Climate Change 2017 Information Request
UniCredit

Module: Introduction

Page: Introduction

CC0.1

Introduction

Please give a general description and introduction to your organization.

UniCredit is a strong pan-European Group with a simple commercial banking model and a fully plugged in Corporate & Investment Bank, delivering its unique Western, Central and Eastern European network to its extensive 25 million strong client franchise.

UniCredit offers local expertise as well as international reach and accompanies and supports its clients globally, providing clients with unparalleled access to leading banks in its 14 core markets as well as in another 18 countries worldwide.

UniCredit's European banking network includes Italy, Germany, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Slovakia, Slovenia, Serbia and Turkey.

Emissions data for 2016 has been collected involving 50 Group legal entities (a full-time equivalent of more than 95,000) operating in Italy, Germany, Austria and in Central and Eastern Europe (CEE) countries. CEE includes: Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia and Slovenia.

CC0.2

Reporting Year

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Fri 01 Jan 2016 - Sat 31 Dec 2016

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country

CC0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

EUR(€)

CC0.6

Modules

As part of the request for information on behalf of investors, companies in the electric utility sector, companies in the automobile and auto component manufacturing sector, companies in the oil and gas sector, companies in the information and communications technology sector (ICT) and companies in the food, beverage and tobacco sector (FBT) should complete supplementary questions in addition to the core questionnaire.

If you are in these sector groupings, the corresponding sector modules will not appear among the options of question CC0.6 but will automatically appear in the ORS navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below in CC0.6.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Board or individual/sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

At the end of 2016, we strengthened our corporate governance system by assigning responsibility for overseeing sustainability (environmental and social) issues to the Corporate Governance, HR and Nomination Committee, which was subsequently renamed the Corporate Governance, Nomination and Sustainability Committee. The Executive Management Committee (EMC), chaired by the CEO, is a managerial committee appointed by the Board which comprises representatives from key business functions and divisions such as the CEO, COO, CRO, and CIB. It ensures the effective steering, coordination and control of Group business, as well as the successful alignment of the parent company with the different businesses and geographies regarding strategic topics, which include environmental issues concerning the Group. The EMC thereby presides over, and is directly responsible for, climate change.

The Group Environmental and Social Council (GESC) is functional to the work of the EMC to which it reports, in addition to strengthening its Environmental Commitment. The GESC oversees the effective implementation of UniCredit's environment related initiatives and commitments which derive from the Group's strategy to reduce its environmental direct and indirect impacts, with a specific focus on climate change. It also proposes annual objectives, targets and related activities, which are then submitted to the EMC for final approval. The GESC is chaired by the Head of Group Identity & Communication and includes executives from all major business divisions (e.g., CIB and CEE), competence lines (e.g., CRO and COO) and country representatives. Depending on the specific agenda, additional functions may be invited to participate. The Group Sustainability unit acts as GESC secretariat.

The activities of the GESC are consistent with our Environmental and Human Rights Commitments and the UniCredit Environmental Policy, which support a precautionary approach to environmental challenges by undertaking initiatives that promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technology, while avoiding adverse social impacts and fostering positive ones.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	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 managers	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.
Environment/Sustainability managers	Monetary reward	Emissions reduction project	Top managers are rewarded for sustainability goals achievement; the management of climate change related issues is a specific KPI within this context.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Facility managers	Monetary reward	Behavior change related indicator 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.

Further Information

Page: CC2. Strategy

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Board or individual/sub-set of the Board or committee appointed by the Board	Risk management procedures apply to all the countries where our Group operates. Furthermore, opportunities management (outside of risk area) are also implemented Group-wide, by considering the specifics of local countries and the various organizational areas. Representatives of all geographic areas are asked to provide specific information on risk and opportunities.	> 6 years	Company level risks are overseen by the Group Risk Management (GRM) department. Our Environmental Commitment document, which is disclosed on our institutional website, describes UniCredit ‘s approach with respect to identifying and managing environmental risks and taking advantage of environmental opportunities.

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

Our Group environmental impacts are managed at operational level and within UniCredit’s financing procedures according to strategic pillars: i) operations management; ii) a multifaceted risk management approach addressing E&S risks associated with products and services; iii) opportunity management, including developing environment-friendly products; iv) coordinated monitoring and transparency of our environmental performance through our EMS (over 3,500 EMAS registered sites in Italy; ISO 14001 certifications held in Austria, Czech Republic and Slovakia, and in Germany). Accordingly, climate change risks and opportunities are identified and managed via specific governance rules and structures that assign guidance, support and control roles, which involve strategic and operating committees at Group level. The EMC steers the strategy concerning the key areas, while the Group Environmental and Social Council (GESC) oversees its implementation. At asset level, specific procedures and policies are put in place in order to leverage opportunities and mitigate risks based on the particular features of each single asset class. For example, for project finance transactions and advisory, along with certain project-related corporate loans (incl. export structured finance loans), the standards established by the Equator Principles for determining, assessing and managing environmental (incl. climate change) and social risks apply. For Export Credit Agencies (ECA) supporting Corporate Loans, the OECD Common Approaches environmental and social due diligence process applies. 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 and hydro. Finally, our asset management company (Pioneer Investments) has dedicated funds which aim at exploiting demand for ecologically driven investments.

CC2.1c

How do you prioritize the risks and opportunities identified?

In order to prioritize the risks and opportunities identified we use a materiality matrix. In 2015 we surveyed over 100 opinion leaders (academics, journalists, regulators, sustainability experts and strategic consultants) to select, from a list of 20, the top trends with the biggest potential to impact the banking industry in the next 10 years. Within this list, global warming and energy transformation resulted amongst the top priorities. Moreover, climate change risks and opportunities are prioritized in UniCredit through definition and review of our Environmental strategy. In particular, the Group Environmental and Social Council (GESC), involving a synergic team of more than 15 functions across our divisions and countries with different stakes in terms of environmental risks and opportunities (e.g. CIB, CRO, Procurement, Cost Management, Organization, Planning, etc), selected the areas of activity considered more sensitive to climate change among the ones identified: i) Efficient operations: company carbon footprint management; ii) Climate related business opportunities; iii) Environmental risk assessment; iv) Environmental Governance. The Commitment/strategy aims to define a reliable approach for UniCredit, leveraging on the identification and management of environmental risks and by taking advantage of environmental opportunities.

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

At UniCredit environmental impacts, including climate change, are managed via specific governance rules and structures. The EMC (Executive Management Committee) appointed by the Board approves the strategy, receives regular updates about Group positions and performance on environmental topics; the Group Environmental and Social Council (GESC) oversees the implementation of UniCredit's environment-related initiatives and commitments. It also proposes the Group environmental strategy, annual objectives and targets, as well as the related activities submitted to the EMC for approval. Notably:

I) In order to integrate climate considerations into our business strategy the GESC regularly collects information on our carbon exposure in order to adapt the strategy to a changing environment, for instance investors' appetite for carbon intensive assets, as well as monitoring potential regulatory shifts related to climate change;

II) The strategy has been influenced firstly by opportunities to develop green business arising in the market. For instance, the increasing need for energy efficiency investments and renewable energy sources led us to establish an Energy Service Company, jointly with Fondazione WWF Italia: Officinae Verdi (OV). From 2013 to 2016, OV Group was responsible for the development of some 250 projects worth about €155 million in energy efficiency and renewable energy investments. The energy plants managed by OV Group represent roughly 280 megawatts of peak power. In total, OV Group has supplied 471 gigawatt-hours per year of energy, avoiding 261,000 tons per year of CO_2 emissions in the process.

III) Although regulatory changes are likely to have an increasing impact over the next few years, so far the arising of business opportunities driven by climate change have influenced our strategy more than other aspects;

IV) The most important component of the short term strategy is seizing green business opportunities, like feed in tariffs and other subsidized business, it is mostly based on a short term perspective, quick to seize and easy to revert;

V) The most important component of our long term strategy is the understanding of how climate change may affect the long term stability and credit worthiness of our customers;

VI) Responding rapidly is likely to give advantages over competitors, particularly when looking at risk appetite. However, timing is still crucial and acting too fast may result in loss of business opportunities. As it is currently extremely difficult to gage specific industries' resilience to climate impacts and climate driven regulations the only real competitive advantage lies in understanding financial implications.

VII) No particular business decision taken over the reporting year is specifically influenced by climate change;

VIII) The Paris Agreement has triggered a number of initiatives which we are looking at very closely and, despite the recent announcement from the US to withdraw, it does not seem to be reversible. As NDC's are not yet fully implemented, we expect more changes to come, however in practical terms we have not yet seen a clear sign that businesses feel they should preference green investments rather than brown ones;

IX) At UniCredit we have been using scenario analysis for almost ten years now. This includes a comprehensive 2° compliant scenario, broken down across industries and countries where we operate, eventually drilled down at corporate level as well as carbon price stress testing. We have applied a 2° compliant pathway to see how different customers would have reacted to the new emission limits, in terms of revenues and cash-flow analysis. We have also performed a carbon price stress test based on EPA Social cost of carbon in what we consider more an experiment than a standard business practice. Methodologies still need to be refined as to include understanding of low probability and high impact scenarios. In order to do so, a complex flow of consequent implications must be taken into account rather than only one variable, otherwise the complexity of consequent impacts is missed.

CC2.2c

Does your company use an internal price on carbon?

No, but we anticipate doing so in the next 2 years

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Mandatory carbon reporting	Support with minor exceptions	We have contributed a case study to the G20 Green Finance Study Group, in addition to responding to a consultation process for the application of the EU Non Financial Reporting Directive (2014/95/EU) in all EU countries where UniCredit operates.	While we believe mandatory reporting on carbon emissions must be applied for carbon intensive businesses, UniCredit promotes the deployment of a public - private joint effort to develop the best set of indicators to report on climate related financial risks. Currently, consensus on how to properly assess risks is not enough to move to mandatory reporting for financial

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
			institutions in the short term. Nonetheless, we believe that carbon reporting must be made mandatory also for financial institutions as soon as exceptions are cleared.
Climate finance	Support	Direct relationship with Government officials. UniCredit joined The Italian Ministry of Environment’s project to deliver the most suitable policy recommendations to foster the development of climate finance. By contributing its experience and best practice, UniCredit provides the Ministry with a full set of information on green finance perspectives and shortcomings.	UniCredit supports any regime potentially apt to improve economic performance of green investments in the short term.

CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Associazione Bancaria Italiana (ABI)	Consistent	ABI represents and promotes the interests of its associates. In this regard, ABI is very concerned about climate change and financial stability. ABI has engaged with associate banks in developing	Through a continuous engagement and open dialogue with ABI experts on sustainable finance.

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
		quantitative analysis of environmental and climate risk in order to improve knowledge of the links between climate risk, financial stability and the economic performance of banks.	
Association for Environmental Management and Sustainability in Financial Institutions (VfU)	Consistent	The VfU is a financial sector association focusing on sustainability issues of which climate change is a core component. The association works to develop and implement innovative and sustainable solutions for financial service providers with the aim of promoting the contribution of finance to sustainable development. As stakeholders of sustainability issues in the German financial sector, the VfU is involved in political dialogue aimed at favouring a sustainable economy. As a think tank, the VfU brings focus to the incorporation of sustainability issues in business and management processes, and the growth of sustainable financial services.	UniCredit is a member of VfU and is present on the Board. It also takes an active role in the VfU's climate change working group. As a voting member, we apply our experience and expertise in steering annual strategy and special issues. Our involvement in the association has been particularly focused on the issue of climate change, a core topic at VfU's annual Round Table over the last 10+ years. UniCredit is also co-founder and active member of the special VFU-Working Group "Finanzforum Klimawandel".
European Financial Services Roundtable EFR	Consistent	The European Financial Services Round Table (EFR) brings together Chairmen and Chief Executives of leading European banks and insurance companies. The purpose of the EFR is to contribute to the European public policy debate on issues relating to financial services and to the financial stability with the completion of the single market in financial services. In public statements EFR advocates for Governments' action to provide	UniCredit's Chairman of the Board is a member of the association and signs in EFR public position.

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
		long-term regulatory stability for low carbon investments, implement national adaptation and mitigation strategies, pricing carbon, and end inefficient fossil fuels subsidies.	
B.A.U.M (German Association for Environmental Management)	Consistent	B.A.U.M is Europe’s largest environmental initiative in the business sector. Its objective is to raise awareness and assist businesses, communities, and organizations with regards to sustainable business practices and preventative environmental protection, with regards to which climate change constitutes a significant component.	UniCredit is part of B.A.U.M’s supervisory Board and applies its expertise to engage in the transfer of knowhow amongst members and supports the association’s activities. Additionally, we are an active member of the Sustainability Leadership Forum (SLF), which is organized and headed by B.A.U.M. in cooperation with Leuphana University.

CC2.3d

Do you publicly disclose a list of all the research organizations that you fund?

Yes

CC2.3e

Please provide details of the other engagement activities that you undertake

UniCredit also supports the activities of the Stati Generali della Green Economy (SGGE), a strategic-planning multi stakeholder open process. The SGGE aims at promoting an economic shift of the Italian system towards the green economy to give way to sustainable and durable economic opportunities in Italy. UniCredit, as a member of the Global Compact Network Italia Environment working group, is contributing to the promotion of the use of the Natural capital concept. By lending its expertise in the calculation of externalities and its role within the Natural Capital Declaration, UniCredit is helping the SGGE to promote a general framework to ultimately be used to advocate for mandatory accounting

and legal recognition of the Natural Capital.
Within its engagement activity, UniCredit has contributed to the implementation of Italian legislation in accordance with the EU energy efficiency directive. Indeed, as member of the Italian bankers' association, ABI, UniCredit joined a dedicated working group on energy efficiency, bringing its expertise and experience in conducting energy audits under its Environmental Management System, with the aim of emphasise the merit of voluntary instruments of environmental management in complying with the legislation.
UniCredit is an active member of UNEP FI, the largest sustainability association in the financial domain, where it covers a position in the Climate Change Advisory Group, contributing to the development of an industry position vis à vis regulators and public authorities at large.

CC2.3f

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our public positioning is the outcome of a structured internal process and does not need to be aligned. Our position on climate change is to advocate for climate action while protecting the profitability of our business to in turn protect our customers' investments. More broadly, our activities with policy makers on climate change are the outcome of a joint effort of our Group Institutional and Regulatory Affairs, directly reporting to the CEO and the owners of the formal institutional positioning vis à vis regulators and public institutions, and Group Sustainability, the knowledge point on climate change. Besides this, Group Sustainability, including and not limited to climate change, acts as secretariat of our Group Environmental and Social Council where climate change related topics are discussed for formal approval by the Executive Management Committee.

Further Information

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?

Absolute target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
Abs1	Scope 1+2 (location-based)	100%	60%	2008	491448	2020	Yes, but this target has not been approved as science-based by the Science Based Targets initiative	Our emission reduction targets are above those envisaged in a 2 / 1.5 degree-compliant scenario. We have therefore self-assessed our targets to be science-based.
Abs2	Scope 1+2 (location-based)	100%	80%	2008	491448	2030	Yes, but this target has not been approved as science-based by the Science Based Targets initiative	Our emission reduction targets are above those envisaged in a 2 / 1.5 degree-compliant scenario. We have therefore self-assessed our targets to be science-based.

CC3.1e

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Abs1	66.7%	63.8%	In line with the actions envisaged in our Group’s three year strategic plan ‘Transform 2019’, we anticipate a significant reduction in our emissions to occur in the period 2017-2019.
Abs2	36.4%	47.8%	In line with the actions envisaged in our Group’s three year strategic plan ‘Transform 2019’, we anticipate a significant reduction in our emissions to occur in the period 2017-2019.

CC3.2

Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?

Yes

CC3.2a

Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
Company-wide	Financing of renewable energy sources	Low carbon product	Low Carbon Investment (LCI) Registry Taxonomy	1.00%	Less than or equal to 10%	UniCredit's renewable energy portfolio had an exposure of €9.4 billion by the end of 2016. Our portfolio in renewable energy financing provides funding for photovoltaic installations, small wind turbines and biogas generators. UniCredit is also the current owner of Bard Offshore 1 (Ocean Breeze Energy), a 400-megawatt offshore wind park situated in the German North Sea.
Group of products	Distributed generation and energy efficiency	Low carbon product	Low Carbon Investment (LCI) Registry Taxonomy	0.01%	Less than or equal to 10%	Officinae Verdi (OV) is a JV we established in collaboration with Fondazione WWF Italia. This is an ESCO operating in Italy which promotes

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
						distributed generation and energy efficiency by offering green technology solutions that meet the energy needs of both households and businesses alike, helping them to reduce their CO2 emissions. From 2013 to 2016, OV Group, was responsible for the development of some 250 projects worth about €155 million in energy efficiency and renewable energy investments. The energy plants managed by OV Group represent roughly 280 megawatts of peak power. In total, OV Group has supplied 471 gigawatt-hours per year of energy, avoiding 261,000 tons per year of CO2 emissions in the process.
Product	Green bonds	Low carbon product	Low Carbon Investment (LCI) Registry Taxonomy	0.01%	Less than or equal to 10%	UniCredit, the first-ever lead manager of a Green Bond issuance, continues to invest in this instrument. In 2016 we acted as joint book runner or joint arranger of 10 issues for a total placement of over €7 billion. Among these, UniCredit acted as joint lead manager in the €500 million EIB 2037 Climate Awareness Bond, the longest maturity outstanding green bond to date. In March 2016, Nordex, a leading

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
Group of products	Carbon Trading	Avoided emissions	Other: Facilitating cost effective abatements	0.01%	Less than or equal to 10%	German wind energy company, successfully priced the first Green Schuldschein ever, a special form of private placement under German law. UniCredit has maintained a carbon trading desk since 2005. In 2016 the desk traded nearly 600milion tons of carbon valued over €3.4 billion.

CC3.3

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

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	33	
To be implemented*	0	0
Implementation commenced*	1	3500
Implemented*	55	428

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Not to be implemented	0	

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Processes	At one of our Italian data centers, we replaced 12 UPS (Uninterruptible Power Supply) units with new models which utilize new technology and afford greater power efficiency. The improvement achieved is appreciable in the PUE (Power Usage Effectiveness) ratio of the data center, which further improved from 1.56 in 2015 to 1.53 in 2016.	101	Scope 2 (location-based)	Voluntary	45828	528000	4-10 years	11-15 years	The cost is net of VAT.
Energy efficiency: Building fabric	We have carried out activities to reduce energy demand for thermal stability within 4 buildings within which we operate.	112	Scope 1 Scope 2 (location-based)	Voluntary	65497	270262	4-10 years	6-10 years	The cost is net of VAT.

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building fabric	We have carried insulation initiatives at 7 of our premises with the purpose of improving energy efficiency.	33	Scope 1 Scope 2 (location-based)	Voluntary	19371	174740	4-10 years	16-20 years	The cost is net of VAT.
Energy efficiency: Building services	We have carried out the replacement of heating systems in 41 buildings in which we operate.	170	Scope 2 (location-based)	Voluntary	99197	850383	4-10 years	16-20 years	The cost is net of VAT.
Energy efficiency: Building fabric	At 2 sites we have invested in curbing energy dispersion by combined insulation and window replacement initiatives.	12	Scope 1 Scope 2 (location-based)	Voluntary	6735	29842	4-10 years	6-10 years	The cost is net of VAT.

CC3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	UniCredit abides by all relevant legislation. Since 2014, at UniCredit SpA, the holding company, the Environmental Management System, registered according the EMAS regulation and spanning more than 3,500 sites, serves 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

Method	Comment
	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 Austria (UniCredit Bank Austria AG) and in Czech Republic and Slovakia (UniCredit Bank Czech Republic and Slovakia a.s.) all the sites are certified ISO14001. A number of sites in Germany (UniCredit Bank AG) are also ISO14001 certified. 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 given broad dissemination through environmental news commentaries.
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).

Further Information

Page: CC4. Communication

CC4.1

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	Status	Page/Section reference	Attach the document	Comment
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Please see pp. 80-86 of the UniCredit 2016 Integrated Report, including pp.S.70-S.71 of the 2016 Integrated Report Supplement. Please refer to the aforementioned page numbers visible on the document, not the screen page number which appears when viewing the document on screen.	https://www.cdp.net/sites/2017/94/19794/Climate Change 2017/Shared Documents/Attachments/CC4.1/UniCredit Integrated_Report and Supplement_2016_en.pdf	In accordance with the requirements of the EU Non-Financial Reporting Directive (2014/95/EU), to be transposed into national legislation within 2 years thereof, since 2014 UniCredit has published an Integrated Report which reports non financial information, including that regarding its response to climate change and GHG emissions performance, in addition to financial data. The Integrated Report forms part of the Group's annual reporting package alongside the Consolidated Report. Prior to the UniCredit Integrated Report, UniCredit published a Sustainability Report since 2000. The guidelines adopted for the preparation of the sustainability information included in the Integrated Report 2016, which incorporates the Supplement, are the Sustainability Reporting Guidelines (version G4) and the Sector Disclosures - Financial Services, both

Publication	Status	Page/Section reference	Attach the document	Comment
				published in May 2013 by the GRI (Global Reporting Initiative).

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation
Risks driven by changes in physical climate parameters
Risks driven by changes in other climate-related developments

CC5.1a

Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
International agreements	In the aftermath of COP 21 in Paris 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 the Paris Agreement and the specific NDCs will translate into national binding regulations.	Reduction/disruption in production capacity	1 to 3 years	Indirect (Client)	Very likely	Medium-high	We have not made a quantitative assessment of financial impacts. That would imply a complex exercise on the portfolio, based on metrics whose reliability is questionable. We rely on available macro scenario provided by research center to gauge the potential impact of stranded assets in oil and gas sector and other climate sensitive industries.	In order to be aware of risks and opportunities in climate change, our Group Sustainability department keeps the Group aware of all the major sustainability issues that could have an impact on society, including climate change.	Costs for supporting UniCredit Group Sustainability 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. These costs, in addition to the expenses for additional activities (such as the analysis of the development of

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
									technologies and the evaluation of new regulatory markets) accounts, annually, for approximately €880,000.
Cap and trade schemes	The EU Emission Trading Scheme will undergo a further revision in order to allow compliance sector to achieve their 43% reduction vs 2005 by 2030 to keep them aligned with the overall EU 2030 target as pledged in the Paris Agreement	Other: Market risk	1 to 3 years	Direct	Likely	Low-medium	The new EU ETS could have a great effect on our clients as permit caps are being reduced and new business sectors will be included. The potential impact and related risk is price volatility, net position and changes on a daily basis.	We have a risk management tool which is related to other commodity prices, and relative spreads. Besides this, we also maintain tis an ongoing involvement with UNEP FI in order to monitor the evolution of the international agreement on carbon constraint related to financed	Costs are embedded in Group Sustainability , carbon solution team and Risk Management annual budgets.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	NDC. This will imply a decline in emissions of 2.2% annually compared to the previous 1.74%. The implication for involved sectors will be further investments needed to comply and possibly an increase in the carbon price.							emissions. Carbon credit prices are studied and future scenarios are analyzed and shared with our stakeholders. In particular, we are analyzing the development of regulations and national and international legislation that will govern this market with the support of different business functions including Group Sustainability, Public Affairs, Research and Development and Strategic Planning, while our Carbon	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								Solutions team follows market dynamics and provides liquidity to the markets, while serving customers' needs.	
Carbon taxes	UniCredit is exposed to carbon risks through the financing of carbon intensive sectors like coal mining, cement companies, utilities, oil and gas and other carbon intensive industries. A carbon tax will increase the likelihood of a switch towards renewables, which would leave some of	Other: Market risk	>6 years	Indirect (Client)	More likely than not	Medium-high	A tighter regulation on energy efficiency and carbon taxes will have an indirect impact, in terms of a limited financial capacity of our customers to respond to increased costs of fuel and other commodities subject to these regulations. The financial implications of	In order to mitigate indirect risks deriving from our business operations in this area, 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. A coal policy that aims to provide standards and guidelines	Management costs in this area include the registration, management and maintenance costs for the Group's holding EMS The budget allocated to these activities accounts for approximately €400,000.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	our customers behind. These risks lie mainly with the ability of the sectors affected, and of the bank, to cope with new operational costs and taxes in order to guarantee a sufficient level of compliance but also the possibility to remain competitive in the market. Our clients' difficulties in these terms could cascade on us, financially, whether they won’t be able to abide by their						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 decrease in demand, affecting the revenue side of the P&L.	that address the risks associated with financing coal fired power industry has been passed. 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	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	contractual agreements, or from a reputational point of view, if bad publicity results which is explicitly related to us.							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.	
Uncertainty surrounding new regulation	Given the wide range of sectors within our financed portfolio, there is a risk that some of our activities could be restricted due to evolving	Inability to do business	1 to 3 years	Indirect (Client)	More likely than not	Medium	There are two potential financial implications for many of our clients: from a financing perspective, the credit default risk if the bank	In order to mitigate this risk: We are currently trying to understand and anticipate the evolving general environmental regulations applicable to our	The costs associated with our activities to manage this risk are integrated into UniCredit's operating expenditures within the involved

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	governmental laws and regulations, including laws on climate change. This could result in lower revenues from the firm's commodities activities and require the firm to face additional operational costs to comply with the new regulation. For instance, the hydrocarbon extractive sector and those with carbon-based power generating infrastructure assets could be severely						finances a corporate client non complaint with environmental regulation; from an investing perspective, the devaluation of the asset under management of companies in our portfolio because of environmental penalties.	clients and also the clients' capability to comply, adapt and take advantage of them, underweighting the countries where we see high risk of uncertainty. We also adopted the Equator Principles for our Project Finance activity in 2003. The policies set mandatory requirements and evaluation criteria for the Group's financing and investment in these sectors. The introduction of these criteria	business functions .

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	affected by international regulation that prevents exploitation of carbon reserves. Also, if the supply chain of some of our customers, and our supply chain, fail to meet new regulatory requirements, this could result in lower cash flows than expected and reducing growth prospects, having an impact on our business operations and ultimately on our customers. Finally the feed							helps to highlight all the risks related to certain transactions, ensuring that only responsible projects are selected.	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	in tariff regime has been highly volatile in recent years in some countries making a fuzzy picture of customers' projected revenues over time.								
Fuel/energy taxes and regulations	If the EU introduces a fuel and energy tax as some have predicted, the taxation on fuels like coal with a heavier impact in terms of CO2 emissions, will have a direct impact also on UniCredit's Real Estate costs and will require	Increased capital cost	>6 years	Indirect (Client)	More likely than not	Medium-high	A tighter regulation on energy efficiency and carbon taxes will have an indirect impact, in terms of a limited financial capacity of our customers to respond to increased costs of fuel and other commodities subject to these	In order to mitigate indirect risks deriving from our business operations in this area, 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. A coal policy	Management costs in this area include the registration, management and maintenance costs for the Group's holding EMS. The approximate budget allocated to these activities accounts for approximately €400,000

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	additional measures in terms of energy efficiency in order to optimize consumptions. The financial risk is directly related to the increase of energy prices due to the introduction of carbon taxes and regulations globally. Furthermore, fuel and energy taxes will be a source of increased credit risks, whether the affected companies are able to pass this on to final users or not.						regulations. 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 decrease in demand, affecting the revenue side of the P&L.	that aims to provide standards and guidelines that address the risks associated with financing coal fired power industry has been passed. 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	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								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.	
Renewable energy regulation	The decrease of incentives on renewable energies can trigger financial risks mainly related to	Other: Market risk	Up to 1 year	Indirect (Client)	More likely than not	Medium-high	The financial implications could arise from the decrease in the investors´ interest in this kind of	Current sectorial perspectives are studied by our Strategic Risk Department which provides credit risk	The costs associated with our activities to manage this risk are integrated into UniCredit’s operational

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	market-significant changes that would result in reduced profits arising from the funding allocated to this area, and the increased risk associated, and a decrease in business opportunities.						investment projects. The decrease of the incentives to renewable energies has already had a direct impact on our business and will have a direct impact as well on the future finance strategy of the Bank. Nevertheless, at least in some of the regions in which we operate, the grid parity should prevent interest to be reduced. Our portfolio of renewable energy exposed to this risk was	officers with preferred allocation based on global trends. The firm is managing this risk also by ensuring that our financing activities are diversified across a range of sectors and industries in order to dissolve the potential impact on the firm's overall business performance. In addition, through our ESCO Officinae Verdi we provide environmental energy services to retail and corporate clients. Furthermore,	costs within the various lines of business involved.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							€9.4 billion at the end of 2016.	UniCredit's risk assessment process benefits from the contribution of several sector analysts.	

CC5.1b

Please describe your inherent risks that are driven by changes in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in precipitation extremes and droughts	Extreme weather events can result in physical risks that refer to both direct and indirect impacts. Direct risks are related to extreme adverse weather events	Reduction/disruption in production capacity	1 to 3 years	Direct	More likely than not	High	High 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	In order to mitigate the risks related to the direct impacts of physical change related to Climate Change, UniCredit has implemented a Business Continuity Plan (BCP) which	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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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, considering worse case scenarios, extreme events could lead to disruptions of our business operations. In case of damages to facilities and						buildings), data and employees. 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).	entails risk management procedures to guarantee the security of our IT system in case of severe damage to the Group Facilities or data loss. Through this plan the bank has multiple locations where it houses its servers having selected the areas based on an assessment of the vulnerability of the sites. This plan largely covers most operational risks, including those related to extreme weather events.	implementation activities and maintenance.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	staff, damages could have an impact in terms of non-productive periods and potentially also to employees' health (e.g. severe heat waves). Indirect impacts of this type of changes are linked to superior credit risks that are likely to occur for clients exposed to these threats, such as the agricultural or tourism sector.								

CC5.1c

Please describe your inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	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 environmental disclosed targets, or other comparison with its peers. Indirect risks are instead related to our lending, project and investment activities. As climate-related issues will have a growing impact on our stakeholders, we believe that we have to reduce our exposure to reputational risk. In this context, a	Reduced demand for goods/services	1 to 3 years	Direct	Likely	High	Financial implications could derive from direct risks (e.g. loss of credibility) and indirect risks (i.e. actions undertaken by our customers, e.g. from climate sensitive sectors, coal fired power generation sector, mining sector, nuclear 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	Our Group Operational & Reputational Risk Committee meets to discuss and approve new policies (including environmental sensitive sectors policies), methodologies and practices for monitoring and controlling our reputational risk across divisions, business units and legal entities. In order to support and coordinate the maintenance and improvement of our environmental and social strategy "Group Environmental and Social Council" has been	In this context we include costs related to the budget assigned to Group Sustainability for carrying out all activities that will eventually result in maintaining a high reputation with all key stakeholders and monitoring international standards, including those undertaken by GORRIC. The approximate budget allocated to these initiatives accounts for approximately €200,000.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	distinction is made between operational risks, i.e. risks resulting directly from business activities, and reputational risks with potential effects on brand value (for example, the financing of environmentally critical activities).						opportunities with clients affected by climate reputational constraints.	established and in 2016 met three times to discuss and propose improvements to our environmental and social strategies, objectives and targets. In addition to various efforts to anticipate and prevent reputational risk, in 2016, we continued our Industry Reputational Risk Analysis projects. In particular, in 2015 UniCredit instituted a new process to monitor external events that may trigger reputational risks for the banking sector. The	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								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 by the Group Operational and Reputational Risk Committee (GORRIC). This process will raise the level of reputational risk awareness within	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								our Group and help us to achieve our objective to be the premier bank for risk culture in every country in which we operate.	
Uncertainty in market signals	Due to the physical and regulatory risks related to climate change, financial markets could also be affected should some of its key actors suffer from any of these events. UniCredit is aware of the risk associated with an unexpected decline of the market (market risk) due to carbon-related decisions. This might occur because of inaccurate asset allocation,	Reduced stock price (market valuation)	1 to 3 years	Indirect (Client)	Very likely	Medium-high	In the long term climate change could have a radical impact on economic growth and the operating environment of businesses globally. Even if financial risk and market instability is an endemic risk to the investment sector, this type of risk could result in a continuous loss of business for UniCredit as the potential damage	UniCredit has been allocating resources to the R & D department for analyzing sector trends and specific market perspectives. These analyses will enable the Group to identify the sectors at greater risk considering the most relevant market priorities. The outcomes of these scoping studies are generally shared with Group Risk	Costs for pursuing and identifying these opportunities are mostly covered by the allocated budgets of the business lines involved. New funds shall be devoted to retrieve additional information on new technologies. In this context we include the costs incurred for participating in UNEP FI activities.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	increased volatility and consequently the risk, thus causing a deterioration in our lending portfolio. We consider also the interest rate level to be subject to changes in the global macroeconomic conditions due to climate change consequences, more in relation to adaptation interventions than mitigation as these lead to increase the GDP portion dedicated to investments. In this case the affected sectors are expected to increase investments in assets and capital						to some sectors would have a direct impact on their financial availability, due to damages on productivity, lack of compliance with new regulations or disrupted reputation.	Management (GRM) in order to integrate its results in a more strategic approach that seeks to prevent, or at least foresee, radical market changes. With this view Group Sustainability has conducted an internal analysis of the financial implications for oil and gas stranded assets as a consequence of the hidden costs of potential future carbon taxes. (Ref. Carbon Tracker Unburnable Carbon (2012)).	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	equipment rather than consumer goods.								

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation
Opportunities driven by changes in physical climate parameters
Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your inherent opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
International agreements	The Paris Agreement is expected to	New products/business services	1 to 3 years	Indirect (Client)	More likely than not	High	Whether changes in the international	UniCredit has been able to track some of	Costs for pursuing and identifying

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	lead to new regulatory constraints for many sectors but also to new business opportunities. Facing more demanding targets the need to develop innovative financial products and services will arise. A strong financial support is likely needed for both those carbon constrained sectors and for the more promising sectors that shall be incentivized						regulation will occur there will be a business case for developing new products and services in order to support the market, especially the most vulnerable or constrained sectors that will be required to meet the newly agreed targets. We shall be able to identify and support those sectors, especially those that could on the other hand benefit from	these opportunities through our project finance department, our Investment banking division, and through our Research and Development department. Officinae Verdi is our ESCO, joint ventured with Fondazione WWF Italia, which provides environmental energy services to retail and corporate clients. Our Group has also developed environmental and climate friendly	these opportunities are mostly covered by the allocated budgets of the business lines involved. New funds shall be devoted to retrieve additional information on new technologies. In these context we include the costs incurred for participating to UNEP FI activities .

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	for pursuing the new emission reduction targets, especially in developing country. We expect energy efficiency measures to be increasingly implemented notably in CEE where UniCredit holds a significant market share.						sector specific incentives, such as those related to EU climate action.	financial instruments in its pioneering role bringing Green Bonds to market. These bonds enable companies to raise capital and solicit investments in projects with environmental benefits, such as greenhouse gas emission reduction or climate change adaptation projects. They are a viable alternative to conventional loans and project finance. In 2014, we reinforced our commitment to this important	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								new market segment by joining the Green Bond Principles and becoming a partner in the Climate Bonds Initiative. Our team of Green Bonds specialists provides insight into these investments, covering the needs of our clients. In 2014, UniCredit acted as lead manager and book runner in support of three out of the five utility companies that entered the green bond	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								market with benchmark-sized transactions.	
Carbon taxes	If carbon taxes were to be passed across the countries where we lead business, this change will probably trigger the need for low carbon products and this will inevitably have an impact on the market and on UniCredit potential to both provide low carbon products and to support its clients, through new products and	Investment opportunities	3 to 6 years	Indirect (Client)	Likely	High	Cap and trade schemes and carbon taxes offer UniCredit the opportunity to create new products and services for providing its clients with specific financial investments or customized advisory services for capitalizing on low carbon products, clean tech or carbon projects at the national and international	Our project finance and Research and Development team has allocated resources for identifying new markets and innovative products. We are currently addressing the impacts on our portfolio of potential changes, meanwhile investing in technology compliant with a decarbonized scenario.	In this context we consider the costs for pursuing R&D sector analysis to evaluate future scenarios and startup of pilot projects, costs of project finance investigations, which are already embedded in the budget allocated to these functions for bringing forward business as usual activities.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	advisory services, in order to meet these needs and targets and also to provide new investment opportunities.						level. Also we expect our €9.4 bn RES lending portfolio plus our RES equity to improve performance over time if carbon taxes are applied. We also expect new investments in green infrastructure and, more broadly, green bond eligible investments which will increase issuing opportunities and improve liquidity in the green bond market.		

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Cap and trade schemes	UniCredit's dedicated desk on carbon trading will inevitably be affected by the future evolution of the EU ETS: following the carbon prices new investment and trading scenarios will need to be set. The current revision of next phase of EU ETS, it may finally trigger a rally in prices and increase in liquidity which will generate benefits for financial institutions	Increased demand for existing products/services	1 to 3 years	Direct	Very likely	Medium	Cap and trade schemes and carbon taxes offer UniCredit the opportunity to create new products and services for providing its clients with specific financial investments or customized advisory services for capitalizing on low carbon products, clean tech or carbon projects at the national and international level. Also we expect our €9.4 bn RES lending	Our Research and Development team has allocated resources for identifying new markets and innovative products. We are currently addressing the impacts on our portfolio of potential changes, meanwhile investing in technology compliant with a decarbonized scenario.	In this context we consider the costs for pursuing R&D sector analysis to evaluate future scenarios and startup of pilot projects, costs of project finance investigations, which are already embedded in the budget allocated to these functions for bringing forward business as usual activities.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	involved in the scheme						portfolio plus our RES equity to improve performance over time if carbon taxes are applied. We also expect new investments in green infrastructure and, more broadly, green bond eligible investments which will increase issuing opportunities and improve liquidity in the green bond market.		
Renewable energy regulation	Following changes to the RES regulation,	Increased demand for existing products/services	1 to 3 years	Direct	About as likely as not	Medium	Our EUR 9.4 bn lending portfolio plus our RES	Our project finance and Research and Development	In this context we consider the costs for pursuing R&D

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	new market opportunities could arise, especially if the EU regulation related to our regional objectives in terms of emission reductions and intensity of RES within the energy mix will set a new and more structured scenario in order to meet these goals. In any case the market has shown how the sector is slowly increasing its share in the utilities						equity are sensitive to regulatory framework. Notably both the increase in demand for renewable energy financing and the sudden decrease in some countries of new installed power over the last five years has been mainly driven by feed in tariff regime.	team has allocated resources for identifying new markets and innovative products. We are currently addressing the impacts on our portfolio of potential changes, meanwhile investing in technology compliant with a decarbonized scenario. In addition UniCredit opportunities identification process benefits of the contribution of several sector analysts.	sector analysis to evaluate future scenarios and startup of pilot projects, costs of project finance investigations, which are already embedded in the budget allocated to these functions for bringing forward business as usual activities.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	market, both in Europe and in developing countries where many renewable sources still need to be exploited.								

CC6.1b

Please describe your inherent opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other physical climate opportunities	Climate related event could create demand for specific financial products or services by UniCredit's clients in order to support them in facing extreme weather events	Increased demand for existing products/services	3 to 6 years	Direct	Likely	Medium	Financial implications are quantified considering: - investments in adaptation projects at the national and international level, especially the Group or its customers will	Most key opportunities are identified in conjunctions with the R&D department, marketing and corporate investment banking but also independently by Group	In this scenario we consider : the costs embedded in the management of the R & D and other departments involved; costs for participating in events and

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	consequences, preventing the occurrence of asset disruption and advise them on how to mitigate and manage these risks.						be eligible to dedicated climate funds such as the Green Climate Fund; - adaptation programs for supporting private and public sector in preventing or repairing to the effects of climate change; - investing in new insurance products or upgrading existing one could present also a new business opportunity for the bank.	Sustainability, thanks to the continuous efforts to engage all relevant stakeholders within the overall sustainability strategy. Specific initiatives in relation to climate change have been undertaken with regard, even if not directly related, to the bank's direct impacts or core business.	international working groups during the reference year.

CC6.1c

Please describe your inherent opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	The climate change momentum is rising and there is an increasing interest from the sides of many stakeholders from the private, public and non-governmental sector. In particular the investors community has shown strong interest in climate related investments and a stronger pressure is also raised by our clients, especially when confronting with the services provided by other financial organizations in relation to climate	Increased stock price (market valuation)	1 to 3 years	Direct	Unknown	Low	Showing consistent commitment towards our own emission reduction targets and engaging with our customers on climate sensitive issues and in external partnerships and conferences has an impact on reputation, however we believe that other mechanisms are in place and we are uncertain of impacts on	We have seized opportunities for brand enhancement through: communicating to all our stakeholders our commitment on Climate Change; specific training to employees on policies pertaining to the mining and coal-fired power generation sectors (roughly 340 employees trained in 2016); offering credible and attractive climate-related banking products and services; taking market opportunities such as investing in renewable	In this context we can consider: the costs are embedded in the management of all initiatives undertaken by Group Sustainability to manage stakeholder relations on these topics and preserve stakeholders engagement in the long term; the costs for implementing and maintaining our EMS and all related initiatives; the costs embedded in the business lines devoted to energy efficiency/renewable projects and carbon projects.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	change. Also the community and clients awareness on the possibilities related to climate change has increased together with their expectation for an active role of the private sector leaders.						reputation, which is driven by many factors.	energy products/projects or in energy efficiency projects; investing in products for financing local CO2 emissions reduction projects and supporting sustainable development in less developed countries.	
Changing consumer behavior	Following the market dynamism in relation to the induced demand for renewable energies and the cost savings opportunities also in terms of energy efficiency, also the demand for dedicated loans has increased in	Increased demand for existing products/services	1 to 3 years	Direct	Virtually certain	Medium-high	Showing consistent commitment towards our own emission reduction targets and engaging with our customers on climate sensitive	We have seized opportunities for brand enhancement through: communicating to all our stakeholders our commitment on Climate Change; offering credible and attractive climate-related	In this context we can consider: the costs are embedded in the management of all initiatives undertaken by Group Sustainability to manage stakeholder relations on these topics and preserve stakeholders engagement in the long term; the costs

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	the recent years. Moreover, clients attention towards the environmental behavior of companies has increased, including for the banking industry. Thanks to internet many of our clients are interested in verifying the conformity between the information we provide and the actual operational processes. Also when accessing the financial markets there is a growing interest,especially from the side of the investors in sustainable products which						issues and in external partnerships and conferences has the potential to meet expectations from consumers who are increasingly orientated towards sustainable behavior.	banking products and services; taking market opportunities such as investing in renewable energy products/projects or in energy efficiency projects; investing in products for financing local CO2 emissions reduction projects and supporting sustainable development in less developed countries. UniCredit holds the largest EMAS certification with over 3,500 sites under the environmental	for implementing and maintaining our EMS and all related initiatives; the costs embedded in the business lines devoted to energy efficiency/renewable projects and carbon projects.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	have undergone ESG selection criteria. Finally, the media attention following the Paris Agreement is likely to trigger debates and interest in the public at large.							management system which makes it a powerful communication media, notably in case public attention on environmental topics should increase drammatically	

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Tue 01 Jan 2008 - Wed 31 Dec 2008	99479
Scope 2 (location-based)	Tue 01 Jan 2008 - Wed 31 Dec 2008	391969

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 2 (market-based)	Tue 01 Jan 2008 - Wed 31 Dec 2008	391969

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
ISO 14064-1
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Fifth Assessment Report (AR5 - 100 year)

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
			Please see the 2 page Excel document, attached

Further Information

Please note that with regards to question CC7.1, the Scope 2 location-based base year figure has been used as a proxy for the Scope 2 market-based base year figure.

Attachments

https://www.cdp.net/sites/2017/94/19794/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC7.EmissionsMethodology/UniCredit_2016_GHG Inventory EFs and Market based EFs.xlsx

Page: CC8. Emissions Data - (1 Jan 2016 - 31 Dec 2016)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

71936

CC8.3

Please describe your approach to reporting Scope 2 emissions

Scope 2, location-based	Scope 2, market-based	Comment
We are reporting a Scope 2, location-based figure	We are reporting a Scope 2, market-based figure	While we publicly report on both our Scope 2 location-based figure and our market-based figure, location-based reporting remains our favorite method as our market-based emissions have been verified only as of 2016. Moreover, our emission reduction targets have been established according to the location-based method.

CC8.3a

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
231406	88385	At the time of consolidating data for our market-based calculation, the attribute details regarding renewable energy purchases for the benefit of our operations in Austria were not yet fully compliant with the Protocol’s strict requirements as they had not been envisaged at the time of stipulating the relevant contract. Therefore, despite the fact that in 2016, 80 percent of electricity consumption at the Group level derived from purchased renewable energy (Austria 98%, Italy 98%, Germany 100%), our 2016 market-based figure reflects the low carbon ‘discount-impact’ of the renewable energy purchases of our Italian and German operations only as we have prudently excluded the renewable energy purchase of our Austria operations. We further note that our market-based emissions for this year (2016 data) have been verified, except for the portion relating to our GO-certified renewable energy purchase for the benefit of our operations in Germany. This is because the certificate in question, containing the full tracked attribute details, was only made available post verification of our emissions at the time of compiling our annual Integrated Report and GHG Inventory.

CC8.4

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?

Yes

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of location-based Scope 2 emissions from this source	Relevance of market-based Scope 2 emissions from this source (if applicable)	Explain why the source is excluded
Greenhouse gases other than C02	Emissions are not relevant	Emissions are not relevant	Emissions are not relevant	We do not include greenhouse gases other than CO2 due to the fact that for all of our activities we consider CO2e which captures the equivalent of greenhouse gases generated by all of our emission sources.
Refrigerents	Emissions are not relevant	Emissions are not relevant	Emissions are not relevant	We do not include greenhouse gases other than CO2 due to the fact that for all of our activities we consider CO2e which captures the equivalent of greenhouse gases generated by all of our emission sources.

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 5% but less than or equal to 10%	Data Gaps Assumptions Metering/ Measurement Constraints	Some data has been estimated because of delays in billing. Other data is sometimes not available and we need to apply internal simulation models, for example based on average temperatures. As a bank we have a huge network of branches in different countries and very often landlords cannot comply with our internal management requirements. While large buildings under direct control provide the maximum degree of accuracy in data collection,

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
			some inferences are needed with reference to the whole network. Furthermore, UniCredit does not always have access to meters as data is provided directly by landlords and consequently have to be considered with a minor degree of uncertainty.
Scope 2 (location-based)	More than 5% but less than or equal to 10%	Data Gaps Metering/ Measurement Constraints	Some data has been estimated because of delays in billing. Other data is sometimes not available and we need to apply internal simulation models, for example based on average temperatures. As a bank we have a huge network of branches in different countries and very often landlords cannot comply with our internal management requirements. While large buildings under direct control provide the maximum degree of accuracy in data collection, some inferences are needed with reference to the whole network. Furthermore, UniCredit does not always have access to meters as data is provided directly by landlords and consequently have to be considered with a minor degree of uncertainty.
Scope 2 (market-based)	More than 5% but less than or equal to 10%	Data Gaps Metering/ Measurement Constraints	Some data has been estimated because of delays in billing. Other data is sometimes not available and we need to apply internal simulation models, for example based on average temperatures. As a bank we have a huge network of branches in different countries and very often landlords cannot comply with our internal management requirements. While large buildings under direct control provide the maximum degree of accuracy in data collection, some inferences are needed with reference to the whole network. Furthermore, UniCredit does not always have access to meters as data is provided directly by landlords and consequently have to be considered with a minor degree of uncertainty.

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance process in place

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/94/19794/Climate Change 2017/Shared Documents/Attachments/CC8.6a/UniCredit Integrated_Report and Supplement_2016_en.pdf	See Deloitte's Independent Auditor's statement at p. 96 and 97 of the UniCredit 2016 Integrated Report attached (the page number of the Auditor statement is not written, but the relevant pages appear immediately after p. 95). Also, see p. 2 ('Report Structure') of the UniCredit 2016 Integrated Report which contains details regarding GHG reporting to which Deloitte's statement is directly linked. Please refer to document, not screen, page numbers if viewing the document on screen.	ISAE3000	100

CC8.7

Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures

Third party verification or assurance process in place

CC8.7a

Please provide further details of the verification/assurance undertaken for your location-based and/or market-based Scope 2 emissions, and attach the relevant statements

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Location-based	Annual process	Complete	Third party verification/assurance underway	https://www.cdp.net/sites/2017/94/19794/Climate Change 2017/Shared Documents/Attachments/CC8.7a/UniCredit Integrated_Report and Supplement_2016_en.pdf	See Deloitte’s Independent Auditor’s statement at p. 96 and 97 of the UniCredit 2016 Integrated Report attached (the page number of the Auditor statement is not written, but the relevant pages appear immediately after p. 95).	ISAE3000	100

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
					Also, see p. 2 ('Report Structure') of the UniCredit 2016 Integrated Report which contains details regarding GHG reporting to which Deloitte's statement is directly linked. Please refer to document, not screen, page numbers if viewing the document on screen.		
Market-based	Annual process	Complete	Third party verification/assurance underway	https://www.cdp.net/sites/2017/94/19794/Climate Change 2017/Shared Documents/Attachments/CC8.7a/UniCredit Integrated_Report and Supplement_2016_en.pdf	See Deloitte's Independent Auditor's statement at p. 96 and 97 of the UniCredit	ISAE300083	

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
					2016 Integrated Report attached (the page number of the Auditor statement is not written, but the relevant pages appear immediately after p. 95). Also, see p. 2 ('Report Structure') of the UniCredit 2016 Integrated Report which contains details regarding GHG reporting to which Deloitte's statement is directly linked. Please refer to document, not		

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
					screen, page numbers if viewing the document on screen.		

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
Year on year change in emissions (Scope 1 and 2)	UniCredit’s emission figures, including change in Scope 1, 2 and 3 against the base year of our GHG reporting and the related progress against our emission reduction target (Scopes 1 and 2), have been verified by Deloitte as the accredited external third party, as reported in the UniCredit 2016 Integrated Report assurance statement, which includes GHG emission figures. Please note that verification of our Scope 2 market-based emissions regards our performance in 2016 only. Moreover, our emission reduction targets refer to the location-based method.
Year on year change in emissions (Scope 3)	UniCredit’s emission figures, including change in Scope 1, 2 and 3 against the base year of our GHG reporting and the related progress against our emission reduction target (Scopes 1 and 2), have been verified by Deloitte as the accredited external third party, as reported in the UniCredit 2016 Integrated Report assurance statement, which includes GHG emission figures.

Additional data points verified	Comment
Progress against emissions reduction target	UniCredit’s emission figures, including change in Scope 1, 2 and 3 against the base year of our GHG reporting and the related progress against our emission reduction target (Scopes 1 and 2), have been verified by Deloitte as the accredited external third party, as reported in the UniCredit 2016 Integrated Report assurance statement, which includes GHG emission figures. Please note that verification of our Scope 2 market-based emissions regards our performance in 2016 only. Moreover, our emission reduction targets refer to the location-based method.

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Jan 2016 - 31 Dec 2016)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
Austria	2498
Bosnia and Herzegovina	327
Bulgaria	1055
Croatia	2852
Czech Republic	610
Germany	17961
Hungary	1314
Italy	40790
Romania	2392
Russia	664
Serbia	48
Slovakia	1400
Slovenia	25

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By activity

CC9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
Direct energy consumption, such as heating of premises	44264
Road travels	27671

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2016 - 31 Dec 2016)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Austria	17299	18757	96059	0
Bosnia and Herzegovina	5346	5346	6751	0
Bulgaria	10211	10677	22384	0
Croatia	4268	8517	18476	0
Czech Republic	3769	4205	9222	0
Germany	68152	11306	172305	116966
Hungary	2447	3401	8439	0
Italy	98168	3585	287918	277515
Romania	5682	6504	16901	0
Russia	12108	12108	34709	0
Serbia	2731	2731	4178	0
Slovakia	838	799	4701	0
Slovenia	387	449	1213	0

CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By activity

CC10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
Business operations, such as lighting and running of electrical office equipment	187486	80219
Data centers	43920	8166

Further Information

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

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

CC11.2

Please state how much heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Heat	118768
Steam	0
Cooling	0

CC11.3

Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year

202052

CC11.3a

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Natural gas	194079
Crude oil	3505
Diesel/Gas oil	4468

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the market-based Scope 2 figure reported in CC8.3a

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor (in units of metric tonnes CO2e per MWh)	Comment
Energy attribute certificates, Guarantees of Origin	277515	0	Our GO certified renewable energy purchases for our Italian operations cover 98% of local electricity consumption.

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor (in units of metric tonnes CO2e per MWh)	Comment
Energy attribute certificates, Guarantees of Origin	116966	0	Our GO certified renewable energy purchase for our German operations covers 100% of local electricity consumption.

CC11.5

Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
564718	564487	7124	7124	231	Please note that our self produced energy, which is entirely from renewable sources, is not considered in our GHG inventory.

Further Information

Page: CC12. Emissions Performance

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

CC12.1a

Please 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

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	9.07	Decrease	In 2016 we recorded an overall decrease in our Scope 1 and 2 emissions of 26,985 tCO2e which marks a reduction of 8.17% versus our 2015 scope 1 and 2 emissions of 330,327 tCO2e. During 2016, due to the effect of increased digitalization of processes, energy demand at our data centers increased, accounting for a consequent 0.90% increment in our 2016 scope 1 and 2 emissions versus 2015. However, thanks to our emission reduction activities, notably our space optimization drive and energy efficiency measures, we reduced our scope 1 and 2 emissions by 9.07%, that is by 29,966 tCO2e.
Divestment			
Acquisitions			
Mergers			
Change in output	0.90	Increase	In 2016 our Scope 1 and 2 emissions from this source increased by 2.981 tons from 40,939 tons in 2015 to 43,920 tC02e as a consequence of our activities becoming increasingly digitalized, causing greater energy demand at our data centers. This figure accounted for a 0.90% increase in our scope 1 and 2 emissions versus our 2015 result of 330,327 tCO2e.
Change in methodology			
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other			

CC12.1b

Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.018065205	metric tonnes CO2e	16791487000	Location-based	4.93	Decrease	Our 2016 scope 1 and 2 emissions figure of 303,342 tC02e marks an 8.17% decrease vs our 2015 scope 1 and 2 emissions of 330,327 tC02e. We attribute this decrease to our emission reduction activities, such as space optimization and energy efficiency measures, which have consequently brought about a 4.93% decrease in the revenues-based intensity figure of our 2016 scope 1 and 2 emissions versus 2015, notwithstanding the 3.40% decrease in revenues yoy from 17.38bn to 16.79bn.

CC12.3

Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
3.184	metric tonnes CO2e	full time equivalent (FTE) employee	95283	Location-based	5.20	Decrease	Our 2016 scope 1 and 2 emissions figure of 303,342 tC02e marks an 8.17% decrease vs our 2015 scope 1 and 2 emissions of 330,327 tC02e. We attribute this decrease to our emission reduction activities, such as space optimization and energy efficiency measures, which have consequently brought about a 5.20% decrease in the revenues-based intensity figure of our 2016 scope 1 and 2 emissions versus 2015, notwithstanding the 3.13% decrease in revenues FTEs from 98,365 in 2015 to 95,283 in 2016.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

Yes

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits canceled	Purpose, e.g. compliance
Credit purchase	Wind	Düzova 30 MW Wind Power Project, Turkey	Gold Standard	26390	26390	Yes	Voluntary Offsetting
Credit purchase	Landfill gas	Kayseri, Landfill gas (energy) Project, Turkey	Gold Standard	2833	2833	Yes	Voluntary Offsetting

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, calculated	2124	As a financial institution, paper consumption is the main resource used within our operational activities. We therefore monitor our annual consumption and related emissions. Consumption is calculated by using purchasing data as a proxy as it allows for more accurate monitoring. The emission factor applied is sourced on the basis of CEPI (Confederation of European Paper Industries) emission factor data.	0.00%	
Capital goods	Not relevant, explanation provided				We have evaluated that such goods do not constitute a relevant source of emissions for inclusion in our GHG inventory considering that it is not relevant to the financial sector in which we operate.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided				These sources are not applicable to the financial sector in which UniCredit operates. All of our relevant fuel and energy activities are included in our Scope 1 and 2 emissions.
Upstream transportation and distribution	Not relevant, explanation provided				This source is not applicable to the financial sector in which UniCredit

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					operates. It is therefore not included in our GHG Inventory.
Waste generated in operations	Relevant, calculated	703	Emissions arising from waste management, categorized by type. Only paper, plastic and glass are considered within the scope of our GHG inventory. The emission factors applied to our calculations are taken from Bilan Carbone.	0.00%	Emissions from waste management are constantly monitored and reported annually within our GHG Inventory.
Business travel	Relevant, calculated	6385	Our Scope 3 emissions include rail and air travel. Air travel data has been categorized in long (>1600 km), medium (>500 km - <1600 km) and short (<500 km) distance. We apply DEFRA emission factors to our calculations.	0.00%	Road travel is excluded as emissions arising from our road vehicles are included in our Scope 1 emissions.
Employee commuting	Relevant, not yet calculated				While relevant, this source has not yet been included in our GHG Inventory due to the insufficient reliability of data currently collectable. We are analyzing potential improvements to make to our data collection process.
Upstream leased assets	Not relevant, explanation provided				Eventhough 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.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Downstream transportation and distribution	Not relevant, explanation provided				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	Not relevant, explanation provided				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	Not relevant, explanation provided				We have assessed this source of emissions as not relevant for the financial sector in which UniCredit operates. In fact, in 2012, UniCredit S.p,A, the holding of the Group, signed an agreement with the Italian Ministry for the Environment concerning the Italian Environmental Footprint Program, which involves a number of companies in different sectors. As part of the joint activities outlined in this agreement, an ad-hoc carbon management team, made up of UniCredit staff and specialists from the Ministry was created in order to develop a methodology to determine

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					the carbon footprint of a financial product such as a bank account. The result of the analysis undertaken shows that emissions arising from this source (product) are insignificant.
End of life treatment of sold products	Not relevant, explanation provided				We consider this source as not relevant considering that financial products rarely derive from resources requiring particular waste management processes or other kinds of end of life treatment. It is therefore not included in our GHG Inventory.
Downstream leased assets	Not relevant, explanation provided				This does not represent a relevant source of emissions for our GHG Inventory and is thus not included.
Franchises	Not relevant, explanation provided				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.
Investments	Relevant, calculated	30200000	A combination of life cycle assessment (LCA) data, Scope 3 GHG reporting data, and company financials. To avoid multiple counting, we apply phase emissions at point of potential regulation: Oil: Refining Gas:	50.00%	Emissions associated with our investment portfolio are considered a proxy of the organization responsibility on emissions generated by investees. It is not clear how this

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			Distribution Automotive/Aerospace: Final assembler1. The analysis applies to a subset of UniCredit's portfolio: general financing, leasing, factoring, bonds and equity for at risk sectors in Italy: pulp and paper, oil and gas, iron and steel, energy, building, automotive, aluminium, aerospace. The approach used is the GHG Protocol Scope 3 GHG (for Category 15).		will transform into financial risk. These emissions are, however, not included in our inventory for scope 3 as they are not third party verified.
Other (upstream)					
Other (downstream)					

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance process in place

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/94/19794/Climate Change 2017/Shared Documents/Attachments/CC14.2a/UniCredit Integrated_Report and Supplement_2016_en.pdf	See Deloitte's Independent Auditor's statement at p. 96 and 97 of the UniCredit 2016 Integrated Report attached (the page number of the Auditor statement is not written, but the relevant pages appear immediately after p. 95). Also, see p. 2 ('Report Structure') of the UniCredit 2016 Integrated Report which contains details regarding GHG reporting to which Deloitte's statement is directly linked. Please refer to document, not screen, page numbers if viewing the document on screen.	ISAE3000	100

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Purchased goods & services	Other: Change in supplier	11.69	Increase	Paper consumption is calculated by using purchasing data as a proxy as it allows for more accurate monitoring. While our drive towards full digitalization of process continues and is expected to bring a significant cut to our paper consumption needs, we note an increase in emissions from this source in 2016 vs last year. This result is partially due to data relevant to Italy, where the bulk of our headquarters and bank branches are located, where we saw an increase in paper consumption, i.e. purchases. We attribute this principally to a change in supplier, i.e. a likely temporary overlapping of orders. We expect consumption and thereby the emissions tred to normalize in the course of 2017.
Business travel	Emissions reduction activities	30.56	Decrease	Our Scope 3 business travel emissions, which account for approximately 69% of total Scope 3 emissions within our GHG Inventory, relate to train and air travel. We recorded a significant decline overall of business travel emissions in this scope of 30.56%, which clearly underscores the impact of the Group’s approach to business travel. This includes UniCredit’s monthly ‘No Travel Week’ initiative with regards to non-customer related travel, plus further local practices such as in Germany where a policy has been introduced whereby employees must be authorised to travel for internal meetings led to a reduction of air travel by 21% yoy and train travel by 16% yoy. The Group’s progressive investment to provide employees with remote technology, such as web conferencing, as a viable alternative support these measures.

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
				Going forward, our Transform 2019 strategic plan envisages yet more IT investments.
Waste generated in operations	Emissions reduction activities	1.14	Decrease	While we have recorded a generalized decrease in emissions arising from this source, the decline is principally related to less paper waste, which we attribute to the Group's progressive move towards the full digitalization of processes. A further contribution is that of employee awareness raising campaigns addressing both resource consumption and waste management..

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, other partners in the value chain

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

Strategy for prioritization: Engaged colleagues are fundamental to our viability. They make our enterprise more successful and contribute to overall and individual wellbeing, both inside and outside of the Group. We monitor employee sentiment regularly, e.g. our annual People Survey, and strive to create opportunities for dialogue and to provide responses to employees' expectations. In this regard we communicate regularly with employees on climate change, including providing details of international debate and actions taken to address the issue and, moreover, encouraging greater awareness amongst employees with regards to the potential to improve their personal carbon footprint. In 2016 a number of such communications were published on our group-wide intranet and through other channels, and included an infographic on how each member of our Group can contribute to the achievement of our GHG reduction targets, an update on the COP21 developments, plus a video and other types of communication were released in April 2016 following the approval of our environmental results by the Board.

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. City Plans, our international space optimization initiative, is integrated into our strategy alongside other efforts to reduce our direct impacts, and aims to maximise the potential of rethinking the workspace. Incorporated within City Plans is ‘Smart Working’, a workspace model addressing employees’ different work activities and needs, supported by technology. Connecting 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, by the end of 2016 ca. 7,500 employees in a number of locations accross our Group were involved in Smart Working.

Smart Working solutions include the possibility for employees in certain locations to work one day a week ‘remotely’, either from home or from one of our ‘Hubs’, thus potentially permitting a reduction in commuting time and distance, partially or altogether. Furthermore, working from a Hub may also allow for a change in transport means to more environmentally sound solutions, such as a public tram rather than a single occupancy car. This voluntary scheme encourages employees to make more conscientious choices about individual commuting needs in terms of resource consumption and related environmental impact.
Method of engagement: Employees falling within the remit of the Smart Working initiative receive a number of introductory information sets conveying the conceptual, technical and logistical aspects, options and potential benefits of the initiative.

Measure of success: By the end of 2016 some 4,000 employees in the Group were able to make use of the remote working option, with take-up logged in an online tool. According to our calculations, once fully operational in 2018, in the city of Milan alone, the initiative could bring a reduction in commuter travel of 2.5 million km a year and some 500 fewer cars in circulation. Considering the reach of our operating perimeter, we believe the potential evolution of the initiative stands to yield significant results in engaging employees on their contribution to the issue of climate change. Additionally, following the outcome of an employee survey, we have supported further interest in alternative commuting options by exploring a voluntary car-pooling scheme for home-work commuting. The pilot launched in Milan in 4Q2016 has so far involved over 1000 potential employee car poolers and comprises an offer - demand process which is operated via a specialised booking and tracking app. Going forward, the extension of the pilot is planned in 4 sites in 2 cities in 2017 and the dedicated app will return data on the relevant C02e savings.

Further Information

Module: Sign Off

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Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Giuseppe Vita	Chairman	Board chairman

Further Information

CDP: [X][-,-][P2]