UniCredit - Climate Change 2022

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

UniCredit is a pan-European Commercial bank with a unique service offering in Italy, Germany, Central and Eastern Europe. We serve over 15 million customers worldwide. UniCredit is organized in four core regions and two product factories, Corporate and Individual Solutions. This allows us to be close to our clients and use the scale of the entire Group for developing and offering the best products across all our markets.

UniCredit's solid governance system guides its behavior in favor of conserving natural capital, which is consistent with our commitment to prevent and mitigate any environmental impact of our operations and lending activities, as set out in our Environmental Policy. Our climate strategy thus encompasses a broad set of conservation and management measures including, amongst others: advancing environmental risk management; aligning our portfolio to UN climate goals; supporting our clients in their shift to a low-carbon economy.

In October 2021 we joined the Net Zero banking Alliance (NZBA), aiming at aligning our lending and investment portfolios with net-zero emissions by 2050 or sooner, in line with the most ambitious targets set by the Paris Climate Agreement.

In 2021 we reduced our Scope 1 and 2 emissions by 32% compared to 2017 (market based). Operational emissions derive from direct and indirect energy consumption, refrigerant gas dispersion, business travel, paper consumption and waste disposal.

In 2021 we announced further ESG targets as part of our long-term commitment to sustainability and the management of climate change issues. Among these we announced new environmental landing for €25 bn mainly focused on facilities to support clients in green transition.

Emissions data for 2021 has been collected involving 35 Group legal entities (a full-time equivalent of more than 78.000 FTE) operating in Italy, Germany, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czechia , Hungary, Romania, Russia Federation, Serbia, Slovakia and Slovenia.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2021	December 31 2021	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.

Austria
Bosnia & Herzegovina
Bulgaria
Croatia
Czechia
Germany
Hungary
Italy
Romania
Russian Federation
Serbia
Slovakia
Slovenia

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

	Does your organization undertake this activity?	Insurance types underwritten	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	Yes	<Not Applicable>	Exposed to all broad market sectors
Investing (Asset manager)	No	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	No	<Not Applicable>	<Not Applicable>

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	IT0005239360

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Board of Directors assigned responsibility for overseeing sustainability issues to the Board ESG Committee . The purpose of the Board ESG Committee is to support the Board of Directors in fulfilling its responsibilities with respect to the ESG integral components on the Group's business strategy and sustainability. The Board ESG Committee shall provide opinions and support to the other Board Committees to ensure the alignment of the Group's policies to UniCredit's ESG principles and objectives. In 2021 and 2022 both Internal Control & Risk Committee and ESG Committee have jointly (2 times) and separately discussed C&E risk-related issues (e.g., ECB Climate Risk self-assessment and roadmap)
Board-level committee	The Internal Control & Risk Committee (ICRC) supports the Board of Directors in risk management and control-related issues and, among other tasks, supports the Board of Directors in defining and approving strategic guidelines and risk management policies with specific reference to risk appetite and risk tolerance and in verifying that risk strategies, management policies and the Risk Appetite Framework (RAF) have been correctly implemented. For monitoring purposes, dedicated Climate Risk KPIs have been defined to be included in the 2022 Risk Appetite Framework (RAF), enabling the Bank to oversee the evolution of transition and physical risks it is exposed to. In 2021 and 2022 both Internal Control & Risk Committee and ESG Committee have jointly (2 times) and separately discussed C&E risk-related issues (e.g., ECB Climate Risk self-assessment and roadmap)

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Climate-related risks and opportunities to our banking activities The impact of our own operations on the climate The impact of our banking activities on the climate	Climate-related issues are in the agenda of at least three meetings of the Board ESG Committee every year. The Head of Group Strategy & ESG presents specific topics to the Committee after sharing the contents with the CEO, and reports on implementation progress.
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding risk management policies Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Climate-related risks and opportunities to our own operations The impact of our own operations on the climate The impact of our banking activities on the climate	On a quarterly basis, Risk Management function submits to the Board a report monitoring the Group Risk Appetite Framework (RAF) including Climate-change related indicators.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	A Board member is a Financial Sector Hub Leader for the World Economic Forum's Climate Governance Initiative.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other, please specify (Group Executive Committee)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	More frequently than quarterly

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Recognition for sustainability goals achievement includes the management of climate-related issues.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Operating Officer (COO)	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	Top managers are rewarded for sustainability goals achievement; the management of climate change related issues is a specific KPI within this context.
Energy manager	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	The energy managers is rewarded for sustainability goals achievement; the management of climate change related issues is a specific KPI within this context.
Environment/Sustainability manager	Monetary reward	Emissions reduction project Behavior change related indicator Company performance against a climate-related sustainability index Other (please specify) (The Environment/Sustainability manager, reporting to the Chief Sustainability Officer, carries out continuous review of sustainability criteria for company lending policies regarding sectors sensitive to environmental and social risks.)	Top managers are rewarded for sustainability goals achievement; the management of climate change related issues is a specific KPI within this context.
Facilities manager	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	The Facilities managers are rewarded for sustainability goals achievement; the management of climate change related issues is a specific KPI within this context.
Chief Sustainability Officer (CSO)	Monetary reward	Behavior change related indicator Company performance against a climate-related sustainability index Other (please specify) (The CSO ensures continuous review of sustainability criteria for company lending policies regarding sectors sensitive to environmental and social risks.)	Top managers are rewarded for sustainability goals achievement; the management of climate change related issues is a specific KPI within this context.
Chief Financial Officer (CFO)	Monetary reward	Portfolio/fund alignment to climate-related objectives	Top managers are rewarded for sustainability goals achievement; the management of climate change related issues is a specific KPI within this context.
Chief Risk Officer (CRO)	Monetary reward	Company performance against a climate-related sustainability index Portfolio/fund alignment to climate-related objectives	Top managers are rewarded for sustainability goals achievement; the management of climate change related issues is a specific KPI within this context.
Management group	Monetary reward	Efficiency project Behavior change related indicator	Top managers are rewarded for sustainability goals achievement; the management of climate change related issues is a specific KPI within this context.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG criteria, including climate change?

	Employment-based retirement scheme that incorporates ESG criteria, including climate change	Describe how funds within the retirement scheme are selected and how your organization ensures that ESG criteria are incorporated	Provide reasons for not incorporating ESG criteria into your organization's employment-based retirement scheme and your plans for the future
Row 1	Yes, as the default investment option for all plans offered	An example is a pension fund within our Italian perimeter UniCredit Pension Fund. The Fund has not established specific sustainability targets, but the sustainable approach leads to a progressive improvement of the investments ESG profile for all asset classes. On the basis of our ESG Investment Policy, Pension Fund took the following measures: • for passive management, Pension Fund selected ESG benchmarks provided by leading financial institutions, • for active management, in case of investment funds selection, Pension Fund considered the sustainability profile of the products, based on external certifications of ESG rating agencies, to invest exclusively in "sustainable" investment funds, • for external mandates, the selection process is now limited only to asset managers who have adhered to PRIs, so that we can fully integrate ESG factors into the investment process, with a robust and transparent methodology. UniCredit Pension Fund also promotes "thematic" investments, aimed at improving sustainability through the selection of products identifying macro trends considered as drivers of future social-economic developments (e.g. demographic, technological, environmental, climate change and others)	<Not Applicable>

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	As a bank we tend to align the strategic horizon with the tenor of our lending activities. Thus, we consider short-term the time horizon for the repayment of a short-term loan (up to18 months).
Medium-term	1	5	Medium-term is what is usually regarded as such in the treasury market.
Long-term	5	30	Long-term is anything beyond 5 years.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Banking business relies on an accurate assessment of a diverse range of risks in its lending activity. This must be complemented by the ability to generate sufficient income and strict cost management to generate profit and increase shareholders' value over time. Failure to correctly assess such risks and to reward shareholders' investments may cause substantive financial or strategic impact. For these reasons we define a substantive financial or strategic impact as one which may require additional regulatory capital expressed in terms of CET1 in the order of 80-100 basis points. Similarly, a percentage change in Loan Loss Provisions of 30-40% on an annual basis represents a substantive financial impact. We also regard the value of Risk Weighted Assets as an indicator of strategic impact when a yoy variation of 5-7% is recorded. Likewise we regard a 6-7% yoy shift in revenues as a substantive financial or strategic impact. Finally, a non-HR cost increase of 6-8% versus the previous year is also considered a substantive financial impact.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Upstream risks are dealt with by ensuring suppliers' compliance with our environmental minimum requirements and also through the application of exclusion policies for certain product categories.

Risks related to our direct operations are mainly those associated with our data centers which are built in flooding risk-free zones and are regulated by redundancy systems and business continuity plans.

The most important source of risk is of course downstream, relating to our financing.
We have set up a dedicated Group Climate & Environmental Risk Management unit. Furthermore, a subgroup of the Group Executive Committee forms a dedicated ESG Strategy Council. This Council engages selected members of the C suites to provide oversight and strategic guidance across business units, regions and functions on definition and implementation of ESG Strategy.

We have also integrated counterparts' climate change related risks into the credit approval process.
Additionally we have:
- Adopted a new restrictive policy defining the Group's financing strategy towards financing the Coal-Fired Power Generation sector. The policy launched in November 2019 was furtherly updated in September 2020.
- Adopted a new policy to define principles and rules for financing activities in the Oil & Gas Sector in the Arctic Region and for Non-Conventional Oil & Gas related activities.

For Export Credit Agencies (ECA) supporting corporate loans, the OECD Common Approaches environmental and social due diligence process applies. The Equator Principles and the OECD Common Approaches are built upon the same foundation, i.e. the IFC Performance Standards on Environmental and Social Sustainability and the World Bank Group Environmental, Health and Safety Guidelines, together commonly referred to as the World Bank Standards. Within this framework we have developed detailed policies for sectors relevant to UniCredit that are susceptible to environmental and social risks. These apply to lending and other forms of financial assistance in sectors such as mining, coal power, nuclear power and hydro power.

At asset level the Group has responded to climate-related opportunities by establishing a dedicated Sustainable Finance Advisory Team which assists clients in their efforts in identifying and executing sustainable financing solutions that are aligned with their respective sustainability strategies and are compliant with current best practice. Potential solutions are actively proposed to the Group's clients as part of the financial structuring process where appropriate, as well as embraced in a situation where clients themselves seek climate-related financing opportunities to underscore their ambitions in this regard.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Not relevant, explanation provided	Current regulation is not considered a risk driver. Although recently we see an increase in disclosure requirements, according to our assessment, this is not relevant in terms of additional climate risks. In fact, the implications of the current legal framework are already factored in, both in terms of direct and indirect risks. The current organizational structure is shaped according to the regulatory framework and so is the lending process.
Emerging regulation	Relevant, always included	Group Regulatory Affairs and Group Strategy and ESG are constantly monitoring perspective regulatory evolutions. Through the activity of these departments, UniCredit participates in most industry associations and working groups to understand the evolution and bring industry specific topics to the regulatory table. In order to address the potential business risk arising from change in regulation, we rely on Group Regulatory Affairs reports to understand the likelihood and timing of new regulations, and consequently take action by engaging all potentially involved functions.
Technology	Relevant, sometimes included	Our Research Department and Risk Management are constantly monitoring the potential impact of technological innovation on clients' economic outlook. The assessment of climate change implications is also part of this process, although it takes place on an ad hoc basis. However, we are increasing our activities in this regard, for example we are closely monitoring the evolution of the digital economy which may have a crowd-out effect on many industries, not intuitively related to climate change. A dedicated function, called Group Digital and information oversees digital evolution. Digitalisation and data are at the heart of our new Group strategy and key to our new lean operating model.
Legal	Not relevant, explanation provided	Legal risks are only considered relevant regarding to our customers' potential liabilities and as a financial institution we do not regard these risks as relevant for our business.
Market	Relevant, always included	Market risks are regularly considered in our climate analysis: we produce regular market analysis on the EU ETS market and green bonds market, in order to monitor not only business opportunities but also potential market risks arising in climate-related markets. For example, a price signal in these markets is taken as a warning sign that the relevant industry might face liquidity problems and is thus regarded as an indicator of a shift in the risk perspective of some customers.
Reputation	Relevant, always included	Climate change under a reputational perspective is regularly taken into account within the operational and reputational assessment and management process. For example, we constantly monitor surveys and analysis from investors and civil society which may resonate in the media and impact the Group's reputational profile. In these cases the topic is brought to the attention of the highest decision-making level, the Group Executive Committee, for its intervention, having first been reviewed by the Group Non-Financial Risks and Controls Committee (GNFRC)
Acute physical	Relevant, sometimes included	Physical risk mainly affects credit risk and operational risk. Credit risk is mainly related to the potential losses in our mortgage portfolio. Either chronic or acute, physical climate related risk might result in a modification of collaterals, thus eroding the value of related assets. In 2021 a dedicated indicator has been defined measuring the portion of Fair Value potentially damaged by physical risk extreme events (also included within RAF framework).. First preliminary results highlight a limited impact. . Operational risks are also taken into account, mainly related to data center operations and business continuity plans. In recent years a great effort has been undertaken to reduce energy consumption from data centers and enhance resilience to different sources of potential adverse events. Data centers are built with reinforced redundancy in areas which are considered safe from extreme event and thus, albeit subject to high security standard controls, represent a very low risk. Our business continuity program is coordinated by UniCredit business continuity and resilience. In our business continuity program potential climate related acute physical events are dealt together with natural disasters and imply an integrated approach, from infrastructure design to emergency management. As facilities are not frequently built, the risk analysis does not follow the yearly assessment process. We are currently beginning to assess implications for our portfolio resulting from customers' physical risks.
Chronic physical	Not relevant, explanation provided	As a financial institution we are not affected by physical change in weather patterns or other climate related environmental chronic changes. The Bank will evaluate the opportunity We are also defining ato develop a methodology to assess Chronic Physical Risk impacts on lending and mortgage portfolio (e.g. on collaterals and counterparties' assets) leveraging on expertise developed in the definition of the abovementioned indicator related to physical risks

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Explain why your portfolio's exposure is not assessed and your plans to address this in the future
Banking (Bank)	Yes	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities
Banking (Bank)	Integrated into multi-disciplinary company-wide risk management process	30	Qualitative only	Short-term Medium-term	2DII Paris Agreement Capital Transition Assessment (PACTA) tool	We implement this process in order to understand alignment of our portfolio to Paris Agreement goals as a first step to understand gaps and thus risk and opportunities. PACTA was considered an appropriate choice given its forward looking approach, based on embedded future emissions. It presents the advantage of a capex investment based approach while has the disadvantage of not fully capturing a 2050 portfolio evolution . The portion of the portfolio considered was based on an Credit Limit basis.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Does your organization consider climate-related information about your clients/investees as part of your due diligence and/or risk assessment process?

	We consider climate-related information	Explain why you do not consider climate-related information and your plans to address this in the future
Banking (Bank)	Yes	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C-FS2.2e

(C-FS2.2e) Indicate the climate-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision-making.

Portfolio
Banking (Bank)

Type of climate-related information considered
Emissions data
Energy usage data
Emissions reduction targets
Climate transition plans
TCFD disclosures

Process through which information is obtained
Directly from the client/investee
Data provider
Public data sources

Industry sector(s) covered by due diligence and/or risk assessment process
Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services

State how this climate-related information influences your decision-making
We are embedding climate-related and environmental risks and opportunities in our credit assessment. This required the definition of a dedicated methodology and the design of a specific process to identify the scope, collect data, execute the assessment and validate results. For monitoring purposes, dedicated Climate Risk KPIs have been defined to be included in the 2022 Risk Appetite Framework (RAF), enabling the Bank to oversee the evolution of transition and physical risks it is exposed to. The 2022 RAF for non-financial risks has been defined to include all risk types through a comprehensive ELOR metric and dedicated solutions for specific risks (e.g. ICT/cyber risks, Third Parties Risk) ensuring a more effective ICT risk management and clearer monitoring of key drivers (IT incidents and obsolescence). A cyber risk KPI introduced in 2021 related to vulnerabilities has been enhanced with one on infrastructure to guarantee RAF escalation in case of breaches. Moreover, in the 2022 RAF ICT/cyber risks and Third Party Risk KPIs have been cascaded with related triggers and limits to all legal entities.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Banking portfolio

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services

Primary potential financial impact
Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification
Credit risk

Company-specific description
In the aftermath of COP 21 in Paris, and further to the announcement of the EU's legislative proposals to implement the EU Commission's Action Plan on Sustainable Finance, the expectation for regulatory developments that can have deep implications on risk assessment, notably for carbon intensive industries, has increased. UniCredit is currently undertaking an effort to understand how, further to the Paris Agreement and the specific NDCs, the EU Action Plan and the new regulations on taxonomy and disclosure will be complemented by potentially restrictive national regulations, and eventually into a specific risk for our customers' assets. Notably the Next Generation EU package will be a guidance to such a scope, alongside the FIT for 55 package. For this reason we believe that this sort of risk is likely to materialize sooner than previously expected. Severe regulations on carbon intensive industries or incentivization schemes on taxonomy aligned economic activities could provide a strong signal which might affect the financial profile of our customers and their ability to repay loans, with potential consequences on our asset quality.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
A quantitative assessment of financial impacts would imply a complex exercise on the portfolio, based on metrics whose reliability is still questionable. We instead rely on available macro scenarios provided by research organizations to gauge the potential impact of stranded assets in the oil and gas sector and other climate sensitive industries. This could give us a quantifiable measure of the increased risk associated with lending to climate sensitive industries.

Cost of response to risk
3000000

Description of response and explanation of cost calculation
In order to be aware of risks and opportunities in climate change, Group Strategy and ESG keeps the Group aware of all the major sustainability issues that could have an impact on society, including climate change. To keep the organization up to date with best practices within the financial industry, Group Strategy and ESG joins sustainability associations in the finance space and involves other relevant departments. Our Research Department provides regular analysis of the industry's evolution.

Comment
Costs for supporting Group Strategy and ESG and other business functions involved in bringing forward all initiatives is already embedded in the team's budget as part of the core business management costs. To these costs additional expenses must be considered for other activities (such as the analysis of the development of technologies and the evaluation of new regulatory markets).

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Banking portfolio

Risk type & Primary climate-related risk driver

Market	Increased cost of raw materials

Primary potential financial impact
Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification
Credit risk

Company-specific description
UniCredit is exposed to carbon risks through the financing of sectors like coal mining, automotive, cement, utilities, oil and gas and other carbon intensive industries, and non carbon intensive industries affected in the global supply chain. Carbon, fuel or energy taxes will raise production costs and increase the likelihood of a switch towards renewables, which would leave some of our customers behind, notably when they are not able to pass the increased cost on to their customers. Similarly, an increase in the price of raw materials has the potential to affect transformation industries. The unfolding of energy and food drive inflation over recent months caused the degradation of exposed sectors risk profiles. These risks mainly depend on the ability of the sectors affected, and that of banks, to cope with new operational costs and taxes in order to guarantee a sufficient level of compliance, but also on the possibility to remain competitive in the market. Our clients' failure to do so could result in a financial stress, in the event they are not able to abide by their contractual agreements, thus implying a potential deterioration of customers' ability to repay loans. Furthermore, climate change could directly impact the availability of certain materials and therefore their price.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
High

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
A tighter regulation on energy and carbon taxes or a climate-induced raw material scarcity or, as in the current scenario, externally induced one will have an indirect impact on our Group, in terms of a limited financial capacity of our customers to respond to increased costs of fuel and other commodities. The financial implications of these impacts have not been quantified yet. Should the affected company not be able to pass through tax costs, the P&L will be directly affected. In case of total or partial pass through, there still remains the risk of a decrease in demand, affecting the revenue side of their P&L.

Cost of response to risk
1200000

Description of response and explanation of cost calculation
In order to mitigate indirect risks for our business, country-level lending activities and policies relating to all of our business lines are also included in the scope of the holding company's EMS. We have also issued a coal policy that aims to provide standards and guidelines that address the risks associated with financing the coal-fired power industry. This policy is the result of an extensive, in-depth analysis across 10 key countries within our network: in 2013 we in fact engaged internal and external stakeholders on issues including local energy strategies, the impact of emissions, and country-specific technological and regulatory developments. Among the management methods to address this risk we also include our engagement with UNEP FI and the development of a carbon model aimed at calculating the externalities of our coal and utilities portfolio in relation to climate change, ecosystems, biodiversity and human health. A new coal policy was approved and published in November 2020 which prohibits new projects in thermal coal mining and coal-fired power generation and imposes strict commitments in terms of reducing reliance on funds deriving from coal-fired power generation for corporate customers.

Comment
Management costs in this area include the registration, management and maintenance costs for the Group Holding's EMS. and the other EMSs across the Group. Cost of research and Climate risk management are also factored in.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)

Primary potential financial impact
Increased capital expenditures

Climate risk type mapped to traditional financial services industry risk classification
Capital adequacy and risk-weighted assets

Company-specific description
Extreme weather events can result in physical risks that refer to both direct and indirect impacts. Notably, direct risks are related to extreme adverse weather events due to climate change. Floods and storms have become increasingly common in all regions, including Europe. In this case our main exposure is related to: IT services, facilities, staff health and productivity. In relation to IT services, in worst case scenarios, extreme events could lead to disruptions of our business operations. In the event of damages to facilities (e.g. due to severe heat waves), this could have an impact in terms of non-productive periods and potentially also to employees' health.

Time horizon
Short-term

Likelihood
Exceptionally unlikely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Extreme weather events could lead to an interruption of our operations and substantial direct losses. This risk is material for our facilities (data centers, owned buildings and subsidiaries' buildings), data and employees. It would result in huge damage of our clients' data. Damages could require specific interventions and result in increased operational costs (e.g. relocation of employees, renovation and reconstruction of facilities) and insurance costs (insurance premiums).

Cost of response to risk
1250000

Description of response and explanation of cost calculation
In order to mitigate the risks related to the direct impacts of physical change associated with climate change, UniCredit has implemented a Business Continuity Plan (BCP)

which entails risk management procedures to guarantee the security of our IT system in case of severe damage to the Group's facilities or data loss. Through this plan the bank has multiple locations where it houses its servers, having selected the areas based on the low vulnerability of the sites. This plan covers most operational risks, including those related to extreme weather events.

Comment

The costs associated with our activities to manage this risk are integrated into UniCredit’s operational costs within the various lines of business, especially those related to the BCP’s implementation activities and maintenance. The actual cost range is 1,000,000 - 1,500,000; we have indicated the mid-range value.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Banking portfolio

Risk type & Primary climate-related risk driver

Market	Changing customer behavior

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

Capital adequacy and risk-weighted assets

Company-specific description

This risk can be related to both direct and indirect impacts. Direct risks refer to the risks of not being able to meet the company’s commitments in relation to climate change or other disclosed environmental targets, or other comparison with its peers. Reputational risks with potential effects on brand value (for example, the financing of environmentally critical activities) are an increasing concern for the industry as a whole. Notably, our Group's reputation could be deteriorated by a negative public perception of our climate action and drive customers away. Indirect risks are instead related to our lending, project, and investment activities, in the event that a substantial shift in consumers' preference occurs. In this case our financed companies might face a reduction in revenues, thus affecting their credit worthiness and eventually the quality of our portfolio, potentially triggering a negative loop. As climate-related issues will have a growing impact on our stakeholders, we believe that we have to reduce our exposure to reputational risk.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Financial implications could derive from direct risks (e.g. loss of credibility) and indirect risks (i.e. actions undertaken by our customers, for example with regard to climate-sensitive sectors, such as the coal-fired power generation sector, mining sector, nuclear power generation and others such as oil sands, hydraulic fracturing and deforestation). Financial implications could derive from:
1. costs for the development of a recovery plan.
2. loss of business opportunities with clients affected by climate-related reputational implications.

Cost of response to risk

600000

Description of response and explanation of cost calculation

In addition to various efforts to anticipate and prevent reputational risks, we continue our industry reputational risk analysis. The process outlines the potential impacts for UniCredit by involving key subject matter specialists (e.g., Investor Relations, Compliance) that address the perspectives of different stakeholders. Trend analysis and potential impacts are regularly considered and discussed. Furthermore, we have worked to reinforce our reputational risk governance through the implementation of a new Group Non-Financial Risks and Controls Committee, composed by the CEO, Group Risk Officer, Head of Group Strategy & ESG, Head of Stakeholder‘s Engagement, Group Compliance Officer, Head of Italy as voting member on Italy-specific topics

Comment

In this context we include costs related to the budget assigned to Group Strategy and ESG for carrying out all activities that will eventually result in maintaining a high reputation with all key stakeholders and monitoring international standards. Furthermore the figure includes also cost of Compliance controls to prevent miscommunication and green washing in product development.

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Banking portfolio

Risk type & Primary climate-related risk driver

Market	Uncertainty in market signals

Primary potential financial impact
Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification
Credit risk

Company-specific description
Climate action is likely to trigger a widespread and diversified technological shift in many industries. Our Group is aware that our customers need to make investments to allow for transition to climate-friendly products and processes. The cost of these investments is not always clear as long as a carbon price is not available worldwide. Thus, we acknowledge the risk of stranded assets, but we are not yet fully able to quantify them for a proper risk management assessment. UniCredit is a player in the EU ETS market so as to provide liquidity to the carbon trading scheme and facilitate market access for participants in the EU ETS to optimize transaction costs. FIT for 55 includes a EU ETS significant reform. Once fully implemented, it could provide additional and clearer market signal and further support the integrity of the EU ETS

Time horizon
Medium-term

Likelihood
Virtually certain

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Financial impact is related to several factors simultaneously affecting our clients. Additional investments are needed to deploy new technologies, without which production activities might become less cost effective and relevant products could result less competitive or not match the evolved market's preferences. Both on the cost side and on the revenue side, the cashflow structure may undergo a radical change which could ultimately potentially affect the ability of the company to meet its debt obligations. A Transition Risk program has been launched aimed at integrating climate change considerations into the credit approval process by performing a climate risk assessment at a counterpart level. We have submitted a Climate and Environmental Risk Assessment Questionnaire to our clients to determine their position on the transition pathway. The Questionnaire was designed to assess the transition risk exposure along three dimensions: level of exposure, level of vulnerability, and economic impact and resulting into a Climate & Environmental Score, which is integrated into the credit process

Cost of response to risk
1000000

Description of response and explanation of cost calculation
UniCredit's Risk Appetite Framework addresses, among other things, the risks arising from technology shifts. These are not only related to climate change. However, some of the new technologies deployed in recent years are likely to be, and to some extent already are, useful to address climate-related issues. We have also launched a Transition Risk programme to integrate climate change considerations into the credit approval process, performing a climate risk assessment at counterpart level. This initiative aims to provide a preliminary assessment of the transition risk related performance of counterparts.

Comment
The cost is embedded into the ordinary budget allocated to Risk Management, and our Research and Group Sustainability departments. A specific budget is not allocated for this substantially ordinary activity.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Other, please specify (State incentivized energy efficiency measures)

Primary potential financial impact
Reduced direct costs

Company-specific description
Incentives provided by climate policies may reduce the cost of refurbishment and restructuring to use less carbon intensive technologies, resulting in improved cash flows.

UniCredit is currently exploiting energy efficiency regulation based on partial tax exemption.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
1000000

Potential financial impact figure – maximum (currency)
2000000

Explanation of financial impact figure
Financial impact is measured by annual monetary saving of the initiatives.

Cost to realize opportunity
5000000

Strategy to realize opportunity and explanation of cost calculation
Where applicable, investments are made in energy efficiency and alternative energy sources to improve efficiency.

Comment
N/A

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Move to more efficient buildings

Primary potential financial impact
Reduced direct costs

Company-specific description
More efficient buildings provide a better working environment, increase labour productivity, and reduce energy demand and operating costs. UniCredit has completed an over 700,000 square meters space optimization, refurbishment of headquarters in Munich, and new projects such as our Austria Campus in Vienna. We are likely to further explore similar solutions in the future.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
3000000

Potential financial impact figure – maximum (currency)
5000000

Explanation of financial impact figure
Optimization and consolidation of several buildings into more efficient ones reduces the energy consumption and consequently the operating cost. The savings are related to energy savings. Energy cost savings are the outcome of dedicated efficiency measures as well as a more rational use of space which lowers overall space occupancy, thus providing additional savings. However, this sort of saving is not considered in this calculation. The examples mentioned are three specific projects which have been completed in recent years. As they are different in type and dimensions, we prefer to define a range for the type of measure, irrespective of peculiar features of each measure, in terms of efficiency and dimension. Our calculation is based on projects already implemented, notably our Austria Campus in Vienna, normalized to take into account different features and technology innovation.

Cost to realize opportunity
45000000

Strategy to realize opportunity and explanation of cost calculation
Cost calculation is based on the portion of the overall investment which can be directly attributed to energy efficiency. Where the detail is not available, we rely on estimates based on premises rental or the average cost for commercial buildings in the same or similar area. The savings are instead measured by either actual cost savings

registered for similar measures or by comparing the average energy consumption for square meter for the specific building's energy class.

Comment
By virtue of their nature, similar measures are only possible in limited number.

Identifier
Opp3

Where in the value chain does the opportunity occur?
Banking portfolio

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
In recent years UniCredit has exploited a number of climate-related opportunities such as the carbon market, energy efficiency loans and green bonds. Increasing demand from customers for these low carbon products is likely to push the Group towards new products. The EU Taxonomy will speed up this process by favoring the packaging of new investment products. We are currently looking at the Taxonomy regulation features in order to improve our green product offer to customers.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Demand for low carbon products implies increasing funding needs. The EU Commission's legislative proposals will likely increase demand for financing low carbon products. As the EU Taxonomy is entering into force, the magnitude of the impact is likely to become more relevant. Also, providing services like EU ETS trading is currently generating revenues which are likely to increase in the future.

Cost to realize opportunity
3000000

Strategy to realize opportunity and explanation of cost calculation
UniCredit established a carbon trading desk upon inception of the EU ETS market. at the end of fiscal year 2021 our exposure to renewable energy sector was €5.9bn while our energy efficiency loans to SMEs amounted to €600m and €2.8 billion to individuals. The total apportioned amount of ESG related issues in Debt Capital Markets was 12 billion.

Comment
As a financial institution we do not have a specific investment aimed at generating revenues of this kind. It is in fact implicit in the nature of our core business, thus costs are embedded in several units, from front office to middle and back office in trading and various administrative tasks. Difficult, and not relevant, to assess. The figure we have indicated is a very wide approximation of the area in which we reasonably believe the bulk of the actual cost may lie.

C3. Business Strategy

C3.1

(C3.1) Does your organization’s strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan
Yes, we have a transition plan which aligns with a 1.5°C world

Publicly available transition plan
Yes

Mechanism by which feedback is collected from shareholders on your transition plan
We have a different feedback mechanism in place

Description of feedback mechanism
UniCredit has set up mechanisms to ensure that all stakeholders have the right opportunity and proper channels to engage with the Group. Shareholders feedback is collected by means of: a quarterly webcasts and conference calls to
present results; a one-on-one and group meetings calls, and at the Shareholders' meeting

Frequency of feedback collection
More frequently than annually

Attach any relevant documents which detail your transition plan (optional)

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future
<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy
<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios: NGFS scenarios Framework	Business activity	<Not Applicable>	in 2022 the ECB 2022 performed a climate stress test exercise as part of a broader set of activities by the ECB to assess supervised institutions’ level of preparedness for properly managing climate risk. The stress test was a constrained bottom-up exercise, meaning that participating banks provided their own data submissions and stress test projections subject to a common methodology and common scenarios, aiming at achieving a quantitative measure of impact under the different scenarios. The transition risk is based on NGFS scenarios to identify short-term tail risks (3 years) and analyse long-term transition paths (30 years). The three long-term scenarios are largely based on the NGFS net zero 2050 (orderly), delayed transition (disorderly) and current policies (HHW) scenarios. The short-term disorderly transition risk scenario assesses banks’ short-term vulnerabilities triggered by a sharp increase in the price of carbon emissions over a time horizon of three years.. Both short and long term scenario are intended to measure the impact on credit risk on corporate loans and mortgages. GDP in the disorderly and Hot house world scenarios is already lower in 2030, and in 2050 the difference relative to the orderly scenarios worsens to -7% for the disorderly scenario and -8% for the Hot house world scenario. However, in all three scenarios the long-term projections indicate a growing economy (65%, 58% and 57% cumulative growth versus 2021 respectively for the three decades in the orderly, disorderly and Hot house world). This is driven by long-term model assumptions about population growth, increasing labour productivity and technological progress in general. The overall GDP developments reflect very different pathways at the corporate sector level, with projected gross value added growth differing significantly depending on the carbon intensity of specific industries.
Physical climate scenarios: Bespoke physical scenario	Country/area	Unknown	The ECB stress test scenario for physical risk is modeled on the economic effects of a severe drought and heatwave in Europe, with a time frame of 1 year and is not related to a specific temperature reference scenario. It is mainly an acute physical risk excercise.The key transmission channel of heatwave risk to the economy is through labour productivity, based on NGFS estimates for labour productivity shocks due to heat stress across relevant countries in 2050. Flood risk is different across Europe and can vary significantly even within a few kilometres. Therefore, the flood risk scenario accounts for within-country variation in risks. As such, shocks to residential and commercial real estate are estimated at regional level, according to a specific flood risk level. The stress test measures the total monetary losses due to floods’ impact on asset and properties in. 2022, allowing to differentiate losses across regions and countries, and assesses adverse country-level productivity shocks for EU countries heat wave and droughts related

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

impacts from climate risk scenario on banks' balance sheets

Results of the climate-related scenario analysis with respect to the focal questions

Projecting banks, among which UniCredit, collectively reported €70bn of aggregate losses under the 3 short-term exercises (3-year disorderly transition and the two physical risk scenarios) to ECB
•€53bn losses reported under the short-term disorderly transition scenario
•€17bn losses reported under the short-term physical risk scenarios (drought & heat risk and flood risk)
•This may significantly understate the actual transition risk:
a)benign scenarios where climate shocks are not accompanied by an overall economic downturn
b) narrow risk coverage and reported exposures targeting specific portfolios
c) banks data and modelling capacity is at preliminary stage with still limited sensitivity to climate factors
a)no supervisory overlays applied in the bottom-up projections reflecting the learning nature of the exercise

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Climate change may significantly affect the sales of products and services, also in the financial industry. In order to understand the future evolution of customers' business practices and support them in their transition, the Group has established a dedicated Sustainable Finance Advisory team to enable a detailed and comprehensive dialogue with clients about their sustainability strategies, and to partner with clients in their efforts in identifying and executing sustainable financing solutions that are aligned with their respective sustainability strategies and compliant with current best practice. This allows the bank to better understand clients' needs and develop new products and services aligned with climate goals. This allows the bank to better understand clients' needs and develop new products and services aligned with climate goals.
Supply chain and/or value chain	Yes	Through our supplier qualification system, we safeguard UniCredit from working with suppliers that are not sufficiently aware and committed to environment and climate-related matters, as too to social matters.
Investment in R&D	Evaluation in progress	R&D is difficult to define for a commercial bank, as we do not sell physical products. However, we are committed to understanding how our products and services can have their carbon footprint minimized, through comprehensive LCA analysis.
Operations	Yes	Our GHG reduction targets call for ambitious efforts to a net-zero carbon footprint (combined scope 1 and 2) of our operations by 2030. For example, we are continuing to make our data centres more energy-efficient. Although they are subject to annual increases in use for IT-related activities, their cooling systems, new uninterruptible power supplies (UPSs) and overall engineering are designed to avoid any increase in energy consumption even as they meet heavier demand.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Capital allocation Assets	Influence on financial planning is mainly driven by inclusion of risk considerations into credit decisions and ratings which of course directly and indirectly drive our capital allocation. With regards to climate change, both scientific evidence and an increasing stakeholder awareness of climate issues make UniCredit's action a priority. As a bank we are exposed to both physical and transition risk. These risks can take the form of significant credit, market, operational and reputational risks. We are in the initial phase of our process to develop and test quantitative models to correctly measure climate risk and consequently embed it within our wider financial risk assessment. Asset quality may be affected by risk indicators when adjusted to take into account additional risks of default related to the integration of climate risk. Additional costs for compliance with emerging stricter emissions regulation, and also a shift in consumer behaviour, may negatively affect companies' cash-flows and increase their probability of default and exposure at default. Emerging business opportunities are driven by considerations related to remuneration of capital allocated to relevant investments, expressed in terms of risk-weighted assets, thus significantly affecting revenues. More broadly, a significant impact is our Multi-Year Plan provision for dedicated credit lines to support customers and ensure a smooth transition to a low carbon economy.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?

No, but we plan to in the next two years

C-FS3.6

(C-FS3.6) Does the policy framework for your portfolio activities include climate-related requirements for clients/investees, and/or exclusion policies?

Yes, our framework includes both policies with client/investee requirements and exclusion policies

C-FS3.6a

(C-FS3.6a) Provide details of the policies which include climate-related requirements that clients/investees need to meet.

Portfolio
Banking (Bank)

Type of policy
Credit/lending policy
Risk policy

Portfolio coverage of policy
100

Policy availability
Publicly available

Attach documents relevant to your policy
Coal Policy
Addendum-to-coal-policy (addendum.pdf
Coal-policy-policy (3).pdf

Criteria required of clients/investees
Develop a climate transition plan

Value chain stages of client/investee covered by criteria
Direct operations and supply chain

Timeframe for compliance with policy criteria
Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy
Energy

Exceptions to policy based on
<Not Applicable>

Explain how criteria coverage and/or exceptions have been determined
All the clients/projects in the coal sector have to be compliant with our coal Policy

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Portfolio
Banking (Bank)

Type of policy
Credit/lending policy
Risk policy

Portfolio coverage of policy
100

Policy availability
Publicly available

Attach documents relevant to your policy
Oil and Gas Policy
Oil-and-gas-policy(1) (2).pdf
Addendum-to-oil-and-gas (2).pdf

Criteria required of clients/investees
Develop a climate transition plan

Value chain stages of client/investee covered by criteria
Direct operations and supply chain

Timeframe for compliance with policy criteria
Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy
Energy

Exceptions to policy based on
<Not Applicable>

Explain how criteria coverage and/or exceptions have been determined
All the clients/projects in the oil & Gas sector have to be compliant with our Policy

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C-FS3.6b

(C-FS3.6b) Provide details of your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Portfolio
Banking (Bank)

Type of exclusion policy
All Coal

Year of exclusion implementation
2019

Timeframe for complete phase-out
Other, please explain (by 2028)

Application
New business/investment for new projects
New business/investment for existing projects
Existing business/investment for existing projects

Country/Region the exclusion policy applies to
Other, please specify (World wide application)

Description
Our coal sector policy launched in November 2019 was furtherly updated in 2020 and 2021. The policy is implemented groupwide. New business/investment related to projects (new or existing) in thermal coal mining and coal-fired power generation is forbidden. We phase out from the relationship with customers which are coal developers or without a phase out plan. A pre-requisite for a coal-related subject (All the companies/subjects who operate in the Coal-Fired Power Generation area/Thermal coal area) to operate with UniCredit Group is to: - have a credible plan for phasing out from the coal business by 2028; - have a capped current involvement in the coal business (in terms of percentage of revenues < 25%); - avoid any increase in the coal business (e.g. by enlarging existing coal capacity or acquiring or building new production sites). Our 2023 target: phase out of existing thermal coal mining and coal-fired power plants (CFPP) projects. With the review of September 2020, the Group committed to completely phase-out financing of the Coal sector by 2028. We are requesting customers to be aligned with our plans as a pre-requisite to continue general financing (i.e. phase-out of their coal-related activities by the same date). We gave customers until the end of 2021 to present their plans. If these are aligned with our 2028 phase-out, we will continue our relationship with them. If they do not present a 2028 plan, or if their plan is not credible, we will exit the relationship in 2022. A further pre-requisite is that less than 25% of customers' revenues must derive from the thermal coal sector. If they are below 25%, we can continue the relationship, provided the customer has an exit plan as described above. If a customer expands their coal operations (e.g. acquisition of a coal-fired power plant or a thermal coal mine, building or opening of a new plant or mine, etc.), we will stop our relationship with them and phase-out, regardless of if less than 25% of their revenues derive from the thermal coal sector and if they have a credible plan to exit the activity by 2028.

Portfolio
Banking (Bank)

Type of exclusion policy
Oil from tar sands
Oil from shale
Gas from shale
Arctic oil and gas
Ultra-deepwater oil and gas
Fracked oil and gas
Liquified natural gas

Year of exclusion implementation
2019

Timeframe for complete phase-out
Other, please explain (Financing of unconventional activities is forbidden. Our approach to the sector will be further reviewed also in light of our target setting in the context of our commitment to Net Zero, which we took in October 2021.)

Application
New business/investment for new projects
New business/investment for existing projects
Existing business/investment for existing projects

Country/Region the exclusion policy applies to
Other, please specify (World wide application)

Description
The policy was approved in November 2019 and updated in 2021, applies groupwide. Scope of application: applies to Arctic and Non-Conventional Oil & Gas (NCO&G) industry for projects (existing or new) and for any forms of financial support to companies involved in this sector. Definition of NCO&G: extraction of Oil and/or Gas performed through Tar sands; Ultra-Deep Water Oil & Gas extraction (more than 1500 metres/5000 feet); Shale Oil & Gas (and also fracking, only when in combination with Shale Oil & Gas). Forbidden projects: extraction of Oil & Gas as per the above defined 'critical Arctic' activities and NCO&G extraction activities, pipelines and other infrastructure solely related to such 'critical Arctic' activities and NCO&G sector, related to production of Liquefied Natural Gas when solely related to the above mentioned 'critical Arctic' activities and NCO&G sector.
In 2021 we extended the ban to all Arctic activities, including onshore gas, which was formerly supported and we forbid support to oil expansion and new oil projects. General Financing (Advisory services, or other forms of financial support to companies) allowed only as follows:- New clients: if the above defined NCO&G related activities provide up to a maximum of 25% of the total revenues recorded in the year by the company, and the above defined 'critical Arctic' activities provide up to a maximum of 25% of the total revenues recorded in the year by the company.

C-FS3.8

(C-FS3.8) Does your organization include covenants in financing agreements to reflect and enforce your climate-related policies?

	Climate-related covenants in financing agreements	Primary reason for not including climate-related covenants in financing agreements	Explain why your organization does not include climate-related covenants in financing agreements and your plans for the future
Row 1	Yes	<Not Applicable>	<Not Applicable>

C-FS3.8a

(C-FS3.8a) Provide details of the covenants included in your organization's financing agreements to reflect and enforce your climate-related policies.

Types of covenants used	Asset class/product types	Please explain
Purpose or use of proceeds clause refers to sustainable project Margin or pricing depends on sustainability criteria Legal mandate to obtain third party verification Covenants related to compliance with your policies	Corporate loans Project finance Debt and equity underwriting	In Green bonds underwriting, use of proceeds must be linked to environmental sustainability projects. A third party evaluation is also part of the green bond issuance process. We are also proposing sustainability linked revolving facilities whereby the cost of funding is related to the achievement of certain sustainability goals, among which climate is considered as the case may be. finally we require our customers to comply with our policies in order to be granted financing.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 3

Year target was set
2021

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Base year
2017

Base year Scope 1 emissions covered by target (metric tons CO2e)
58706

Base year Scope 2 emissions covered by target (metric tons CO2e)
79879

Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
138585

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
44016

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
50899

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
94915

% of target achieved relative to base year [auto-calculated]
31.5113468268572

Target status in reporting year
New

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
In late 2021 we announced our new Group Strategy, UniCredit Unlocked, of which our commitments in the area of climate change are a fundamental component. These include our targets to achieve net zero on own emissions (Scopes 1 and 2) by 2030 and net zero on 'financed' emissions by 2050, having joined the Net Zero Banking Alliance earlier in the year. In the present question we are reporting our Abs 3 target, i.e. net zero Scope 1 and 2 combined own emissions by 2030. The target replaces our previous location-based emission target of an 80% reduction of our Scope 1 and 2 combined emissions against the 2008 base year by 2030 (Abs 2). Please also note that our previously reported location-based emission target of a 60% reduction in our Scope 1 and 2 combined emissions against the 2008 base year by 2020 (Abs1) was achieved in 2020.

Plan for achieving target, and progress made to the end of the reporting year
We plan to achieve our target of net zero Scope 1 and 2 own emissions by 2030 through a combined approach. This includes emission reduction initiatives such as energy efficiency and space optimization actions and procuring energy from renewable sources . Our previous target on the consumption of electricity produced from renewable energy sources, reported in the present questionnaire as target Low 1 (replaced), has been automatically incorporated within the actions envisaged under our Abs 3 ambition. Please note that any potential offsetting of any unabated emissions under our Abs 3 target will be evaluated in the forthcoming months.
Our 2021 Scope 1 and Scope 2 combined market-based emissions of 94,915 tC02e represent a 2.1% increase YoY versus our 2020 Scope 1 and Scope 2 combined market-based emissions of 92,965 tC02e, as per our latest data revised in early 2022. This is mainly attributable to 'a return to normal' of business activities and occupation of premises following the lifting of Covid 19 pandemic restrictions imposed previously. However, our overall emissions trend is declining. In fact, our 2021 Scope 1 and 2 combined market-based emissions figure of 94,915 tCO2e marks a 32% reduction (rounded figure) versus the 2017 base year Scope 1 and 2 combined market-based emissions of 138,585 tCO2e.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 2

Year target was set
2015

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Base year
2008

Base year Scope 1 emissions covered by target (metric tons CO2e)
99479

Base year Scope 2 emissions covered by target (metric tons CO2e)
391969

Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
491448

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
80

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
98289.6

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
44016

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
138496

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
182512

% of target achieved relative to base year [auto-calculated]
78.5779980791457

Target status in reporting year
Replaced

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
The target has been replaced by our new, more ambitious, net zero target on own Scope 1 and 2 combined emissions by 2030 (Abs 3).

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Target(s) to increase low-carbon energy consumption or production
Net-zero target(s)
Other climate-related target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2019

Target coverage
Country/region

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2018

Consumption or production of selected energy carrier in base year (MWh)
398396

% share of low-carbon or renewable energy in base year
96.4

Target year
2023

% share of low-carbon or renewable energy in target year
100

% share of low-carbon or renewable energy in reporting year
99.84

% of target achieved relative to base year [auto-calculated]
95.5555555555556

Target status in reporting year
Replaced

Is this target part of an emissions target?
The target has been replaced as the actions foreseen are integral to our new net zero target on Scope 1 and 2 combined emissions by 2030 (Abs3).

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
The -now replaced- target was applied to the consumption of electricity from renewable sources within our buildings in the Western Europe (WEU) region.

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the actions which contributed most to achieving this target
<Not Applicable>

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 4

Year target was set
2021

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Green finance	Green investments (denominated in currency)

Target denominator (intensity targets only)
<Not Applicable>

Base year
2022

Figure or percentage in base year
0

Target year
2024

Figure or percentage in target year
25000000000

Figure or percentage in reporting year
0

% of target achieved relative to base year [auto-calculated]
0

Target status in reporting year
New

Is this target part of an emissions target?
No, the target is separate to our emission reduction objectives.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
The target of €25 bn of new environmental lending in the period 2022-2024 has the principal aim of supporting our clients in the green transition. It is part of a wider set of ESG lending objectives integral to our new Group strategy, UniCredit Unlocked, announced at the end of 2021.

Plan for achieving target, and progress made to the end of the reporting year
The target was announced in late 2021 and refers to new lending volumes in the period 2022-2024. For this reason the figure in the reporting year is reported as 0. The figure as at 1Q22 amounts to €2.4 bn.

List the actions which contributed most to achieving this target
<Not Applicable>

Target reference number
Oth 5

Year target was set
2021

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Green finance	Other, please specify (AuM stock conversion towards ESG investments)

Target denominator (intensity targets only)
<Not Applicable>

Base year
2022

Figure or percentage in base year
0

Target year
2024

Figure or percentage in target year
65000000000

Figure or percentage in reporting year
0

% of target achieved relative to base year [auto-calculated]
0

Target status in reporting year
New

Is this target part of an emissions target?
No, the target is separate to our emission reduction objectives.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
The target of €65 bn of AuM stock conversion towards ESG investments in the period 2022-2024 has the principal aim of supporting our clients in the green transition. It is part of a wider set of ESG lending objectives integral to our new Group strategy, UniCredit Unlocked, announced at the end of 2021. The target relies on SFDR attributions (mostly Art.8). For this reason, figures include several sustainable targets, not only climate-related.

Plan for achieving target, and progress made to the end of the reporting year
The target was announced in late 2021 and refers to new conversion in the period 2022-2024. For this reason the figure in the reporting year is reported as 0. Figure as at 1Q22 amounts to €28 billion.

List the actions which contributed most to achieving this target

<Not Applicable>

Target reference number
Oth 6

Year target was set
2021

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Green finance	Green finance raised and facilitated (denominated in currency)

Target denominator (intensity targets only)
<Not Applicable>

Base year
2022

Figure or percentage in base year
0

Target year
2024

Figure or percentage in target year
50000000000

Figure or percentage in reporting year
0

% of target achieved relative to base year [auto-calculated]
0

Target status in reporting year
New

Is this target part of an emissions target?
No, the target is separate to our emission reduction objectives.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
The target of €50 bn of Debt Capital Market origination of Sustainable bonds in the period 2022-2024 has the principal aim of supporting our clients in the green transition. It is part of a wider set of ESG lending objectives integral to our new Group strategy, UniCredit Unlocked, announced at the end of 2021. The target refers to all regions, including sustainability linked bonds. For this reason, figures include several sustainable targets, not only climate-related.

Plan for achieving target, and progress made to the end of the reporting year
The target was announced in late 2021 and refers to debt capital market origination in the period 2022-2024. For this reason the figure in the reporting year is reported as 0. Figure as at 1Q22 amounts to €2.6 billion.

List the actions which contributed most to achieving this target
<Not Applicable>

Target reference number
Oth 1

Year target was set
2019

Target coverage
Product level

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Green finance	Percentage of green investments

Target denominator (intensity targets only)
<Not Applicable>

Base year
2018

Figure or percentage in base year
100

Target year
2023

Figure or percentage in target year
134

Figure or percentage in reporting year
117.8

% of target achieved relative to base year [auto-calculated]
52.3529411764706

Target status in reporting year
Replaced

Is this target part of an emissions target?
No

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
In November 2019 UniCredit announced a set of sustainability targets and commitments, several of which relating to climate change. These included the target to increase energy efficiency loans to small-medium enterprises (SMEs) within the Western Europe (WEU) region of our client base by 34% versus the 2018 base year. Within the new MYP UniCredit Unlocked announced in late 2021, new targets have been established which comprise already existing ones, thus the latter are no longer pursued as single targets. New lending in the area of energy efficiency to SMEs are included in our new target 'Oth 4'.

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the actions which contributed most to achieving this target
<Not Applicable>

Target reference number
Oth 2

Year target was set
2019

Target coverage
Product level

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Green finance	Percentage of green investments

Target denominator (intensity targets only)
<Not Applicable>

Base year
2018

Figure or percentage in base year
100

Target year
2023

Figure or percentage in target year
125

Figure or percentage in reporting year
187.7

% of target achieved relative to base year [auto-calculated]
350.8

Target status in reporting year
Replaced

Is this target part of an emissions target?
No

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
In November 2019 UniCredit announced a set of sustainability targets and commitments, several of which relating to climate change. This included the target to increase energy efficiency loans to Individuals within the Western Europe (WEU) region of our client base by 25% versus our 2018 base year. Within the new MYP UniCredit Unlocked announced in late 2021, new targets have been established which comprise already existing ones, thus the latter are no longer pursued as single targets. New lending in the area of energy efficiency to Individuals are included in our new target 'Oth 4'.

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the actions which contributed most to achieving this target
<Not Applicable>

Target reference number
Oth 3

Year target was set
2019

Target coverage
Product level

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Green finance	Percentage of green investments

Target denominator (intensity targets only)
<Not Applicable>

Base year
2019

Figure or percentage in base year
100

Target year
2023

Figure or percentage in target year
125

Figure or percentage in reporting year
85.5

% of target achieved relative to base year [auto-calculated]
-58

Target status in reporting year
Replaced

Is this target part of an emissions target?
No

Is this target part of an overarching initiative?
No, it’s not part of an overarching initiative

Please explain target coverage and identify any exclusions
In November 2019 UniCredit announced a set of sustainability targets and commitments, several of which relating to climate change. This included the target to increase investments in the renewable energy sector by 25% versus our intra annual 2019 base year figure in order to facilitate the transition to a lower carbon economy (expressed in terms of Exposure at Default). Portfolios considered 'Renewable Energy' include biomass, hydro, photovoltaic, wind, CHP, battery storage, energy from waste and other renewables as well as corporates predominantly operating renewable energy assets. Please note that the intra annual 2019 base year figure of our target is not comparable with the FY2019 renewable energy portfolio figure reported in our 2019 Integrated Report, which is in fact our performance figure for the 2019 reporting year. Within the new MYP UniCredit Unlocked announced in late 2021, new targets have been established which comprise already existing ones, thus the latter are no longer pursued as single targets. New lending directed to the renewable energy sector is included in our new target 'Oth 4'.

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the actions which contributed most to achieving this target
<Not Applicable>

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Not applicable

Target year for achieving net zero
2050

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Please explain target coverage and identify any exclusions
In line with our longstanding commitment to addressing climate change matters, in October 2021 our Group became a signatory of the Net Zero Banking Alliance (NZBA). In the framework of our participation to NZBA, in December 2021 we announced our ambition to achieve net zero on our financed emissions (Scope 3, category 15, GHG Protocol) by 2050, and to disclose our specific targets in relation to the pool of 9 high emitting sectors identified by NZBA in the forthcoming months. In fact, as per the NZBA guidelines, signatories are to set their priority targets within 18-months and to complete any further target setting within 36 months from having become signatory. Thus, emission reduction target(s) (portfolio targets) are subject to the aforementioned process, upon completion of which link(s) will be made to our NZ1 target.
Our target perimeter applies to our entire Group. A phase-in approach is planned whereby we will prioritize our most significant Group entities first and will also initially focus on our lending portfolio and subsequently include our investment activities.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?
Unsure

Planned milestones and/or near-term investments for neutralization at target year
<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)

Target reference number
NZ2

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs3

Target year for achieving net zero
2030

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Please explain target coverage and identify any exclusions
In late 2021 we announced our new Group Strategy, UniCredit Unlocked, of which our commitments in the area of climate change are a fundamental component. These include our targets to achieve net zero on own emissions (Scopes 1 and 2) by 2030 and net zero on 'financed' emissions by 2050, having joined the Net Zero Banking Alliance earlier in the year. In the present row we are referring to our net zero target on Scope 1 and 2 combined own emissions by 2030, Abs 3. Please note that any potential offsetting relative to any unabated emissions under our Abs 3 target will be evaluated in the forthcoming months.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?
Unsure

Planned milestones and/or near-term investments for neutralization at target year
<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	5	271
Implementation commenced*	0	0
Implemented*	9	2681
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
49

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
8861

Investment required (unit currency – as specified in C0.4)
78288

Payback period
4-10 years

Estimated lifetime of the initiative
11-15 years

Comment
At headquarters in Bosnia and Herzegovina we installed a new HVAC system which utilizes ground water. Scope 2 estimated emissions savings calculated according to the location-based methodology.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
18

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
2821

Investment required (unit currency – as specified in C0.4)
40711

Payback period
11-15 years

Estimated lifetime of the initiative
16-20 years

Comment
We replaced light fittings with more efficient LED lighting at one of our premises in Bosnia and Herzegovina. Scope 2 estimated emissions savings calculated according to the location-based methodology.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
107

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
14150

Investment required (unit currency – as specified in C0.4)
356000

Payback period
21-25 years

Estimated lifetime of the initiative
21-30 years

Comment
Within our German perimeter we replaced 7 heating systems with more energy efficient models. Scope 2 estimated emissions savings calculated according to the location-based methodology and refer to district heating.

Initiative category & Initiative type

Low-carbon energy consumption	Low-carbon electricity mix

Estimated annual CO2e savings (metric tonnes CO2e)
1096

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
3600

Payback period
No payback

Estimated lifetime of the initiative
1-2 years

Comment
In 2021 for our activities in Hungary we procured certified renewably-sourced electricity for the first time. The investment reported is net of VAT and refers to certification costs.

Initiative category & Initiative type

Company policy or behavioral change	Site consolidation/closure

Estimated annual CO2e savings (metric tonnes CO2e)
1058

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
830000

Investment required (unit currency – as specified in C0.4)
5457270

Payback period
4-10 years

Estimated lifetime of the initiative
Ongoing

Comment
We are committed to maximizing the potential of new technologies to reduce the footprint or our services and operations. In line with the deployment of our enhanced digital service model and space optimization efforts, the evolution of our network and services included a reduction of 170 branches in Italy, equal to about 49,000 square meters. Electricity consumed within our Italy perimeter is 100% renewable-sourced, therefore this initiative does not have an impact on our market-based Scope 2 emissions. Investment and savings reported are related to energy measures.

Initiative category & Initiative type

Energy efficiency in buildings	Solar shading

Estimated annual CO2e savings (metric tonnes CO2e)
143

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
130000

Investment required (unit currency – as specified in C0.4)
675000

Payback period
4-10 years

Estimated lifetime of the initiative
16-20 years

Comment
We invested in solar film for our main headquater premises in Italy, so as to reduce air conditioning energy consumption and improve thermal comfort. Electricity consumed within our Italy perimeter is 100% renewable-sourced, therefore this initiative does not have an impact on our market-based Scope 2 emissions.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
143

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
125000

Investment required (unit currency – as specified in C0.4)
500000

Payback period
4-10 years

Estimated lifetime of the initiative
16-20 years

Comment
We replaced lighting at some of our Italy premises with LED lighting with sensors, allowing for the optimization of energy use only when effectively needed. Electricity consumed within our Italy perimeter is 100% renewable-sourced, therefore this initiative does not have an impact on our market-based Scope 2 emissions.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
50

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
32180

Investment required (unit currency – as specified in C0.4)
472333

Payback period
11-15 years

Estimated lifetime of the initiative
16-20 years

Comment
We invested in replacements and improvements to our internal temperature and thermal comfort devices and systems, such as boilers, so as to achieve greater energy efficiency at some of our premises in Italy. The investment reported is net of tax relief. Electricity consumed within our Italy perimeter is 100% renewable-sourced, therefore this initiative does not have an impact on our market-based Scope 2 emissions.

Initiative category & Initiative type

Energy efficiency in buildings	Insulation

Estimated annual CO2e savings (metric tonnes CO2e)

18

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
11407

Investment required (unit currency – as specified in C0.4)
210988

Payback period
16-20 years

Estimated lifetime of the initiative
21-30 years

Comment
We invested in measures focusing on improving insulation at 4 of our buildings in Italy. The investment reported is net of tax relief. Electricity consumed within our Italy perimeter is 100% renewable-sourced, therefore this initiative does not have an impact on our market-based Scope 2 emissions.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	UniCredit abides by all relevant legislations. Since 2014, at UniCredit S.p.A, the holding company, the Environmental Management System, registered according to EMAS regulation and spanning more than 2,500 sites, is the methodological framework which Group Sustainability applies in its function as supervisory body on behalf of Group Compliance in order to meet the following requirements: a) defining and updating an inventory detailing all applicable environmental legislation and regulation, b) carrying out an assessment of UniCredit S.p.A's environmental risk exposure in relation to applicable environmental legislation and regulation requirements, c) regularly monitoring and auditing its sites in conformity with relevant regulation, and subsequently ensuring any necessary mitigating actions are carried out by the relevant reference departments/persons.
Dedicated budget for energy efficiency	Enhancing energy efficiency in operations, facility management and processes is UniCredit's favorite approach. It allows cost savings and performance improvement. Organization and facility management are allocated a dedicated budget for energy efficiency, including for energy audits.
Employee engagement	UniCredit operates several Environmental Management Systems across its legal entities. All the Italian sites of UniCredit S.p.A are registered under the EMAS regulation, while in Germany (UniCredit Bank AG), Austria (UniCredit Bank Austria AG), and in Czech Republic and Slovakia (UniCredit Bank Czech Republic and Slovakia a.s.) sites are certified ISO14001. Within this framework employee awareness is a key priority, achieved through dedicated sections within internal communication tools, including the promotion of energy saving tips and training sessions.
Financial optimization calculations	Energy efficiency measures undertaken are assessed from both an environmental and financial point of view, in order to validate the investments at source (calculation of ROI and payback time are provided to support the decision making process).

C-FS4.5

(C-FS4.5) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?
Yes

C-FS4.5a

(C-FS4.5a) Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate change, including any taxonomy used to classify the products(s).

Product type/Asset class/Line of business

Banking	Other, please specify (Corporate and retail loans, Green mortgages)

Taxonomy or methodology used to classify product
Internally classified

Description of product
Energy-efficiency loans to SMEs and Individuals

Product enables clients to mitigate and/or adapt to climate change
Mitigation

Portfolio value (unit currency – as specified in C0.4)
2400000000

% of total portfolio value

Type of activity financed/insured or provided
Green buildings and equipment

Product type/Asset class/Line of business

Banking	Corporate loans

Taxonomy or methodology used to classify product
Internally classified

Description of product
Exposure to renewable energy sector (figure includes project finance)

Product enables clients to mitigate and/or adapt to climate change
Mitigation

Portfolio value (unit currency – as specified in C0.4)
5900000000

% of total portfolio value

Type of activity financed/insured or provided
Renewable energy

Product type/Asset class/Line of business

Banking	Project finance

Taxonomy or methodology used to classify product
Internally classified

Description of product
Exposure to renewable energy sector (figure includes corporate loans)

Product enables clients to mitigate and/or adapt to climate change
Mitigation

Portfolio value (unit currency – as specified in C0.4)
5900000000

% of total portfolio value

Type of activity financed/insured or provided
Renewable energy

Product type/Asset class/Line of business

Banking	Debt and equity underwriting

Taxonomy or methodology used to classify product
Externally classified using other taxonomy or methodology, please specify (League Table classification from Dealogic)

Description of product
Apportioned ESG-related League Table credit from Green, Social, Sustainability and Sustainability-linked Bonds

Product enables clients to mitigate and/or adapt to climate change
Mitigation
Adaptation

Portfolio value (unit currency – as specified in C0.4)
12000000000

% of total portfolio value

Type of activity financed/insured or provided
Other, please specify (Depending on external taxonomy)

Product type/Asset class/Line of business

Banking	Retail loans

Taxonomy or methodology used to classify product
Externally classified using other taxonomy or methodology, please specify (Criteria are established by the Italian Decree called "Superbonus 110%")

Description of product
Bridge funding for clients who use the 110% bonus on energy-efficient refurbishment promoted by government

Product enables clients to mitigate and/or adapt to climate change
Mitigation

Portfolio value (unit currency – as specified in C0.4)
290000000

% of total portfolio value

Type of activity financed/insured or provided
Green buildings and equipment
Renewable energy

Product type/Asset class/Line of business

Banking	Other, please specify (Green bonds)

Taxonomy or methodology used to classify product
Green Bond Principles (ICMA)

Description of product
2 Green bonds issued, based on UniCredit Sustainability Bond Framework

Product enables clients to mitigate and/or adapt to climate change
Mitigation

Portfolio value (unit currency – as specified in C0.4)
1500000000

% of total portfolio value

Type of activity financed/insured or provided
Green buildings and equipment
Low-emission transport
Renewable energy

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?
No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?
No

Name of organization(s) acquired, divested from, or merged with
<Not Applicable>

Details of structural change(s), including completion dates
<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start
January 1 2008

Base year end
December 31 2008

Base year emissions (metric tons CO2e)
99479

Comment
Our 2008 base year Scope 1 emissions figure is 99,479 tCO2e.

Scope 2 (location-based)

Base year start
January 1 2008

Base year end
December 31 2008

Base year emissions (metric tons CO2e)
391969

Comment
Our 2008 base year Scope 2 location-based emissions figure is 391,969 tCO2e.

Scope 2 (market-based)

Base year start
January 1 2008

Base year end
December 31 2008

Base year emissions (metric tons CO2e)
391969

Comment
Please note that the Scope 2 location-based base year figure of 391,969 tCO2e has been used as a proxy for the Scope 2 market-based base year figure of our inventory.

Scope 3 category 1: Purchased goods and services

Base year start
January 1 2008

Base year end
December 31 2008

Base year emissions (metric tons CO2e)
2926

Comment
Refers to copy paper consumption.

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start
January 1 2008

Base year end
December 31 2008

Base year emissions (metric tons CO2e)
57

Comment
Refers to disposal of glass, paper and plastic.

Scope 3 category 6: Business travel

Base year start

January 1 2008

Base year end

December 31 2008

Base year emissions (metric tons CO2e)

18035

Comment

Refers to business travel by air (short, medium and long distances) and rail.

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

ISO 14064-1
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
44016

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
Our 2021 Scope 1 emissions of 44,016 tCO2e represent a 6.6% increase YoY versus our 2020 Scope 1 emission of 41,274 tCO2e, as per our latest data revised in early 2022.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
While we publicly report on both our Scope 2 location-based figure and our market-based figure, market-based reporting is our principal method, in-line with our new target of net zero Scope 1 and 2 own emissions by 2030 which has been established according to the market-based method.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
138496

Scope 2, market-based (if applicable)
50899

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
Our 2021 market-based method Scope 2 emissions of 50,899 tCO2e represent a 1.5% reduction YoY vs our 2020 market-based method Scope 2 emissions of 51,691 tCO2e, as per our latest data revised in early 2022. Our 2021 location-based method Scope 2 emissions of 138,496 tCO2e represent a 4.1% reduction YoY vs our 2020 location-based method Scope 2 emissions of 144,345 tCO2e, as per our latest data revised in early 2022.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
794

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
As a financial institution, paper consumption is the main resource used within our operational activities. We therefore monitor our annual consumption and related emissions. The emission factor applied is sourced on the basis of CEPI, CEPI Key Statistics (2020), emission data. Emissions arising from paper consumption are constantly monitored and reported annually within our GHG Inventory.

Capital goods

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We have evaluated that this category does not constitute a relevant source of emissions for inclusion on our GHG inventory, considering the complexity of calculation when compared to the relevant outcome of an exploratory exercise we carried out.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We consider this source as not relevant. This is in view of the fact that it represents a marginal quota of the energy that we procure. Furthermore, we continue to increase our use of electricity produced from renewable sources. All of our relevant fuel and energy activities are included in our Scope 1 and Scope 2 emissions.

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We deem this source not relevant for the financial sector in which UniCredit operates as purchased goods represent a marginal element of activities. It is therefore not included in our GHG Inventory.

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
271

Emissions calculation methodology
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions arising from waste disposal. Only paper, plastic and glass are considered within the scope of our GHG inventory. The emission factors applied to our calculations are sourced from DEFRA, UK Government GHG Conversion Factors for Company Reporting (2021). Emissions from waste management are constantly monitored and reported annually within our GHG Inventory.

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
406

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Our Scope 3 emissions include rail and air travel. Air travel data has been categorized in long (more than 3,700km), medium (more than 1,000km - less than 3,700km) and short (less than 1,000 km) distance. We apply emission factors sourced from DEFRA, UK Government GHG Conversion Factors for Company Reporting (2021). Road travel is excluded as emissions arising from our road vehicles are included in our Scope 1 emissions.

Employee commuting

Evaluation status
Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
While relevant, this source has not yet been included in our GHG Inventory due to the limited availability and reliability of data currently collectable. This is in part a reflection of the complexity of our operations spanning thousands of sites distributed across various geographies. We are analyzing potential improvements to our data collection process and future inclusion in our GHG inventory is currently under assessment. In recognition of the importance of this topic, although we do not currently measure emissions from this category, we have implemented several measures to reduce commuting emissions, such as investing in remote working solutions, car sharing initiatives and bicycle facilities at our premises.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
While UniCredit makes use of leased cars, the limited related data means that for ease of reporting we currently include emissions arising from this source in our Scope 1 data.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This source is not applicable to the financial sector in which UniCredit operates. It is therefore not included in our GHG Inventory.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This source is not applicable to UniCredit as financial products and services do not undergo processing. It is therefore not included in our GHG Inventory.

Use of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We have assessed this source of emissions as not relevant for the financial sector in which UniCredit operates.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We have assessed this source of emissions as not relevant for the financial sector in which UniCredit operates.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial institution, this does not represent a relevant source of emissions for our GHG Inventory and is thus not included.

Franchises

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
UniCredit does not operate through franchises. As such, they do not represent a relevant source of emissions for our GHG Inventory and are thus not included.

Other (upstream)

Evaluation status

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.0000056

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
94915

Metric denominator
unit total revenue

Metric denominator: Unit total
16899060000

Scope 2 figure used
Market-based

% change from previous year
1.14

Direction of change
Decreased

Reason for change
Our 2021 combined scope 1 and 2 emissions figure of 94,915 tCO2e marks a 2.1% increase vs our 2020 combined scope 1 and 2 emissions figure of 92,965 tC02e, as per our latest data revised in early 2022, while our 2021 revenues increased by approximately 3.3% versus 2020. Please note that our revenues/emissions intensity figure, and comparison with 2020, has been calculated considering the market-based emissions for Scope 2, in-line with the market-based method considered in our new target of net zero Scope 1 and 2 own emissions by 2030.

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	1096	Decreased	1.18	We have procured electricity from renewable sources for a number of years. In 2021 a greater percentage of our electricity consumption was procured from such sources with the addition of certified renewable energy at our Hungarian premises. This change allowed us to reduce our indirect emissions by 1,096 tC02e, equal to a 1.18% decrease of our combined Scope 1 and 2 emissions, when considering that in 2021 our combined Scope 1 and 2 emissions increased to 94,915 tCO2e from 92,965 tCO2e in 2020, as per our latest data revised in early 2022, i.e. (-1,096 / 92,965) * 100 = -1.18%.
Other emissions reduction activities	1794	Decreased	1.93	In 2021 we recorded a decrease in our combined Scope 1 and 2 emissions of 1,794 tCO2e, thanks to the implementation of a combined set of emission reduction initiatives, including our space optimization drive and energy efficiency activities such as LED lighting and more efficient HVAC systems. This marks a reduction in our Scope 1 and 2 combined emissions of 1.93% when considering that in 2021 our combined Scope 1 and 2 emissions increased to 94,915 tCO2e from 92,965 tCO2e in 2020, as per our latest data revised in early 2022, i.e. (-1,794 / 92,965) * 100 = -1.93%.
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other	4839	Increased	5.21	With the lifting of restrictions previously imposed in light of the Covid 19 global pandemic, in 2021 we saw the beginnings of a 'return to normal' in terms of the occupancy of our premises and road business travel levels. Despite continued investment in a number of emission reduction initiatives, such as those mentioned in the present table, the 'return to normal' inevitably impacted our consumptions and related emissions when considered against the previous year. In particular, emissions from district heating rose by 1,301 tCO2e, equal to a 1.40% increment in our combined Scope 1 and 2 emissions, when considering that our 2021 Scope 1 and 2 combined emissions increased to 94,915 tCO2e from 92,965 tCO2e in 2020, as per our latest data revised in early 2022, i.e. (1,301 / 92,965) * 100 = 1.40%. Likewise, emissions from road travel increased by 1,455 tCO2e, equal to a 1.57% increment in our Scope 1 and 2 combined emissions when considering that in 2021 our combined Scope 1 and 2 emissions increased to 94,915 tCO2e from 92,965 tCO2e in 2020, as per our latest data revised in early 2022, i.e. (1,455 / 92,965) * 100 = 1.57%. In 2021 we recorded an increase in the dispersion of refrigerant gases. Emissions from this source can vary from year to year depending on usage, replacement and maintenance activities and, not least, improved monitoring. This accounted for an increase of 2,083 tCO2e in our Scope 1 and 2 combined emissions, equal to a 2.25% increment, when considering that in 2021 our combined Scope 1 and 2 emissions increased to 94,915 tCO2e from 92,965 tCO2e in 2020, as per our latest data revised in early 2022, i.e. (2,083 / 92,965) * 100 = 2.25%. The overall combined effect of the aforementioned factors (district heating consumption, road travel, refrigerant gases) accounted for a cumulative increase of 4,839 tCO2e of our 2021 combined Scope 1 and 2 emissions, equal to a 5.21% increase when considering that in 2021 our combined Scope 1 and 2 emissions increased to 94,915 tCO2e from 92,965 tCO2e in 2020, as per our latest data revised in early 2022, i.e. (4,839 / 92,965) * 100 = 5.21%.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

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

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	137955	137955
Consumption of purchased or acquired electricity	<Not Applicable>	311312	79920	391232
Consumption of purchased or acquired heat	<Not Applicable>	0	96457	96457
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	160	<Not Applicable>	160
Total energy consumption	<Not Applicable>	311472	314332	625804

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area
Italy

Consumption of electricity (MWh)
197924

Consumption of heat, steam, and cooling (MWh)
1570

Total non-fuel energy consumption (MWh) [Auto-calculated]
199494

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Germany

Consumption of electricity (MWh)
89264

Consumption of heat, steam, and cooling (MWh)
56701

Total non-fuel energy consumption (MWh) [Auto-calculated]
145965

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Austria

Consumption of electricity (MWh)
20725

Consumption of heat, steam, and cooling (MWh)
13269

Total non-fuel energy consumption (MWh) [Auto-calculated]
33994

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Bosnia & Herzegovina

Consumption of electricity (MWh)
6586

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
6586

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Bulgaria

Consumption of electricity (MWh)
15621

Consumption of heat, steam, and cooling (MWh)
2907

Total non-fuel energy consumption (MWh) [Auto-calculated]
18528

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Croatia

Consumption of electricity (MWh)
16133

Consumption of heat, steam, and cooling (MWh)
913

Total non-fuel energy consumption (MWh) [Auto-calculated]
17046

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Czechia

Consumption of electricity (MWh)
5668

Consumption of heat, steam, and cooling (MWh)
4637

Total non-fuel energy consumption (MWh) [Auto-calculated]
10305

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Hungary

Consumption of electricity (MWh)
6051

Consumption of heat, steam, and cooling (MWh)
399

Total non-fuel energy consumption (MWh) [Auto-calculated]
6450

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Romania

Consumption of electricity (MWh)
10495

Consumption of heat, steam, and cooling (MWh)
1157

Total non-fuel energy consumption (MWh) [Auto-calculated]
11652

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Russian Federation

Consumption of electricity (MWh)
16572

Consumption of heat, steam, and cooling (MWh)
13561

Total non-fuel energy consumption (MWh) [Auto-calculated]
30133

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Serbia

Consumption of electricity (MWh)
3481

Consumption of heat, steam, and cooling (MWh)
775

Total non-fuel energy consumption (MWh) [Auto-calculated]
4256

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Slovakia

Consumption of electricity (MWh)
1310

Consumption of heat, steam, and cooling (MWh)
8

Total non-fuel energy consumption (MWh) [Auto-calculated]
1318

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Slovenia

Consumption of electricity (MWh)
941

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
941

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Poland

Consumption of electricity (MWh)
621

Consumption of heat, steam, and cooling (MWh)
561

Total non-fuel energy consumption (MWh) [Auto-calculated]
1182

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Energy usage

Metric value
28.97

Metric numerator
GJ

Metric denominator (intensity metric only)
FTE

% change from previous year
0.32

Direction of change
Increased

Please explain
The slight increase in our energy/FTE intensity figure of 0.32% versus 2020 is the result of a marginally greater decrease in our 2021 FTE perimeter of 3.81% versus 2020, compared to the 3.50% reduction in our 2021 energy consumption versus 2020.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
UC_INTEGRATO_2021_ENG.pdf

Page/ section reference
See Deloitte's Independent Auditor's statement included in the UniCredit 2021 Integrated Report attached (the sequential page number of the Auditor statement is not written, but the relevant 4 pages appear immediately after printed page no. 125). Also, see the 'Report structure' page of the UniCredit 2021 Integrated Report which contains details regarding GHG reporting to which Deloitte's statement is directly linked. It appears at the start of the Report immediately prior to the Index page.

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
UC_INTEGRATO_2021_ENG.pdf

Page/ section reference
See Deloitte's Independent Auditor's statement included in the UniCredit 2021 Integrated Report attached (the sequential page number of the Auditor statement is not written, but the relevant 4 pages appear immediately after printed page no. 125). Also, see the 'Report structure' page of the UniCredit 2021 Integrated Report which contains details regarding GHG reporting to which Deloitte's statement is directly linked. It appears at the start of the Report immediately prior to the Index page.

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
UC_INTEGRATO_2021_ENG.pdf

Page/ section reference
See Deloitte's Independent Auditor's statement included in the UniCredit 2021 Integrated Report attached (the sequential page number of the Auditor statement is not written, but the relevant 4 pages appear immediately after printed page no. 125). Also, see the 'Report structure' page of the UniCredit 2021 Integrated Report which contains details regarding GHG reporting to which Deloitte's statement is directly linked. It appears at the start of the Report immediately prior to the Index page.

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Purchased goods and services
Scope 3: Waste generated in operations
Scope 3: Business travel

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
UC_INTEGRATO_2021_ENG.pdf

Page/section reference
See Deloitte's Independent Auditor's statement included in the UniCredit 2021 Integrated Report attached (the sequential page number of the Auditor statement is not written, but the relevant 4 pages appear immediately after printed page no. 125). Also, see the 'Report structure' page of the UniCredit 2021 Integrated Report which contains details regarding GHG reporting to which Deloitte's statement is directly linked. It appears at the start of the Report immediately prior to the Index page.

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1)	Limited assurance, ISAE 3000	Assessing year on year change in our Scope 1 emissions is integral to our annual organization-wide GHG inventory accounting which has been verified by Deloitte as the accredited external third party, as reported in the UniCredit 2021 Integrated Report assurance statement, which includes GHG emission figures. Year on year change in our Scope 1 emissions is reported in the present document at question no. C6.1. UC_INTEGRATO_2021_ENG.pdf
C6. Emissions data	Year on year change in emissions (Scope 2)	Limited assurance, ISAE 3000	Assessing year on year change in our Scope 2 emissions is integral to our annual organization-wide GHG inventory accounting which has been verified by Deloitte as the accredited external third party, as reported in the UniCredit 2021 Integrated Report assurance statement, which includes GHG emission figures. Year on year change in our Scope 2 location-based emissions and in our market-based emissions is reported in the present document at question no. C6.3. UC_INTEGRATO_2021_ENG.pdf
C4. Targets and performance	Year on year change in emissions (Scope 1 and 2)	Limited assurance, ISAE 3000	Assessing year on year change in our combined Scope 1 and 2 emissions is integral to our annual organization-wide GHG inventory accounting which has been verified by Deloitte as the accredited external third party, as reported in the UniCredit 2021 Integrated Report assurance statement, which includes GHG emission figures. Year on year change in our Scope 1 and 2 emissions is reported in the present document at question no. C4.1a (target Abs3). UC_INTEGRATO_2021_ENG.pdf
C4. Targets and performance	Progress against emissions reduction target	Limited assurance, ISAE 3000	Assessing progress against our announced emission reduction targets is integral to our annual organization-wide GHG inventory accounting which has been verified by Deloitte as the accredited external third party, as reported in the UniCredit 2021 Integrated Report assurance statement which includes GHG emission figures. Please note that our emission reduction target considers our Scope 2 emissions under the market-based method. Progress against our emission reduction targets is reported in the present document at question no. C4.1a (target Abs3). UC_INTEGRATO_2021_ENG.pdf

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

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

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers/clients
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Other, please specify (Suppliers are screened to assess suppliers' suitability in terms of awareness of, and commitment to, environmental and social criteria, including climate-related matters.)

% of suppliers by number
42

% total procurement spend (direct and indirect)
84

% of supplier-related Scope 3 emissions as reported in C6.5
0

Rationale for the coverage of your engagement
At UniCredit supplier engagement is a core part of our centralised supplier qualification process. While our overall supplier pool is wider, centralised procurement qualification activities within Italy, Germany and Austria represent the perimeter which we can best technically assess and address such engagement to. This perimeter accounts for approximately 84% of our overall pool in terms of total procurement spend.

In this process suppliers are screened via a dedicated tool which includes completing a sustainability questionnaire containing a set of mandatory minimum sustainability requirements. The questionnaire seeks to assess suppliers' suitability in terms of awareness of, and commitment to, environmental and social criteria, including climate-related matters. The questionnaire has been formulated in line with UniCredit's Environmental Policy which, amongst other principles, recognises that climate change, conservation of biodiversity and efficient use of natural resources are challenges which business must address. The requirements included regard issues such as suppliers' willingness to provide details of environmentally relevant aspects of their products or services, and possession of an environmental policy which is in line with UniCredit's Environmental Policy or, alternatively, commitment to respecting the fundamental principles included therein. We are currently in the process of broadening the scope of the engagement to include procurement activities in other geographies within our Group perimeter. Furthermore, assessment of environmental and climate-related criteria also takes place at the product sourcing level.
For example we use paper which is Forest Stewardship Council certified; approximately 94 percent of copy paper used Groupwide holds an environmental label, such as Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), Elemental Chlorine Free (ECF), Totally Chlorine Free (TCF), Blue Angel).
100% of centrally purchased toners and IT equipment is Blue Angel or Energy Star certified
.

Impact of engagement, including measures of success
As a large company with a pan-European presence, at UniCredit we are aware that we stand to influence others through both our actions and our choices. In making our sustainability questionnaire a core component of our centralised supplier qualification process, we safeguard UniCredit from working with suppliers that are not sufficiently aware and committed to environment and climate-related matters, as too to social matters. Moreover, our qualification process is one of the ways in which we contribute to mainstreaming ESG matters within a business context. We do not currently have a specific metric against which to measure the impact of the engagement. In 2021 , 555 second-level assessments in the Group were finalized on social, labor-law and environmental issues. Our most recent assessment indicates that of the suppliers rejected during the qualification process in 2021, about 37% were rejected on the grounds that they did not meet sustainability requirements.

Comment
N/A

C-FS12.1b

(C-FS12.1b) Give details of your climate-related engagement strategy with your clients.

Type of clients
Customers/clients of Banks

Type of engagement
Engagement & incentivization (changing client behavior)

Details of engagement
Included climate change considerations in client management mechanism
Encourage better climate-related disclosure practices

% client-related Scope 3 emissions as reported in C-FS14.1a
0

Portfolio coverage (total or outstanding)
100

Rationale for the coverage of your engagement
Engagement targeted at clients with the highest potential impact on the climate

Impact of engagement, including measures of success
The measures of success of our engagement activity are not based on a specific metric. However, by fostering greater awareness of ESG and climate-related risks and best management strategies therein and, moreover, by enabling our clients to be better placed in disclosing their environmental impacts, both UniCredit's and our clients' risk profiles are consequently reduced.

UniCredit is embedding climate-related and environmental risks and opportunities in its credit assessment. This required the definition of a dedicated methodology and the design of a specific process to identify the scope, collect data, execute the assessment and validate results. This methodology comprises: the filling in of a questionnaire addressing both high and low emissive customers in line with regulatory expectations; the generation of a C&E Risk Scorecard summarizing the main KPIs and identifying the counterparty's positioning in one of the four risk areas (low, medium-low, medium high, high) of the Transition Assessment matrix; the inclusion of the environmental scoring in the credit valuation process.
In 2021 we have submitted the Climate & Environmental (C&E) Risk Assessment Questionnaire to 530 Counterparts, representing c.30% of our Corporate EAD, to determine their position on the transition pathway.

When engaging with a client on the potential structuring and arranging of a sustainable finance instrument, such as a green/social/sustainability bond or loan, we review and discuss the client's sustainability strategy, management systems, governance, past and expected future environmental and social performances.

In 2021, for example, UniCredit joined leading public financial institutions supporting an Italian company which designs, develops, and manages wind and photovoltaic plants, with facilities in Spain and Italy. The Bank issued a loan agreement for a total of €92.3 million for the construction of greenfield wind projects which will have a capacity of 95 MW. The Bank also allowed a further loan of €43.95 million to refinance several firms in the Group of the above-mentioned company that own a wind operating portfolio of 74 MW.
In June 2021 UniCredit also issued a Senior Green Bond for €1 bn.
In 2021 Unicredit financed €5.9bn in renewable energy projects (52% wind energy, 37% photovoltaic plants and 11% other renewable energy sources).

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Engaged colleagues make our enterprise more successful and contribute to wellbeing, both inside and outside of our Group. We monitor employee sentiment and strive to create opportunities for dialogue. We increasingly invest in training on ESG topics, with specific focus on Risks and opportunities related to Climate Change. Furthermore, we communicate regularly with employees on climate change and natural capital issues, raising awareness and encouraging accountability via internal channels such as our Group Intranet and through dedicated events.

We continued to deliver training initiatives and to foster our sustainability culture. We designed an ESG training framework covering basic to specialist needs targeting different employee; climate related risks and opportunities were part of all the ESG trainings issued in the past year. In particular : more than 40,000 people in the Group were involved in training on basic knowledge of ESG topics, 275 relationship managers were trained as Sustainable Finance Experts in cooperation with a leading German business school, 140 colleagues were certified ESG advisors in Austria and 37 colleagues were certified ESG specialists in Bulgaria in partnership, with Sofia University.

Another example is the creation of a dedicated ESG community within the company social network at beginning of 2021 at a Group level. The Community was aimed at promoting knowledge sharing on ESG-related and sustainability topics. In order to boost employee engagement, a set of differentiated contents was designed and published with various frequency (from daily to weekly to monthly) including video pills, podcast interviews with internal guests, call to actions (e.g. special gamification post on the Earth

Hour and Day) and dedicated posts.

A quarterly ESG internal newsletter, covering also Climate related topics published in different languages, is distributed via e-mail to all the employees of the Group.

We regard employees as part of our value chain on GHG emissions and climate change strategies, including in terms of their commuting choices, not least considering the potential impact we represent as a large, multinational company. A clear example is ‘Smart Working’, a workspace model supported by technology allowing desk sharing and activity based work settings. The initiative connects space optimization, our GHG abatement efforts, and fostering the possibility for our employees to become active players in reducing their individual carbon footprint through commuting and workspace choices. Smart Working is complemented in a number of geographies by Flexible Working which, in its standard format, gives employees the option to work two day a week ‘remotely’, either from home or from one of our ‘Hubs’, thus permitting a reduction in commuting time and distance, partially or altogether. Working from a Hub can also afford a change in transport means to more environmentally sound solutions, such as a public tram rather than a single occupancy car. Employees are thus in a position to make more conscientious choices about individual commuting needs in terms of resource consumption and related environmental impact. During 2021 too, Smart working has been adopted extensively in light of COVID 19 measures with positive impact on GHG reduction. For example our buildings in Italy are provided with the correct air exchange ratios. When possible, we adapted the energy consumption of Italian premises to the effective occupancy of the buildings. 5 headquarters in Italy have been temporary closed avoiding more than 300 tCO_2 emissions in 2021.

At the same time, we have invested in supporting lower environmental impact modes of commuter transport for when employees work from our premises. For example in 2021 additional bike stations implemented in our main buildings in Italy, Bulgaria, and Russia. In Italy additional 320 bike parking are under installation in 10 of our main buildings.

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate
Yes, we engage directly with policy makers
Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?
Yes

Attach commitment or position statement(s)
NET ZERO
UniCredit joins UN-Convened Net-Zero Banking Alliance - UniCredit.pdf

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy
Following the release of the new ESG Strategy in which Climate Change is one of the driver, we have adapted the Group ESG Roadmap to embed 20 key workstreams reflecting the key strategic actions and underlining drivers presented above. Workstreams are led by colleagues across all functions that act as ESG Reference points for the entire organization.

Our public positioning on ESG and Climate Related topics, as part of our engagement activity with the stakeholders, is part of our Group ESG Roadmap, and is the outcome of a structured internal process that starts with a bottom-up analysis of rules and regulation performed by relevant company structures involved in providing technical support to the advocacy activities, defined business activities and goals, followed by a top-down alignment with the overall Group guidelines.

Our position on climate change is to advocate for balanced approach that takes into account our customers’ financing needs to transition to a net zero carbon economy, on one side, and protecting the fundamentals of banking sectors, on the other. More broadly, our activities with policy makers on climate change are the outcome of a joint effort
between our Group Regulatory Affairs department, which is the owners of the formal institutional positioning vis à vis regulators and public institutions, and Group Sustainability, the knowledge point on climate change.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate
Mandatory climate-related reporting

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Integration of climate risks into banks management frameworks: The European Banking Authority consultation regarding the management and supervision of ESG risks for credit institutions.

Policy, law, or regulation geographic coverage
Regional

Country/region the policy, law, or regulation applies to
Europe

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
Attended the EBA's public hearing and responded to the consultation on the management and supervision of ESG risks for credit institutions through trade associations.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate
Mandatory climate-related reporting

Specify the policy, law, or regulation on which your organization is engaging with policy makers
ESG disclosures: The European Banking Authority consultation on the templates to disclose prudential information on climate related risks, including physical and transition risks

Policy, law, or regulation geographic coverage
Regional

Country/region the policy, law, or regulation applies to
Europe

Your organization's position on the policy, law, or regulation
Support with minor exceptions

Description of engagement with policy makers
Attended the EBA's public hearing and dedicated workshops organized by trade associations to communicate the main risks and challenges regarding the lack of available data to disclose certain information requested. We have provided, through trade associations, specific questions that would need additional clarifications from EBA.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
While we agree with the proposed framework for the disclosure of environmental risks, including on physical and transition risks, we highlight that: i) banks are reliant on the availability of ESG data from their clients in order to be able to perform their own disclosures and it is important to have consistency of requirements and an appropriate sequencing (first the disclosure of non-financial companies and banks afterwards) and ii) the EBA proposed use of estimates to compensate for the lack of available data from counterparties could lead to fragmented and non-comparable disclosures between different banks.

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate
Sustainable finance

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Creation of the EU standard for green bonds. The regulation has the potential to increase the issuance of green bonds in EU which would finance the Taxonomy aligned projects therefore, among others, contribute to the reduction of greenhouse gas emissions having positive impact on climate

Policy, law, or regulation geographic coverage
Regional

Country/region the policy, law, or regulation applies to
Europe

Your organization's position on the policy, law, or regulation
Support with minor exceptions

Description of engagement with policy makers
Meeting with representatives of the European Parliament engaged in the negotiations and with the representatives of Member States both on a standalone basis and through the associations.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
While we agree with the general framework we are advocating for a following amendments to the EC original proposal: (i) full-grandfathering – bonds proceeds will not have to be reallocated in case of changes to the Taxonomy criteria; (ii) 20 percent of flexibility for financing projects that are Taxonomy eligible but not yet fully Taxonomy aligned

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Sustainable finance

Specify the policy, law, or regulation on which your organization is engaging with policy makers
The extension of the Taxonomy to intermediate and significantly harmful activities can give more clarity to markets participants on all of the spectrum of economic activities not only those that are already green. Indeed, in order to reach the EU climate objectives massive capital flows needs to reallocated to those economic activities that are in need of urgent transition.

Policy, law, or regulation geographic coverage
Regional

Country/region the policy, law, or regulation applies to
Europe

Your organization's position on the policy, law, or regulation
Support with minor exceptions

Description of engagement with policy makers
We replied to the European Commission consultation. Meetings with the representatives of the Platform of Sustainable Finance together with the EBF

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
We deem that only "always significantly harmful" economic activities should be classified as red. The activities that are significantly harmful but have the possibility to improve should be included in the amber/intermediate space, even if such an intermediate space were to be divided in the two categories activities that are "on the move" and "not on the move".

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate
Emissions trading schemes

Specify the policy, law, or regulation on which your organization is engaging with policy makers
EU Emission Trading System review as part of the Fit for 55 package

Policy, law, or regulation geographic coverage
Regional

Country/region the policy, law, or regulation applies to
Iceland
Norway
EU27

Your organization's position on the policy, law, or regulation
Support with minor exceptions

Description of engagement with policy makers
Attended the meetings with the EC's DG CLIMA organized by trade associations to convey the risks of proposed restrictions to the participation of banks in the ETS

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
We welcome the proposed changes on the EU ETS as part of the Fit for 55 package, however considered that the amendments proposed by the EP ENVI committee are limiting the participation of financial institutions in the EU ETS trading market which will create a liquidity risk for companies and will increase their financing costs we would prefer the EC original proposal

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association
Other, please specify (Associations of Financial Markets in Europe (AFME))

Is your organization's position on climate change consistent with theirs?
Consistent

Has your organization influenced, or is your organization attempting to influence their position?
We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)
Our comments were included in the AFME positions

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (European Banking Federation (EBF) through Italian Banking Association (ABI))

Is your organization's position on climate change consistent with theirs?
Consistent

Has your organization influenced, or is your organization attempting to influence their position?
We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)
our comments were included in the AFME positions

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
UC_INTEGRATO_2021_ENG (3).pdf

Page/Section reference
Reference to the issue of climate change and related matters, including our GHG emissions performance, is made throughout the Report.
However, the principle pages are as follows (printed page numbers): 10, 11, 15, 26, 27, 30, 56-60, 100-105, 113-117, S18-S21, S54-S55

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
UC_TCFD_2020_ENG_FINAL (6).pdf

Page/Section reference
The overall TCFD report is focused on our organization's response to climate change and related risks and opportunities, providing data on emissions figures and targets

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics
Other, please specify

Comment
This is our first stand alone TCFD report. The first disclosure was part of the integrated Report.

C-FS12.5

(C-FS12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Climate Bonds Initiative Partner Programme Equator Principles Natural Capital Finance Alliance Net Zero Banking Alliance Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact UNEP FI UNEP FI Principles for Responsible Banking Other, please specify (UNEP Statement of Commitment by Financial Institutions on Sustainable Development, Steel Climate-Aligned Finance Working Group, European Hydrogen Forum)	In 2021 we joined the Net Zero Banking Alliance, the banking element of the Glasgow Financial Alliance for Net-Zero (GFANZ) In 2019 UniCredit joined the group of TCFD supporters and in 2021 we issued our first stand alone TCFD Report. In 2019 UniCredit signed the Principles for Responsible Banking UNEP FI and in 2021 we started to report our state of implementation of the PRB. UniCredit is a founding member of the Equator Principles and is signatory of the UNEP FI Statement on sustainable development and is among the first group of signatories of the Natural Capital Declaration which subsequently gathered into the Natural Capital Finance Alliance. We regularly report in our Integrated Reports, on progress made in implementing the Ten Principles promoted by the UN Global Compact in our core business. UniCredit is partner of Climate Bond Initiative Partner Programme. We are among the 6 global banks that have formed the Steel Climate-Aligned Finance Working Group facilitated by RMI's Center for Climate-Aligned Finance. We became a member of the European Clean Hydrogen Alliance. The Alliance aims at the deployment of hydrogen technologies by 2030.

C14. Portfolio Impact

C-FS14.0

(C-FS14.0) For each portfolio activity, state the value of your financing and insurance of carbon-related assets in the reporting year.

Lending to all carbon-related assets

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Important, but not immediate priority

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
We joined the Net Zero Banking Alliance and are preparing a detailed analysis which will allow us to provide the relevant information in coming years

Lending to coal

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Important, but not immediate priority

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
We joined the Net Zero Banking Alliance and are preparing a detailed analysis which will allow us to provide the relevant information in coming years

Lending to oil and gas

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Important, but not immediate priority

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
We joined the Net Zero Banking Alliance and are preparing a detailed analysis which will allow us to provide the relevant information in coming years

C-FS14.1

(C-FS14.1) Does your organization measure its portfolio impact on the climate?

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Please explain why you do not measure the impact of your portfolio on the climate
Banking (Bank)	No, but we plan to do so in the next two years	<Not Applicable>	We are currently engaging in understanding a reliable impact measurement not necessarily related to Scope 3. We believe investee companies' emissions are more relevant to gauge real economy impact. However, within our NZBA commitment we are also reporting our carbon footprint according to GHG Protocol Corporate Standard.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS14.3

(C-FS14.3) Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?

	Actions taken to align our portfolio with a 1.5°C world	Please explain why you have not taken any action to align your portfolio with a 1.5°C world
Banking (Bank)	Yes	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C-FS14.3a

(C-FS14.3a) Does your organization assess if your clients/investees' business strategies are aligned with a 1.5°C world?

	Assessment of alignment of clients/investees' strategies with a 1.5°C world	Please explain why you are not assessing if your clients/investees' business strategies are aligned with a 1.5°C world
Banking (Bank)	Yes, for some	We only assess 1.5° alignment for a selected portion of our portfolio, notably the PACTA sectors: utilities, oil and gas, automotive, steel, cement,
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, executive management-level responsibility	The management level has been involved in the definition of a strategy on biodiversity, including the selection of any potential commitment or pledge to be considered	Risks and opportunities to our bank lending activities

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	No, but we plan to do so within the next 2 years	<Not Applicable>	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	No, but we plan to assess biodiversity-related impacts within the next two years	<Not Applicable>

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Education & awareness

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	Please select

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
No publications	<Not Applicable>	<Not Applicable>

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

N.A.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chairman of the Board of Directors	Board chair

FW-FS Forests and Water Security (FS only)

FW-FS1.1

(FW-FS1.1) Is there board-level oversight of forests- and/or water-related issues within your organization?

	Board-level oversight of this issue area	Explain why your organization does not have board-level oversight of this issue area and any plans to address this in the future
Forests	No, but we plan to within the next two years	Based on the relevance of water and forest sectors in our business, up to now these topics were handled at the managerial level. Giving the growing importance of these topics we plan to bring them to the attention of the Board thorough its ESG Committee in the near future.
Water	No, but we plan to within the next two years	Based on the relevance of water and forest sectors in our business, up to now these topics were handled at the managerial level. Giving the growing importance of these topics we plan to bring them to the attention of the Board thorough its ESG Committee in the near future.

FW-FS1.1c

(FW-FS1.1c) Does your organization have at least one board member with competence on forests- and/or water-related issues?

Forests

Board member(s) have competence on this issue area
Not assessed

Criteria used to assess competence of board member(s) on this issue area
<Not Applicable>

Primary reason for no board-level competence on this issue area
Important but not an immediate priority

Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future
In UniCredit the competences on forests- and/or water-related issues of its Board members are not assessed at the moment as a specific competence.
We do regular assessment of the competences of the BOD according to what is defined in the document "Qualitative and Quantitative Composition of the UniCredit S.p.A. Board of Directors" published in March 2021, which defines a set of 10 core competences. Sustainability is one of the them. 77% of the Board members have sustainability competence.

Water

Board member(s) have competence on this issue area
Not assessed

Criteria used to assess competence of board member(s) on this issue area
<Not Applicable>

Primary reason for no board-level competence on this issue area
Important but not an immediate priority

Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future
In UniCredit the competences on forests- and/or water-related issues of its Board members are not assessed at the moment as a specific competence.
We do regular assessment of the competences of the BOD according to what is defined in the document "Qualitative and Quantitative Composition of the UniCredit S.p.A. Board of Directors" published in March 2021, which defines a set of 10 core competences. Sustainability is one of the them. 77% of the Board members have sustainability competence..

FW-FS1.2

(FW-FS1.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests- and/or water-related issues.

Name of the position(s) and/or committee(s)
Other, please specify (Group Executive Council)

Reporting line
CEO reporting line

Issue area(s)
Forests
Water

Responsibility
Both assessing and managing risks and opportunities

Coverage of responsibility
Risks and opportunities related to our banking portfolio

Frequency of reporting to the board on forests- and/or water-related issues
As important matters arise

FW-FS2.1

(FW-FS2.1) Do you assess your portfolio's exposure to forests- and/or water-related risks and opportunities?

	We assess our portfolio's exposure to this issue area	Explain why your portfolio's exposure is not assessed for this issue area and any plans to address this in the future
Banking - Forests exposure	No, but we plan to within the next two years	Portfolio's exposure to water and forest has not been judged as material for the Bank up to now and therefore there was no assessment on it. Given the growing importance of these issues we plan to do it the near future.
Banking – Water exposure	No, but we plan to within the next two years	Portfolio's exposure to water and forest has not been judges ad material for the Bank up to now and therefore there was no assessment on it. Given the growing importance of these issues we plan to do it the near future.
Investing (Asset manager) – Forests exposure	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Water exposure	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Forests exposure	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water exposure	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests exposure	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water exposure	<Not Applicable>	<Not Applicable>

FW-FS2.2

(FW-FS2.2) Does your organization consider forests- and/or water-related information about clients/investees as part of its due diligence and/or risk assessment process?

	We consider forests- and/or water-related information	Explain why information related to this issue area is not considered and any plans to address this in the future
Banking – Forests-related information	Yes	<Not Applicable>
Banking – Water-related information	Yes	<Not Applicable>
Investing (Asset manager) – Forests-related information	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Water-related information	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Forests-related information	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water-related information	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests-related information	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water-related information	<Not Applicable>	<Not Applicable>

FW-FS2.2a

(FW-FS2.2a) Indicate the forests- and/or water-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision making.

Portfolio
Banking (Bank)

Information related to
Forests

Type of information considered
Commitment to eliminate deforestation/conversion of other natural ecosystems
Origin of forest risk commodities

Process through which information is obtained
Directly from the client/investee

Industry sector(s) covered by due diligence and/or risk assessment process
Materials
Other, please specify (The Commitment on rainforest refers to all transactions project related with a potential impact on rainforests. As such, it is a cross-sector commitment.)

State how these forests- and/or water-related information influences your decision making
Based on a Commitment on rainforest, Unicredit does not provide financial services to customers involved directly (and in case of specific projects also indirectly) in: illegal logging; wood registered in violation of traditional and civil rights; wood immersed in forests where high conservation values are threatened by industry; or forests converted illegally into planting or illegal use of fire.
The commitment defines an Exclusion list defining the Operations that can not be supported buy the bank.

Portfolio
Banking (Bank)

Information related to
Water

Type of information considered
Other, please specify (water management)

Process through which information is obtained
Directly from the client/investee

Industry sector(s) covered by due diligence and/or risk assessment process
Utilities
Other, please specify (infrastructure)

State how these forests- and/or water-related information influences your decision making
UniCredit's Water Infrastructure (Dam) Policy provides guidelines and standards, which are based on those accepted by the industry and by other stakeholders and represent best practice. The Water Infrastructure (Dam) Policy aims to assess and limit environmental and social risks associated with the financing of water infrastructure activities(dams).

FW-FS2.3

(FW-FS2.3) Have you identified any inherent forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Risks identified for this issue area	Primary reason why your organization has not identified any substantive risks for this issue area	Explain why your organization has not identified any substantive risks for this issue area
Forests	No	Evaluation in process	Risks related to forest have not been judged as material for the Bank up to now and therefore there was no assessment on it. Given the growing importance of these issues we plan to do it the near future.
Water	No	Evaluation in process	Risks related to water have not been judged as material for the Bank up to now and therefore there was no assessment on it. Given the growing importance of these issues we plan to do it the near future.

FW-FS2.4

(FW-FS2.4) Have you identified any inherent forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Opportunities identified for this issue area	Primary reason why your organization has not identified any substantive opportunities for this issue area	Explain why your organization has not identified any substantive opportunities for this issue area
Forests	No	Evaluation in process	Opportunities related to forests have not been judged as relevant for the Bank up to now and therefore there was no assessment on it. Given the growing importance of these issues we plan to do it the near future.
Water	No	Evaluation in process	Opportunities related to water have not been judged as relevant for the Bank up to now and therefore there was no assessment on it. Given the growing importance of these issues we plan to do it the near future.

FW-FS3.1

(FW-FS3.1) Do you take forests- and/or water-related risks and opportunities into consideration in your organization's strategy and/or financial planning?

Forests

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning
No, we do not take risks and opportunities into consideration

Description of influence on organization's strategy including own commitments
<Not Applicable>

Financial planning elements that have been influenced
<Not Applicable>

Description of influence on financial planning
<Not Applicable>

Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning
Risks and opportunities related to forest have not been judged as material/relevant for the Bank up to now and therefore are not considered in our organization's strategy and financial planning. Given the growing importance of these issues we plan to do it the near future.

Water

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning
No, we do not take risks and opportunities into consideration

Description of influence on organization's strategy including own commitments
<Not Applicable>

Financial planning elements that have been influenced
<Not Applicable>

Description of influence on financial planning
<Not Applicable>

Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning
Risks and opportunities related to forest have not been judged as material/relevant for the Bank up to now and therefore are not considered in our organization's strategy and financial planning. Given the growing importance of these issues we plan to do it the near future.

FW-FS3.2

(FW-FS3.2) Has your organization conducted any scenario analysis to identify forests- and/or water-related outcomes?

Forests

Scenario analysis conducted to identify outcomes for this issue area
No, we have not conducted any scenario analysis to identify outcomes for this issue area, but we plan to in the next two years

Type of scenario analysis used
<Not Applicable>

Parameters, assumptions, analytical choices
<Not Applicable>

Description of outcomes for this issue area
<Not Applicable>

Explain how the outcomes identified using scenario analysis have influenced your strategy
<Not Applicable>

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future
Risks and opportunities related to forest have not been judged as material/relevant for the Bank up to now and therefore we have not conducted scenario analysis yet. Given the growing importance of these issues we plan to do it the near future, assuming that a reliable methodology will be in place.

Water

Scenario analysis conducted to identify outcomes for this issue area
No, we have not conducted any scenario analysis to identify outcomes for this issue area, but we plan to in the next two years

Type of scenario analysis used
<Not Applicable>

Parameters, assumptions, analytical choices
<Not Applicable>

Description of outcomes for this issue area
<Not Applicable>

Explain how the outcomes identified using scenario analysis have influenced your strategy
<Not Applicable>

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future
Risks and opportunities related to water have not been judged as material/relevant for the Bank up to now and therefore we have not conducted scenario analysis yet. Given the growing importance of these issues we plan to do it the near future, assuming that a reliable methodology will be in place.

FW-FS3.3

(FW-FS3.3) Do any of your existing products and services enable clients to mitigate deforestation and/or water insecurity?

	Existing products and services that enable clients to mitigate deforestation and/or water insecurity	Explain why your organization does not offer products and services which enable clients to mitigate deforestation and/or water insecurity and any plans to address this in the future
Forests	No, but we plan to address this within the next two years	Our target of achieving €150 bn of ESG volumes over 2022-2024 include a significant quota of Environmental Lending. Our current definition mainly focuses on climate-related products, but we want to enlarge it to include further environmental objectives, taking into account also the EU Taxonomy.
Water	No, but we plan to address this within the next two years	Our target of achieving €150 bn of ESG volumes over 2022-2024 include a significant quota of Environmental Lending. Our current definition mainly focuses on climate-related products, but we want to enlarge it to include further environmental objectives, taking into account also the EU Taxonomy.

FW-FS3.4

(FW-FS3.4) Does the policy framework for the portfolio activities of your organization include forests- and/or water-related requirements that clients/investees need to meet?

	Policy framework includes this issue area	Explain why your organization does not include this issue area in the policy framework and any plans to address this in the future
Forests	Yes	<Not Applicable>
Water	Yes	<Not Applicable>

FW-FS3.4a

(FW-FS3.4a) Provide details of the policies which include forests- and/or water-related requirements that clients/investees need to meet.

Portfolio
Banking (Bank)

Issue area(s) the policy covers
Forests

Type of policy
Credit/lending policy
Underwriting policy
Other, please specify (Project finance)

Portfolio coverage of policy
100

Policy availability
Publicly available

Attach documents relevant to your policy
https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-governance/UniCredit-Commitment-on-rainforests.pdf

Criteria required of clients/investees
Avoid negative impacts on threatened and protected species and habitats
Commit to no conversion of High Conservation Value areas
Commit to no activities in IUCN protected areas categories I – IV
Commit to no activities in Ramsar sites.
Adopt the UN International Labour Organization principles
Comply with all applicable local, national and international laws and regulations
Other, please specify (Operations with adverse violations on human rights; in or immediately adjacent to UNESCO World Heritage Sites unless the activities predate the UNESCO designation; in or directly affecting Primary Tropical Moist Forests, or rainforests)

Value chain stages of client/investee covered by criteria
Direct operations only

Timeframe for compliance with policy criteria
Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy
Other, please specify (The policy applies to a list of excluded activities. Hence, it is cross-sectoral)

Forest risk commodities covered by the policy
All agricultural commodities

Forest risk commodity supply chain stage covered by the policy
Please select

Exceptions to policy based on
<Not Applicable>

Explain how criteria coverage and/or exceptions have been determined
The objective of our commitment on rainforests is to ensure that our activity does not favor deforestation or forest degradation, unless appropriately mitigated.
We will not provide financial services to customers involved directly (and in case of specific projects also indirectly) in: illegal logging; wood registered in violation of traditional and civil rights; wood immersed in forests where high conservation values are threatened by industry; or forests converted illegally into planting or illegal use of fire.
For project finance transactions including project finance advisory, along with certain project-related corporate loans and bridge loans, the standards established by the Equator Principles also apply.
This commitment refers to all transactions project related with a potential impact on rainforests. In view of the substantially higher risks involved, the UniCredit Group will not support a specific list of activities

Portfolio
Banking (Bank)

Issue area(s) the policy covers
Water

Type of policy
Credit/lending policy
Underwriting policy
Policy related to other products and services

Portfolio coverage of policy
100

Policy availability
Publicly available

Attach documents relevant to your policy
https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/our-vision-of-a-sustainable-bank/policies-and-guidelines/Dam_Statement-ENG.pdf

Criteria required of clients/investees
Comply with all applicable local, national and international laws and water regulations
Other, please specify (International Finance Corporation Performance Standards and the EHS Guidelines of the World Bank Group; Equator Principles; World Commission on Dams; recognize the rights includedin the "UN Declaration on the Rights of Indigenous Peoples")

Value chain stages of client/investee covered by criteria
Direct operations only

Timeframe for compliance with policy criteria
Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy
Other, please specify (The policy applies to a list of excluded activities. Hence, it is cross-sectoral)

Forest risk commodities covered by the policy
<Not Applicable>

Forest risk commodity supply chain stage covered by the policy
<Not Applicable>

Exceptions to policy based on
<Not Applicable>

Explain how criteria coverage and/or exceptions have been determined
Fresh water is a finite and vulnerable resource. The availability of a reliable supply of water and the protection of water resources through adequate water management are essential to sustain life, development and environment. Countries need to satisfy the water demand of households, industry and agriculture, balanced by the need for security and sustainability of supply and the requirement to protect the aquatic environment and support biodiversity.
In this context, dams can be important contributors to the development of many countries. They can improve and expand power generation, irrigation, domestic and industrial water supplies, and can provide security against droughts and protection from floods. However, at the same time, they often submerge substantial areas and change the pattern of river flows downstream, causing, in some cases, significant adverse impacts on the environment and local communities. Although large dams are a source of renewable energy, they belong especially in developing countries to the most controversial large infrastructure projects and have led to considerable social and environmental conflicts in the past. Therefore, only provided risks are well managed, there is an opportunity for the development of these countries and regions.
UniCredit's Water Infrastructure (Dam) Policy provides guidelines and standards, which are based on those accepted by the industry and by other stakeholders and represent best practice. The Water Infrastructure (Dam) Policy aims to assess and limit environmental and social risks associated with the financing of water infrastructure activities(dams) with particular attention to:
Habitat & biodiversity loss;
Groundwater, water, soil and air contamination;
International Labour Standards, especially concerning child and forced labour;
Indigenous Peoples and local communities;
Health and safety of affected communities;
Resettlement and economic displacement;
Consultation processes and community support;
Security and human rights;
Cultural heritage;
Adherence to legislation;
Corruption risk and political risk.

FW-FS3.5

(FW-FS3.5) Does your organization include covenants in financing agreements to reflect and enforce your forests- and/or water-related policies?

	Covenants included in financing agreements to reflect and enforce policies for this issue area	Explain how the covenants included in financing agreements relate to your policies for this issue area	Explain why your organization does not include covenants for this issue area in financing agreements and any plans to address this in the future
Forests	Yes	Since the policy provides an exclusion list, the requirements apply as a pre-requisite for financing	<Not Applicable>
Water	Yes	Since the policy provides an exclusion list, the requirements apply as a pre-requisite for financing	<Not Applicable>

FW-FS4.1

(FW-FS4.1) Do you engage with your clients/investees on forests- and/or water-related issues?

	We engage with clients/investees on this issue area	Explain why you do not engage with your clients/investees on the issue area and any plans to address this in the future
Clients – Forests	No, but we plan to within the next two years	Since the policy provides an exclusion list, the requirements apply as a pre-requisite for financing. Given the growing importance of these issues we may decide to introduce further provisions, including on engagement,
Clients – Water	No, but we plan to within the next two years	Since the policy provides an exclusion list, the requirements apply as a pre-requisite for financing. Given the growing importance of these issues we may decide to introduce further provisions, including on engagement,
Investees – Forests	<Not Applicable>	<Not Applicable>
Investees – Water	<Not Applicable>	<Not Applicable>

FW-FS4.3

(FW-FS4.3) Does your organization provide financing and/or insurance to smallholders in the agricultural commodity supply chain?

	Provide financing and/or insurance to smallholders in the agricultural commodity supply chain	Agricultural commodity	Primary reason for not providing finance and/or insurance to smallholders	Explain why your organization does not provide finance/insurance to smallholders and any plans to change this in the future
Row 1	Yes	Timber products Palm oil Cattle products Soy Rubber Cocoa Coffee Sugar	<Not Applicable>	<Not Applicable>

FW-FS4.3a

(FW-FS4.3a) Describe how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity.

Timber products

Financial service provided
Banking

Smallholder financing/insurance approach
Other, please specify (Exclusion list on high-risk activities)

Other smallholder engagement approaches

Number of smallholders supported

Explain how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity
Till now, our position papers on rainforests and water management focus on the detailing the list of activities which cannot be financed. Given the growing importance of these issues we may decide to introduce further provisions, including incentives for sustainable practices

Palm oil

Financial service provided
Banking

Smallholder financing/insurance approach
Other, please specify (Exclusion list on high-risk activities)

Other smallholder engagement approaches

Number of smallholders supported

Explain how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity
Till now, our position papers on rainforests and water management focus on the detailing the list of activities which cannot be financed. Given the growing importance of these issues we may decide to introduce further provisions, including incentives for sustainable practices

Cattle products

Financial service provided

Smallholder financing/insurance approach
Other, please specify (Exclusion list on high-risk activities)

Other smallholder engagement approaches

Number of smallholders supported

Explain how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity
Till now, our position papers on rainforests and water management focus on the detailing the list of activities which cannot be financed. Given the growing importance of these issues we may decide to introduce further provisions, including incentives for sustainable practices

Soy

Financial service provided
Banking

Smallholder financing/insurance approach
Other, please specify (Exclusion list on high-risk activities)

Other smallholder engagement approaches

Number of smallholders supported

Explain how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity
Till now, our position papers on rainforests and water management focus on the detailing the list of activities which cannot be financed. Given the growing importance of these issues we may decide to introduce further provisions, including incentives for sustainable practices

Rubber

Financial service provided
Banking

Smallholder financing/insurance approach
Other, please specify (Exclusion list on high-risk activities)

Other smallholder engagement approaches

Number of smallholders supported

Explain how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity
Till now, our position papers on rainforests and water management focus on the detailing the list of activities which cannot be financed. Given the growing importance of these issues we may decide to introduce further provisions, including incentives for sustainable practices

Cocoa

Financial service provided
Banking

Smallholder financing/insurance approach
Other, please specify (Exclusion list on high-risk activities)

Other smallholder engagement approaches

Number of smallholders supported

Explain how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity
Till now, our position papers on rainforests and water management focus on the detailing the list of activities which cannot be financed. Given the growing importance of these issues we may decide to introduce further provisions, including incentives for sustainable practices

Coffee

Financial service provided
Banking

Smallholder financing/insurance approach
Other, please specify (Exclusion list on high-risk activities)

Other smallholder engagement approaches

Number of smallholders supported

Explain how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity
Till now, our position papers on rainforests and water management focus on the detailing the list of activities which cannot be financed. Given the growing importance of these issues we may decide to introduce further provisions, including incentives for sustainable practices

Sugar

Financial service provided
Banking

Smallholder financing/insurance approach
Other, please specify (Exclusion list on high-risk activities)

Other smallholder engagement approaches

Number of smallholders supported

Explain how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity
Till now, our position papers on rainforests and water management focus on the detailing the list of activities which cannot be financed. Given the growing importance of these issues we may decide to introduce further provisions, including incentives for sustainable practices

FW-FS4.4

(FW-FS4.4) Does your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may impact forests and/or water security?

	Direct or indirect engagement that could influence policy, law, or regulation that may impact this issue area	Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area	Explain why you do not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area
Forests	No, but we plan to in the next two years	Important but not an immediate priority	Based on our business and on the existing regulatory framework, up to now we did not see the need to engage in activity that could directly influence policy, law or regulation in this area. Giving the growing importance on this topic also from the regulatory point of view, we plan to have a more active role in the near future.
Water	No, but we plan to in the next two years	Important but not an immediate priority	Based on our business and on the existing regulatory framework, up to now we did not see the need to engage in activity that could directly influence policy, law or regulation in this area. Giving the growing importance on this topic also from the regulatory point of view, we plan to have a more active role in the near future.

FW-FS5.1

(FW-FS5.1) Does your organization measure its portfolio impact on forests and/or water security?

	We measure our portfolio impact on this issue area	Explain how your organization measures its portfolio impact on this issue area, including any metrics used to quantify impact	Primary reason for not measuring portfolio impact on this issue area	Explain why your organization does not measure its portfolio impact on this issue area and any plans to change this in the future
Banking – Impact on Forests	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	Portfolio impact on forests have not been judged as material for the Bank up to now and therefore there was no assessment on it. Given the growing importance of these issues we plan to do it the near future.
Banking – Impact on Water	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	Portfolio impact on water have not been judged as material for the Bank up to now and therefore there was no assessment on it. Given the growing importance of these issues we plan to do it the near future.
Investing (Asset manager) – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS5.2

(FW-FS5.2) Does your organization provide finance or insurance to companies operating in any stages of the following forest risk commodity supply chains, and are you able to report on the amount of finance/insurance provided?

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Lending to companies operating in the timber products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Such information has not been judged as material for the Bank up to now. Given the growing importance of these issues we may do it in the future.
Lending to companies operating in the palm oil products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Such information has not been judged as material for the Bank up to now. Given the growing importance of these issues we may do it in the future.
Lending to companies operating in the cattle products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Such information has not been judged as material for the Bank up to now. Given the growing importance of these issues we may do it in the future.
Lending to companies operating in the soy supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Such information has not been judged as material for the Bank up to now. Given the growing importance of these issues we may do it in the future.
Lending to companies operating in the rubber supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Such information has not been judged as material for the Bank up to now. Given the growing importance of these issues we may do it in the future.
Lending to companies operating in the cocoa supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Such information has not been judged as material for the Bank up to now. Given the growing importance of these issues we may do it in the future.
Lending to companies operating in the coffee supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Such information has not been judged as material for the Bank up to now. Given the growing importance of these issues we may do it in the future.
Investing (asset manager) to companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS6.1

(FW-FS6.1) Have you published information about your organization's response to forests- and/or water-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
UniCredit-Commitment-on-rainforests.pdf
UC_INTEGRATO_2021_ENG.pdf

Page/Section reference
Please see reference to our Deforestation Commitment (on rain forests) as reported in our 2021 Integrated Report, Risk Management chapter, at page no. 59. For reference we have also attached the full Commitment.

Content elements
Response to forests- and/or water-related risks and opportunities

Comment
N.A.

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

The European Climate Pact Submission

Please indicate your consent for CDP to showcase your disclosed environmental actions on the European Climate Pact website as pledges to the Pact.
No, we do not wish to pledge under the European Climate Pact at this stage

Please confirm below
I have read and accept the applicable Terms