verification component is included in the EPA Climate Leaders GHG Inventory Protocol. Additionally, an inventory review will be completed by Econergy International, contracted to develop Bank of America's Inventory Management Plan (IMP).

Certification Year

2006

Emissions Savings & Offsets

2006 % Renewable Energy: 0% (Proposal bids for renewable energy were sent out in 2005.)
Energy Efficiency Savings: In 2005, Bank of America achieved a 4% reduction in electrical energy consumption in U.S. facilities.

Certified CO_2 Offsets: As part of the firm's Chicago Climate Exchange (CCX) membership, Bank of America has agreed to purchase a minimum of 500,000 tons of offsets over a three-year period.

Strategic Planning

Score: 22

GHG Emissions Targets

	Reduction Targets	Baseline Year	Target Year	Region
Total Emissions	9%	2004	2009	All internal operations
Lending Emissions	7%	2004	2008	Energy & utility portfolio

Target Details

Bank of America has set a goal to reduce indirect emissions from the firm's utilities portfolio by 7% by 2008. To accomplish this goal the firm is changing its portfolio mix to add customers using renewable and low-carbon energy and annually tracking portfolio emission levels.

Emissions Trading

In July 2007, Bank of America joined the Chicago Climate Exchange (CCX). The firm joined as a full, emissions-reducing member and as a liquidity provider, and plans to begin facilitating trades in the first quarter of 2008. In addition, Bank of America has joined the Chicago Climate Futures Exchange (CCFE) and the European Climate Exchange (ECX). As part of its CCX membership and a 0.5% investment stake in Climate Exchange plc (CLE), Bank of America has committed to:

- Expand its greenhouse gas emission reduction target;
- Provide liquidity on the CCX, ECX and CCFE;
- Join CCX's Offsets Committee;
- Treat CLE exchanges as preferred providers for exchange traded environmental product execution; and
- Develop and launch later this year CLE-linked offset products and services for retail and institutional customers who wish to reduce their own carbon footprints.

Bank of America Corporation

Renewable Energy

In Investment Banking, the firm assisted in the 2007 IPO of Ocean Power Technologies, a tidal energy company. Bank of America is also acting as a financial advisor to Iberdrola, the Spanish wind power developer, on its proposed acquisition of Energy East. To utilize renewable energy at its own banking centers, the firm's Strategic Investments team is exploring solar and methane options.

In August 2007, Bank of America announced a partnership with San José Unified School District and Chevron Energy Solutions to establish the largest solar power (5 MW) and energy-efficient facilities program in K-12 education in the U.S. Bank of America will own the solar equipment and, through the company's Energy Services Financing Solutions team, sell power to the district at rates significantly below market utility rates. The school district is expected to save $25 million in energy costs over the life of the system, reducing carbon emissions by more than 37,000 tons.

Energy Efficiency

In 2002, Bank of America established a centralized energy investment pool to invest in energy efficient technologies that will lower energy consumption. Through December 2005, Bank of America had invested $27 million in efficiency projects with an average payback period of three years. Bank of America has also committed $1.4 billion to achieve Leadership in Energy and Environmental Design (LEED) certification in all new construction of office facilities and banking centers. The firm's Bank of America Tower, currently under construction in New York City, will be the world's first skyscraper designed to attain LEED Platinum certification. Upon completion in 2008, the $1 billion project will be the world's most environmentally responsible office building. The firm will also invest $100 million in energy conservation measures for use in all company facilities.

Also in green building, Bank of America invested more than $200 million in Low Income Housing Tax Credit equity in projects that meet green criteria between 2004 and 2006.

In September 2007, the Bank of America Charitable Foundation announced a $1 million grant to the United Nations Foundation to establish a "National Task Force on Energy Efficiency" with Ceres. The task force aims to double the rate of energy efficiency improvement in the U.S. over the next five years. The task force will encourage leadership among the financial and high-tech sectors and work to align incentives to promote investments by utilities.

Bank of America also has in place a flexible workplace program that reduces emissions due to employee commuting and offers a $3,000 hybrid vehicle reimbursement program for U.S. employees. In addition, since 2000 the firm has reduced internal office paper usage per associate by 42 percent.

Other Climate-Related Investment Products

Bank of America's $20 billion environmental initiative includes Commercial Real Estate Banking, Corporate & Investment Banking, Carbon Emissions Trading, Environmental Lending Consideration, as well as eco-friendly credit card products, Green Mortgage and Home Equity products and Timberland Investment Solutions. As one example, the firm in November 2007 introduced a credit card that allows customers to earn carbon offset credits through purchases.

Bank of America is also adapting and expanding existing product lines. The firm already offers $1,000 rebates on mortgages to purchase homes meeting Energy Star specifications. Additionally, in April 2007, Bank of America announced its first environmentally focused product launch – a donation program with Conservation International for new home equity customers. Bank of America will also continue its EPA SmartWay Transport Program to provide Small Business Administration SBA Express loans to trucking companies to finance fuel efficient technologies.

In forestry, the firm is currently evaluating investment management solutions that incorporate forest conservation principles consistent with those defined by the Forest Stewardship Council. Bank of America is considering several solutions from reforestation and wildlife management to responsible development and the support of carbon sequestration ecosystems. The Global Wealth & Investment Management division is pursuing sustainable timber investment products as well. Separately, Bank of America has lent $65 million to the Redwood Forest Foundation for the purchase of 50,000 acres of forest in Mendocino County, California, which the bank cites as the nation's first forest acquisition by a non-profit using 100% private capital.

The Bear Stearns Companies Inc.

NYSE: ***BSC***

Bear Stearns has not addressed climate change as a governance issue. The company declined to comment on this profile by deadline.

Summary Score: 0 (weighted)

Company Information

The Bear Stearns Companies Inc. is the parent company of Bear, Stearns & Co. Inc., a global investment banking, securities trading and brokerage firm. Since 1923, Bear Stearns has helped corporations, institutions, governments and individuals reach their financial objectives. The firm has refocused its business on three core areas: Capital Markets, Wealth Management and Global Clearing Services.

Contact Information

Chairman/CEO	James E. Cayne
Contact	Tel: 212-272-2000 • Web: www.bearstearns.com
Address	383 Madison Avenue New York, NY 10179 USA

Board Oversight ***Score: 0***

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: 0***

CEO Leadership/ Statements	None identified.
Company Policy	None identified.
Chief Environmental Officer	None identified.
Climate Change Executive	None identified.
Executive Committee	None identified.
ESG Factors in Risk Management/ Financing	None identified.
Staff Training/Education	None identified.
External Initiatives	None identified.
Investment Research	None identified.
Climate-related Research Reports	None identified.
Compensation Link	None identified.

The Bear Stearns Companies Inc.

Public Disclosure	Score: 0
Annual Report	None identified.
Securities Filings Statement	None identified.
Sustainability Report	Bear Stearns has not published a sustainability report.
Carbon Disclosure Project	***Member:*** No ***2007 Signatory:*** No ***CDP5 (2007):*** No Response
Public Policy Statements	None identified.

Emissions Accounting	Score: 0
GHG Emissions Inventory	None identified.
Emissions Savings & Offsets	***2006 % Renewable Energy:*** None identified. ***Energy Efficiency Savings:*** None calculated ***Certified CO_2 Offsets:*** None identified.

Strategic Planning	Score: 0
GHG Emissions Targets	None identified.
Emissions Trading	None identified.
Renewable Energy	None identified.
Energy Efficiency	None identified.
Other Climate-Related Investment Products	None identified.

BlackRock, Inc.

NYSE: ***BLK***

BlackRock has not addressed climate change as a governance issue. The company does participate in renewable energy financing through the BlackRock Ecosolutions Investment Trust, which invests at least 80% of its total assets in equity securities issued by companies that are directly or indirectly engaged in alternative energy. BlackRock is also both a sponsor and signatory to the Carbon Disclosure Project. The company declined to comment on this profile by deadline.

Summary Score: 4 (weighted)

Company Information

BlackRock is a provider of global investment management, risk management and advisory services to institutional and retail clients around the world. The company manages $1.23 trillion across fixed income, equity, liquidity, asset allocation/balanced, real estate, and alternative strategies for institutional and retail clients. BlackRock merged with Merrill Lynch Investment Managers in September 2006.

Contact Information

Chairman/CEO	Laurence D. Fink
Contact	Tel: 212-810-5300 • Web: www.blackrock.com
Address	40 E. 52nd St. New York, NY 10022 USA

Board Oversight

Score: 0

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: 0

CEO Leadership/ Statements	None identified.
Company Policy	None identified.
Chief Environmental Officer	None identified.
Climate Change Executive	None identified.
Executive Committee	None identified.
ESG Factors in Risk Management/ Financing	None identified.
Staff Training/Education	None identified.
External Initiatives	• Institutional Investors Group on Climate Change
Investment Research	None identified.
Compensation Link	None identified.

BlackRock, Inc.

Public Disclosure		***Score: 0***
Annual Report	None identified.	
Securities Filings Statement	None identified.	
Sustainability Report	None identified.	
Carbon Disclosure Project	***Member:*** Yes ***2007 Signatory:*** Yes ***CDP5 (2007):*** Not applicable. ***CDP5 Risk Disclosure:*** Not applicable.	
Public Policy Statements	None identified.	
Emissions Accounting		***Score: 0***
GHG Emissions Inventory	None identified.	
Emissions Savings & Offsets	***2006 % Renewable Energy:*** None identified. ***Energy Efficiency Savings:*** None calculated. ***Certified CO_2 Offsets:*** None identified.	
Strategic Planning		***Score: 3***
GHG Emissions Targets	None identified.	
Emissions Trading	None identified.	
Renewable Energy	BlackRock Ecosolutions Investment Trust is a diversified, closed-end management investment company that invests at least 80% of its total assets in equity securities issued by companies that are directly or indirectly engaged in the alternative energy (wind, solar and hydroelectric power), water resources and agriculture business sectors. The advisor for this trust is Blackrock Advisors, LLC. BlackRock also invests in alternative energy through its MLIIF New Energy Fund, which invests at least 70% of its total net assets in the equity securities of companies whose predominant economic activity is in the alternative energy and energy technology sectors. This fund was acquired by BlackRock through the 2006 merger of BlackRock and Merill Lynch Investment Managers.	
Energy Efficiency	None identified.	
Other Climate-Related Investment Products	None identified.	

Citigroup Inc.

NYSE: ***C***

In May 2007, Citi announced a $50 billion commitment over 10 years to address global climate change through increases in investment and the financing of alternative energy and other carbon-emission reduction activities. Citi has announced targets for emissions reductions, energy consumption and renewable electricity procurement. The company also has a detailed environmental and social risk management policy. Citi includes in its emissions inventory aggregate CO_2 emissions from power plant financing based on percentage of debt provided by the bank; this represents new capacity only, including expansions of existing plants.

Summary Score: 59

Company Information

Citi is a financial services company with some 200 million customer accounts in more than 100 countries. Citi is organized into three major business groups - Global Consumer, Markets & Banking, and Global Wealth Management - in addition to one stand-alone business, Citi Alternative Investments.

Contact Information

Chairman	Sir Winfried Bischoff
CEO	Vikram Pandit
Contact	Tel: 212-559-1000 • Web: www.citigroup.com
Address	399 Park Avenue New York, NY 10043 USA

Board Oversight

Score: 6

Board Committee: Environmental Oversight	Public Affairs Committee
Committee Chair	Judith Rodin, President, Rockefeller Foundation
Board Committee: Climate Change	Corporate Responsibility Committee
Board Member: Climate Change	None identified.
Board Role	Citi's Board of Directors Public Affairs Committee is charged with reviewing the company's sustainability policies and programs, including those related to the environment.
Board Training	None identified.

Management Execution

Score: 17

CEO Leadership/ Statements	As part of Citi's climate change commitment announcement in May 2007, former Chairman and CEO Charles Prince said, "The comprehensive program we are announcing today is not a wish-list, but a realistic, achievable plan that serves a critical global need and responds to an emerging investment opportunity... We recognize our responsibility to confront climate change and the importance of identifying and helping implement new solutions for our clients and our businesses." Additionally, in his introductory letter to Citi's 2006 Citizenship Report, Mr. Prince states, "Climate change and global poverty are not unrelated because climate change will disproportionately impact the poorer people and nations of the world... We have set a target to reduce our own greenhouse gas (GHG) emissions, and we work with our clients to provide innovative solutions as they strive to reduce their own emissions."
Company Policy	In February 2007, Citi released a Position Statement on Climate Change. The Statement is largely focused on public policy advocacy (discussed below).
Chief Environmental/ Climate Officer	Pamela Flaherty, Senior Vice President of Corporate Citizenship and President & CEO, Citi Foundation
Levels to CEO	0
Executive Committee	Citi's Environmental Affairs Unit, led by the Director of Corporate Citizenship, consults on environmental policy issues, including climate change. Additionally, 16 senior managers sit on an Environmental & Social Policy Review Committee, which provides advice and oversight. The Environmental Affairs Unit includes Bruce Shlein, Valerie Cook-Smith and Tyler Daluz. Citi has undertaken a thorough analysis of how the regulatory and physical risks of climate change could impact its own operations. The firm factors potential physical risks into its site selection criteria for new facilities. The Corporate Real Estate Services division is responsible for managing Citi's internal footprint, setting reduction targets and procuring green power. Additionally, in 2006 an Alternative Energy Task Force was created to disseminate information about alternative energy across various business groups. The task force is composed of 27 professionals and is led by Hal Clark, Chairman of Citi's North American Power Group. Additionally, Citi has recently hired Tracy McKibben as the Managing Director and Head of Environmental Banking Strategy. In this role, McKibben will provide clients with expertise on environmental financing and banking, advise on energy policy and European government affairs and contribute to the development of Citi's business plan on climate change.

Citigroup Inc.

ESG Factors in Risk Management/ Financing	Citi's Environmental and Social Risk Management (ESRM) Policy guides environmental, social and governance (ESG) analysis of business transactions. Citi's ESRM Unit is responsible for transaction review, internal training and policy implementation. Shawn Miller, ESRM Director, reports to the Citi Markets & Banking Chief Risk Officer. Citi discloses the project size thresholds for ESRM Policy implementation for corporate/government loans, project finance, refinancing, debt placements, equity investments and underwritings. Citi Alternative Investments has also incorporated an ESRM framework into their risk management procedures. A total of 86 project finance transactions received ESRM review and were subject to the Equator Principles in 2006. When Citi is financing power generation activities, the firm incorporates the potential costs and risks of carbon in its analysis. Citi also applies stress tests to the carbon profile of its lending and equity portfolios. Citi follows the Equator Principles in its emerging markets financing, including the quantification of project GHG emissions. In 2006, Citi Markets & Banking adopted a new nuclear policy that requires transactions to be evaluated against external guidelines and independently reviewed in some cases. Additionally, Citi has set a goal to disclose a public version of its ESRM policy in 2007. The firm currently provides advisory services in targeted GHG intensive sectors to help clients analyze carbon exposure and reduction strategies.
Staff Training/Education	As reported in Citi's 2006 Citizenship Report, the company provided environmental and social risk training to 556 staff in 2006. Training sessions were also held in China to raise awareness among Citi Markets & Banking (CMB) staff, and Citi executives held meetings with various Chinese banks to share best practices in environmental responsibility. Citi is also launching in 2007 a web-based learning module to provide all CMB bankers with access to ESRM training. Other employment engagement initiatives in 2006 included energy conservation programs in Asia and London, a "Go Green" campaign in the United Arab Emirates and a company-wide Citi Environmental Awareness Week. Citi has also set several goals for 2007 for expanding employee awareness and ESRM training programs.
External Initiatives	• The 3C Initiative • EPA Climate Leaders • EPA Green Power Partners • Equator Principles • Global Roundtable on Climate Change • International Emissions Trading Association • Pew Center on Global Climate Change's Business Environmental Leadership Council • Renewable Energy and Energy Efficiency Program • UNEP-Finance Initiative • World Resources Institute Climate Northeast Working Group
Investment Research	Citi has released climate change-related research out of its New York-based Global Thematic Investing team and U.S. Equity Research team. Carbon market research has been led by the firm's London-based Sustainable Investment team.
Climate-related Research Reports	• *CAFE and the U.S. Auto Industry: A Growing Auto Investor Issue*, 2012-2020 (October 2007) • *Coal: Missing the Window* (July 2007) • *Climatic Consequences: An Update* (April 2007) • *Carbon Trading: The Sky's the Limit* (March 2007) • *Climatic Consequences* (January 2007) • *CO_2—A New Auto Investor Issue for 2007* (January 2007) • *Investing in Solutions to Climate Change* (June 2006)
Compensation Link	None identified.
Public Disclosure	***Score: 8***
Annual Report	None identified.
Securities Filings Statement	None identified.
Sustainability Report	*2006 Citizenship Report,* published July 2007 http://www.citigroup.com/citigroup/citizen/community/annualreport.htm ***GRI Accordance:*** G3 Draft

Citigroup Inc.

Carbon Disclosure Project

Member: No **2007 Signatory:** No **CDP5 (2007):** Answered Questionnaire (Public)

CDP5 Risk Disclosure: "Citi and our clients would be severely challenged by climatic factors in a world where atmospheric concentrations of carbon rise significantly above 450 ppm [parts per million]; dramatic adaptation of our products and services and in some cases our core business model would be required."

Citi recognizes that the firm is directly affected by GHG regulation through electricity pricing, and also sees the potential for second and third generation regulation to cover Citi's own facilities. Citi also cites clients in the power, oil and gas, cement, metals and mining, manufacturing and transportation sectors as being at risk from increasingly stringent regulation. This could present Citi with both credit and loan/equity portfolio risk. Citi also discloses that its 14,500 facilities, many of which are in coastal areas, are vulnerable to physical risks of climate change. Citi cites sea level rise, extreme weather and water scarcity as key issues, and is using both 5-10 year and 20-year time horizons to examine potential risks.

Finally, Citi also sees climate change presenting general client and commercial risks. The firm's CDP5 response mentions brand valuation, share price, competitive positioning and innovation, and concludes that it is "vital for Citi to facilitate and generate the industries of tomorrow in clean energy."

Public Policy Statements

Citi's Position Statement on Climate Change draws attention to the role of U.S. regulatory policy. Citi states, "U.S. national action and leadership are critical elements of a global solution because of the size of the U.S. economy and our emissions and because a global solution is highly unlikely without U.S. action. We believe that the United States must act now to create a national climate change policy to avoid the economic, social, and environmental damage that will result if GHG emissions are not reduced." Citi also argues against a patchwork of state regulations "that may cause distortions in the national economy." Instead, Citi recommends that U.S. policy should focus on five key areas: a global approach, early action, recognizing early actors, integrating GHGs into pricing mechanisms and increasing incentives for low-GHG technologies.

Emissions Accounting

Score: 10

GHG Emissions Inventory

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

Emissions	CO_2e (Metric Tonnes)
Total Emissions	**22,882,483**
Scope 1 (Direct)	48,507
Scope 2 (Indirect—Electricity)	1,338,905
Scope 3	
Travel	195,071
Products	21,300,000*
Supply Chain	

* Aggregate CO_2 emissions from power plant financing based on percentage of debt provided by Citi—new capacity only, including expansions of existing plants. Does not include refinancing or deals that have not closed. In 2006, Citi's share of emissions ranged from 10.6 to 21.3 million metric tons.

Accounting Methods

Citi reports energy data on all leased and owned facilities. Sublet space where utilities are consumed and funded by non-Citigroup tenants is not included. In 2006, Citi adopted the use of U.S. EPA Climate Leaders conversion factors. In past years Citi had used the conversion factors published by UNEP.

Third Party Certification

Citi submitted its GHG Inventory Management Process to consultants designated by the EPA Climate Leaders program.

Certification Year

2006

Emissions Savings & Offsets

2006 % Renewable Energy: 2%
Energy Efficiency Savings: None calculated

Certified CO_2 Offsets: Citi offset 33,573 metric tones CO_2 in 2006 through green power purchases.

Citigroup Inc.

Strategic Planning *Score: 18*

GHG Emissions Targets

	Reduction Targets	Baseline Year	Target Year	Region
Total Emissions	10%	2005	2011	All internal operations
Energy Use	4%	2006	2007	Core buildings
Green Power	5%*	2006	2007	All internal operations

* Renewable energy target for total power purchases

Emissions Trading

Citi's European Commodities Desk is in the process of rolling out an Environmental Products unit over the course of 2007 that will engage in carbon trading. The trading desk is focused on EU ETS allowances and CDM/JI credits.

Renewable Energy

Citi partners with an energy services company, Constellation NewEnergy, to procure energy for its own facilities. In 2006, Citi increased its procurement of green power to 52,283 MWh, a 400% increase over 2005 purchases.

Citi Markets & Banking (CMB) plans to invest in and finance over $31 billion in clean energy and alternative technology over the next 10 years. Recent highlights include:

- Financial advisor for EDP's (Energias de Portugal) acquisition of Horizon Wind Energy in 2006
- Underwriter of Brasil Ecodiesel's US$177 million IPO in 2006
- Citi's Asset Finance Group financed two major wind projects in the United States in 2005—the 120 MW San Juan Mesa project in New Mexico and the 15 MW Bingham Lake project in Minnesota

Citi also makes private equity investments in renewable energy, energy efficiency and GHG emission reduction credit markets through its Sustainable Development Investing (SDI) unit. SDI is part of Citi Venture Capital International (CVCI), a unit of Citi Alternative Investments. Since the inception of SDI in 2004, Citi has invested or committed approximately $150 million in related companies. Citi has also pledged a ten-fold increase in its capital commitment in this area over the next 10 years to more than $2 billion.

In 2006, Citi invested through various funds approximately $75 million in SDI classified investments in the bio-fuels, solar and clean technology markets. Companies include Permolex International (an ethanol producer), Jiangsu Linyang Solarfun Co. (a solar PV manufacturer), Chrysalix Clean Energy Fund and Sindicatum Carbon Capital (a CDM project developer).

Other new products include a joint marketing agreement between CitiMortgage and Sharp Electronics Corp. to offer financing for household solar electric systems, rolled out in September 2006.

Energy Efficiency

Citi has set a goal of achieving Leadership in Energy and Environmental Design (LEED) Silver certification for the construction of all new office buildings and operations centers. Many existing facilities are also being evaluated for inclusion in the LEED-Existing Building certification program. Citi also expects to open LEED-certified retail branches in 2008. Citi is also working with the U.S. Green Building Council to define a user-friendly process for corporate assessments of real estate portfolios. Meanwhile, larger facilities in Asia set a target to reduce energy use by 5% in 2006.

Citi is also working on a number of other efficiency programs, including testing a software program to lower the energy use of idle PCs, developing a cradle-to-cradle approach to procurement and deploying multi-functional office equipment to reduce energy consumption. Meanwhile, CitiCapital has an Energy Finance Unit that underwrites facility energy efficiency upgrades for clients. Citi 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.

Other Climate-Related Investment Products

Of Citi's $50 billion climate change commitment, $10 billion has been earmarked for activities that the firm has already undertaken to address climate change. This includes efforts to measure and reduce the firm's own environmental footprint, client advisory and policy engagement.

In other areas, Citi Community Development (CCD) is working to include renewable energy tax credit investments and green private equity investments in its portfolio. Citi Property Investors (CPI) intends to commit $500 million to investments in sustainable building projects over the next 10 years. Finally, in late 2006, Citi was the co-lead underwriter for the inaugural issue of U.S. green bonds. The first issuance of bonds was sold to support a carbon-neutral real estate development in Syracuse, NY.

Franklin Resources, Inc.

NYSE: ***BEN***

Franklin Resources has not addressed climate change as a governance issue. The company has issued an environmental policy statement, but it has not directly addressed climate-related issues.

Summary Score: 1 (weighted)

Company Information

Franklin Resources is a global investment management organization also known as Franklin Templeton Investments. Franklin Resources offers investment solutions under the Franklin, Templeton, Mutual Series, Bissett, Fiduciary Trust and Darby Overseas names, managing investment vehicles for individuals, institutions, pension plans, trusts, partnerships and other clients. Franklin Resources provides investment management, marketing, distribution, transfer agency and administrative services to open-end investment companies and to managed and institutional accounts. The company also provides investment management and related services to closed-end investment companies.

Contact Information

Chairman	Charles B. Johnson
CEO	Gregory E. Johnson
Contact	Tel: 650-312-2000 • Web: www.franklintempleton.com
Address	1 Franklin Pkwy., Bldg. 970, 1st Fl. San Mateo, CA 94403 USA

Board Oversight

Score: 0

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: 0

CEO Leadership/ Statements	None identified.
Company Policy	Franklin Resources has published a brief environmental policy statement that broadly covers its efforts to reduce energy usage in the company's offices and real estate development projects.
Chief Environmental Officer	None identified.
Levels to CEO	Not determined.
Climate Change Executive	None identified.
Executive Committee	Franklin Resources does not have an executive committee to address climate change. The General Services Group is responsible for monitoring and implementing the company's environmental policy statement.
ESG Factors in Risk Management/ Financing	None identified.
Staff Training/Education	None identified.
External Initiatives	None identified.
Investment Research	None identified.
Compensation Link	According to the company's 2007 Proxy Statement, "The Compensation Committee believes that total compensation should vary with the Company's performance in achieving financial and non-financial objectives." The company does not define "non-financial" objectives.

Public Disclosure

Score: 1

Annual Report	None identified.
Securities Filings Statement	None identified.
Sustainability Report	None identified. ***GRI Accordance:*** None identified.

Franklin Resources, Inc.

Carbon Disclosure Project	***Member:*** No ***2007 Signatory:*** No ***CDP5 (2007):*** Declined to Participate ***CDP5 Risk Disclosure:*** Although Franklin Resources declined to participate in CDP5, the company did indicate an interest in future participation with CDP6.
Public Policy Statements	None identified.
Emissions Accounting	***Score: 0***
GHG Emissions Inventory	Franklin Resources has not completed a greenhouse gas (GHG) emissions inventory. The company plans to develop a strategy this year for measurement and reporting of GHG emissions.
Emissions Savings & Offsets	***2006 % Renewable Energy:*** None identified. ***Energy Efficiency Savings:*** None calculated. ***Certified CO_2 Offsets:*** None identified.
Strategic Planning	***Score: 0***
GHG Emissions Targets	None identified.
Emissions Trading	None identified.
Renewable Energy	None identified.
Energy Efficiency	None identified.
Other Climate-Related Investment Products	None identified.

The Goldman Sachs Group, Inc.

NYSE: ***GS***

Goldman Sachs' Environmental Policy Framework, established in November 2005, states, "Goldman Sachs believes that a healthy environment is necessary for the well-being of society, our people and our business, and is the foundation for a sustainable and strong economy." The framework espouses the philosophy that capital markets can and should play an important role in creating opportunities to address environmental challenges. The framework was designed to include each of the firm's business lines, and it includes these actions: principal investing in alternative energy and clean technology, emissions trading, investment research and management evaluating Environmental, Social and Governance (ESG) criteria, reducing the firm's own environmental footprint and researching public policy options through the firm's Center for Environmental Markets.

Summary Score: 53 (weighted)

Company Information

Goldman Sachs is a global investment banking, securities and investment management firm that provides a wide range of services worldwide to corporations, financial institutions, governments and high-net-worth individuals. The firm's three core businesses are Investment Banking, Trading and Principal Investments, and Asset Management and Securities Services.

Contact Information

Chairman/CEO	Lloyd C. Blankfein
Contact	Tel: 212-902-1000 • Web: www.goldmansachs.com
Address	85 Broad Street New York, NY 10004 USA

Board Oversight

Score: 5

Board Committee: Environmental Oversight	None identified.
Board Committee: Climate Change	None identified.
Board Member: Climate Change	None identified.
Board Role	The firm's Environmental Policy Framework and its implementation are reviewed annually with the Board of Directors.
Board Training	None identified.

Management Execution

Score: 17

CEO Leadership/ Statements	Lloyd C. Blankfein, Chairman and CEO, stated in the 2006 Annual Report letter: "In the last year, we have expanded our trading activities in the carbon emissions market to include trading and investing in project-based emission reduction credits and pricing emission risk, in addition to the trading of carbon credits. Innovative trading in these new markets can be a source of meaningful action to address global climate change." Former CEO and current U.S. Treasury Secretary Henry Paulson was also chairman of The Nature Conservancy, the world's largest environmental group, and a vocal advocate of addressing climate change.
Company Policy	Goldman Sachs' Environmental Policy Framework is founded on the belief that a healthy environment is necessary not only for the well-being of society but also for Goldman Sachs' people and its business, and embodies the philosophy that capital markets can and should play an important role in addressing today's environmental challenges. The Framework outlines the principles and strategies behind the firm's goal to "help find effective market-based solutions to address climate change, ecosystem degradation and other critical environmental issues" and encompasses how Goldman Sachs will address environmental issues in its own operations and across its business units.
Chief Environmental/ Climate Officer	Mark Tercek, Managing Director and Head of Environmental Strategy Group and Center for Environmental Markets
Levels to CEO	0

The Goldman Sachs Group, Inc.

Executive Committee	The Environmental Strategy Group is responsible for overseeing implementation of the Environmental Policy Framework, as well as coordinating the firm's global environmental initiatives. The group provides guidance to various businesses about environmental issues, develops training and resources on these topics and engages with a variety of stakeholders to inform and strengthen Goldman Sachs' environmental platform. In addition to the Environmental Strategy Group, business area heads oversee investment, capital markets advisory and other business activities in environmental markets. Certain business areas also have dedicated teams looking at market making, investment and product opportunities related to the environment. The Environmental Strategy Group also manages the Center for Environmental Markets (CEM), which was established in 2005 to sponsor independent research and programs with non-governmental and academic partners. Research grants explore effective public policy options for market-based solutions to environmental challenges. The CEM has made grants of $2.3 million, with 2006 grants awarded to: • Resources for the Future (RFF): a partnership with RFF's Climate and Technology Program, to fund, among other things, the U.S. Climate Policy Forum, a dialogue among RFF researchers and business leaders from 23 companies across the spectrum of the U.S. economy to analyze domestic policies to address climate change. • World Resources Institute (WRI): a two-year project to analyze various technology options to reduce greenhouse gas (GHG) emissions and diversify the world's energy sources; • Woods Hole Research Center (WHRC): a three-year project to examine how to value forest ecosystems and analyze economic alternatives to cutting valuable rainforests. CEM also disseminates the research and finding of its grants through publications, conferences and targeted outreach to engage and educate clients, investors and policy makers. Examples of outreach programs include: *Conferences* • Conference on "Energy, Environment, and the Financial Markets: The Global Opportunity" in March 2007 in London, UK; • Conference on "The Business of Climate Change: Risks and Opportunities" in April 2007 in New York, NY; and • Alternative Energy Symposium for the U.S. Senate Finance Committee in October 2007 in Washington, DC. *Publications* • In April 2007, World Resources Institute released a report entitled *Scaling Up: Global Technology Deployment to Stabilize Emissions*. The paper presents an overview, using the wedges framework, on how technology, investment and policy interact. It is intended to engage actors in the policy and investment communities on clean technology deployment worldwide. • In November 2007, RFF released *Assessing U.S. Climate Policy Options*, a report summarizing work at RFF as part of the inter-industry U.S. Climate Policy Forum. The report is intended to provide policy options and criteria for policy assessment from which effective federal policy might be crafted.
ESG Factors in Risk Management/ Financing	Goldman Sachs' investment banking and principal investing areas work with clients to develop business strategies that mitigate environmental risks and take advantage of environmental opportunities. The firm incorporates the environmental and social impacts and practices of its clients into its business selection decisions, and has developed specific environmental and social due diligence guidance for transactions in environmentally sensitive sectors. Finally, Goldman Sachs also follows the Equator Principle guidelines as they apply to its businesses. Goldman Sachs' Environmental Policy Framework indicates that the firm will encourage clients conducting activity in environmentally sensitive areas to do so with the appropriate safeguards and that the firm believes it is in the interest of its issuer clients to make appropriate disclosure with respect to the environmental impacts of their businesses, including GHG emissions and regulatory factors. Goldman Sachs says it will strongly encourage clients to further develop such disclosure. The firm also acts as a resource to help clients improve their environmental practices, understand the risks and opportunities associated with environmental issues and integrate these into their core business strategies.
Staff Training/Education	Staff training has been carried out in the following areas: • Global due diligence training for investment banking, merchant banking and principal investing teams with respect to the Environmental Policy Framework as well as environmental and social advisory and due diligence work • Working with teams in investment banking, merchant banking and principal investing to evaluate the environmental and social impacts of transactions • Worldwide training for the Corporate Services and Real Estate team on green building standards • Creating environmental consciousness committees in certain offices

The Goldman Sachs Group, Inc.

External Initiatives	• The Climate Group • Extractive Industries Transparency Initiative • The Heinz Center Business Council for Economics and the Environment • International Emissions Trading Association • Pew Center on Global Climate Change's Environmental Leadership Council • Rainforest Alliance's Sustainable Business Forum • World Resources Institute Corporate Council
Investment Research	The Global Investment Research division has established a formal approach to evaluating ESG risks for different industry sectors and individual companies. The GS SUSTAIN research team analyzes the sustainability of corporate performance, while the Alternative Energy Research team covers more than 60 alternative energy stocks globally. Additionally, the Economics Research team explores global macro and market research on environmental themes, such as the impact of climate change and energy efficiency. Goldman Sachs has also invested in ASSET4 Ltd., a provider of extra-financial ESG data to contribute to its research in this area.

Climate-related Research Reports

Goldman Sachs Global Investment Research (GIR) has published the following reports:

GS SUSTAIN:

- *Insurance: GS SUSTAIN: Integrating ESG* (September 2007)
- *Introducing GS Sustain* (June 2007)
- *Healthcare: Pharmaceuticals: Integrating ESG* (May 2007)
- *Global Food & Beverages: Integrating ESG* (February 2007)
- *Global Energy: Integrating ESG* (February 2004, August 2005, October 2006)
- *Global Mining and Steel: Integrating ESG* (July 2006)
- *Europe Media: Integrating ESG* (February 2006)
- *Global Mining and Steel: Integrating ESG* (July 2006)
- *Europe Media ESG* (February 2006)

Alternative Energy:

- *European Renewable Energy—sun, wind and grain* (October 2006)
- *ASEAN palm oil initiations: Bullish on bio-diesel* (October 2006)
- *Americas: Energy: Alternative Energy—Searching for renewable profits* (October 2006)
- *US: Energy: Oil: Initiating coverage of ethanol producers Aventine and VeraSun* (August 2006)
- *Asia: Alternative Energy: A breath of fresh air* (April 2006)
- *Japan Technology: Solar Cell Industry Looks Attractive Toward 2010* (March 2006)
- *Global Alternative Energy* (February 2004)

Water:

- *China: Utilities: Water: Quenching investment thirst* (July 2006)
- *Multi-Industry: Water utility survey: Growth flows steady* (June 2006)
- *Multi-Industry: Water Sector Primer: Water—Pure, refreshing defensive growth* (June 2005)
- *European Utilities: Carbon crazy* (April 2006)
- *European Utilities: Carbon - Putting the fizz into European power markets* (February 2006)

Portfolio Strategy and Quantitative Research:

- *Insuring the Planet* (July 2007)
- *Japan and Brazil: Role Models for Energy Efficiency?* (July 2007)
- *Europe's Green Comparative Advantage* (February 2007)
- *Why the BRICs Dream Should Be Green* (February 2007)
- *Things Are Heating Up: Economic Issues and Opportunities From Global Warming* (February 2007)
- *Climate Change as a Catalyst for Competitive Advantage* (December 2006)
- *Why the BRICS Dream Won't Be Green* (October 2006)
- *US Investment Outlook: The Bigger Picture* (October 2006)
- *Portfolio Strategy: The growing interest in environmental issues is important to both socially responsible and fundamental investors* (August 2005)

Compensation Link — None identified.

Public Disclosure ***Score: 7***

Annual Report — In addition to Chairman Blankfein's comment in his annual letter to shareholders, the 2006 Annual Report has a short introduction to the firm's involvement in environmental markets. The report states, "While we aggressively manage our own environmental footprint, we are also establishing a leading position in understanding the many ways environmental concerns are affecting global markets."

The Goldman Sachs Group, Inc.

Securities Filings Statement	Although Goldman Sachs has sold off most of its share in power plant operator Cogentrix, the firm's 2006 10-K Form stated, "Our power generation facilities are subject to extensive and evolving federal, state and local energy, environmental and other governmental laws and regulations...In addition, we may incur substantial costs in complying with current or future laws and regulations relating to power generation, including having to commit significant capital toward environmental monitoring, installation of pollution control equipment, payment of emission fees, and application for, and holding of, permits and licenses at our power generation facilities."
Sustainability Report	Goldman Sachs has not published a sustainability report. However, the Environmental Strategy Group released the 2006 Environmental Policy Year-End Report, and will continue to report updates on an annual basis.
Carbon Disclosure Project	***Member:*** No ***2007 Signatory:*** Yes ***CDP5 (2007):*** Answered Questionnaire (Not Public)

Public Policy Statements

Goldman Sachs' Environmental Policy Framework suggests that climate change "requires the urgent attention of and action by governments, business, consumers and civil society." The firm believes that governments can establish a strong policy framework that creates long-term value for GHG emissions reductions and supports and incentivizes the development of new technologies. The private sector can then take the lead in further developing these markets, establishing better price transparency, creating incentives for innovation and finding cost-effective alternatives. The Policy Framework further indicates the principles which should guide public policy development, including:

- Policies and actions should be based firmly on science and rational economics.
- Policy frameworks should be based on market-based mechanisms to set clear, transparent and consistent price signals.
- Voluntary action alone cannot solve the climate change problem.
- Policies should encourage conservation and efficient use of energy as an important part of a comprehensive solution.
- Solutions must be global in scope.
- Climate change should be viewed in conjunction with other major challenges, e.g., conservation of ecosystems, access to water, poverty alleviation and economic growth.
- Implementation requires an integrated approach to identify where there is the greatest leverage to help mitigate potential problems.

Emissions Accounting

Score: 5

GHG Emissions Inventory

Year: 2005 ***Facility/Region:*** Core office facilities ***Protocol:*** GHG Protocol

Emissions	CO_2e (Metric Tonnes)
Total Emissions	**199,472**
Scope 1 (Direct)	
Scope 2 (Indirect—Electricity)	199,472*
Scope 3	
Travel	
Products	
Supply Chain	

* 98 occupied core office facilities.

Accounting Methods	Goldman Sachs tracks emissions from all firm-occupied office facilities and data centers, as well as the offices of wholly owned subsidiaries.
Third Party Certification	The 2005 baseline report was verified by Viridian Energy & Environmental, LLC (formally Steven Winter Associates).
Certification Year	2005
Emissions Savings & Offsets	***2006 % Renewable Energy:*** The firm purchased renewable energy in its London and Frankfurt offices. ***Energy Efficiency Savings:*** None calculated ***Certified CO_2 Offsets:*** None identified.

Strategic Planning

Score: 17

GHG Emissions Targets

	Reduction Targets	Baseline Year	Target Year	Region
Energy Use	7%	2005	2012	Leased & owned offices

Emissions Trading

Goldman Sachs has been engaged in the carbon emissions market since January 2005. Focus has been on the EU-ETS, and emission price risk has become integrated into the liability hedging concerns of corporate clients. Goldman Sachs is also involved in originating projects, purchasing forward credit streams and marketing credits to its client base.

In September 2006, Goldman Sachs made a minority equity investment in Climate Exchange plc, which owns the U.S. and European trading platforms, Chicago Climate Exchange (CCX) and European Climate Exchange (ECX), as well as the newly created California Climate Exchange (CaCX).

The Goldman Sachs Group, Inc.

Renewable Energy

Goldman Sachs has made significant investments in renewable energy technologies through its Principal Investments division, totaling more than $2 billion. Some of the sectors and companies invested in include:

- *Cellulosic Ethanol:* Iogen built and operates the world's only functioning demonstration-scale plant to convert biomass to cellulose ethanol using enzyme technology.
- *Wind:* Horizon Wind Energy is one of the largest wind farm developers/owners in the U.S. (In March 2007, Energias de Portugal SA agreed to acquire Horizon Wind Energy.)
- *Solar PV Integration:* SunEdison is one of the largest solar photovoltaic installer/integrators in the U.S.
- *Solar PV Manufacturing:* First Solar manufactures "thin film" PV panels and has created a proprietary Cadmium Telluride (CdTe) PV module technology.
- *Wind Turbine Manufacturing:* Nordex and Nordic Windpower are leaders in multi-MW turbine technology.
- *Waste Recycling:* Beijing Goldenway Bio-tech builds and operates recycling stations that turn biowaste into protein-rich feel or fertilizer additives. The company is one of the leading developers in micro organism use for agriculture in China.

Energy Efficiency

Goldman Sachs has been a leader in developing green building standards for its buildings. The firm has developed uniform green building standards for use in the construction and major renovation of its facilities. The standards are designed to ensure that the firm meets the intent of Leadership in Energy and Environmental Design (LEED) Gold certification or other whole building standards on all future projects, and the global real estate team has been trained on implementing the standards. The firm already has a LEED certified building in Jersey City, New Jersey and is working towards LEED Gold certification for its new world headquarters in New York, scheduled to be completed in 2009. In addition, the renovation a Chicago building achieved LEED CI (commercial interiors) pilot certification. Following the completion of the firm's New York building, Goldman Sachs will be the largest owner of LEED-certified commercial office buildings in the world.

Additionally, Goldman Sachs has increased the use of recycled and environmentally certified products and used more energy efficient equipment. The firm has also developed environmentally sound procurement practices and incorporated environmental criteria into its supplier selection and review processes.

Investments in energy efficiency companies include:

- *Load Shifting:* Ice Energy produces commercial and residential thermal storage units to shift energy consumption from peak to off-peak periods.
- *Electricity Transmission and Usage:* Optimal Technologies develops solutions to help utilities, businesses and consumers optimize their energy usage and minimize losses.

Finally, in August 2007 GS Real Estate Partners, within the Merchant Banking Division, made an $80 million commitment to the Bond Companies Sustainability Fund. Through the Sustainability Fund, Goldman Sachs and Bond will invest in the development and repositioning of urban infill properties using sustainable building technology and management practices. The Bond Companies have also created a strategic partnership with The Abraham Group. The Abraham Group is headed by Former U.S. Secretary of Energy and Senator from the State of Michigan, Spencer Abraham.

Other Climate-Related Investment Products

In May 2007, Goldman Sachs created the first catastrophe collateralized debt obligation (CDO). The CDO provides a new opportunity for the capital markets to invest in diversifying risks and a new source of capital for the firm's insurance and reinsurance clients.

In December 2006, Goldman Sachs' investment management division launched a Socially Responsible Large Cap Strategy fund.

During 2006 and 2007, Goldman Sachs, together with the Goldman Sachs Charitable Fund (GSCF), continued its efforts to establish a nature reserve for the benefit of the people of Chile, in the region of Tierra del Fuego. This initiative began in February 2002, when Goldman Sachs acquired defaulted debt, which was collateralized by 640,000 acres of relatively pristine forest, now known as Karukinka, in Tierra del Fuego. In September 2004, Goldman Sachs announced that the property, along with significant financial resources, was being transferred to the Wildlife Conservation Society (WCS), the international conservation organization based in New York City. Working in partnership, Goldman Sachs, GSCF and WCS established the three-year WCS-GS Alliance.

JPMorgan Chase & Co.

NYSE: ***JPM***

JPMorgan Chase & Co. says it seeks to "assume a leadership role in the financial services industry by helping to reduce greenhouse gases (GHGs)," and has committed to advocate for a market-based national policy on greenhouse gas controls. JPMorgan has also acknowledged that consideration of environmental issues such as climate change is "fundamental to risk management." The company has a climate governance structure that is led by an Office of Environmental Affairs and guided by an executive-level Environment Oversight Committee. Climate change policy is also overseen by members of the company's Executive Committee and the Public Responsibility Committee of the Board of Directors. In addition, JPMorgan has incorporated climate change into its investment research division.

Summary Score: 43

Company Information

With assets of $1.5 trillion, JPMorgan Chase & Co. is the third largest financial services firm in the United States. The company offers a range of services, including investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity.

Contact Information

Chairman/CEO	James Dimon
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Board Oversight ***Score: 5***

Board Committee: Environmental Oversight	Public Responsibility Committee
Committee Chair	William H. Gray, III, Chairman, Amani Group
Board Member: Climate Change	None identified.
Board Review	JPMorgan Chase's Public Responsibility Committee "reviews and considers the Firm's position and practices on charitable contributions, community development, legislation, protection of the environment, shareholder proposals involving issues of public interest and public responsibility and other similar issues as to which JPMorgan Chase relates to the community at large, and provides guidance to management and the Board as appropriate." The committee also oversees the company's Office of Environmental Affairs. The Risk Policy Committee is responsible for oversight of the CEO's and senior management's responsibilities for assessing the firm's risk, which includes reputational risk.
Board Training	None identified.

Management Execution ***Score: 13***

CEO Leadership/ Statements	In his 2007 annual letter to shareholders, Chairman and CEO James Dimon outlines important steps taken by the company to address climate change risks and opportunities, including publishing a series of corporate research reports concerning business and environmental linkages, completing the company's U.S. GHG emissions baseline, raising $1.5 billion of equity for the wind power market, and increasing investments in energy-efficient projects. Mr. Dimon also listed future steps to "continue the momentum." Such steps include an expanded effort to provide clients with products and services that help them to reduce their GHG emissions, increased investments in energy-efficiency projects, and a stronger team to "better manage the environmental and social risks within our deal flow." Dimon also stated: "We are continuing to advance public policy debate on the environmental effectiveness and economic efficiency of greenhouse gas emission reductions."
Company Policy	In April 2005, JPMorgan Chase announced its comprehensive environmental policy. The policy is implemented through the company's Environmental Management System, which includes planning, training, implementation, measurement, reporting, and review. The policy includes a thorough discussion of climate change, including JPMorgan Chase's intentions to "assume a leadership role in the financial services industry by helping to reduce greenhouse gases in [the company's] value chain and internally." The environment statement also acknowledges that consideration of environmental and social issues is "fundamental to risk management and the protection of investors" and outlines climate change-related risk management policies for its investment and commercial banks. The policy outlines a variety of other climate-specific initiatives, including carbon reporting, research, and renewable energy investment.
Chief Environmental/ Climate Officer	Amy Davidsen, Office of Environmental Affairs Ms. Davidsen is the Director of the Office of Environmental Affairs and is responsible for establishing global policies and procedures regarding environmental issues, including climate change. She works with Bill Winters, Co-head of the Investment Bank, on climate change business opportunities and initiatives for the firm. Ms. Davidsen reports to Rick Lazio, an Executive Committee member and head of the Global Government Relations and Public Policy group.
Levels to CEO	Not determined.

JPMorgan Chase & Co.

Executive Committee	As discussed, JPMorgan Chase established an Office of Environmental Affairs in 2004 to increase company focus on the environment. The Office is responsible for development and implementation of JPMorgan Chase's environmental policy and initiatives. In addition, an Environmental Oversight Committee, made up of key business leaders, is responsible for guiding the Office's initiatives.
ESG Factors in Risk Management/ Financing	JPMorgan's environmental policy states that the company "recognizes that balancing non-financial factors such as environmental and social issues with financial priorities is an essential part of good corporate citizenship, in addition to being fundamental to risk management and the protection of investors...We will integrate environmental and social awareness into the credit analysis and financing decision process, and incorporate it, where appropriate, as part of our due diligence review." JPMorgan Chase relies on the Equator Principles to serve as a framework for determining, assessing, and managing environmental and social risk in project financing; the company commits to apply the Principles to "all loans, debt, and equity underwriting, financial advisories and project-linked derivative transactions where the use of proceeds is designated for potentially damaging projects." In addition, the company's private equity divisions conduct an environmental review as part of their investment decision process for direct investments in companies in environmentally sensitive industries. In project transactions in the power sector, JPMorgan Chase committed in 2005 to quantify the financial cost of GHG emissions and integrate them into financial analysis of the transaction. Beyond a commitment to research the financial implications of higher costs of carbon emission to the electric power industry, the company has also stated its plans to form a coalition to explore financing the greenhouse gas mitigation of coal-fired generating capacity. In 2005, JPMorgan said that it would add carbon disclosure and mitigation to its client review process by the end of the year. The company also stated that it would encourage clients that are large greenhouse gas emitters to develop carbon mitigation plans. To date, JPMorgan has not provided further information on the implementations of these plans.
Staff Training/Education	JPMorgan Chase has committed to training "relevant employees to take responsibility for and implement" environmental policies and initiatives. In 2006, the company trained more than 100 bankers globally to better implement the environmental and social risk policy.
External Initiatives	• The Climate Group • Clinton Foundation's Energy Efficiency Building Retrofit Program • EPA Energy Star Partners • Equator Principles • Extractive Industries Transparency Initiative • International Emissions Trading Association • The London Accord • UNEP-Finance Initiative • World Resources Institute Corporate Council
Investment Research	JPMorgan's Global Investment research team includes a climate change focus area, devoted to exploring the business risks and opportunities related to climate change. Climate change investment research looks across sectors and asset classes to examine topics such as potential liabilities of carbon emissions, developments in sustainable and clean fuels, carbon capture, and cap and trading schemes. In particular, research analysts concentrate on macro-economic, legislative and business developments and company valuations in light of current and proposed carbon operating constraints.
Climate-related Research Reports	• *A Review of Biodiesel Industry Trends* (September 2007) • *All you wanted to know about carbon trading* (August 2007: four volumes) • *Alternative Energy Strategy* (June 2007) • *Trading Climate Change* (May 2007) • *Air Pollution: Business Risk or Competitive Advantage* (May 2007) • *Sasol – Coal to Liquid in the US* (May 2007) • *Engineering and Construction: Nuclear Power* (May 2007) • *Capturing the Gains from Carbon Capture* (April 2007) • *Supreme Court Greenhouse Ruling* (April 2007) • *Carbon Dioxide: A Commodity Market Perspective* (March 2007) • *Global Utilities: Trading Climate Change* (March 2007) • *Introducing the JENI Beta Carbon Index* (February 2007)
Compensation Link	None identified.

Public Disclosure	***Score: 6***
Annual Report	None identified.
Securities Filings Statement	None identified.
Sustainability Report	*2004 Community Partnership Report,* published July 2005 http://www.corporateregister.com/a10723/jpmc04-com-usa.pdf ***GRI Accordance:*** None identified.

JPMorgan Chase & Co.

Carbon Disclosure Project

Member: No **2007 Signatory:** No **CDP5 (2007):** Answered Questionnaire (Public)

CDP5 Risk Disclosure: JPMorgan Chase acknowledged various regulatory, physical, and other climate change-related commercial risks facing the company. The company noted that commercial buildings are "likely to face energy efficiency requirements" as part of city or state climate mitigation goals. In addition, JPMorgan Chase acknowledged that the future cost of carbon emissions poses potential economic risks for its clients. Regarding physical risks, JPMorgan pointed to Hurricane Katrina's impact on the company's business operations in New Orleans as an example of the possibility of extreme weather events disrupting the company's operations at its office locations.

Public Policy Statements

JP Morgan's Environmental Policy commits the company to facilitating public discourse on climate change national policy. The policy states:

"JPMorgan Chase will arrange meetings with other financial institutions to advocate for reductions of greenhouse gas emissions. We will work with these peers, the electric utility industry, climate policy experts in NGOs and academia, states, and the U.S. government... This dialogue will focus on specific projects to alter the emission trajectory of the U.S. economy. The projects will include...a policy dialogue to advocate that the U.S. government adopt a market-based national policy on greenhouse gas emissions, which includes all sources of emissions and is fair. Options include either a cap-and-trade or tax policy to reduce greenhouse gas emissions at the lowest possible cost."

In his 2006 annual letter to shareholders, CEO James Dimon includes "continuing to advance the public policy debate" on climate change-related issues as a company priority for 2007.

Emissions Accounting

Score: 1

GHG Emissions Inventory

JPMorgan Chase has not yet completed an emissions inventory for public disclosure. The company plans to make emissions data available on its website this year and to continue reporting annually.

Emissions Savings & Offsets

2006 % Renewable Energy: 95,000 MWh (wind energy)
Energy Efficiency Savings: None calculated.
Offsets: None identified.

Strategic Planning

Score: 18

GHG Emissions Targets

	Reduction Targets	Baseline Year	Target Year	Region
Total Emissions	7%	2005	2012	All internal operations

Emissions Trading

JPMorgan is preparing to participate in the carbon markets in the European Union and in the United States. The company is among the leaders with respect to secondary market transactions in the E.U. Activities include:

- A suite of EUA monetization products
- CER/EUA Swaps
- JPMorgan CDM/CER and Potential VER activities (including client-focused partnerships on CDM technology, CER origination, CER distribution, and CER commercializing)

JPMorgan is also a liquidity provider for the Chicago Climate Exchange. In addition, JPMorgan 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

In 2006, JPMorgan Chase raised $1.5 billion of equity for the wind power market, and its own portfolio of investments in renewable energy totals $1 billion. JPMorgan's wind portfolio includes 26 wind farms in 13 states, covering 2,035 megawatts of installed capacity and providing enough energy to power approximately 600,000 homes. In addition, the company is seeking to form a coalition to explore financing the GHG mitigation of coal-fired generating capacity. In 2006, JPMorgan chase purchased 95,000 MWh of wind energy to help meet the company's own energy needs.

Energy Efficiency

JPMorgan Chase plans to achieve emissions reduction targets through energy efficiency projects, purchase of RECs, and reduction of energy consumption through employee awareness. In addition, the company began building several green bank branches and is seeking LEED certification for the renovation of its world headquarters. JPMorgan Chase is also 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. The company has committed to arranging $1 billion to finance cities and private building owners to undertake retrofits at no net cost.

Other Climate-Related Investment Products

JPMorgan Chase "seeks to develop for clients new financial products to promote emissions reductions." In its mortgage loans products, JPMorgan plans to accommodate higher debt to income ratios for homes that are considered energy efficient. In addition, the firm will continue to seek investments in low-income "green" housing that conserves energy and natural resources, promotes health, and provides easy access to jobs, schools, and services. In 2007 JPMorgan launched the JPMorgan Environmental Index-Carbon BETA (JENI-Carbon Beta), the first high-grade corporate bond index designed to address the risks of climate change. A collaboration between JPMorgan and Innovest Strategic Investment Advisors, JENI-Carbon Beta is designed to enable credit investors to make return-driven investment decisions that systematically take the risks and opportunities created by climate change into account.

Legg Mason, Inc.

NYSE: ***LM***

Legg Mason has not addressed climate change as a governance issue.

Summary Score: 3 (weighted)

Company Information

Legg Mason is a global asset management firm with approximately $1 trillion in assets under management. Through its domestic and international subsidiaries, the firm serves the institutional, mutual fund and wealth management markets. It has several subsidiaries that offer asset management, trust services and annuities to retail and institutional investors.

Contact Information

Chairman/CEO	Raymond A. Mason
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Board Oversight

Score: 0

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: 0

CEO Leadership/ Statements	None identified.
Company Policy	None identified.
Chief Environmental Officer	None identified.
Levels to CEO	Not determined
Climate Change Executive	None identified.
Executive Committee	None identified.
ESG Factors in Risk Management/ Financing	None identified.
Staff Training/Education	None identified.
External Initiatives	None identified.
Investment Research	As an asset manager, Legg Mason does not produce investment research for public distribution. The company says that climate change issues are incorporated into portfolio analysis throughout Legg Mason and its subsidiaries.
Climate-related Research Reports	None identified.
Compensation Link	None identified

Legg Mason, Inc.

Public Disclosure	***Score: 0***
Annual Report	None identified.
Securities Filings Statement	None identified.
Sustainability Report	None identified.
Carbon Disclosure Project	***Member:*** No ***2007 Signatory:*** Yes (via ClearBridge Advisors, a Legg Mason subsidiary) ***CDP5 (2007):*** Declined to Participate Legg Mason says that it intends to participate in CDP6 (2008). ***CDP5 Risk Disclosure:*** None identified..
Public Policy Statements	None identified.
Emissions Accounting	***Score: 0***
GHG Emissions Inventory	None identified.
Emissions Savings & Offsets	***2006 % Renewable Energy:*** None identified. ***Energy Efficiency Savings:*** None calculated. ***Certified CO_2 Offsets:*** None identified.
Strategic Planning	***Score: 2***
GHG Emissions Targets	None identified.
Emissions Trading	None identified.
Renewable Energy	None identified.
Energy Efficiency	In October 2007, Legg Mason's New York office, which includes Western, ClearBridge Advisors and Legg Mason corporate, moved into a new building which includes green design elements (high levels of natural lighting, automatic light sensors, low chemical carpets, etc). The company says that its other affiliates have already moved into "green buildings," with the exception of its Baltimore headquarters, which will be moving in 2009.
Other Climate-Related Investment Products	Legg Mason houses a family of investment managers, offering products through "specialized centers of excellence" that are wholly owned investment management subsidiaries. Some of these subsidiaries offer SRI products. Clearbridge Advisors, for example, has a five-member Social Awareness Investment team, offering two Social Awareness Investment (SAI) Large Cap Growth investment portfolios. The SAI research team, headed by Mary Jane McQuillen, actively incorporates environmental, social and governance [ESG] issues into the portfolio construction process. Brandywine Global Investments also offers several SRI funds. Legg Mason Investment Council also has an SRI team that offers customized socially screened portfolios for clients.

Lehman Brothers Holdings Inc.

NYSE: ***LEH***

In February 2007, Lehman Brothers launched the Global Council on Climate Change to convene thought leaders and key stakeholders to accelerate understanding of climate change issues. The Council received high level support through the appointment of Theodore Roosevelt IV, a managing director at Lehman Brothers, as chair.

Summary Score: 26 (weighted)

Company Information

Lehman Brothers serves the financial needs of corporations, governments and municipalities, institutional clients, and high net worth individuals worldwide. Founded in 1850, Lehman Brothers' businesses include equity and fixed income sales, trading and research, investment banking, private investment management, asset management and private equity. The Firm is headquartered in New York, with regional headquarters in London and Tokyo, and operates in a network of offices around the world.

Contact Information

Chairman/CEO	Richard S. Fuld, Jr.
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Address	745 Seventh Avenue New York, NY 10019 USA

Board Oversight

Score: 0

Board Committee: Environmental Oversight	None identified.
Board Committee: Climate Change	None identified.
Board Member: Climate Change	None identified.
Board Role	Lehman Brothers is currently considering the board's role in oversight of environmental and climate change issues.
Board Training	Board training on climate change issues is also under consideration.

Management Execution

Score: 11

CEO Leadership/ Statements	In the February 2007 press release to announce the establishment of Lehman Brothers' Global Council on Climate Change, Chairman Fuld said, "Prudent risk management dictates that this is an area where we cannot afford to be wrong. We must always leave ourselves options. By harnessing our global resources and gathering insights from our clients around the world, we are in a unique position to bring the best thinking together to address this issue. We will facilitate constructive dialogue." Managing Director Theodore Roosevelt IV, who leads the firm's climate change strategy as chairman of its Global Council on Climate Change, stated in a September 2007 Euromoney article, "The economic transformation driven by climate change, we believe, will be more profound and deeper than globalization, as energy is so fundamental to economic growth."
Company Policy	The development of an environmental policy is underway. Executive Committee members recently appointed a Global Head of Sustainability who is charged with the development of appropriate processes, policies and strategies for the firm.
Chief Environmental Officer	Charlotte Grezo, Managing Director, Global Head of Sustainability and President of the Global Council on Climate Change
Levels to CEO	2
Climate Change Executive	Theodore Roosevelt IV, Managing Director and Chair, Global Council on Climate Change
Executive Committee	As noted above, Lehman Brothers launched the Global Council on Climate Change in February 2007, chaired by Mr. Roosevelt, who has been at Lehman Brothers for 35 years. Roosevelt is also chair of the Pew Center for Global Climate Change and co-chair of the Alliance for Climate Protection. The Global Council on Climate Change will host events to convene thought leaders and key stakeholders to accelerate understanding of climate change issues. Events are planned in New York in December 2007, London in January 2008, and Tokyo in March 2008.
ESG Factors in Risk Management/ Financing	Analysis of environmental liability is embedded in the firm's due diligence processes for underwriting and other transactions. Potential transactions are screened by independent committees, which comprise senior members from various corporate divisions, including members of the Global Risk Management Division.
Staff Training/Education	Lehman Brothers conducts internal communications campaigns on the environment, including information on the firm's initiatives within its facilities. An intranet site "green@lehman" is about to be launched.

Lehman Brothers Holdings Inc.

External Initiatives	• EPA Energy Star Program
Investment Research	Dr. John Llewellyn, Senior Economic Policy Advisor, has authored two issue reports on climate change, the first focusing on market challenges and opportunities and the second focusing on policy implications for companies and investors.
Climate-related Research Reports	• *Business of Climate Change II* (September 2007) • *Business of Climate Change* (February 2007)
Compensation Link	None identified.

Public Disclosure — ***Score: 3***

Annual Report	None identified.
Securities Filings Statement	None identified.
Sustainability Report	None identified.
Carbon Disclosure Project	***Member:*** Yes ***2007 Signatory:*** Yes ***CDP5 (2007):*** Answered Questionnaire (Not Public)
Public Policy Statements	At the launch of the U.S. Climate Action Partnership (USCAP) in January 2007, Chairman and CEO Richard S. Fuld, Jr. stressed the need for "a coordinated set of global solutions" to climate change. However, Lehman Brothers is not listed as a USCAP member. Several public policy issues also are addressed in Lehman Brothers' September 2007 "Business of Climate Change II" research report. The report suggests that "nations responsible for the bulk of the release of CO2 into the atmosphere in the past could agree to pay for these responsibilities by paying into a global warming 'superfund'." The report also notes that a U.S. federal and EU-ETS-compatible cap-and-trade scheme "could well auction a greater proportion of permits than the 10% prevailing under phase II of the EU ETS."

Emissions Accounting — ***Score: 3***

GHG Emissions Inventory	Lehman Brothers currently calculates emissions for its U.K. facilities only. Energy consumption, cost and CO2 emissions are recorded on a monthly basis. The firm also monitors key performance indicators for degree-days, consumption per person, cost per person and cost per square meter. Lehman Brothers is working to expand emissions accounting globally.
Third Party Certification	Energy utility provider bills are externally reviewed by an independent consultant in the United Kingdom and United States.
Certification Year	2006
Emissions Savings & Offsets	***2006 % Renewable Energy:*** 37% ***Energy Efficiency Savings:*** Since 2004, energy consumption in Lehman Brothers' European headquarters has decreased by 18 % per employee. For 2006, total energy consumption at the firm's U.S. headquarters was 4% below peak consumption in 2002, despite a 24% increase in headcount. The firm's Asia headquarters' 2006 energy consumption was reduced by 4.3%, despite 25% growth. ***Certified CO_2 Offsets:*** None identified.

Strategic Planning — ***Score: 8***

GHG Emissions Targets	None identified.
Emissions Trading	Lehman Brothers is active in all major commodities markets through its global platform and is looking to expand trading operations further across products and regions. In 2006, the firm created a global Carbon Group headquartered in London with trading capabilities in Japan, China, Southeast Asia, Europe and the United States. Combining trading capabilities in the liquid EU ETS and Kyoto Protocol markets alongside a network of on-the-ground emissions reduction project originators, the firm's involvement and structuring capabilities span from "upstream" participation in carbon assets to the trading of tailor-made structured products. In addition, Lehman Brothers recently hired Laurent Segalen, from French finance house Natixis, to be its first Head of Carbon Emissions. Mr. Segalen will be based in London and report to Henrik Wareborn, managing director and head of Commodities, Europe. In November 2006, Lehman Brothers purchased Certified Emissions Reduction (CER) credits from a coal mine methane-capture project developed by Yangquan Coal Industry (Group) Company Ltd., the second largest coal producer in China. The firm, along with four other financial institutions, will acquire CER credits earned between 2007 and 2012.

Lehman Brothers Holdings Inc.

Renewable Energy	Lehman Brothers has been involved in debt and equity financing, IPOs, private equity investments and M&A transactions for the renewable energy sector. To address its own emissions, Lehman Brothers' European headquarters in London changed to a green electricity supply in October 2006. The switch will eliminate 28,000 tons of power-related carbon emissions per year, starting in 2007, offsetting all facility emissions from electricity usage.
Energy Efficiency	Lehman Brothers facilities are pursuing the following strategies: • Utilizing efficient products (i.e., hardware and workstations) and investing in energy efficient equipment • Optimizing design features (i.e., motion sensors, after hours lighting program, reduced air conditioning hours) • Recycling programs • An awareness campaign aimed at changing staff behaviour, including participation in,London Energy Awareness week • Selecting environmentally conscious vendors and products In addition, Lehman Brothers has been awarded Energy Efficiency Accreditation (EEAS) from the Carbon Trust for the firm's global headquarters in New York and European headquarters in London.
Other Climate-Related Investment Products	Neuberger Berman, a Lehman Brothers company, manages a Socially Responsive Equity Fund (NBSRX). While the Fund's overall strategy tracks corporate citizenship, the Fund managers do assess potential climate change exposure via analysis of companies' climate change strategies and disclosure levels.

Merrill Lynch & Co., Inc.

NYSE: ***MER***

Merrill Lynch is a founding member of the Carbon Disclosure Project (CDP) and is the primary sponsor of the CDP's expansion of its annual survey to the S&P 500 in 2006. The firm announced an Environmental Sustainability Framework in September 2007, which covers climate change strategies and advocates for market-based and regulatory solutions. The firm recently launched a number of climate change-related stock indices, and has committed to voluntarily offset all greenhouse gas (GHG) emissions related to electricity consumption, heat usage and commercial travel through 2009.

Summary Score: 52 (weighted)

Company Information

Merrill Lynch is a wealth management, capital markets and advisory company offering a broad range of services to private clients, small businesses, institutions and corporations. The firm's activities are organized into two interrelated business segments – the Global Markets & Investment Banking Group and Global Wealth Management, which is comprised of Global Private Client and Global Investment Management.

Contact Information

Chairman/CEO	John Thain
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Board Oversight — ***Score: 5***

Board Committee: Environmental Oversight	Public Policy & Responsibility Committee
Committee Chair	Admiral (ret.) Joseph W. Prueher, Former U.S. Ambassador to China
Board Committee: Climate Change	None identified.
Board Member: Climate Change	None identified.
Board Role	The Public Policy & Responsibility Committee oversees the firm's environmental policies. It regularly considers presentations on the firm's environmental sustainability practices by executive management.
Board Training	None identified.

Management Execution — ***Score: 15***

CEO Leadership/ Statements	President and Chief Operating Officer Greg Fleming addressed Merrill Lynch employees in September 2007 on the launch of the firm's Environmental Sustainability Framework. In a September 2007 Euromoney article, Mr. Fleming was quoted as saying, "we make the environmental impact part of our due diligence process, and try to shape the financing to have as positive an effect on the environment as possible."
Company Policy	The firm's Environmental Sustainability Framework advocates for market-based solutions to environmental challenges, such as climate change. Merrill Lynch sees its role as an "essential partner" to clients, a position from which the firm can influence multiple industries and leverage its quantitative and analytical expertise. The Framework outlines the firm's policies on carbon trading, sustainable finance, environmental footprint management and renewable energy finance.
Chief Environmental Officer	Merrill Lynch's Environmental Sustainability Steering Committee is chaired by Vice Chairman Harold Ford and is comprised of business heads from throughout the firm.
Levels to CEO	0
Climate Change Executive	Abyd Karmali, Managing Director, Global Head of Carbon Emissions
Executive Committee	In addition to the Environmental Sustainability Steering Committee, Merrill Lynch has established a Working Committee that reports to the Steering Committee and manages the Firm's environmental framework. Merrill Lynch's Global Corporate Services Department is charged with monitoring and measuring environmental issues in the workplace and implementing energy efficient strategies designed to reduce the firm's carbon footprint. A newly appointed Head of Environmental Sustainability and Stewardship coordinates these activities.
ESG Factors in Risk Management/ Financing	Merrill Lynch says it considers environmental factors as part of its due diligence procedures. The firm uses the Equator Principles as a guideline to educate and advocate for sustainable business practices for clients. In addition, Merrill Lynch has a forestry policy, as well as a policy on coal-fired electricity generation financing. The firm recognizes that the GHG emissions associated with coal have become a significant environmental concern and that incentives are required to commercialize a cost-effective technological solution to coal emissions. The firm says it prefers to "finance electrical generation when the producer is a recipient of effective initiatives to reduce GHG and other pollutants, subject to the current state-of-the-art, including energy conservation." Where the producer has not received such incentives, Merrill Lynch will advocate best practices.

Merrill Lynch & Co., Inc.

Staff Training/Education	Merrill Lynch is currently developing a new training module for its investment bankers, as well as broader training for all employees globally to increase environmental sensitivity.
External Initiatives	• Carbon Markets Association (U.K.) • Extractive Industries Transparency Initiative • International Emissions Trading Association • Investors and Business for U.S. Climate Action (Ceres) • The London Accord • Massachusetts Institute of Technology Joint Program on the Science and Policy of Global Change • UNEP-Finance Initiative
Investment Research	Merrill Lynch's Socially Responsible Investing group has focused on carbon emission legislation and other environmental issues. The group's latest report, "Carbon Leaders: Quality Win-Win Stocks," ranks companies from the European DJ Stoxx 600 by their carbon footprints and identifies companies with leading environmental strategies. Merrill Lynch's Research Group has also written climate change-related reports on the automotive sector, nano-solar energy and energy security.
Climate-related Research Reports	• *Carbon Leaders: Quality Win-Win Stocks* (September 2007) • *China Leads the Charge in Asia (Renewable Energy – Asia Pacific*, September 2007) • *Wind Turbine Manufacturers: Here Comes Pricing Power* (August 2007) • *Coal Bed Methane: Another Green Solution* (June 2007) • *Combating Climate Change - Opportunities & Risks* (April 2007) • *Biofuels - Still Excellent Growth Prospects* (March 2007) • *Buy the Emerging Global Wind Force* (November 2006)
Compensation Link	None identified.

Public Disclosure	***Score: 8***
Annual Report	None identified.
Securities Filings Statement	None identified.
Sustainability Report	Merrill Lynch regularly reports on sustainability issues and discloses energy data on its external website.
Carbon Disclosure Project	***Member:*** Yes. Merrill Lynch is also the primary sponsor of the CDP's extension to the S&P500 index. ***2007 Signatory:*** Yes ***CDP5 (2007):*** Answered Questionnaire (Public) ***CDP5 Risk Disclosure:*** The firm acknowledges the existence of general commercial risks posed by climate change. It also highlights one effort in disaster management - construction of a data center in southeastern Pennsylvania that enables the firm to ensure geographic diversity of critical infrastructure in the event of a weather-related emergency.
Public Policy Statements	Merrill Lynch is a member of Investors and Business for U.S. Climate Action, a coalition of companies and institutional investors that advocates for the U.S Congress to adopt a mandatory, market-based policy, such as a cap-and-trade system, to address climate change. Merrill Lynch also signed a Ceres-organized "Call to Action" statement in March 2007 that was supported by 65 leading companies and investors with collective assets totaling $4 trillion. The "Call to Action" statement calls for federal legislation to achieve GHG emission reductions of 60-90% below 1990 levels by 2050 and action by the U.S. Securities and Exchange Commission to require full corporate disclosure of material risks from climate change. Additionally, in its Environmental Sustainability Framework, Merrill Lynch states, "Governmental policies can and will create incentives for investors and entrepreneurs to develop technologies required to reduce GHG emissions while mitigating other adverse consequences of commercial activity." Merrill Lynch adds that the firm expects to become increasingly vocal in support of "government actions that would encourage the flow of capital into green solutions." The firm supports technology incentive legislation and will consider the advisability of emissions-based taxes.

Emissions Accounting	***Score: 8***
GHG Emissions Inventory	***Year:*** 2006 ***Facility/Region:*** 22 facilities in Canada, Hong Kong, Ireland, Japan, United Kingdom, United States ***Protocol:*** GHG Protocol

Emissions	CO_2e (Metric Tonnes)
Total Emissions	**318,750**
Scope 1 (Direct)	1,010
Scope 2 (Indirect—Electricity)	213,336
Scope 3	
Travel	104,404
Products	
Supply Chain	

Merrill Lynch & Co., Inc.

Accounting Methods	Conversions of energy usage for heating, cooling and power were calculated using UNEP Guidelines for Calculating GHG Emissions for Businesses and Non Commercial Organizations. The firm is currently beta testing emission reduction methodology in its data centers.
Third Party Certification	Merrill Lynch worked with an unnamed third party to verify the emissions that the firm voluntarily offsets.
Certification Year	2006
Emissions Savings & Offsets	***2006 % Renewable Energy:*** 0% ***Energy Efficiency Savings:*** Initiatives at the firm's Tokyo operations will annually save nearly 1,000 tons CO2. ***Certified CO_2 Offsets:*** Merrill Lynch has voluntarily offset GHG emissions related to electricity consumption, heat usage and commercial travel for the next three years.

Strategic Planning ***Score: 14***

GHG Emissions Targets

	Reduction Targets	Baseline Year	Target Year	Region
Total Emissions	2%*	Annual	Annual	All internal operations where it tracks emissions data

* Average per occupant

Emissions Trading

Merrill Lynch has been an active participant in the EU-ETS since May 2005. The firm is also involved in the weather risk management industry. Merrill Lynch has provided debt financing for emissions reductions projects, such as repairing gas distribution pipelines.

In addition, Merrill Lynch 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

Merrill Lynch has made private equity investments in alternative energy and clean technology companies, including:

- A minority equity stake in the Russian Carbon Fund, a Copenhagen-based company that invests in clean energy projects
- A $35 million principle investment in Vulcan Power Company, which will develop prime geothermal property with potential to generate 900-2,000 MW of natural steam fuel
- A $55 million investment in wind electric generators producer Vestas RRB, which will use the funds for the company's manufacturing facility in Chennai, India

Merrill Lynch also facilitates financing for renewable energy ventures and hosts an annual Renewable Energy Conference to educate institutional investors about opportunities in this sector.

Energy Efficiency

Merrill Lynch has instituted energy and water conservation programs, temperature and lighting management systems, mass transit incentives and various recycling programs. The firm also announced in its September 2007 Environmental Sustainability Framework that it will design future proprietary office centers to adhere to a minimum Leadership in Energy and Environmental Design (LEED) Gold certification.

Other Climate-Related Investment Products

In January 2007, Merrill Lynch launched the ML Renewable Energy Index to provide exposure to stocks that are well positioned to benefit from themes of alternative and renewable energy. In July 2007, the firm launched a new Energy Efficiency Index, comprised of 40 companies in the automotive, capital goods, semiconductor and building materials sectors.

In October 2007, Merrill Lynch launched both the ML Carbon Leaders Europe Index, offering exposure to low carbon footprint stocks, and two biofuels indices. The MLCX Biofuels Index offers exposure to biofuels, while the MLCX Biofuels Plus Index covers biofuels as well as conventional fossil fuels. The indices overweight crops that are the most energy efficient in production, including sugar and soybeans.

Merrill Lynch is also one of the lead arrangers, along with Dresdner Kleinwort and UniCredit Markets & Investment Banking, for the European Investment Bank's (EIB) issue of a new EUR bond focused on climate protection, the "Climate Awareness Bond." Funds raised are to be earmarked for EIB lending projects in renewable energy and energy efficiency. Investors will also have the option to use part of their return to buy and cancel CO2 EU allowances in the EU-ETS market.

Morgan Stanley & Co. Inc.

NYSE: ***MS***

Morgan Stanley has committed about $300 million over the next five years to investments in clean energy projects that can be used to generate emissions credits; the firm has also committed about $2.7 billion towards the purchase of carbon credits. In August 2007, Morgan Stanley announced that it will partner with Det Norske Veritas (DNV) to offer integrated carbon verification and offsetting services for clients; the firm itself plans to go carbon neutral in 2008. In addition, Morgan Stanley is making significant investments in clean energy technologies.

Summary Score: 49 (weighted)

Company Information

Morgan Stanley is a global financial services firm providing a wide range of investment banking, securities, investment management, wealth management and credit services. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals.

Contact Information

Chairman/CEO	John Mack
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Board Oversight

Score: 5

Board Committee: Environmental Oversight	None identified.
Board Committee: Climate Change	None identified.
Board Member: Climate Change	None identified.
Board Role	The Morgan Stanley Board of Directors has reviewed the firm's Environmental Policy Statement and will periodically review related environmental efforts. A 15-member executive level Environmental Committee also reports to the Board regularly on sustainability issues.
Board Training	None identified.

Management Execution

Score: 11

CEO Leadership/ Statements

Vice Chairman Jeff Holzschuh, who also co-chairs the firm's Environmental Committee, has said "Morgan Stanley's commitment to the environment is evidenced by our Environmental Policy Statement. We have an ongoing commitment to do business in an environmentally responsible way."

Company Policy

Morgan Stanley's updated 2007 Environmental Policy Statement states, "Morgan Stanley recognizes that the climate is changing and that emissions from human activity are one of the leading factors requiring immediate attention."

Specifically, Morgan Stanley is committed to:

- Helping clients in greenhouse gas intensive industries to develop financial strategies for responding to emerging regulatory mandates;
- Devoting resources towards sustainable and renewable sources of energy;
- Continuing to provide investment research that enhances understanding of the impact of climate change or carbon constraints on businesses;
- Encouraging clients to evaluate the issue of greenhouse gas emissions and to consider investing in and taking advantage of emerging environmental technologies; and
- Enhancing the dialogue regarding strategic public policy solutions to climate change.

Chief Environmental/ Climate Officer	Jim Butcher, Director, Office of the Environment
Levels to CEO	1
Executive Committee	Morgan Stanley has had a 15-member company-wide Environmental Committee since 2002. As part of updating the firm's environmental policy in 2007, Morgan Stanley also created a new Office of the Environment to coordinate internal, external and client efforts. This new Office reports to Chief Administrative Officer Thomas Nides and Vice Chairman Jeff Holzschuh, co-chairs of the Environmental Committee.

Morgan Stanley & Co. Inc.

ESG Factors in Risk Management/ Financing	The 2007 Environmental Policy Statement states that the firm's "due diligence and risk management processes are designed to give appropriate attention to significant environmental issues." Due diligence includes environmental considerations for principal investing, including Morgan Stanley's private equity business. If Morgan Stanley has a member on the governing body of the company in which it invests, the firm will monitor the company's operations with respect to environmental compliance issues. While not a signatory to the Equator Principles, Morgan Stanley utilizes Equator Principles guidelines in its financing. The firm has adopted explicit limitations on financing or investing in projects that would, among other things: significantly degrade a critical habitat; support companies engaged in illegal logging; support extraction or logging projects in World Heritage sites; or violate local and World Bank pollution standards.
Staff Training/Education	Morgan Stanley is creating new employee programs to encourage employees to reduce carbon and overall energy use in their personal lives, including a carbon offsetting program. The firm has also expanded its Investment Banking training program in the United States, Europe and Asia to incorporate the consideration of environmental factors into the due diligence process.
External Initiatives	• European Carbon Investors and Services • International Emissions Trading Association • The London Accord
Investment Research	Morgan Stanley has a growing team of analysts focused on alternative energy, covering wind power, biodiesel and fuel cells. In addition, the firm's Utilities team has written a global report on clean coal technology. Other reports have focused on carbon regulation and its impact on the Utilities, Auto and Aviation sectors. David Darst, Chief Investment Strategist of Morgan Stanley Global Wealth Management Group, issued a report in February 2007 focused on investments in alternative and renewable energy sources (see below). In addition, the firm has said it plans to assess climate change impacts on a sector and company basis in a future study.
Climate-related Research Reports	• *Clean Energy: Sustainable Opportunities* (October 2007) • *The Economics of Climate Change* (October 2007) • *Doing Good: Nostra Terra, Nostra Navis (Our Earth, Our Ship)* (February 2007) • *Clean Coal: Opportunities Alstom, GE and Siemens* (January 2006)
Compensation Link	None identified.

Public Disclosure

Score: 7

Annual Report	None identified.
Securities Filings Statement	In reference to its commodities trading and power generation activities (through Morgan Stanley Capital Group Inc.), the company cites "extensive and evolving energy, environmental and other governmental laws and regulations in the U.S. and abroad." Morgan Stanley owns three exempt wholesale generators in the U.S. and one electric generation facility in the Netherlands. The firm also states that it expects the scope and complexity of these laws and regulations to increase.
Sustainability Report	None identified.
Carbon Disclosure Project	***Member:*** Yes ***2007 Signatory:*** Yes ***CDP5 (2007):*** Answered Questionnaire (Public) ***CDP5 Risk Disclosure:*** Morgan Stanley states that the firm anticipates that "any future regulation could threaten financial penalties being levied on organizations where compliance is not achieved... Given the size of our operations, we consider it prudent to be ready for any such future legislation by taking steps to reduce emissions now." Morgan Stanley also cites proposed legislation in Europe, including the Energy Performance of Buildings Directive (2002/91/EC), which could increase compliance costs. The firm's CDP5 response also references "increasing shareholder, stakeholder and client pressure" related to climate change for many companies.
Public Policy Statements	Morgan Stanley's Environmental Policy Statement highlights the importance of carbon markets and states that the firm is "committed to engagement with clients, regulators and policy makers to establish and enhance strong carbon markets globally." Morgan Stanley believes that "the best way to reduce emissions is through a mix of technology changes, encouraging the transfer of clean energy technologies, improved energy efficiency and well-structured global markets for financing and trading emissions reductions."

Emissions Accounting

Score: 8

GHG Emissions Inventory

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

Emissions	CO_2e (Metric Tonnes)
Total Emissions	**292,490**
Scope 1 (Direct)	1,196
Scope 2 (Indirect—Electricity)	210,531
Scope 3	
Travel	76,991*
Products	3,772**
Supply Chain	

* Business travel procured through travel department (air, rail, limousine and pre-booked taxi services)

** Waste production/disposal.

Morgan Stanley & Co. Inc.

Accounting Methods	Building emissions include electricity, gas, fuel oil, steam, chilled water and condenser water. Emission conversion factors were obtained from either the energy supplier or as published by the World Resources Institute. The firm also accounts for emissions that arise from waste disposed of in landfill and by incineration.
Third Party Certification	Morgan Stanley worked with Atkins and another external consultant to verify its data collection and accounting methodology.
Certification Year	2006
Emissions Savings & Offsets	***2006 % Renewable Energy:*** 30% ***Energy Efficiency Savings:*** Morgan Stanley has calculated annual savings of 1,179 metric tons CO2e through the installation of a high efficiency chiller/thermal ice storage system in a Purchase, NY property. ***Certified CO_2 Offsets:*** Morgan Stanley plans on becoming globally carbon neutral by 2008 by using carbon offsets to neutralize emissions from office operations and employee business travel.

Strategic Planning ***Score: 17***

GHG Emissions Targets

	Reduction Targets	Baseline Year	Target Year	Region
Total Emissions	Carbon Neutrality	--	2008	All internal operations
Energy Use	7-10%	2006	2012	All internal operations

Emissions Trading

Morgan Stanley's Commodities Trading Department launched a carbon and emissions platform in 2004. The Department assists clients with carbon offsets and reduction efforts. Additionally, Morgan Stanley has committed about $2.7 billion over the next five years towards the purchase of carbon credits, plus $300 million to clean energy projects that can also be used to generate emission credits. In March 2007, the firm hired Olivia Hartridge, a former European Commission emissions trading regulator, to work within its CDM origination and emissions trading team.

In August 2007, Morgan Stanley announced that it will partner with Det Norske Veritas (DNV) to establish an integrated carbon verification and offsetting service for clients (originally framed as a carbon bank). Clients can choose the carbon credit sources, which will be purchased by Morgan Stanley's Commodities Group. Some of the carbon credits could come from Morgan Stanley's own investments in emission reductions or from MGM International, an emissions reduction project developer in which the firm owns a 38% stake. Morgan Stanley is also a founding member of the trade association European Carbon Investors and Services; a representative of the firm serves on the board of ECIS.

In addition, Morgan Stanley 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

Morgan Stanley has established a joint venture with Distributed Energy Systems Corp. to develop, finance and own alternative and efficiency-enhancing energy products. Primary applications would include waste-to-energy, combined-heat-and-power, wind, solar, bio-digestion, fuel cell and other renewable technologies. Morgan Stanley also announced in June 2007 that the firm will own and finance solar power systems that SunPower will deploy in Wal-Mart facilities in California. Other initiatives include:

- Executing the largest U.S. initial public offerings for the solar and ethanol industries, First Solar and VeraSun. IPOs were also completed for Suzlon, a wind turbine manufacturer based in India; Suntech Power Holdings, a photovoltaic manufacturer headquartered in China; Wacker, a German silicon producer; and Cosan, a Brazilian ethanol producer.
- Various equity investments including BrightSource Energy, Horizon Wind Energy, Invenergy, Nevada Geothermal, Ormat, Heliovolt and UPC Solar
- Advising on the sales of Powerlight, a provider of large-scale solar power systems; and Superior Renewable Energy, a wind developer
- Investing in wind projects developed by PPM Energy

Energy Efficiency

Morgan Stanley has provided capital to BPL Global, a company focused on "smart" grids that optimize electricity load and improve energy efficiency, and advised on the sale of Cellnet, an advanced metering company. The firm has also begun a company-wide review of procurement and suppliers to reduce energy use. Other internal initiatives include:

- Installing comprehensive building monitoring systems
- Performing a global environmental review and energy audit of the firm's property portfolio – large construction projects employ environmental consultants with the aim of achieving Leadership in Energy and Environmental Design (LEED) certification
- In May 2006, Morgan Stanley achieved the first officially recognized green office building in Australia: its Sydney building at 30 The Bond was awarded a 5 Star Green Star Certified Rating by the Green Building Council of Australia
- Encouraging the use of energy efficient vehicles and cycle-to-work programs, providing mass transit incentives and promoting technological alternatives to travel

Other Climate-Related Investment Products

None identified.

Northern Trust Corporation

NASDAQ: ***NTRS***

Northern Trust formed an in-house conservation team in 2006, implementing a variety of energy efficiency improvements in the company's Chicago offices. The company began to calculate a greenhouse gas (GHG) emissions inventory in 2005, and is continuing to improve data collection to provide a "complete picture of corporate emissions and total energy footprint in the future."

Summary Score: 14 (weighted)

Company Information

Northern Trust is a banking and financial services company that provides personal fiduciary, asset management, personal and private banking and master trust/custody, global custody and treasury management services.

Contact Information

Chairman/CEO	William. A. Osborn
Contact	Tel: 312-630-6000 • Web: www.northerntrust.com
Address	50 S. La Salle St. Chicago, IL 60603 USA

Board Oversight — ***Score: 0***

Board Committee: Environmental Oversight	None identified.
Board Committee: Climate Change	None identified.
Board Member: Climate Change	None identified.
Board Role	Northern Trust states that environmental risks are overseen by the Business Risk Committee of the board of directors. The committee's charter, however, does not include climate-related risks in an overview of the various risks that fall within the purview of this committee.
Board Training	None identified.

Management Execution — ***Score: 2***

CEO Leadership/ Statements	None identified.
Company Policy	In its 2007 Environmental Statement, Northern Trust states: "Northern Trust recognizes that our long-term financial prospects, and those of our clients, are tied to the health of the global environment. We are committed to protecting and preserving the environment through the services we provide and by reducing the adverse impacts on the environment of our own actions. We conform to the principles of sustainability, recognizing the ecological limits within which we operate. We seek to integrate environmental considerations into our decision-making process, and we are committed to continual improvement of our environmental practices." These sustainability efforts are carried out through energy/material conservation, SRI investment, recycling, community involvement, and local initiatives.
Chief Environmental Officer	None identified.
Levels to CEO	Not determined.
Climate Change Executive	None identified.
Executive Committee	Northern Trust does not have a specific executive committee to address climate change. The Corporate Real Estate Department oversees paper and solid waste recycling and energy conservation initiatives. In 2006, Northern Trust formed an in-house energy conservation team.
ESG Factors in Risk Management/ Financing	None identified.
Staff Training/Education	Northern Trust provides regular staff training on ESG issues as well as the company's SRI products available to clients.
External Initiatives	• EPA Energy Star Program • Investors Group on Climate Change
Investment Research	None identified.
Compensation Link	None identified.

Northern Trust Corporation

Public Disclosure	***Score: 2***
Annual Report	None identified.
Securities Filings Statement	None identified.
Sustainability Report	*Corporate Citizenship: Committed to a Culture of Caring,* published April 2007 http://www.northerntrust.com/brochures/citizenship/01.html ***GRI Accordance:*** No
Carbon Disclosure Project	***Member:*** No ***2007 Signatory:*** Yes ***CDP5 (2007):*** Answered Questionnaire (Public) ***CDP5 Risk Disclosure:*** According to its CDP5 response, Northern Trust does not foresee extensive commercial risks posed by the regulatory risks of climate change. Commenting on climate-related regulatory risk, the company states: "While, as a financial services firm, we do not anticipate existing or proposed future regulation of GHG emissions to directly affect our company's operations or profitability, we recognize that such regulation could have a significant impact on many of our clients." Northern Trust does acknowledge potential climate-related physical risks, caused by extreme weather events such as hurricanes, facing the company's offices worldwide. Northern Trust also acknowledged potential risks/opportunities posed by climate-related shifts in consumer attitude and demand.
Public Policy Statements	None identified.

Emissions Accounting	***Score: 4***
GHG Emissions Inventory	***Year:*** 2006 ***Facility/Region:*** Unspecified ***Protocol:*** GHG Protocol

Emissions	CO_2e (Metric Tonnes)
Total Emissions	**133,936**
Scope 1 (Direct)	11,414
Scope 2 (Indirect—Electricity)	114,678
Scope 3	
Travel	7,844
Products	
Supply Chain	

Accounting Methods	An environmental consulting firm was hired to provide assistance with performing the calculations and to review assumptions and data trails.
Third Party Certification	No
Emissions Savings & Offsets	***2006 % Renewable Energy:*** None identified. ***Energy Efficiency Savings:*** 6.5 million KWh annually ***Certified CO_2 Offsets:*** None identified.

Strategic Planning	***Score: 3***
GHG Emissions Targets	Northern Trust has not set emissions reduction targets. According to the company's CDP5 response, the company sees this as a future goal after improving data collection.
Emissions Trading	None identified.
Renewable Energy	None identified.
Energy Efficiency	Northern Trust's in-house energy conservation team is responsible for presenting and implementing ideas to conserve energy around the corporation. The team has coordinated various initiatives to reduce employees' individual energy use. Northern Trust has also taken several measures to improve the energy efficiency of its facilities and upgrade video conferencing capabilities in an effort to reduce employee travel.
Other Climate-Related Investment Products	Northern Trust does not offer a specific climate-related product, but the company does have more $22 billion in SRI assets under management. The investment management business unit, Northern Trust Global Investments, oversees the SRI services. In 2006, Northern Trust initiated the NTGI Socially Responsible Large Cap Equity Index. According to the company, this initiative was launched "in anticipation of growing client interest in these types of funds and screens with increased attention to the potential impacts of climate change on business." The company says that in 2007 it will launch its latest responsible investing product for institutional and personal investors. The new fund is based on the KLD Global Sustainability Index. In addition, Northern Trust's Compliance Analyst on-line compliance monitoring product contains a range of ESG extra-financial factors for use in its on-line system, allowing institutional investors to monitor the ESG compliance of their portfolio holdings.

State Street Corporation

NYSE: ***STT***

State Street Corporation, in its 2006 corporate citizenship report, states: "We consider it a corporate imperative to minimize our negative environmental impact... Improving our environmental performance is fundamental to our long-term sustainability." In 2007, the company launched its Environmental Management System (EMS), overseen by an Environmental Management/Corporate Sustainability team comprised of senior level executives. The EMS focuses on reducing the company's energy use and greenhouse gas (GHG) emissions. Through its investment management arm, State Street Global Advisors, State Street has developed environmental investment strategies to assess companies according to a climate risk framework.

Summary Score: 36 (weighted)

Company Information

State Street is the world's leading provider of financial services to institutional investors. The company offers a broad range of services that span the entire investment spectrum, including research, investment management, trading services and investment servicing, and securities processing. The company's State Street Global Advisors (SSgA) unit performs asset management services. Another joint venture, CitiStreet (with Citigroup), manages retirement and pension plans.

Contact Information

Chairman/CEO	Ronald E. Logue
Contact	Tel: 617-786-3000 • Web: www.statestreet.com
Address	1 Lincoln St. Boston, MA 02111 USA

Board Oversight

Score: 1

Board Committee: Environmental Oversight	None identified.
Board Committee: Climate Change	None identified.
Board Member: Climate Change	None identified.
Board Role	State Street does not have a specific board committee assigned to sustainability issues, but in its 2006 sustainability report the company identifies "board oversight of sustainability issues" as a "future challenge."
Board Training	None identified.

Management Execution

Score: 10

CEO Leadership/ Statements	CEO Ronald Logue was selected as a keynote speaker for the 2007 Ceres conference, "Advancing Sustainable Prosperity." In his speech, Logue emphasized sustainability issues as key to sound business practice. Logue commented: "State Street is a proud member of Ceres and INCR [Investor Network on Climate Risk].... We all want to prosper, but corporate sustainability expands traditional model of success—which are mainly concerned with corporate growth—to include environmental and social goals...Operating in a sustainable manner is not just a good thing to do, it's good for business." Logue also listed in the speech the company's achievements and goals for energy efficiency and reductions of greenhouse gas emissions. In his introduction to the company's 2006 corporate citizenship report, Logue again links sustainability initiatives with sound business practice, stating: "It's good for business, and it's good for our shareholders."
Company Policy	In its 2005 Environmental Policy Statement, State Street identifies the generation of greenhouse gases associated with fossil fuel combustion for the heating of its buildings as the company's primary direct environmental impact, and emissions generated from the company's electricity use as the primary indirect environmental impact of the company. State Street states: "We intend to identify verifiable metrics and create improvement goals for those activities we identify as significant...The EMS [Environmental Management System] we are deploying will help ensure a more rigorous and formal monitoring and review of activities with potential environmental impacts and help ensure that current conditions or performance do not deteriorate and goals are continuously reviewed and improvement is realized." In addition, the 2005 Environmental Policy Statement recognizes that "greater transparency on environmental risks is in shareholders' best interests."
Chief Environmental Officer	George Russell Jr., Director of Community Affairs, Executive VP
Levels to CEO	1
Climate Change Executive	None identified.
Executive Committee	State Street has an Environmental Management/Corporate Sustainability Team, comprised of senior executives from across the company. The team meets quarterly to develop, deploy, maintain and report on the company's environmental program (including climate change-related initiatives).

State Street Corporation

ESG Factors in Risk Management/ Financing	State Street does not have a blanket policy addressing ESG in its investments; however, according to the company's 2006 CSR report, the company's Global Fundamental Strategies group, a team which manages strategies that focus on individual stock selection does factor certain ESG criteria into its analyses. In particular, State Street's energy, utilities, industrials and technology analysts factor in environmental sustainability as industry growth themes. State Street claims that trends associated with expanding global environmental regulations and renewable energy mandates—such as growth in clean technology investments and the emergence of new global environment technologies—are taken into consideration by analysts. State Street has minority interests in Innovest and Governance Metric International (GMI), ESG research firms whose work has been incorporated into active and passive equity strategies to enhance the risk/return profiles of the strategies.
Staff Training/Education	None identified.
External Initiatives	• Ceres • EPA Green Power Partners • Global Roundtable on Climate Change • Investor Network on Climate Risk (SSgA only) • UNEP-Finance Initiative
Investment Research	None identified.
Compensation Link	None identified.

Public Disclosure

Score: 4

Annual Report	None identified.
Securities Filings Statement	None identified.
Sustainability Report	*Working for Sustainability: Corporate Social Responsibility Report,* 2006 http://www.statestreet.com/company/community_affairs/2006CSR.pdf ***GRI Accordance:*** G3 - B-
Carbon Disclosure Project	***Member:*** No ***2007 Signatory:*** Yes ***CDP5 (2007):*** Answered Questionnaire (Public) ***CDP5 Risk Disclosure:*** In its CDP5 response, State Street acknowledged a variety of climate change-related risks relevant to the company's business. Regarding regulatory risks, State Street pointed to the potential impact of climate change policies on targeted industries—such as utilities, energy, and chemical companies—and the need for climate risk assessments within industries and between peers. In addition, State Street noted a risk to financial service firms who fail to prepare to address a growing need from investors for offerings that consider climate risks and opportunities. Finally, State Street acknowledged potential physical risks presented by climate change, such as loss of utility services and damage to facilities.
Public Policy Statements	None identified.

Emissions Accounting

Score: 5

GHG Emissions Inventory

Year: 2006 ***Facility/Region:*** Massachusetts only ***Protocol:*** Not reported.

Emissions	CO_2e (Metric Tonnes)
Total Emissions	**100,579**
Scope 1 (Direct)	4,278
Scope 2 (Indirect—Electricity)	62,661
Scope 3	
Travel	33,566
Products	
Supply Chain	

Accounting Methods	State Street utilized EBI Consulting to produce all emissions data and facilitate filing to the U.S. Department of Environmental Protection. State Street used EnTech's electronic reporting system in 2007 to validate all utility information and paper usage.
Third Party Certification	Yes
Certification Year	2006
Emissions Savings & Offsets	***2006 % Renewable Energy:*** 20% ***Energy Efficiency Savings:*** 552,430 KWh (2006) ***Certified CO_2 Offsets:*** None identified.

State Street Corporation

Strategic Planning — *Score: 9*

GHG Emissions Targets

	Reduction Targets	Baseline Year	Target Year	Region
Total Emissions	5%	2006	2011	Unspecified

Emissions Trading

None identified.

Renewable Energy

State Street recently entered into a three-year energy purchase agreement with SUEZ Energy Resources NA. The agreement, which runs from March 2007 through March 2010, designates the State Street Financial Center, the company's corporate headquarters, to run on renewable power for the three-year duration of the contract. The facility represents approximately 20% of the total State Street electrical load in Massachusetts.

Energy Efficiency

This year marked the initial rollout in North America of State Street's newly developed Environmental Management System. The company plans to continue its rollout of the system in Europe in 2008, and Asia/Pacific in 2009. State Street's EMS includes efforts to improve the energy efficiency of its facilities, including upgrading of existing Massachusetts buildings and meeting efficiency standards for the construction of a new London facility.

In addition, recognizing that air travel has a significant impact on greenhouse gas emissions, State Street has made significant investments in video and audio teleconferencing equipment with the aim of reducing travel. The company invested $4.4 million in audiovisual products and services in 2006.

Other Climate-Related Investment Products

State Street Global Advisors, State Street's investment management arm, currently manages environmental investment strategies that overweight companies with strong environmental sustainability while underweighting those with poor environmental practices. These products include a European Environmental Strategy and an International Environmental Strategy, both of which incorporate research from Innovest Strategic Advisors. State Street has also developed an investment strategy that seeks to hold companies that are well positioned due to climate change action. The strategy leverages nine investment themes that have exposure to new environmental products and services resulting from climate change legislation. SSgA is also in the process of launching a global environmental strategy for which carbon finance will be an investment theme. The strategy can hold publicly traded companies which can profit from the emerging global emissions trading market.

T. Rowe Price Group, Inc.

NASDAQ: ***TROW***

T. Rowe Price Group has not addressed climate change as a governance issue and has stated that it views the climate-related regulatory risks facing the company to be insignificant. The company recently created an internal working group to address company policy on climate change and to develop and implement environmental best practices and strategies. T. Rowe Price is pursuing Silver Leadership in Energy and Environmental Design (LEED) certification in two new office buildings, scheduled to open in 2009.

Summary Score: 4 (weighted)

Company Information

T. Rowe Price offers a wide variety of investment vehicles, asset management advisory services, and discount brokerage. T. Rowe Price's investment management services span the full range of U.S. and non-U.S. equity, fixed-income, and multi-asset class investment styles. Other services include corporate retirement plan management and transfer agent and shareholder services.

Contact Information

Chairman	James A. C. Kennedy
CEO	Brian C. Rogers
Contact	Tel: 410-345-2000 • Web: www.troweprice.com
Address	100 East Pratt Street Baltimore, MD 21202 USA

Board Oversight

Score: 0

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: 1

CEO Leadership/ Statements	None identified.
Company Policy	None identified.
Chief Environmental Officer	None identified.
Climate Change Executive	None identified.
Executive Committee	T. Rowe Price has recently formed an advisory committee to evaluate company policy on climate change and formally integrate environmental policies and practices into its business operations.
ESG Factors in Risk Management/ Financing	None identified.
Staff Training/Education	None identified.
External Initiatives	None identified.
Investment Research	None identified.
Compensation Link	None identified.

T. Rowe Price Group, Inc.

Public Disclosure	***Score: 1***
Annual Report	None identified.
Securities Filings Statement	None identified.
Sustainability Report	None identified.
Carbon Disclosure Project	***Member:*** No ***2007 Signatory:*** No ***CDP5 (2007):*** Answered Questionnaire (Public) ***CDP5 Risk Disclosure:*** According to T. Rowe Price, the regulatory and commercial climate-related risks facing the company are not significant. The company does acknowledge potential physical risks, such as extreme weather events, that may cause a business interruption at a facility.
Public Policy Statements	None identified.

Emissions Accounting	***Score: 0***
GHG Emissions Inventory	T. Rowe Price Group has not conducted an emissions inventory. In the company's response to CDP5, T. Rowe stated: "As an investment management firm, our operations do not produce meaningful emissions and currently we do not track emissions data." However, T. Rowe does track its energy use.
Certification Year	2006
Emissions Savings & Offsets	***2006 % Renewable Energy:*** 3.5% ***Energy Efficiency Savings:*** None calculated. ***Certified CO_2 Offsets:*** None identified.

Strategic Planning	***Score: 1***
GHG Emissions Targets	None identified.
Emissions Trading	None identified.
Renewable Energy	As discussed, 3.5% of T. Rowe Price's purchased and consumed electricity (including only facilities owned by the company) comes from renewables.
Energy Efficiency	T. Rowe Price is pursuing Silver LEED certification for two new office buildings, scheduled to open in 2009. The company says that it plans to continue to seek LEED certification for new building construction in the future.
Other Climate-Related Investment Products	T. Rowe Price subscribes to research from Innovest Strategic Advisors and KLD Research & Analytics for use in screening companies for select client mandates with SRI restrictions.

Wachovia Corporation

NYSE: ***WB***

Wachovia announced a Commitment on Climate Change in October 2006, and is working to complete its first annual greenhouse gas (GHG) emissions inventory by the end of 2007. The firm has been expanding renewable energy contracts for its own operations and will open its first green financial centers in California at the end of 2007, followed by the implementation of a green financial center national strategy. These financial centers will be built in accordance with Leadership in Energy and Environmental Design (LEED) certification standards.

Summary Score: 27

Company Information

Wachovia is a diversified financial services company that provides a broad range of retail banking and brokerage, asset and wealth management and corporate and investment banking products and services. The firm has retail and commercial banking operations across the United States and nationwide retail brokerage, mortgage lending and auto finance businesses.

Contact Information

Chairman/CEO	G. Kennedy Thompson
Contact	Tel: 704-374-6565 • Web: www.wachovia.com
Address	One Wachovia Center Charlotte, NC 28288 USA

Board Oversight ***Score: 0***

Board Committee: Environmental Oversight	None identified.
Board Committee: Climate Change	None identified.
Board Member: Climate Change	None identified.
Board Role	In 2006, Wachovia received a shareholder proposal filed by the Service Employees International Union requesting that the company report on climate change challenges to business. After Wachovia agreed to develop an environmental policy, the proponent withdrew the proposal. However, the company had also challenged the proposal and received a no-action letter from the U.S. Securities and Exchange Commission to omit the resolution on the basis that it related to the company's ordinary business operations.
Board Training	None identified.

Management Execution ***Score: 9***

CEO Leadership/ Statements	In an October 2006 press release, Wachovia Chairman and CEO Ken Thompson stated, "A healthy environment and the availability of natural resources are important to the long-term success of our economy, our business and our communities... Wachovia has a long history of working to better our communities, and protecting the environment is a natural extension of that commitment."
Company Policy	Wachovia announced a Commitment on Climate Change in October 2006, along with a new set of Environmental Principles to guide overall policy. The Commitment states, "At Wachovia, we believe we have a responsibility to our shareholders, customers, employees and our communities to proactively do our part to reduce greenhouse gas emissions." The Commitment outlines policies and initiatives in five specific areas: Internal Operations and Real Estate, Product Portfolio, Mainstream Financial Services, Employees and Public Policy. The Commitment also states that Wachovia "will research opportunities and develop products and services that increase our lending, investments and other financial commitments in activities that have a positive impact on climate change." Details on products and services are not given. However, Wachovia does state that the firm will encourage its most significant GHG emitting clients to annually report on GHG emissions and develop mitigation plans. More generally, the firm's Environmental Principles include protection of local and global ecosystems, sustained access to natural resources, waste reduction/disposal and energy conservation. Wachovia also has a Policy on Forest Protection that applies to transactions with clients in the forest products, energy and power, metals and mining and building materials/homebuilding sectors.
Chief Environmental Officer	Ken Thompson, Chair, Operating Committee, Chairman & CEO
Climate Change Executive	Jeff Austin, Vice President, Corporate Real Estate, Innovation & Research
Executive Committee	Wachovia's corporate Operating Committee has executive oversight of Wachovia's environmental strategy. In addition, an Environmental Stewardship Working Group, comprised of senior leaders from across Wachovia, meets regularly to lead development and implementation of environmental initiatives. Day-to-day management of environmental strategy is handled by the Environmental Affairs group. The Environmental Affairs group is headed by Senior Vice President Patrick Mumford and Vice President Daria Milburn. Additionally, Wachovia's Corporate Real Estate division is responsible for implementing the firm's emission reduction targets.

Wachovia Corporation

ESG Factors in Risk Management/ Financing	Wachovia applies the Equator Principles to its global project financing, and also has a detailed Policy on Forest Protection that is applied to its lending and financing decisions.
Staff Training/Education	Wachovia has committed to an employee awareness program on climate change and the development of initiatives that will enable employees to reduce their individual carbon impacts at work and home.
External Initiatives	• Ceres • Environmental Bankers Association • EPA Energy Star Partners • Equator Principles • U.S. Green Building Council
Investment Research	None identified.
Compensation Link	None identified.

Public Disclosure **Score: 6**

Annual Report	Wachovia's 2006 Annual Report highlights the firm's climate change-related efforts. The firm's emissions reduction target, efforts in LEED certified building and renewable energy purchases are mentioned.
Securities Filings Statement	None identified.
Sustainability Report	Wachovia will issue a preliminary report on its Forest Protection Policy and environmental initiatives in 2008.
Carbon Disclosure Project	***Member:*** No ***2007 Signatory:*** No ***CDP5 (2007):*** Answered Questionnaire (Public) ***CDP5 Risk Disclosure:*** Wachovia recognizes the potential for future climate legislation to affect key client sectors, such as energy and utilities. The firm sees this presenting both an opportunity to offer increased financing and a risk as some clients will not be "well-positioned for the change." Wachovia also mentions hurricane and flood damage risks for its U.S.-based facilities, which it prepares for through business continuity plans. The CDP5 response does not address the financial implications of these physical risks.
Public Policy Statements	Wachovia's Commitment on Climate Change states, "Wachovia recognizes that a coordinated regulatory approach to addressing climate change at the federal level would provide greater certainty to business, facilitate long-term planning and incite innovation. We will engage in dialogue with customers, industry peers, government, non-governmental organizations, and other stakeholders to help identify effective solutions to the challenge of developing climate change regulations."

Emissions Accounting **Score: 3**

GHG Emissions Inventory	Wachovia has yet to complete the firm's first annual reporting on GHG emissions, which will be done at the end of 2007. Wachovia plans to measure energy consumption and related CO2 emissions from its own operations, including owned and leased facilities and business-related employee travel.
Emissions Savings & Offsets	***2006 % Renewable Energy:*** 3% ***Energy Efficiency Savings:*** None calculated. ***Certified CO_2 Offsets:*** None identified.

Strategic Planning **Score: 9**

GHG Emissions Targets

	Reduction Targets	Baseline Year	Target Year	Region
Total Emissions	10%	2005	2010	All internal operations

Target Details	Wachovia states in its Commitment to Climate Change document that assessing the carbon life cycle impacts of the firm's real estate supply chain could render incremental opportunities to raise future emissions reduction targets.
Emissions Trading	None identified.
Renewable Energy	In Texas, Wachovia is upgrading its 10% renewable energy facilities contract with a 100% contract; the firm has also signed a 100% contract for a two-year term in California.
Energy Efficiency	Wachovia is currently conducting energy audits across the firm's Corporate Real Estate portfolio to identify energy efficiency opportunities. Recommendations that can be paid back within 60 months will be vetted through Wachovia's Investment Review Board for funding. Wachovia is also building a Charlotte, North Carolina facility to LEED Gold certification standards. Additionally, the firm will open its first green financial centers in California at the end of 2007, followed by the implementation of a green financial center national strategy. These financial centers will be built in accordance with LEED certification standards and are expected to reduce energy use by at least 20%, decreasing GHG emissions by 6,000 tons per year. Wachovia is also installing efficient lighting and HVAC systems in existing buildings and working to reduce the energy consumption of desktop and datacenter infrastructure.
Other Climate-Related Investment Products	None identified.

Wells Fargo & Company

NYSE: ***WFC***

Wells Fargo published a comprehensive "10-Point Environmental Commitment" in 2005. Since then, Wells Fargo has expanded the company's climate governance, establishing an internal executive-level Environmental Affairs Council and an external Environmental Advisory Board. The company has also developed an Environmental Finance unit to increase its renewable energy financing. In 2006, the EPA identified Wells Fargo as the largest corporate purchaser of renewable energy in the United States, following the company's three-year commitment to purchase 550 million KWh of Renewable Energy Certificates (RECs) annually. Wells Fargo also offers a variety of energy-efficiency loans. The company has provided over $1 billion since 2004 in financing of Leadership in Energy and Environmental Design (LEED) certified buildings.

Summary Score: 41

Company Information

Wells Fargo & Company is a diversified financial services company, offering retail and business banking, insurance, investment management, and venture capital investment services in the western and mid-western states. Wells Fargo is also one of the largest mortgage lenders and servicers. Wells Fargo offers insurance brokerage through its Wells Fargo Insurance Services subsidiary (formerly Acordia), and offers mutual funds, online banking, and online brokerage services.

Contact Information

Chairman/CEO	John Stumpf (Group Chairman)
Contact	Tel: 866-878-5865 • Web: www.wellsfargo.com
Address	420 Montgomery St. San Francisco, CA 94163 USA

Board Oversight

Score: 4

Board Committee: Environmental Oversight	None identified.
Board Committee: Climate Change	None identified.
Board Member: Climate Change	None identified.
Board Role	In April 2007, Wells Fargo's board of directors committed the company to completing greenhouse gas assessments of key lending portfolios, including agriculture, primary energy production, and power generation. The commitment came in response to withdrawal of a shareholder proposal requesting that "the Board of Directors formulate comprehensive emissions reduction goals relating to (a) the Company's own operations and (b) the activities of its corporate borrowers, advisory and project finance clients, and the companies whose securities Wells Fargo underwrites."
Board Training	Wells Fargo says that its Management Committee and Board are "well informed" about the company's environmental initiatives.

Management Execution

Score: 13

CEO Leadership/ Statements	Following the company's unprecedented corporate purchase of renewable energy, CEO John Stumpf (then COO) remarked: "This purchase further demonstrates our company's commitment to both environmental stewardship and environmental leadership and it reflects the desire of our team members to do what's right for our customers, our communities, and our company." Mr. Stumpf has also appeared on CNBC's Mad Money to discuss Wells Fargo's "green" initiatives.
Company Policy	Wells Fargo established a "10-Point Environmental Commitment" in 2005. This policy includes a commitment to $1 billion in lending, investments, and other financial commitments over the next five years to environmentally beneficial business opportunities. The company also committed to expand opportunities for customers to qualify for energy-efficient mortgage products and to look for partnerships and other opportunities to encourage the construction of green homes. In addition, the policy includes goals to reduce greenhouse gas emissions generated by company-owned facilities. In October 2007, Mary Wenzel, director of Environmental Affairs, commented, "As part of our broader environmental strategy, we will continue to support the development of renewable energy sources and help our customers address rising energy prices through investments, products and education."
Chief Environmental/ Climate Officer	Mary Wenzel, VP, Environmental Affairs
Levels to CEO	1
Executive Committee	Wells Fargo's Environmental Affairs Advisory Council is made up of executive-level and senior-level managers from various lines of business, including Wells Fargo's EVP and chief credit officer. In 2005, Wells Fargo also formed an external Environmental Affairs Advisory Board, comprised of eight environmental experts, to help the company anticipate environmental opportunities and integrate environmental decisions into business operations.

Wells Fargo & Company

ESG Factors in Risk Management/ Financing	As discussed above, Wells Fargo committed to completing greenhouse gas assessments of key lending portfolios, including agriculture, primary energy production, and power generation. In addition, as part of Wells Fargo's environmental commitment, the company committed to enhancing due diligence in its lending practices in environmentally sensitive industries. This has been implemented through credit policies and trainings. Wells Fargo says that efforts to educate senior managers about the company's environmental commitment have led to the establishment of internal lending goals for "eco-friendly commercial businesses and green buildings."
Staff Training/Education	Wells Fargo's Environmental Affairs team participates in the company's Credit Management Trainee Program to ensure that team members who make credit decisions factor emerging environmental issues and regulation into their decision making.
External Initiatives	• EPA Energy Star Partners • EPA Green Power Partners • Equator Principles
Investment Research	Because the company does not provide sell-side research, Wells Fargo does not have a climate change-related research line. However, the company has issued a special report for individuals interested in investing in alternative energy. In addition, several retail banking branches have launched pilot "solar seminars" to educate customers on alternative energy technology.
Climate-related Research Reports	• *Identifying the Opportunities in Alternative Energy* (2005)
Compensation Link	None identified.

Public Disclosure — ***Score: 6***

Annual Report	Wells Fargo's 2006 annual report includes a brief mention of the company's wind power purchases, and the 2005 report highlights the company's 10-Point Environmental Commitment. The CSR report also includes Wells Fargo's greenhouse gas (GHG) inventory and measurement of its environmental lending.
Securities Filings Statement	None identified.
Sustainability Report	*One Team. Pulling together...for communities:* Corporate Citizenship Report, 2006 https://www.wellsfargo.com/downloads/pdf/invest_relations/wf2006corporate_citizenship.pdf ***GRI Accordance:*** 2002: Ref only Wells Fargo's 2006 Corporate Citizenship Report devotes a six-page section to a discussion of "Environmental Stewardship." This section includes the company's report on its GHG emissions, energy efficiency measures, and investments, finances and purchases of renewable energy.
Carbon Disclosure Project	***Member:*** No ***2007 Signatory:*** No ***CDP5 (2007):*** Answered Questionnaire (Public) ***CDP5 Risk Disclosure:*** While Wells Fargo views direct regulation under future greenhouse gas regulatory schemes as unlikely, the company does acknowledge that it faces potential indirect risks from future regulation. These risks include rising energy prices and more stringent building codes and standards. In addition, Wells Fargo notes the reputational risk associated with lending to carbon intensive industries, and the company sees its efforts to respect its environmental commitment—which includes aggressive energy conservation efforts and renewable energy finance/purchase—as a means of mitigating these risks.
Public Policy Statements	None identified.

Emissions Accounting — ***Score: 5***

GHG Emissions Inventory

Year: 2005 ***Facility/Region:*** All internal operations ***Protocol:*** GHG Protocol

Emissions	CO_2e (Metric Tonnes)
Total Emissions	**607,960**
Scope 1 (Direct)	44,452
Scope 2 (Indirect—Electricity)	563,508
Scope 3	*
Travel	
Products	
Supply Chain	

* Wells Fargo began tracking GHG emissions from business travel in 2006. Data is not yet available.

Wells Fargo & Company

Accounting Methods	Wells Fargo collaborated with EPA's Climate Leaders program to calculate and validate emissions data.
Third Party Certification	None identified.
Certification Year	None identified.
Emissions Savings & Offsets	***2006 % Renewable Energy:*** 42% ***Energy Efficiency Savings:*** 20% (In certain upgraded facilities only) ***Certified CO_2 Offsets:*** 350,000 tons of RECs annually.

Strategic Planning	***Score: 13***
GHG Emissions Targets	None identified.
Emissions Trading	None identified.
Renewable Energy	In 2006, Wells Fargo became the largest corporate purchaser of renewable energy in the U.S., according to EPA's Green Power Partnership program. The company agreed to purchase 550 million KWh of RECs each year for three years, an effort which is estimated to prevent the emission of 350,000 tons of CO2 each year. Wells Fargo has also established an Environment Finance unit in its wholesale business to focus on renewable energy financing. Since establishing this group, the company has invested $370 million in renewable energy projects, including SunEdison's SunE Solar Fund III, a fund designated to deploy at least 20 megawatts (MW) of solar photovoltaic power at SunEdison customer sites nationwide, and the MMA Renewable Ventures' Fund III, which will support 10-15 MW of new distributed photovoltaic projects for customers across the United States. The company has also supported seven wind farms in Texas, Colorado, Minnesota and Maine that have a collective generating capacity of more than 1,000 MW. Wells Fargo has set specific lending targets to encourage its relationship managers to seek new green business relationships within priority areas – including sustainable development, agriculture, and clean technology. The company is diversifying its lending portfolio to include more renewables.
Energy Efficiency	Wells Fargo participates in the U.S. Green Building Council's "volume build" program to green the design of new Wells Fargo outlets. The company has implemented energy savings measures and upgrades in its new facilities, resulting in savings of up to 20 to 30 percent at many buildings. Wells Fargo is also increasing online banking and paperless ATMs to reduce paper use (and consequential indirect GHG emissions). The company, whose financial support for green buildings now totals more than $1.4 million, is in the process of earning green building certification for all new retail outlets. Since 2004, Wells Fargo has financed 19 LEED buildings in 10 states, totaling more than $1.4 billion in loans for LEED certified buildings.
Other Climate-Related Investment Products	Wells Fargo is the first U.S. financial services firm to offer renewable energy certificates through its credit and debit card reward programs. The company also offers tools to help customers with green home improvement decisions/purchases of energy efficient homes. In 2006, Wells Fargo introduced Green Equity Equivalent Investments to provide loans to non-profits that promote environmentally responsible practices in low-to-moderate income communities. Additionally, Wells Fargo makes RECs available to middle-market commercial customers as part of an electricity price hedging service.