UniCredit - Climate Change 2023

C0. Introduction

C0.1

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

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

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

In October 2021 UniCredit joined the Net-Zero Banking Alliance targeting Net Zero-Own emissions by 2030 and Net Zero-financed emissions by 2050. In January 2023 UniCredit disclosed targets for 2030 on financial emissions on a first set of priority sectors (oil & gas, power generation, automotive). The baseline was calculated on the balance sheet lending drawn exposure at 31/12/2021 for all three priority sectors. New targets for other sectors will be defined in 2023-2024.

In 2021 we announced further ESG targets as part of our long-term commitment to sustainability and the management of climate change issues. Among these we announced new environmental lending for €25 bn mainly focused on facilities to support clients in green transition. In 2022 our environmental lending accounted for more than €11 bn (Energy efficiency and ESG linked lending).

With regards to own emissions, in light of our Net Zero strategy and in accordance with our management approach, we have applied a new segmentation to the inventory of the premises we occupy, distinguishing between assets for which we have operational control and those for which we do not. Consequently emissions from leased assets for which we do not have operational control are no longer reported under Scope 1 and/or Scope 2 and are instead reported under Scope 3. This new segmentation has been applied to 2022 data, and 2021 emissions data has been restated on the basis of the same segmentation. Restated 2021 emissions data has therefore been reported in the present questionnaire response.

In 2022 we reduced our Scope 1 and 2 operational emissions by 14% compared to 2021 (market based; 2021 restated).

Emissions data for 2022 has been collected involving 35 Group legal entities (a full-time equivalent of more than 74.000 FTE) operating in Italy, Germany, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czechia, Hungary, Romania, Russia Federation, Serbia, Slovakia and Slovenia. Restated emissions data for 2021 refers to 35 Group legal entities (a full-time equivalent of more than 79.000 FTE) in the above-mentioned geographies.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date
January 1 2022

End date
December 31 2022

Indicate if you are providing emissions data for past reporting years
Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for
1 year

Select the number of past reporting years you will be providing Scope 2 emissions data for
1 year

Select the number of past reporting years you will be providing Scope 3 emissions data for
1 year

C0.3

(C0.3) Select the countries/areas in which you operate.
Austria
Bosnia & Herzegovina
Bulgaria
Croatia
Czechia
Germany
Hungary
Italy
Romania
Russian Federation
Serbia
Slovakia
Slovenia

C0.4

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

C0.5

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

C-FS0.7

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

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

C0.8

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

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

C1. Governance

C1.1

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

Yes

C1.1a

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

Position of individual or committee	Responsibilities for climate-related issues
Board-level committee	The Board of Directors assigned responsibility for overseeing sustainability issues, inlcuded climate related ones, to the ESG Committee one of the five Committees of the Board. The purpose of the ESG Committee is to support the Board of Directors in fulfilling its responsibilities with respect to the ESG integral components on the Group's business strategy and sustainability. The ESG Committee shall provide opinions and support to the other Board Committees to ensure the alignment of the Group's policies to UniCredit's ESG principles and objectives. In 2022, cooperation with other Board Committees was further consolidated. For example, ESG topics which are strictly related to risk matters, such as climate and environmental risks, were addressed jointly with the Internal Controls and Risks Committee (IC&RC). Among the items reviewed by the Committee in 2022 there are: ECB Climate Stress Test and Thematic Review on climate and environmental risks, Risk Appetite Framework: climate-related KPIs, Net Zero commitment: approach and plan.
Board-level committee	The Internal Controls & Risks Committee (ICRC) is one of the five Committees of the Board. It has the responsibility to support the Board of Directors in risk management and control-related issues and, among other tasks, supports the Board of Directors in defining and approving strategic guidelines and risk management policies with specific reference to risk appetite and risk tolerance and in verifying that risk strategies, management policies and the Risk Appetite Framework (RAF) have been correctly implemented. For monitoring purposes, dedicated Climate Risk KPIs have been included in the Risk Appetite Framework (RAF), enabling the Bank to oversee the evolution of transition and physical risks it is exposed to. In 2022, cooperation with other Board Committees was further consolidated. For example, ESG topics which are strictly related to risk matters, such as climate and environmental risks, were addressed jointly with the Internal Controls and Risks Committee (IC&RC).

C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing the setting of corporate targets Monitoring progress towards corporate targets Reviewing and guiding the risk management process	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our banking activities The impact of our own operations on the climate The impact of our banking activities on the climate	In 2022 the BoD discussed climate related issues in 10 Board meetings. Among the issues discussed: Net Zero, 2022 ECB Thematic Review on climate and environmental risks; on a quarterly basis, Risk Management function submits to the Board a report monitoring the Group Risk Appetite Framework (RAF) including Climate-change related indicators.
Scheduled – some meetings	Overseeing acquisitions, mergers, and divestitures Reviewing and guiding strategy Monitoring progress towards corporate targets Reviewing and guiding the risk management process	Climate-related risks and opportunities to our own operations The impact of our own operations on the climate The impact of our banking activities on the climate	Climate-related issues are in the agenda of the ESG Committee on a regular basis (in 2022 the Committee discussed Climate related issues in 9 meetings). The Head of Group Strategy & ESG presents specific topics to the Committee after sharing the contents with the CEO, and reports on implementation progress.

C1.1d

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

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	75% of our BoD members have ESG competences. A Board member is a Financial Sector Hub Leader for the World Economic Forum's Climate Governance Initiative.	<Not Applicable>	<Not Applicable>

C1.2

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

Position or committee
Other, please specify (Group Executive Committee (GEC))

Climate-related responsibilities of this position
Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Other, please specify (Monitoring climate related risks and opportunities related to the banking activities and to own operations)

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
The Group Executive Committee (GEC) is the Group's most senior executive committee and is chaired by the CEO.
Within its mission it defines the overall ESG strategy. It also ensures the effective steering, coordination and control of the Group business as well as the alignment of the parent company with the different businesses and geographies regarding strategic topics such as ESG issues, including strategy and projects related to Climate, setting targets and guidelines at Group level.
Moreover, in the dedicated Risk Sessions, the GEC supports the CEO in coordinating and monitoring all categories of risks and approves strategic risk topics including ESG-related matters, thus granting a dedicated focus on Climate and Environmental risks.

C1.3

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

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

C1.3a

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

Entitled to incentive
Chief Executive Officer (CEO)

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Progress towards a climate-related target
Reduction in absolute emissions
Reduction in emissions intensity
Increased alignment of portfolio/fund to climate-related objectives

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
“Sustainable Performance Plan”: Integrated plan where part of the bonus is subject to achievement of long term conditions including “Sustainability” goal

Explain how this incentive contributes to the implementation of your organization’s climate commitments and/or climate transition plan
The “Sustainability” long term goal is based on current and future ESG and DE&I strategy. Current strategy foresees specific targets including:
• ESG volumes: on “E” volumes (environmental lending, ESG investment products, sustainable bonds) and on “S” volumes (social lending) and successive updates;
• Net Zero commitments: i.e. progress vs. Net Zero 2030 targets on the three most carbon intensive sectors (Oil & Gas,
Power Generation and Automotive).

Entitled to incentive
Chief Operating Officer (COO)

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Progress towards a climate-related target
Reduction in absolute emissions
Reduction in emissions intensity
Increased alignment of portfolio/fund to climate-related objectives

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
"Sustainable Performance Plan": Integrated plan where part of the bonus is subject to achievement of long term conditions including "Sustainability" goal

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The "Sustainability" long term goal is based on current and future ESG and DE&I strategy. Current strategy foresees specific targets including:
• ESG volumes: on "E" volumes (environmental lending, ESG investment products, sustainable bonds) and on "S" volumes (social lending) and successive updates;
• Net Zero commitments: i.e. progress vs. Net Zero 2030 targets on the three most carbon intensive sectors (Oil & Gas, Power Generation and Automotive).

Entitled to incentive
Chief Sustainability Officer (CSO)

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Progress towards a climate-related target
Reduction in absolute emissions
Reduction in emissions intensity
Increased alignment of portfolio/fund to climate-related objectives

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
"Sustainable Performance Plan": Integrated plan where part of the bonus is subject to achievement of long term conditions including "Sustainability" goal

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The "Sustainability" long term goal is based on current and future ESG and DE&I strategy. Current strategy foresees specific targets including:
• ESG volumes: on "E" volumes (environmental lending, ESG investment products, sustainable bonds) and on "S" volumes (social lending) and successive updates;
• Net Zero commitments: i.e. progress vs. Net Zero 2030 targets on the three most carbon intensive sectors (Oil & Gas, Power Generation and Automotive).

Entitled to incentive
Chief Financial Officer (CFO)

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Progress towards a climate-related target
Reduction in absolute emissions
Reduction in emissions intensity
Increased alignment of portfolio/fund to climate-related objectives

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
Short term Scorecards includes "Sustainability" goal

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The "Sustainability" goal is measured among all by KPIs from ESG Strategy (with a specific focus on Climate Risk in terms of progress vs. Net Zero commitments).

Entitled to incentive
Chief Risk Officer (CRO)

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Progress towards a climate-related target

Reduction in absolute emissions
Reduction in emissions intensity
Increased alignment of portfolio/fund to climate-related objectives

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
Short term Scorecards includes “Sustainability” goal

Explain how this incentive contributes to the implementation of your organization’s climate commitments and/or climate transition plan
The “Sustainability” goal is measured among all by KPIs from ESG Strategy (with a specific focus on Climate Risk in terms of progress vs. Net Zero commitments).

Entitled to incentive
Management group

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Progress towards a climate-related target
Reduction in absolute emissions
Reduction in emissions intensity
Increased alignment of portfolio/fund to climate-related objectives

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
“Sustainable Performance Plan”: Integrated plan where part of the bonus is subject to achievement of long term conditions including “Sustainability” goal

Explain how this incentive contributes to the implementation of your organization’s climate commitments and/or climate transition plan
The “Sustainability” long term goal is based on current and future ESG and DE&I strategy. Current strategy foresees specific targets including:
• ESG volumes: on “E” volumes (environmental lending, ESG investment products, sustainable bonds) and on “S” volumes (social lending) and successive updates;
• Net Zero commitments: i.e. progress vs. Net Zero 2030 targets on the three most carbon intensive sectors (Oil & Gas, Power Generation and Automotive).

Entitled to incentive
Environment/Sustainability manager

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Board approval of climate transition plan
Shareholder approval of climate transition plan

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
Short term plan based on qualitative assessment of goals achievements

Explain how this incentive contributes to the implementation of your organization’s climate commitments and/or climate transition plan
The Environment/Sustainability manager is rewarded for sustainability goals achievement; the management of climate change related issues is a specific KPI within this context

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Entitled to incentive
Energy manager

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Energy efficiency improvement
Increased share of renewable energy in total energy consumption
Reduction in total energy consumption

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
Short term plan based on qualitative assessment of goals achievements

Explain how this incentive contributes to the implementation of your organization’s climate commitments and/or climate transition plan
The energy manager is rewarded for sustainability goals achievement; the management of climate change related issues is a specific KPI within this context.

Entitled to incentive
Chief Procurement Officer (CPO)

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Progress towards a climate-related target
Energy efficiency improvement
Increased share of renewable energy in total energy consumption

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
"Sustainable Performance Plan": Integrated plan where part of the bonus is subject to achievement of long term conditions including "Sustainability" goal

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The "Sustainability" long term goal is based on current and future ESG and DE&I strategy. Current strategy foresees specific targets including:
• ESG volumes: on "E" volumes (environmental lending, ESG investment products, sustainable bonds) and on "S" volumes (social lending) and successive updates;
• Net Zero commitments: i.e. progress vs. Net Zero 2030 targets on the three most carbon intensive sectors (Oil & Gas, Power Generation and Automotive).

Entitled to incentive
Facilities manager

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Progress towards a climate-related target
Reduction in absolute emissions
Energy efficiency improvement

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
"Sustainable Performance Plan": Integrated plan where part of the bonus is subject to achievement of long term conditions including "Sustainability" goal

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The "Sustainability" long term goal is based on current and future ESG and DE&I strategy. Current strategy foresees specific targets:
• ESG volumes: on "E" volumes (environmental lending, ESG investment products, sustainable bonds) and on "S" volumes (social lending) and successive updates;
• Net Zero commitments: i.e. progresses vs. Net Zero 2030 targets on the three most carbon intensive sectors (Oil & Gas, Power Generation and Automotive).

Entitled to incentive
Chief Technology Officer (CTO)

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Progress towards a climate-related target

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
"Sustainable Performance Plan": Integrated plan where part of the bonus is subject to achievement of long term conditions including "Sustainability" goal

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The "Sustainability" long term goal is based on current and future ESG and DE&I strategy. Current strategy foresees specific targets:
• ESG volumes: on "E" volumes (environmental lending, ESG investment products, sustainable bonds) and on "S" volumes (social lending) and successive updates;
• Net Zero commitments: i.e. progresses vs. Net Zero 2030 targets on the three most carbon intensive sectors (Oil & Gas, Power Generation and Automotive).

C-FS1.4

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

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

C2. Risks and opportunities

C2.1

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

Yes

C2.1a

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

	From (years)	To (years)	Comment
Short-term	0	1	As a bank we tend to align the strategic horizon with the tenor of our lending activities. Thus, we consider short-term the time horizon for the repayment of a short-term loan (up to18 months).
Medium-term	1	10	Medium-term is what is usually regarded as such in the treasury market.
Long-term	10	30	Long-term is anything beyond 5 years.

C2.1b

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

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

C2.2

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

Value chain stage(s) covered
Direct operations
Upstream

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

Frequency of assessment
More than once a year

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

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

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

The most important source of risk is of course downstream, relating to our financing.
We have set up a dedicated Climate Risk and Risk Governance unit. Furthermore the Group Executive Committee (GEC), that is the Group's most senior executive committee and is chaired by the CEO, defines the overall ESG strategy. It also ensures the effective steering, coordination and control of the Group business as well as the alignment of the parent company with the different businesses and geographies regarding strategic topics such as ESG issues.

We have also integrated counterparts' climate change related risks into the credit approval process.
Environmental risk assessments are guided by our sector policies which includes, for example, Coal, Oil and Gas, and Mining sectors. When possible, the Equator Principles (EP) also apply.

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

Climate-related risks are integrated into the Bank's existing risk management framework and ICAAP. This includes the integration of the climate-related risks into the risk identification process and their monitoring. In particular, a materiality analysis aimed at assessing the relevance of climate-related risk drivers with respect to the various risk families considered is performed annually. The potential impact of climate-related risks for the Group is assessed under the normative and economic perspectives on both the short-term and the medium/long-term horizon. The analysis envisages the full coverage of risk types and the integration of forward-looking elements and is used to identify how the risk types (e.g., Credit Risk, Market Risk, etc.) are impacted by transition and physical risks on the considered time horizons, as well as an assessment of the capital adequacy to check the Group resiliency on the medium/long-term horizon.

C2.2a

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

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

C-FS2.2b

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

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

C-FS2.2c

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

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities
Banking (Bank)	Integrated into multi-disciplinary company-wide risk management process	90	Quantitative only	Short-term Medium-term Long-term	Scenario analysis Stress tests	Climate scenario analyses and stress tests are used within ICAAP to perform the climate-related risks materiality analysis under normative and economic perspective on the short and medium/long-term horizons, as well as to assess the Group capital adequacy on the medium/long-term horizon.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

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

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

C-FS2.2e

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

Portfolio
Banking (Bank)

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

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

Industry sector(s) covered by due diligence and/or risk assessment process
Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Food, Beverage & Tobacco
Pharmaceuticals, Biotechnology & Life Sciences
Real Estate
Other, please specify (Agriculture, Forestry and fishing; Mining)

State how this climate-related information influences your decision-making
Several concrete initiatives have been launched to integrate Climate and Environmental (C&E) risk into the overall risk management framework. Find below the key pillars of the approach followed:
1. an overall methodological approach has been defined
2. C&E KRIs have been included within Market Risk Strategy and dedicated limits and warning levels will be applied in 2023 for both the trading and banking book with respect to transition and physical risk; additionally also stress test warning levels will be applied. All market risk limits could be either set at Group level only or following the usual cascading process for GMLs based on materiality
3. KPIs covering Transition and Physical risk with related thresholds and local cascading to main Legal Entities have been included in RAF
4. Climate factors have been embedded in Credit Risk strategies steering signals
5. C&E risks materiality assessment has been performed within ICAAP, (Short Term and Long Term time horizon) and ILAAP
6. The assessment of C&E drivers is included in the process for evaluating of new financial products for which the Legal Entities have also to verify if any C&E risk is embedded in the payoff/structure of the product and ensure the consistency with Group ESG strategy by involving the local competent function if needed
7. Enhancement of monthly reporting and monitoring framework (Physical and Transition Risks), and Climate Stress Tests for Market and Counterparty Credit Risk (suggesting limited materiality)
8. Extension of Sectoral Policies (Coal and Oil&Gas) for Financial Risk.
Furthermore all transactions related to the sensitive sectors regulated by our environmental and social policies are subject to a specific decisional process.

C2.3

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

C2.3a

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

Identifier

Risk 1

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

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services

Primary potential financial impact
Increased credit risk

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

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

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium

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

Potential financial impact figure (currency)
<Not Applicable>

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

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

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

Cost of response to risk
3000000

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

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

Identifier
Risk 2

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

Risk type & Primary climate-related risk driver

Market	Increased cost of raw materials

Primary potential financial impact
Increased credit risk

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

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

event they are not able to abide by their contractual agreements, thus implying a potential deterioration of customers' ability to repay loans. Furthermore, climate change could directly impact the availability of certain materials and therefore their price.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
High

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

Potential financial impact figure (currency)
<Not Applicable>

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

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

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

Cost of response to risk
1700000

Description of response and explanation of cost calculation
In order to mitigate indirect risks for our business, country-level lending activities and policies relating to all of our business lines are also included in the scope of the holding company's EMS. We have also issued a coal policy that aims to provide standards and guidelines that address the risks associated with financing the coal-fired power industry. This policy is the result of an extensive, in-depth analysis across 10 key countries within our network: in 2013 we in fact engaged internal and external stakeholders on issues including local energy strategies, the impact of emissions, and country-specific technological and regulatory developments. A new coal policy was approved and published in November 2020 which prohibits new projects in thermal coal mining and coal-fired power generation and imposes strict commitments in terms of reducing reliance on funds deriving from coal-fired power generation for corporate customers. Furthermore, a working group was set-up to define and disclose Net Zero targets on our priority sectors and monitor our decarbonization trajectory. In January 2023 we communicated these targets to our stakeholders, for Automotive, Oil&Gas and Power generation sectors.

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

Identifier
Risk 3

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

Risk type & Primary climate-related risk driver

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

Primary potential financial impact
Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

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

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

Time horizon
Long-term

Likelihood
Exceptionally unlikely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
63000000

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

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

Explanation of financial impact figure
The financial impact figure refers to the potential annual deterioration of the fair value (FV) of the collateral behind the mortgage portfolio because of river flood or flash flood hazards (Ca. 63 € million of damage over 423 €bilion of FV)

Cost of response to risk

Description of response and explanation of cost calculation
Our methodological approach envisages:
1. Identification of key acute physical risks impacting the bank's geographies at postal code/municipality level
2. Quantification of the potential damage of the collaterals located in critical sites (i.e. high physical risk areas)
3. Evaluation of the percentage of fair value potentially damaged by the event.

Comment

Identifier
Risk 4

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

Risk type & Primary climate-related risk driver

Market	Changing customer behavior

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

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

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

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium

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

Potential financial impact figure (currency)
<Not Applicable>

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

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

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

Cost of response to risk
600000

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

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

Identifier

Risk 5

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

Risk type & Primary climate-related risk driver

Market	Uncertainty in market signals

Primary potential financial impact
Increased credit risk

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

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

Time horizon
Medium-term

Likelihood
Virtually certain

Magnitude of impact
Medium-high

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

Potential financial impact figure (currency)
<Not Applicable>

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

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

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

Cost of response to risk
1000000

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

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

Identifier
Risk 6

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

Risk type & Primary climate-related risk driver

Chronic physical	Sea level rise

Primary potential financial impact
Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

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

Company-specific description
Sea level rise (chronic events): it would at most affect 2% of the total current portfolio FV, considering a scenario that leads to a warming at the end of the 21st century of probably more than 4°C (assuming the same distribution of collateral).

Time horizon

Long-term

Likelihood
Unlikely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
8000000000

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

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

Explanation of financial impact figure
It refers to the current portfolio FV that could be affected by sea level rise, considering a scenario that leads to a warming at the end of the 21st century of probably more than 4°C (assuming the same distribution of collateral). It is equal to ca. 8 €bn of FV affected over 423 €bn of total FV.

Cost of response to risk

Description of response and explanation of cost calculation
Our methodological approach envisages:
1. Identification of key acute physical risks impacting the bank's geographies at postal code/municipality level
2. Quantification of the potential damage of the collaterals located in critical sites (i.e. high physical risk areas)
3. Evaluation of the percentage of fair value potentially damaged by the event.

Comment

Identifier
Risk 7

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

Risk type & Primary climate-related risk driver

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

Primary potential financial impact
Increased capital expenditures

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

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

Time horizon
Short-term

Likelihood
Exceptionally unlikely

Magnitude of impact
Medium-high

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

Potential financial impact figure (currency)
<Not Applicable>

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

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

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

Cost of response to risk
1250000

Description of response and explanation of cost calculation
In order to mitigate the risks related to the direct impacts of physical change associated with climate change, UniCredit has implemented a Business Continuity Plan (BCP) which entails risk management procedures to guarantee the security of our IT system in case of severe damage to the Group's facilities or data loss. Through this plan the

bank has multiple locations where it houses its servers, having selected the areas based on the low vulnerability of the sites. This plan covers most operational risks, including those related to extreme weather events.

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

C2.4

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

C2.4a

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

Identifier
Opp1

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

Opportunity type
Resource efficiency

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

Primary potential financial impact
Reduced direct costs

Company-specific description
Incentives provided by climate policies may reduce the cost of refurbishment and restructuring to use less carbon intensive technologies, resulting in improved cash flows. UniCredit is currently exploiting energy efficiency regulation based on partial tax exemption.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Low

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

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
700000

Potential financial impact figure – maximum (currency)
1500000

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

Cost to realize opportunity
3000000

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

Comment
N/A

Identifier
Opp2

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

Opportunity type
Products and services

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

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

Company-specific description

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

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium

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

Potential financial impact figure (currency)
<Not Applicable>

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

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

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

Cost to realize opportunity
3000000

Strategy to realize opportunity and explanation of cost calculation
One year ago, we targeted €150bn euros of new ESG volumes over 2022-2024 across Environmental Lending, ESG Investment Products, Sustainable Bonds and Social Lending (€10bn up from previous €1bn target) and we have been progressing well towards achieving these goals, mobilizing in 2022, €11.4bn of Environmental Lending, €28.7bn of ESG Investment Products, €12.8bn of Sustainable Bonds and €4.8bn of Social Lending (compared to the Group's cumulative ESG volume goal of €150bn over 2022-2024).

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

C3. Business Strategy

C3.1

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

Row 1

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

Publicly available climate transition plan
Yes

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

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

Frequency of feedback collection
More frequently than annually

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

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

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

C3.2

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

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

C3.2a

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

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

C3.2b

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

Row 1

Focal questions

impacts from climate risk scenario on banks' balance sheets

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

Projecting banks, among which UniCredit, collectively reported €70bn of aggregate losses under the 3 short-term exercises (3-year disorderly transition and the two physical risk scenarios) to ECB

•€53bn losses reported under the short-term disorderly transition scenario

•€17bn losses reported under the short-term physical risk scenarios (drought & heat risk and flood risk)

•This may significantly understate the actual transition risk:

a)benign scenarios where climate shocks are not accompanied by an overall economic downturn

b) narrow risk coverage and reported exposures targeting specific portfolios

c) banks data and modelling capacity is at preliminary stage with still limited sensitivity to climate factors

a)no supervisory overlays applied in the bottom-up projections reflecting the learning nature of the exercise

C3.3

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

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

C3.4

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

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

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Yes, we identify alignment with a sustainable finance taxonomy	At the company level only

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric
Revenue/Turnover

Type of alignment being reported for this financial metric
Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported
EU Taxonomy for Sustainable Activities

Objective under which alignment is being reported
Total across all objectives

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

Percentage share of selected financial metric aligned in the reporting year (%)
34.3

Percentage share of selected financial metric planned to align in 2025 (%)

Percentage share of selected financial metric planned to align in 2030 (%)

Describe the methodology used to identify spending/revenue that is aligned
34.3% represents the percentage of our exposure toward Taxonomy-eligible economic activities, calculated taking into account the Turnover eligibility of our counterparties. Indeed, as at 2022, we are only obliged to calculate the eligibility of our portfolio, while alignment is not possible due to the necessity of counterparties' disclosure on their alignment, which is available after some months after the reference date (31.12.2022).
The methodology underlying the disclosure of the eligibility also takes into account the Commission's Frequently Asked Questions (FAQs) published on 6 October 2022.
Exposure to taxonomy-eligible activities considers two perimeters:
1. The exposure (other than that held for trading) of all non-financial corporations (excluding SMEs and non-EU counterparts) for which taxonomy-eligible turnover and capex KPIs are available, in accordance with the NFRD, in the annual mandatory report
2. The exposure related to residential and commercial immovable property.
The exposure to non-eligible activities is computed considering exposure, other than that held for trading, of all non-financial corporations excluding SMEs and non-EU counterparts for which taxonomy eligible turnover and capex KPIs are not available.
The total covered assets have been considered at consolidated level.

Financial Metric
CAPEX

Type of alignment being reported for this financial metric
Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported
EU Taxonomy for Sustainable Activities

Objective under which alignment is being reported
Total across all objectives

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

Percentage share of selected financial metric aligned in the reporting year (%)
35.9

Percentage share of selected financial metric planned to align in 2025 (%)

Percentage share of selected financial metric planned to align in 2030 (%)

Describe the methodology used to identify spending/revenue that is aligned
35.9% represents the percentage of our exposure toward Taxonomy-eligible economic activities, calculated taking into account the CAPEX eligibility of our counterparties. As at 2022, we are only obliged to calculate the eligibility of our portfolio, while alignment is not possible due to the necessity of counterparties' disclosure of the eligibility on their alignment, which is available after some months after the reference date (31.12.2022).
The methodology underlying the disclosure also takes into account the Commission's Frequently Asked Questions (FAQs) published on 6 October 2022.
Exposure to taxonomy-eligible activities considers two perimeters:
1. The exposure (other than that held for trading) of all non-financial corporations (excluding SMEs and non-EU counterparts) for which taxonomy-eligible turnover and capex KPIs are available, in accordance with the NFRD, in the annual mandatory report
2. The exposure related to residential and commercial immovable property.
The exposure to non-eligible activities is computed considering exposure, other than that held for trading, of all non-financial corporations excluding SMEs and non-EU counterparts for which taxonomy eligible turnover and capex KPIs are not available.
The total covered assets have been considered at consolidated level.

C3.5c

(C3.5c) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

In accordance with art. 10 of the Delegated Act 1 supplementing the EU Taxonomy Regulation (2020/852), from 1 January 2022 to 31 December 2023 the UniCredit Group, as a financial institution, will disclose the following KPIs:

a. exposures to Taxonomy non-eligible and Taxonomy-eligible economic activities over total covered assets

b. exposures to Central Governments, Central Banks and Supranational issuers over total assets

c. exposures to Derivatives over total assets

d. exposures to Undertakings not obliged to publish non-financial information (NFRD) over total assets

e. exposures to Trading portfolio and on demand inter-bank loans over total assets.

This simplified disclosure, elaborated at Group level, leverages a centralised retrieval strategy. KPIs are FINREP-driven and exposure is expressed in terms of gross carrying amount as at 31 December 2022. As at 2022, we are only obliged to calculate the eligibility of our portfolio, while alignment is not possible due to the necessity of counterparties' disclosure on their alignment, which is available after some months after the reference date (31.12.2022).

C-FS3.6

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

	Policy framework for portfolio activities that include climate-related requirements for clients/investees, and/or exclusion policies	Explain why the policy framework for your portfolio activities do not include climate-related requirements for clients/investees, and/or exclusion policies
Row 1	Yes, our policies include climate-related requirements that clients/investees need to meet	<Not Applicable>

C-FS3.6a

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

Portfolio
Banking (Bank)

Type of policy
Credit/lending policy
Risk policy

Portfolio coverage of policy
100

Policy availability
Publicly available

Attach documents relevant to your policy
Coal Policy

Criteria required of clients/investees
Develop a climate transition plan
Other, please specify (No coal developer customers (no increase in coal business since Sep 20). Current revenues from coal <= 25%. Climate transition plan shall include a phase out plan by 2028)

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

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

Industry sectors covered by the policy
Energy

Exceptions to policy based on
<Not Applicable>

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

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Portfolio
Banking (Bank)

Type of policy
Credit/lending policy
Risk policy

Portfolio coverage of policy
100

Policy availability
Publicly available

Attach documents relevant to your policy
Oil and Gas Policy

Criteria required of clients/investees
Other, please specify (Not being in PACTA/stress test “Red list” ; Current revenues from unconventional Oil&Gas and Arctic Oil&Gas activities <= 25%)

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

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

Industry sectors covered by the policy
Energy

Exceptions to policy based on
<Not Applicable>

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

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C-FS3.6c

(C-FS3.6c) Why does the policy framework for your portfolio activities not include climate-related requirements for clients/investees, and/or exclusion policies?

N.A.

C-FS3.8

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

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

C-FS3.8a

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

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

C4. Targets and performance

C4.1

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

Absolute target
Portfolio target

C4.1a

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

Target reference number
Abs 3

Is this a science-based target?
Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

Target ambition
1.5°C aligned

Year target was set
2021

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Base year
2021

Base year Scope 1 emissions covered by target (metric tons CO2e)
33162

Base year Scope 2 emissions covered by target (metric tons CO2e)
32938

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

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

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

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

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
66100

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

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

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

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

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

Target year
2030

Targeted reduction from base year (%)
100

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

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
30233

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
26360

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

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

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

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

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
56593

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
14.3827534039334

Target status in reporting year
Revised

Please explain target coverage and identify any exclusions
In late 2021 we announced our Group Strategy, UniCredit Unlocked, of which our commitments in the area of climate change are a fundamental component. These include our targets to achieve net zero on own emissions (Scopes 1 and 2) by 2030 and net zero on 'financed' emissions by 2050, having joined the Net Zero Banking Alliance earlier in the year. In the present question we are reporting our Abs 3 target, i.e. net zero Scope 1 and 2 combined own emissions by 2030.

Plan for achieving target, and progress made to the end of the reporting year
We plan to achieve our target of net zero Scope 1 and 2 own emissions by 2030 through a combined approach. This includes emission reduction initiatives such as energy efficiency and space optimization actions, and procuring energy from renewable sources.
With regards to own emissions, in light of our Net Zero strategy and in accordance with our management approach, we have applied a new segmentation to the inventory of the premises we occupy, distinguishing between those assets for which we have operational control and those for which we do not. Consequently emissions from leased assets for which we do not have operational control are no longer reported under Scope 1 and/or Scope 2 and are instead reported under Scope 3. This new segmentation has been applied to 2022 data, and 2021 emissions data has been restated on the basis of the same segmentation.
We have therefore revised the base year of our net zero Scope 1 and 2 own emissions by 2030 target (Abs3) to 2021 from the original 2017 in order to track the target's progress coherently with our new segmentation.
Our 2022 Scope 1 and Scope 2 combined market-based emissions of 56,593 tC02e represent a 14% (rounded figure) decrease yoy versus our restated 2021 Scope 1 and Scope 2 combined market-based emissions of 66,100 tC02e, as per our latest data calculated in early 2023. This is mainly attributable to the positive impact of energy optimisation measures, a significant increase in the consumption of procured electricity from renewable sources across our geographies, and the evolution of our car fleet to lower emitting models and stricter policies which partially mitigated the increase in road travel kilometers following the return to 'normalized' business conditions post Covid 19 restrictions. Thus, our 2022 Scope 1 and 2 combined market-based emissions figure of 56,593 tCO2e marks a 14% (rounded figure) reduction versus the 2021 base year Scope 1 and 2 combined market-based emissions of 66,100 tCO2e.
Please note that any potential offsetting of any unabated emissions under our Abs 3 target will be evaluated in the forthcoming months.

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

C-FS4.1d

(C-FS4.1d) Provide details of the climate-related targets for your portfolio.

Target reference number
Por1

Year target was set
2022

Portfolio
Banking (Bank)

Product type/Asset class/Line of business
Corporate loans
Trade finance
Project finance

Sectors covered by the target
Other, please specify (Oil & Gas)

Target type
Portfolio emissions

Target type: Absolute or intensity
Absolute

Scopes included in temperature alignment
<Not Applicable>

Metric (or target numerator if intensity)
tCO2e

Target denominator
<Not Applicable>

Base year
2021

Figure in base year
21400000

Percentage of portfolio emissions covered by the target

Monetary metric for portfolio coverage (unit currency as reported in C0.4)
Other, please specify (Drawn Exposure Amount)

Percentage of portfolio covered by the target, using a monetary metric
87

Frequency of target reviews
Other, please specify (Only if needed)

Interim target year

Figure in interim target year

Target year
2030

Figure in target year
15200000

Figure in reporting year

% of target achieved relative to base year [auto-calculated]
<Calculated field>

Aggregation weighting used
<Not Applicable>

Proportion of portfolio emissions calculated in the reporting year based on asset level data

Proportion of the temperature score calculated in the reporting year based on company targets
<Not Applicable>

Target status in reporting year
New

Is this a science-based target?
Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

Target ambition
1.5°C aligned

Please explain target coverage and identify any exclusions
The target is focused on Scope 3 which accounts for approximately 90% of emissions in the sector for UniCredit's portfolio in both upstream and downstream processes. The target is aligned with the IEA Net Zero Emissions (World) scenario with reference to fossil fuel (oil, gas), excluding coal to remain congruent with the Bank's internal policies (e.g., coal exclusion policy). As our target was announced in 1Q 2023, in line with the Net Zero Banking Alliance guidance, progress on the target will be available by 1Q 2024.

Target reference number
Por2

Year target was set
2022

Portfolio
Banking (Bank)

Product type/Asset class/Line of business
Corporate loans
Trade finance
Project finance

Sectors covered by the target
Other, please specify (Power generation)

Target type
Sector Decarbonization Approach (SDA)

Target type: Absolute or intensity
Intensity

Scopes included in temperature alignment
<Not Applicable>

Metric (or target numerator if intensity)
Other, please specify (gCO2e)

Target denominator
kWh

Base year
2021

Figure in base year
208

Percentage of portfolio emissions covered by the target

Monetary metric for portfolio coverage (unit currency as reported in C0.4)
Other, please specify (Drawn Exposure Amount)

Percentage of portfolio covered by the target, using a monetary metric
75

Frequency of target reviews
Other, please specify (Only if needed)

Interim target year

Figure in interim target year

Target year
2030

Figure in target year
111

Figure in reporting year

% of target achieved relative to base year [auto-calculated]
<Calculated field>

Aggregation weighting used
<Not Applicable>

Proportion of portfolio emissions calculated in the reporting year based on asset level data

Proportion of the temperature score calculated in the reporting year based on company targets
<Not Applicable>

Target status in reporting year
New

Is this a science-based target?
Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

Target ambition
1.5°C aligned

Please explain target coverage and identify any exclusions
Only carbon emissions from power generation are considered since they account for more than 90% of total emissions in the power value chain. The focus is on Scope 1 emissions, the most material for the sector. Scope 2 and 3 emissions were not considered, given their small impact in the overall power value chain and because of limited data availability.
Please note that the Sector Decarbonisation Approach was applied in part to the target definition and has therefore been selected in the current question.
As our target was announced in 1Q 2023, in line with the Net Zero Banking Alliance guidance, progress on the target will be available by 1Q 2024.

Target reference number
Por3

Year target was set
2022

Portfolio
Banking (Bank)

Product type/Asset class/Line of business
Corporate loans
Trade finance
Project finance

Sectors covered by the target
Other, please specify (Automotive)

Target type
Sector Decarbonization Approach (SDA)

Target type: Absolute or intensity
Intensity

Scopes included in temperature alignment
<Not Applicable>

Metric (or target numerator if intensity)
Other, please specify (gCO2)

Target denominator
Vehicle km

Base year
2021

Figure in base year
161

Percentage of portfolio emissions covered by the target

Monetary metric for portfolio coverage (unit currency as reported in C0.4)
Other, please specify (Drawn Exposure Amount)

Percentage of portfolio covered by the target, using a monetary metric
94

Frequency of target reviews
Other, please specify (Only if needed)

Interim target year

Figure in interim target year

Target year
2030

Figure in target year
95

Figure in reporting year

% of target achieved relative to base year [auto-calculated]
<Calculated field>

Aggregation weighting used
<Not Applicable>

Proportion of portfolio emissions calculated in the reporting year based on asset level data

Proportion of the temperature score calculated in the reporting year based on company targets
<Not Applicable>

Target status in reporting year
New

Is this a science-based target?
Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

Target ambition
1.5°C aligned

Please explain target coverage and identify any exclusions
The target is focused on Light Duty Vehicle manufacturers (passenger cars and light trucks). The assessment of the portfolio's emission profile focused on Scope 3 category 11 Tank-to-Wheel (TTW) emissions, new fleet only, with regards to which auto manufactures have more levers for decarbonization, such a shift to electric vehicles and improved fuel efficiency.
Please note that the Sector Decarbonisation Approach was applied in part to the target definition and has therefore been selected in the current question.
As our target was announced in 1Q 2023, in line with the Net Zero Banking Alliance guidance, progress on the target will be available by 1Q 2024.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Net-zero target(s)
Other climate-related target(s)

C4.2b

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

Target reference number
Oth 4

Year target was set
2021

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

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

Green finance	Green investments (denominated in currency)

Target denominator (intensity targets only)
<Not Applicable>

Base year
2022

Figure or percentage in base year
0

Target year
2024

Figure or percentage in target year
25000000000

Figure or percentage in reporting year
11379690000

% of target achieved relative to base year [auto-calculated]
45.51876

Target status in reporting year
Underway

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

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

Please explain target coverage and identify any exclusions
The target of €25 bn of new environmental lending in the period 2022-2024 is mainly aimed at supporting our clients in the green transition. It is part of a wider set of ESG lending objectives within our strategic plan, UniCredit Unlocked, and thus includes ESG-linked lending.

Plan for achieving target, and progress made to the end of the reporting year
Enlarge our Environmental product offering (both on the renewable energy and energy efficiency lending side) with the specific focus of being aligned to the most recent European regulations. By the end of 2022 ca. 45% of the target was achieved.

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

Target reference number
Oth 5

Year target was set
2021

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

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

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

Target denominator (intensity targets only)
<Not Applicable>

Base year
2022

Figure or percentage in base year
0

Target year
2024

Figure or percentage in target year
65000000000

Figure or percentage in reporting year
28678953514

% of target achieved relative to base year [auto-calculated]
44.1214669446154

Target status in reporting year
Underway

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

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

Please explain target coverage and identify any exclusions
The target of €65 bn of AuM stock conversion towards ESG investments in the period 2022-2024 is mainly aimed at supporting our clients in the green transition. It is part of

a wider set of ESG lending objectives intergral to our strategic plan, UniCredit Unlocked. The target is based on Art. 8 and 9 SFDR regulation. For this reason figures include several sustainable targets, not only climate-related.

Plan for achieving target, and progress made to the end of the reporting year
Proceed with our plan to move our AuM stock towards ESG products as much as possible. By the end of 2022 ca. 44% of the target was achieved.

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

Target reference number
Oth 6

Year target was set
2021

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

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

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

Target denominator (intensity targets only)
<Not Applicable>

Base year
2022

Figure or percentage in base year
0

Target year
2024

Figure or percentage in target year
50000000000

Figure or percentage in reporting year
12816680000

% of target achieved relative to base year [auto-calculated]
25.63336

Target status in reporting year
Underway

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

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

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

Plan for achieving target, and progress made to the end of the reporting year
Strengthen our advisory to clients to help them in the issuance of Green, Sustainability and Sustainability-linked Bonds. By the end of 2022 ca. 25% of the target was achieved.

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

C4.2c

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

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Por1
Por2
Por3

Target year for achieving net zero
2050

Is this a science-based target?
Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

Please explain target coverage and identify any exclusions
In October 2021 UniCredit joined the Net Zero Banking Alliance and in December 2021 we announced our ambition to achieve net zero on our financed emissions (Scope 3, category 15, GHG Protocol) by 2050 and intention to disclose our interim targets in relation to the pool of 9 high emitting sectors identified by NZBA within 18-months for priority targets and further target setting within 36 months, as per NZBA guidelines.
Our target perimeter applies to our entire Group and is based on a phased approach whereby we planned to prioritize our most significant Group entities first and also initially focus on our lending portfolio.
In line with the abovementioned timeline, we announced our first set of interim targets in January 2023 on 3 priority sectors (also published in the UniCredit 2022 Integrated report in March 2023): Oil and Gas (excluding Coal, for which phase out by 2028 is planned), Power Generation, Automotive.
The 3 priority sectors were selected based on materiality, share of carbon emissions, data availability and maturity of methodology.
The baseline was estimated, and targets were set, based on the emissions profile of the bank's lending portfolio (drawn amount) as at 31/12/2021, focusing on SME and Large Corporates, where data is available.
For each sector we selected the value chain segments where emissions are most material and where data is available.
Both direct emissions (scope 1) and indirect emissions (scope 2 and 3) have been analyzed. The decision to ultimately include them in the final metric was based on the materiality of emissions, data and methodology availability for each sector.
The International Energy Agency (IEA) Net Zero 2050 Scenario was selected as the reference pathway scenario.

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

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

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

Target reference number
NZ2

Target coverage
Company-wide

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

Target year for achieving net zero
2030

Is this a science-based target?
Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

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

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

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

Planned actions to mitigate emissions beyond your value chain (optional)
We are in the process of evaluating this possibility.

C4.3

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

C4.3a

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	8	0
To be implemented*	5	450
Implementation commenced*	5	1450
Implemented*	7	3524
Not to be implemented	0	0

C4.3b

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

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
188

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

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
77000

Investment required (unit currency – as specified in C0.4)
458000

Payback period
4-10 years

Estimated lifetime of the initiative
6-10 years

Comment
Within our Bulgarian perimeter we replaced old lighting fixtures with new, more efficient LED lighting. Scope 2 estimated emissions savings calculated according to the location-based methodology.

Initiative category & Initiative type

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

Estimated annual CO2e savings (metric tonnes CO2e)
121

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
137415

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
1-2 years

Comment
Within our German perimeter we reduced the runtime of our air humidifiers, thus reducing the amount of natural gas consumed by this equipment.

Initiative category & Initiative type

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

Estimated annual CO2e savings (metric tonnes CO2e)
246

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
55484

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
1-2 years

Comment
Within our Russian perimeter we applied organizational measures to reduce the runtime of equipment such as ventilation and air-conditioning systems in our bank branches. Scope 2 estimated emissions savings calculated according to the location-based methodology.

Initiative category & Initiative type

Energy efficiency in buildings	Building Energy Management Systems (BEMS)

Estimated annual CO2e savings (metric tonnes CO2e)
173

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

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
100000

Investment required (unit currency – as specified in C0.4)
140000

Payback period
1-3 years

Estimated lifetime of the initiative
1-2 years

Comment
Within our Italian perimeter we monitor some of our premises via a detailed energy monitoring system (meters) in order to track the energy consumption of lighting and HVACs. The system allows us to control and analyze data in real time in order to identify anomalies and optimize energy consumption and equipment working hours. In cooperation with energy consultants, we worked towards improving the algorithms managing HVAC and lighting controls, optimizing both energy consumption and temperature comfort at workplaces. Electricity consumed within our Italy perimeter is 100% renewable-sourced, therefore the initiative does not have an impact on our market-based Scope 2 emissions.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
115

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

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
17058

Investment required (unit currency – as specified in C0.4)
32156

Payback period
1-3 years

Estimated lifetime of the initiative
3-5 years

Comment
Within our Serbian perimeter, we replaced old light fittings with new LED lighting at a number of our branches. Electricity consumed within our Serbia perimeter is largely renewable-sourced as of 2022, therefore for the purposes of the present calculation the initiative has been considered with an impact on our location-based Scope 2 emissions.

Initiative category & Initiative type

Low-carbon energy consumption	Low-carbon electricity mix

Estimated annual CO2e savings (metric tonnes CO2e)
1149

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

Voluntary/Mandatory
Voluntary

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

Investment required (unit currency – as specified in C0.4)
3033

Payback period
No payback

Estimated lifetime of the initiative
1-2 years

Comment
In 2022 for our activities in the Czech Republic perimeter, we procured certified renewably-sourced electricity for the first time. The investment refers to certification costs.

Initiative category & Initiative type

Low-carbon energy consumption	Low-carbon electricity mix

Estimated annual CO2e savings (metric tonnes CO2e)
1533

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

Voluntary/Mandatory
Voluntary

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

Investment required (unit currency – as specified in C0.4)
401

Payback period
No payback

Estimated lifetime of the initiative
1-2 years

Comment
In 2022 for our activities in the Serbian perimeter, we procured certified renewably-sourced electricity for the first time. The investment refers to certification costs and is net of VAT.

C4.3c

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

Method	Comment
Compliance with regulatory requirements/standards	UniCredit abides by all relevant legislations. Since 2014, at UniCredit S.p.A, the holding company, the Environmental Management System, registered according to EMAS regulation and spanning more than 2,440 sites, is the methodological framework which Group Sustainability applies in its function as supervisory body on behalf of Group Compliance in order to meet the following requirements: a) defining and updating an inventory detailing all applicable environmental legislation and regulation, b) carrying out an assessment of UniCredit S.p.A's environmental risk exposure in relation to applicable environmental legislation and regulation requirements, c) regularly monitoring and auditing its sites in conformity with relevant regulation, and subsequently ensuring any necessary mitigating actions are carried out by the relevant reference departments/persons.
Dedicated budget for energy efficiency	Enhancing energy efficiency in operations, facility management and processes is UniCredit's favorite approach. It allows cost savings and performance improvement. Organization and facility management are allocated a dedicated budget for energy efficiency, including for energy audits.
Employee engagement	UniCredit operates several Environmental Management Systems across its legal entities. All the Italian sites of UniCredit S.p.A are registered under the EMAS regulation, while in Germany (UniCredit Bank AG), Austria (UniCredit Bank Austria AG), and in Czech Republic and Slovakia (UniCredit Bank Czech Republic and Slovakia a.s.) sites are certified ISO14001. Within this framework employee awareness is a key priority, achieved through dedicated sections within internal communication tools, including the promotion of energy saving tips and training sessions.
Financial optimization calculations	Energy efficiency measures undertaken are assessed from both an environmental and financial point of view, in order to validate the investments at source (calculation of ROI and payback time are provided to support the decision making process).

C-FS4.5

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

C-FS4.5a

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

Product type/Asset class/Line of business

Banking	Other, please specify (Green mortgages)

Taxonomy or methodology used to classify product
Externally classified using other taxonomy or methodology, please specify (Superbonus 110% Italian Leg. Decree criteria)

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

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

Portfolio value (unit currency – as specified in C0.4)
1080000000

% of total portfolio value

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

Product type/Asset class/Line of business

Banking	Corporate loans

Taxonomy or methodology used to classify product
Internally classified

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

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

Portfolio value (unit currency – as specified in C0.4)
7000000000

% of total portfolio value

Type of activity financed/insured or provided
Renewable energy

Product type/Asset class/Line of business

Banking	Retail mortgages

Taxonomy or methodology used to classify product
Externally classified using other taxonomy or methodology, please specify (Criteria are Energy performance class B or higher and restructuring with scope of energy efficiency)

Description of product
New product Mutuo UniCredit Sostenibilità Energetica, a solution to finance purchase of properties with class B or higher and restructuring with scope of energy efficiency

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

Portfolio value (unit currency – as specified in C0.4)
414600000

% of total portfolio value

Type of activity financed/insured or provided
Green buildings and equipment
Renewable energy
Emerging climate technology, please specify

Product type/Asset class/Line of business

Banking	Other, please specify (Green bonds)

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

Description of product

6 own Green bonds issued, based on UniCredit Sustainability Bond Framework

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

Portfolio value (unit currency – as specified in C0.4)
3560000000

% of total portfolio value

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

Product type/Asset class/Line of business

Banking	Corporate loans

Taxonomy or methodology used to classify product
Internally classified

Description of product
In 2022 UniCredit launched an innovative loan programme called Finanziamento Futuro Sostenibile (Sustainable Future Financing) in Italy.
It is designed to support companies engaged in improving their sustainability profile, in line with the action plan launched by the bank in support of PNRR (Italy's Recovery and Resilience Plan) promoting the country's recovery by leveraging a return to consumption and an acceleration of digital and ecological transformation.
At the time of disbursement, the bank directly recognises a reduction in the rate compared to the standard conditions for these operations, with subsequent verification of the achievement of at least two ESG improvement objectives, set at the time the loan is agreed.
UniCredit establishes three categories of objectives related to Sustainable Future Financing:
• environmental protection
• improvement of social responsibilities in the community
• ethical business management

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

Portfolio value (unit currency – as specified in C0.4)
553000000

% of total portfolio value

Type of activity financed/insured or provided
Green buildings and equipment
Low-emission transport
Renewable energy
Other, please specify (Environmental protection)

C5. Emissions methodology

C5.1

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

C5.1a

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

Row 1

Has there been a structural change?
No

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

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

C5.1b

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

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

C5.2

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

Scope 1

Base year start
January 1 2008

Base year end
December 31 2008

Base year emissions (metric tons CO2e)
99479

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

Scope 2 (location-based)

Base year start
January 1 2008

Base year end
December 31 2008

Base year emissions (metric tons CO2e)
391969

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

Scope 2 (market-based)

Base year start
January 1 2008

Base year end
December 31 2008

Base year emissions (metric tons CO2e)
391969

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

Scope 3 category 1: Purchased goods and services

Base year start
January 1 2008

Base year end
December 31 2008

Base year emissions (metric tons CO2e)
2926

Comment
Refers to copy paper consumption.

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

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

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start
January 1 2008

Base year end
December 31 2008

Base year emissions (metric tons CO2e)
57

Comment
Refers to disposal of glass, paper and plastic.

Scope 3 category 6: Business travel

Base year start
January 1 2008

Base year end
December 31 2008

Base year emissions (metric tons CO2e)
18035

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

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 8: Upstream leased assets

Base year start
January 1 2008

Base year end
December 31 2008

Base year emissions (metric tons CO2e)
0

Comment
In light of our Net Zero strategy and in accordance with our management approach, we have applied a new segmentation to the inventory of the premises we occupy, distinguishing between assets for which we have operational control and those for which we do not. Consequently emissions from leased assets for which we do not have operational control are no longer reported under Scope 1 and/or Scope 2 and are instead reported under Scope 3. This new segmentation has been applied to 2022 data, and 2021 emissions data has been restated on the basis of the same segmentation.

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

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

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

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

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

C6. Emissions data

C6.1

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

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
30233

Start date
January 1 2022

End date
December 31 2022

Comment
Our 2022 Scope 1 emissions of 30,233 tC02e represent a 8.8% decrease yoy versus our restated 2021 Scope 1 emissions of 33,162 tC02e.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
33162

Start date
January 1 2021

End date
December 31 2021

Comment
2021 figures have been restated from those published in our 2022 CDP Climate Change questionnaire, as per our latest data calculated and reported in our 2022 Integrated Report. In light of our Net Zero strategy and in accordance with our management approach, we have applied a new segmentation to the inventory of the premises we occupy, distinguishing between assets for which we have operational control and those for which we do not. Consequently emissions from leased assets for which we do not have operational control are no longer reported under Scope 1 and/or Scope 2 and are instead reported under Scope 3. This new segmentation has been applied to 2022 data, and 2021 emissions data has been restated on the basis of the same segmentation. Restated 2021 emissions data has therefore been reported in the present questionnaire response and includes the effect of the progressive updating of emission factors and corrected data where applicable.

C6.2

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

Row 1

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

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

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

C6.3

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

Reporting year

Scope 2, location-based
106714

Scope 2, market-based (if applicable)
26360

Start date
January 1 2022

End date
December 31 2022

Comment
Our 2022 market-based method Scope 2 emissions of 26,360 tCO2e represent a 20% reduction yoy vs our restated 2021 market-based method Scope 2 emissions of 32,938 tCO2e. Our 2022 location-based method Scope 2 emissions of 106,714 tCO2e represent a 3.7% reduction yoy vs our restated 2021 location-based method Scope 2 emissions of 110,804 tCO2e.

Past year 1

Scope 2, location-based
110804

Scope 2, market-based (if applicable)
32938

Start date
January 1 2021

End date
December 31 2021

Comment
2021 figures have been restated from those published in our 2022 CDP Climate Change questionnaire, as per our latest data calculated and reported in our 2022 Integrated Report. In light of our Net Zero strategy and in accordance with our management approach, we have applied a new segmentation to the inventory of the premises we occupy, distinguishing between assets for which we have operational control and those for which we do not. Consequently emissions from leased assets for which we do not have operational control are no longer reported under Scope 1 and/or Scope 2 and are instead reported under Scope 3. This new segmentation has been applied to 2022 data, and 2021 emissions data has been restated on the basis of the same segmentation. Restated 2021 emissions data has therefore been reported in the present questionnaire response and includes the effect of the progressive updating of emission factors and corrected data where applicable.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

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

Purchased goods and services

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
763

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
As a financial institution, paper consumption is the main resource used within our operational activities. We therefore monitor our annual consumption and related emissions. The emission factor applied is sourced on the basis of CEPI, CEPI Key Statistics (2021), emission data. Emissions arising from paper consumption are constantly monitored and reported annually within our GHG Inventory.

Capital goods

Evaluation status
Not relevant, explanation provided

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

Emissions calculation methodology
<Not Applicable>

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

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

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

Evaluation status
Not relevant, explanation provided

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

Emissions calculation methodology
<Not Applicable>

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

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

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

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

Emissions calculation methodology
<Not Applicable>

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

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

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
229

Emissions calculation methodology
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Emissions arising from waste disposal. Only paper, plastic and glass are considered within the scope of our GHG inventory. The emission factors applied to our calculations are sourced from DEFRA, UK Government GHG Conversion Factors for Company Reporting (2022). Emissions from waste management are constantly monitored and reported annually within our GHG Inventory.

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
1870

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Our Scope 3 emissions include rail and air business travel. Air travel data has been categorized in long (more than 3,700km), medium (more than 1,000km - less than 3,700km) and short (less than 1,000 km) distance. We apply emission factors sourced from DEFRA, UK Government GHG Conversion Factors for Company Reporting (2022). Road travel is excluded as emissions arising from our road vehicles are included in our Scope 1 emissions.

Employee commuting

Evaluation status
Relevant, not yet calculated

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

Emissions calculation methodology
<Not Applicable>

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

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

Upstream leased assets

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
25789

Emissions calculation methodology
Asset-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Emissions refer to those occuring from energy consumption at leased assets not within our operational control, including the consumption of natural gas, diesel, other crude oil and petroleum products, electricity and district heating. Emission factors applied are sourced from DEFRA, UK Government GHG Conversion Factors for Company Reporting (2022), IEA (2022), and Association of Issuing Bodies (AIB), 2021 European Residual Mixes, V.1.0 (2022), as applicable.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

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

Emissions calculation methodology
<Not Applicable>

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

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

Processing of sold products

Evaluation status
Not relevant, explanation provided

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

Emissions calculation methodology
<Not Applicable>

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

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

Use of sold products

Evaluation status
Not relevant, explanation provided

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

Emissions calculation methodology
<Not Applicable>

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

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

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

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

Emissions calculation methodology
<Not Applicable>

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

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

Downstream leased assets

Evaluation status
Not relevant, explanation provided

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

Emissions calculation methodology
<Not Applicable>

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

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

Franchises

Evaluation status
Not relevant, explanation provided

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

Emissions calculation methodology
<Not Applicable>

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

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

Other (upstream)

Evaluation status
Not relevant, explanation provided

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

Emissions calculation methodology
<Not Applicable>

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

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

Other (downstream)

Evaluation status
Not relevant, explanation provided

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

Emissions calculation methodology
<Not Applicable>

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

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

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date
January 1 2021

End date
December 31 2021

Scope 3: Purchased goods and services (metric tons CO2e)
774

Scope 3: Capital goods (metric tons CO2e)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Scope 3: Upstream transportation and distribution (metric tons CO2e)

Scope 3: Waste generated in operations (metric tons CO2e)
270

Scope 3: Business travel (metric tons CO2e)
406

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)
26380

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)
<Not Applicable>

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment
2021 figures have been restated from those published in our 2022 CDP Climate Change questionnaire, as per our latest data calculated and reported in our 2022 Integrated Report. In light of our Net Zero strategy and in accordance with our management approach, we have applied a new segmentation to the inventory of the premises we occupy, distinguishing between assets for which we have operational control and those for which we do not. Consequently emissions from leased assets for which we do not have operational control are no longer reported under Scope 1 and/or Scope 2 and are instead reported under Scope 3. This new segmentation has been applied to 2022 data, and 2021 emissions data has been restated on the basis of the same segmentation. Restated 2021 emissions data has therefore been reported in the present questionnaire response and includes the effect of the progressive updating of emission factors and corrected data where applicable.

C6.10

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

Intensity figure
0.00000292

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
56593

Metric denominator
unit total revenue

Metric denominator: Unit total
19357476000

Scope 2 figure used
Market-based

% change from previous year
25.2

Direction of change
Decreased

Reason(s) for change
Change in renewable energy consumption
Other emissions reduction activities
Change in revenue

Please explain
Our 2022 combined scope 1 and 2 emissions figure of 56,593 tCO2e marks a 14.4% decrease vs our restated 2021 combined scope 1 and 2 emissions figure of 66,100 tC02e, as per our latest data calculated in early 2023, while our 2022 revenues increased by approximately 14.5% versus 2021. Please note that our revenues/emissions intensity figure, and comparison with 2021, has been calculated considering the market-based emissions for Scope 2, in-line with the market-based method considered in our target of net zero Scope 1 and 2 own emissions by 2030.

C7. Emissions breakdowns

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?
No

C7.9

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

C7.9a

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

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	4951.24	Decreased	7.49	We have procured electricity from renewable sources for a number of years. In 2022 a significatly greater percentage of our electricity consumption was procured from such sources with the addition of certified renewable energy in several of our geographies including Serbia, Croatia, Czech Republic and Slovakia. We also increased the share of certified renewable electricity procured in Hungary. Together these purchases allowed us to reduce our indirect emmisions by 4,951.24 tC02e, equal to a 7.49% decrease of our combined Scope 1 and 2 emissions, considering that in 2022 our combined Scope 1 and 2 emissions decreased to 56,593 CO2e from 66,100 tCO2e in 2021, as per our latest data calculated in early 2022, i.e. (-4,951.24 / 66,100) * 100 = -7.49%.
Other emissions reduction activities	3989.45	Decreased	6.04	In 2022 we recorded a decrease in our combined Scope 1 and 2 emissions of 3,989 tCO2e, thanks to the implementation of a combined set of emission reduction initiatives, including our space optimization drive and energy efficiency activies such as investing in LED lighting, new HVAC systems and heating pumps, reducing the runtime of lighting fixtures and modifying internal temperature settings. This marks a reduction in our Scope 1 and 2 combined emissions of 3,989.45 tCO2e, considering that in 2022 our combined Scope 1 and 2 emissions decreased to 56,593 tCO2e from 66,100 tCO2e in 2021, as per our latest data calculated in early 2022, i.e. (-3,989.45 / 66,100) * 100 = -6.04%.
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other	565.9	Decreased	0.86	In 2022 we saw a general return to 'normalized' business conditions post-Covid 19 restrictions, with an impact in terms of the occupancy of our premises and road business travel levels. Despite a ca. 2.2% increase in km travelled by company cars, the impact in terms of emissions was realtively contained, rising by 1.8%, equal to 222.38 tCO2e. This points towards a positive impact of our car fleet optimization and more stringent policies. The increase from this source was equal to a 0.34% increment in our Scope 1 and 2 combined emissions considering that in 2022 our combined Scope 1 and 2 emissions decreased to 56,593 CO2e from 66,100 tCO2e in 2021, as per our latest data revised in early 2022, i.e. (222.38 / 66,100) * 100 = 0.34%. Conversely, in 2022 we recorded a decrease in the dispersion of refrigerent gases. Emissions from this source can vary from year to year depending on usage, replacement and maintenance activities and, not least, improved monitoring. The decrease of emissions from this source of 788.28 tCO2e was equal to a 1.19% reduction in our Scope 1 and 2 combined emissions, considering that in 2022 our combined Scope 1 and 2 emissions decreased to 56,593 CO2e from 66,100 tCO2e in 2021, as per our latest data calculated in early 2022, i.e. (-788.28 / 66,100) * 100 = -1.19%. The combined effect of the aforementioned factors (road travel and refrigerent gases) accounted for a cumulative decrease of 565.90 tCO2e of our 2022 combined Scope 1 and 2 emissions, equal to a 0.86% decrease, considering that in 2022 our combined Scope 1 and 2 emissions decreased to 56,593 CO2e from 66,100 tCO2e in 2021, as per our latest data calculated in early 2022, i.e. (-565.90 / 66,100) * 100 = -0.86%.

C7.9b

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

Market-based

C8. Energy

C8.1

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

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

C8.2

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

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

C8.2a

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

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	80440	80440
Consumption of purchased or acquired electricity	<Not Applicable>	303945	43671	347616
Consumption of purchased or acquired heat	<Not Applicable>	1867	45708	47575
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	963	<Not Applicable>	963
Total energy consumption	<Not Applicable>	306775	169819	476594

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area
Italy

Consumption of purchased electricity (MWh)
186581

Consumption of self-generated electricity (MWh)
64

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

Consumption of purchased heat, steam, and cooling (MWh)
2460

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
189105

Country/area
Germany

Consumption of purchased electricity (MWh)
87313

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
28555

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
115868

Country/area
Austria

Consumption of purchased electricity (MWh)
15643

Consumption of self-generated electricity (MWh)
800

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

Consumption of purchased heat, steam, and cooling (MWh)
3818

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
20261

Country/area
Bosnia & Herzegovina

Consumption of purchased electricity (MWh)
5321

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
1512

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
6833

Country/area
Bulgaria

Consumption of purchased electricity (MWh)
10143

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
2828

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
12971

Country/area
Croatia

Consumption of purchased electricity (MWh)
16606

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
942

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
17548

Country/area
Czechia

Consumption of purchased electricity (MWh)
2089

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
162

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
2251

Country/area
Hungary

Consumption of purchased electricity (MWh)
4041

Consumption of self-generated electricity (MWh)
98

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

Consumption of purchased heat, steam, and cooling (MWh)
383

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
4522

Country/area
Romania

Consumption of purchased electricity (MWh)
3670

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
826

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
4496

Country/area
Russian Federation

Consumption of purchased electricity (MWh)
10838

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
5916

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
16754

Country/area
Serbia

Consumption of purchased electricity (MWh)
2507

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
143

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
2650

Country/area
Slovakia

Consumption of purchased electricity (MWh)
2465

Consumption of self-generated electricity (MWh)
0

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

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

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
2465

Country/area
Slovenia

Consumption of purchased electricity (MWh)
395

Consumption of self-generated electricity (MWh)
0

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

Consumption of purchased heat, steam, and cooling (MWh)
28

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
423

C9. Additional metrics

C9.1

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

Description
Energy usage

Metric value
29

Metric numerator
GJ

Metric denominator (intensity metric only)
FTE

% change from previous year
0

Direction of change
No change

Please explain
Figures include energy consumption at premises for which we have operational control and at leased assets for which we do not have operational control.

C10. Verification

C10.1

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

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

C10.1a

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

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
UC_INTEGRATO_2022_ENG_FINAL.pdf

Page/ section reference
See KPMG's independent auditor's statement included in the UniCredit 2022 Integrated Report attached at pages 132 - 135. Also, see the 'Report structure' at pages 2-3 of the UniCredit 2022 Integrated Report, which contains details regarding GHG reporting to which KPMG's statement is directly linked.

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1b

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

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
UC_INTEGRATO_2022_ENG_FINAL.pdf

Page/ section reference
See KPMG's independent auditor's statement included in the UniCredit 2022 Integrated Report attached at pages 132 - 135. Also, see the 'Report structure' at pages 2-3 of the UniCredit 2022 Integrated Report, which contains details regarding GHG reporting to which KPMG's statement is directly linked.

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
UC_INTEGRATO_2022_ENG_FINAL.pdf

Page/ section reference
See KPMG's independent auditor's statement included in the UniCredit 2022 Integrated Report attached at pages 132 - 135. Also, see the 'Report structure' at pages 2-3 of the UniCredit 2022 Integrated Report, which contains details regarding GHG reporting to which KPMG's statement is directly linked.

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1c

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

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

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
UC_INTEGRATO_2022_ENG_FINAL.pdf

Page/section reference
See KPMG's independent auditors' report included in the UniCredit 2022 Integrated Report attached at pages 132 - 135. Also, see the 'Report structure' at pages 2-3 of the UniCredit 2022 Integrated Report, which contains details regarding GHG reporting to which KPMG's statement is directly linked.

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.2

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

Yes

C10.2a

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

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1)	Limited assurance, ISAE 3000	Assessing year on year change in our Scope 1 emissions is integral to our annual organization-wide GHG inventory accounting which has been verified by KPMG as the accredited external third party, as reported in the UniCredit 2022 Integrated Report assurance statement, which includes GHG emission figures. Year on year change in our Scope 1 emissions is reported in the present document at question no. C6.1. UC_INTEGRATO_2022_ENG_FINAL.pdf
C6. Emissions data	Year on year change in emissions (Scope 2)	Limited assurance, ISAE 3000	Assessing year on year change in our Scope 2 emissions is integral to our annual organization-wide GHG inventory accounting which has been verified by KPMG as the accredited external third party, as reported in the UniCredit 2022 Integrated Report assurance statement, which includes GHG emission figures. Year on year change in our Scope 2 location-based emissions and in our market-based emissions is reported in the present document at question no. C6.3. UC_INTEGRATO_2022_ENG_FINAL.pdf
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	Limited assurance, ISAE 3000	Assessing year on year change in our combined Scope 1 and 2 emissions is integral to our annual organization-wide GHG inventory accounting which has been verified by KPMG as the accredited external third party, as reported in the UniCredit 2022 Integrated Report assurance statement, which includes GHG emission figures. Year on year change in our Scope 1 and 2 emissions is reported in the present document at question no. C4.1a (target Abs3). UC_INTEGRATO_2022_ENG_FINAL.pdf
C4. Targets and performance	Progress against emissions reduction target	Limited assurance, ISAE 3000	Assessing progress against our absolute emissions reduction target Abs 3, is integral to our annual organization-wide GHG inventory accounting which has been verified by KPMG as the accredited external third party, as reported in the UniCredit 2022 Integrated Report assurance statement which includes GHG emission figures. Please note that our emission reduction target considers our Scope 2 emissions under the market-based method. Progress against this target is reported in the present document at question no. C4.1a (target Abs3). UC_INTEGRATO_2022_ENG_FINAL.pdf
C14. Portfolio impact	Other, please specify (Net Zero Target)	Limited assurance, ISAE 3000	The baseline for our Net Zero first priority sectors (Oil&Gas, Power Generation, Automotive) and methodology used for target setting was assessed by KPMG as the accredited external third party, as reported in the UniCredit 2022 Integrated Report assurance statement. This data is reported in the present questionnaire at question no. C14.1. UC_INTEGRATO_2022_ENG_FINAL.pdf

C11. Carbon pricing

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

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

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

C12. Engagement

C12.1

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

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

C12.1a

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

Type of engagement
Information collection (understanding supplier behavior)

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

% of suppliers by number
51

% total procurement spend (direct and indirect)
82

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

Rationale for the coverage of your engagement
At UniCredit supplier engagement is a core part of our centralised supplier qualification process. While our overall supplier pool is wider, centralised procurement qualification activities within Italy, Germany and Austria represent the perimeter which we can best technically assess and address such engagement to. This perimeter accounts for approximately 82% of our overall pool in terms of total procurement spend.

In this process suppliers are screened via a dedicated tool which includes completing a sustainability questionnaire containing a set of mandatory minimum sustainability requirements. The questionnaire seeks to assess suppliers' suitability in terms of awareness of, and commitment to, environmental and social criteria, including climate-related matters. The questionnaire has been formulated in line with UniCredit's Environmental Policy which, amongst other principles, recognises that climate change, conservation of biodiversity and efficient use of natural resources are challenges which business must address. The requirements included regard issues such as suppliers' willingness to provide details of environmentally relevant aspects of their products or services, and possession of an environmental policy which is in line with UniCredit's Environmental Policy or, alternatively, commitment to respecting the fundamental principles included therein. We are currently in the process of broadening the scope of the engagement to include procurement activities in other geographies within our Group perimeter. Furthermore, assessment of environmental and climate-related criteria also takes place at the product sourcing level.
For example approximately 99 percent of copy paper used Groupwide holds an environmental label, such as Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC). Approximately 76 percent of copy paper used Groupwide derives from recycled sources.

100% of centrally purchased IT equipment holds environmental labels either ISO Type 1 or ISO Type 3

Impact of engagement, including measures of success
As a large company with a pan-European presence, at UniCredit we are aware that we stand to influence others through both our actions and our choices. In making our sustainability questionnaire a core component of our centralised supplier qualification process, we safeguard UniCredit from working with suppliers that are not sufficiently aware and committed to environment and climate-related matters, as too to social matters. Moreover, our qualification process is one of the ways in which we contribute to mainstreaming ESG matters within a business context. We do not currently have a specific metric against which to measure the impact of the engagement. In 2021 , 243 second-level assessments in the Group were finalized on social, labor-law and environmental issues. Our most recent assessment indicates that of the suppliers rejected during the qualification process in 2022, about 18% were rejected on the grounds that they did not meet sustainability requirements.

We are working to improve our vendor qualification tool and process. A transformation project is ongoing, with important deliverables expected already by 2023. The main goals of this transformation journey are:
• guarantee full coverage of regulatory requirements as Germany Supply Chain Act (LkSG) and be prepared for the EU Corporate Sustainability Due Diligence Directive (CSDDD);
• enhance process performance and give reliability to the vendor evaluation thanks to usage of external info providers;
• monitor constantly ESG ratings, among others, and the presence of ESG minimum requirements on qualified suppliers.

Comment

C-FS12.1b

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

Type of clients
Customers/clients of Banks

Type of engagement
Engagement & incentivization (changing client behavior)

Details of engagement
Engage with clients on measuring exposure to climate-related risk
Other, please specify (Included climate change considerations in client management mechanism and encourage better climate-related disclosure practices)

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

Portfolio coverage (total or outstanding)
100

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

Impact of engagement, including measures of success
The measures of success of our engagement activity are not based on a specific metric. UniCredit is embedding climate-related and environmental risks and opportunities in its credit assessment. This required the definition of a dedicated methodologywhich comprises: the filling in of a questionnaire addressing both high and low emissive customers in line with regulatory expectations; the generation of a C&E Risk Scorecard summarizing the main KPIs and identifying the counterparty's positioning in one of the four risk areas (low, medium-low, medium high, high) of the Transition Assessment matrix; the inclusion of the environmental scoring in the credit valuation process. The integration of climate and environmental risks and opportunities in our credit risk management is a necessary step of the journey in this direction. A specific methodology and process have thereupon been developed to identify scope, collect data, carry out assessments and validate results.In order to integrate such risks in our business strategy, correctly take them into account through all stages of the credit-granting process and monitor this kind of risk in our credit portfolio, we have designed a Climate and Environmental Risk Assessment Questionnaire to determine our clients' position on the transition pathway. The results of the climate and environmental assessments integrate the files submitted to Credit Committees, enabling them to correctly consider climate and environmental factors when granting decisions during the underwriting phase. In addition, transition risk scores (retrieved by external providers) are translated into ad hoc steering signals and are fully embedded in the Industry Credit Risk Strategies framework.About 1,000 Counterparts were assessed during the past year, representing 40% of our Corporate EAD.When engaging with a client on the potential structuring and arranging of a sustainable finance instrument, such as a green/social/sustainability bond or loan, we review and discuss the client's sustainability strategy, management systems, governance, past and expected future environmental and social performances. We issued 4 own green bonds in 2022. In 2022 we financed € 7 bn in renewable energy projects (41% wind energy, 41% photovoltaic plants and 18% other renewable energy sources). We kept financing energy efficiency and green solutions in different ways.

C12.1d

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

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

To foster our sustainability culture UniCredit has designed a global ESG learning offer covering basic to specialist needs targeting different employees. Moreover, in many Group countries there are other specific initiatives dedicated to commercial and specialized roles.

Dedicated ESG Training Programme (in partnership with PoliMi Graduate School of

Management) were delivered to the Executives of the Group, Specialist Track for ESG Experts (in partnership with SDA Bocconi University) with final certificate were delivered to selected ESG Experts across the Group.More than 75% of the the Group's colleagues were involved in training on basic knowledge of ESG topics, more than 300 relationship managers were trained as Sustainable Finance Experts in cooperation with a leading German business school.

Sustainable initiatives and topics are spread through several channels, including Yammer, to reinforce the colleague awareness on ESG and climate related issues. For the 15th consecutive year, UniCredit joined Earth Hour calling to show support for Planet by switching off the lights for at least one hour. Further, a Call to Action was organised on Yammer to collect tips on what people can do for the Planet.

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

We regard employees as part of our value chain on GHG emissions and climate change strategies, including in terms of their commuting choices, not least considering the potential impact we represent as a large, multinational company. A clear example is 'Smart Working', a workspace model supported by technology allowing desk sharing and activity based work settings. The initiative connects space optimization, our GHG abatement efforts, and fostering the possibility for our employees to become active players in reducing their individual carbon footprint through commuting and workspace choices. Smart Working is complemented in a number of geographies by Flexible Working which, in its standard format, gives employees the option to work two day a week 'remotely', either from home or from one of our 'Hubs', thus permitting a reduction in commuting time and distance, partially or altogether. Working from a Hub can also afford a change in transport means to more environmentally sound solutions, such as a public tram rather than a single occupancy car. Employees are thus in a position to make more conscientious choices about individual commuting needs in terms of resource consumption and related environmental impact. In response to the global energy crisis (related to the conflict between Russia and Ukraine), special measures were implemented to curb energy consumption, such as reduction of heating temperature across all buildings, decrease of the running hours of heating, ventilation and air conditioning systems in our main HQ, signs on façades and other unnecessary lightings switched off earlier.

In Germany, we have recently adopted a new car policy with the aim of achieving the Net Zero goal on our own emissions by 2030. We expect a further reduction in company cars, from over 3,000 in 2017 to slightly over 1,000 by 2023, with a fleet comprising only battery electric vehicles. Charging on bank premises will be favoured by the implementation of car electricity infrastructure which we expect to be complete by 2025.

At the same time, we have invested in supporting lower environmental impact modes of commuter transport for when employees work from our premises. For example in 2022 we launched a car-pooling app for employees in Italy and Germany, and are installing re-charging stations in our premises in Austria and in Italy. Furthermore, in Italy bike parking lots have been installed in the main HQs and the installation of stations for maintenance and charging of bikes is ongoing

C12.3

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

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

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

Yes

Attach commitment or position statement(s)

UniCredit joins UN-Convened Net-Zero Banking Alliance - UniCredit.pdf

UniCredit sets Net Zero targets for carbon intensive sectors - UniCredit.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

Following the release of the new ESG Strategy and the UniCredit Unlocked Strategy in which Climate Change is one of the key driver of the ESG Pillar, we have adapted the Group ESG Roadmap to embed 20 key workstreams reflecting the key strategic actions and underlining drivers presented above. Workstreams are led by colleagues across all functions that act as ESG Reference points for the entire organization.

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

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

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

<Not Applicable>

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

<Not Applicable>

C12.3a

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

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Pillar 3 disclosures on ESG risks in accordance with Article 449a CRR

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

Climate change adaptation

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

International agreement related to climate change adaptation

Policy, law, or regulation geographic coverage

Regional

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

EU27

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Following the publication in January 2022 of the proposed standards on Pillar 3 disclosures, we attended the EBA's public hearing and requested additional details on the interpretation of the reporting requirements to ensure a proper disclosure

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

It is an important part of the transition planning process as it represents the first disclosure of the banking book exposures towards assets and activities that are impacted by climate related risks.

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Creation of the EU standard for green bonds. The regulation has the potential to increase the issuance of green bonds in EU which would finance the Taxonomy aligned projects therefore, among others, contribute to the reduction of greenhouse gas emissions having positive impact on climate

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

Low-carbon products and services

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

Sustainable finance

Policy, law, or regulation geographic coverage

Regional

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

EU27

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

Description of engagement with policy makers
Meeting with representatives of the European Parliament engaged in the negotiations and with the representatives of Member States.

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

Have you evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
The EU Green Bond Standard is very relevant for financial institutions and a central piece to achieve the climate transition plans as it will help attract new capital flows to sustainable projects

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Specify the policy, law, or regulation on which your organization is engaging with policy makers
EU Emission Trading System review

Category of policy, law, or regulation that may impact the climate
Carbon pricing, taxes, and subsidies

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

Policy, law, or regulation geographic coverage
Regional

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

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

Description of engagement with policy makers
We provided feedback to the trade industry papers and attended the meetings with the EC’s DG CLIMA and ESMA to convey the risks of the restrictions to the participation of banks in the EU ETS proposed by the EU Parliament members amendments.

Details of exceptions (if applicable) and your organization’s proposed alternative approach to the policy, law or regulation
In July 2022, members of the EU Parliament proposed to limit the participation of financial institutions in the EU ETS market. UniCredit considers that financial institutions play a key role in the orderly functioning of the carbon market by providing constant liquidity and price visibility to their SMEs and corporate clients, allowing them to better allocate their working capital and hedge against future price fluctuations. The proposed restrictions would have undermined the ability of many companies to manage their risks related to the fluctuations in the price of EUAs and would negatively affected the investments in new technologies jeopardising Europe’s decarbonisation efforts

Have you evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Please select

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
The EU ETS is very important for the achievement of our counterparties transition plans as it supports the investments in decarbonising their activities. Banks are supporting their counterparties with dedicated financing to help the investments in the decarbonising projects.

C12.3b

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

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

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

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
Our comments and views are included in the AFME's various positions papers submitted.

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

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

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

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

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

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
Our comments and views are included in the EBF's and ABI's various positions papers submitted

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

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

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

C12.4

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

Publication
In mainstream reports

Status
Complete

Attach the document
UC_INTEGRATO_2022_ENG_FINAL.pdf

Page/Section reference
Reference to the issue of climate change and related matters, including our GHG emissions performance, is made throughout the Report.
However, the principle pages are as follows (printed page numbers): 9-11, 26-27, 31-45, 53, 112-117, S.54-S.55

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

Comment

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Underway – previous year attached

Attach the document
UC_TCFD_2021_ENG.pdf

Page/Section reference
The overall TCFD report is focused on our organization's response to climate change and related risks and opportunities, providing data on emissions figures and targets.
See in particular pages: 3-4, 15-22, 34-36

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

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Climate Bonds Initiative Partner Programme Equator Principles Natural Capital Finance Alliance Net Zero Banking Alliance Paris Agreement Capital Transition Assessment (PACTA) Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact UNEP FI UNEP FI Principles for Responsible Banking Other, please specify (UNEP Statement of Commitment by Financial Institutions on Sustainable Development, Steel Climate-Aligned Finance Working Group, European Hydrogen Forum, Finance for Biodiversity Pledge)	In 2021 we joined the Net Zero Banking Alliance, the banking element of the Glasgow Financial Alliance for Net-Zero (GFANZ). In 2023 we disclosed first-round targets on Oil&Gas, Power and Automotive sector within our path towards Net-Zero. In 2019 UniCredit joined the group of TCFD supporters and in 2021 we issued our first stand alone TCFD Report. In 2019 we joined the Paris Agreement Capital Transition Assessment (PACTA) methodology developed by 2°Investing Initiative (2°ii) In 2020 we completed the PACTA road-testing In 2019 UniCredit signed the Principles for Responsible Banking UNEP FI and in 2021 we started to report our state of implementation of the PRB. UniCredit is a founding member of the Equator Principles and is signatory of the UNEP FI Statement on sustainable development and is among the first group of signatories of the Natural Capital Declaration which subsequently gathered into the Natural Capital Finance Alliance. We regularly report in our Integrated Reports, on progress made in implementing the Ten Principles promoted by the UN Global Compact in our core business. UniCredit is partner of Climate Bond Initiative Partner Programme. We are among the 6 global banks that have formed the Steel Climate-Aligned Finance Working Group facilitated by RMI's Center for Climate-Aligned Finance. We became a member of the European Clean Hydrogen Alliance. The Alliance aims at the deployment of hydrogen technologies by 2030. In 2022 we signed up to the Finance for Biodiversity, the only international Pledge fully dedicated to financial institutions and committed to call on global leaders and to protect and restore biodiversity through their finance activities

C14. Portfolio Impact

C-FS14.0

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

Lending to all carbon-related assets

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
106033000000

New loans advanced in reporting year (unit currency – as specified in C0.4)

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

Percentage of portfolio value comprised of carbon-related assets in reporting year
44

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
<Not Applicable>

Details of calculation
Values are equal to the exposure we reported in Pillar III Template 1, for the following NACE code sectors:
A - Agriculture, forestry and fishing
B - Mining and quarrying
C.10 - Manufacture of food products
C.11 - Manufacture of beverages
C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials"
C.17 - Manufacture of paper and paper product
C.19 - Manufacture of coke and refined petroleum products
C.20 - Manufacture of chemicals and chemical products
D - Electricity, gas, steam and air conditioning supply
F - Construction
H - Transportation and storage
L - Real estate activities
Template 1 shows information on the bank exposures to transition risks that institutions may face from the transition to a low-carbon and climate-resilient economy. Institutions must disclose information on their exposures towards non-financial corporates that operate in sectors that contribute highly to climate change and in carbon-related sectors, and on the quality of those exposures. Values are related to Gross Carrying Amount (GCA).

Lending to coal

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
11000000

New loans advanced in reporting year (unit currency – as specified in C0.4)

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

Percentage of portfolio value comprised of carbon-related assets in reporting year
0.005

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
<Not Applicable>

Details of calculation
Values are equal to the exposure we reported in Pillar III Template 1, for the following NACE code (sectors):
B.05 - Mining of coal and lignite.
Our Coal Policy anticipates the phase-out of coal financing by 2028 (Green financing is allowed beyond 2028 only for no-coal developers (no increase in coal business since Sep. 2020) and if they have a phase out plan in line with their National Energy & Climate Plan). Lending to new projects in thermal coal mining and coal-fired power generation is forbidden.

Lending to oil and gas

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
7800000000

New loans advanced in reporting year (unit currency – as specified in C0.4)

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

Percentage of portfolio value comprised of carbon-related assets in reporting year
3.23

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
<Not Applicable>

Details of calculation
Exposure to Oil&Gas sector has been assessed in the context of Net Zero project. This value corresponds to the in-scope portfolio drawn exposure as of 31/12/2021. NACE codes considered are 06.10, 06.20, 09.10, 19.20, 35.21, 46.71, 47.30, 49.50 (some of which included due to original DQ checks / DB allocations, further refined through data quality checks). We excluded trade and distribution companies, consistent with market practice. Percentage has been calculated using the total exposures as stated in Template 1 of Pillar III FY2022 (as per indicators above).

C-FS14.1

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

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Please explain why you do not measure the impact of your portfolio on the climate
Banking (Bank)	No, but we plan to do so in the next two years	<Not Applicable>	We are currently engaging in understanding a reliable impact measurement not necessarily related to Scope 3. We believe investee companies' emissions are more relevant to gauge real economy impact. However, within our NZBA commitment we are also reporting our carbon footprint according to GHG Protocol Corporate Standard. Furthermore , starting from 31/12/2023 we will disclose Scope 3 (financed emissions) of our portfolio in line with EBA Pillar III requirements.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS14.3

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

	Actions taken to align our portfolio with a 1.5°C world	Briefly explain the actions you have taken to align your portfolio with a 1.5-degree world	Please explain why you have not taken any action to align your portfolio with a 1.5°C world
Banking (Bank)	Yes	In October 2021 we joined the Net-Zero Banking Alliance (NZBA) targeting Net Zero emissions on our financing portfolio by 2050. A working group was set-up to define and disclose targets on the priority sectors by April 2023 and monitor our decarbonization trajectory. In January 31st, 2023, UniCredit has announced its targets for the three most carbon intensive sectors within its portfolio alongside its Full Year 2022 Results. The sector targets include Oil & Gas, Power Generation and Automotive sectors, to reach the bank's Net Zero ambition by 2030. This is in line with the NZBA requirements and with UniCredit's continued commitment to a more sustainable global economy. To support the achievement of these goals, dedicated initiatives are being developed focusing on: - Strengthening of advisory services for corporates in high emitting sectors. - Significantly boosting our sustainable lending (green loans and sustainability linked loans) to support our clients in their journey to decarbonise their operations and diversify away from carbon intensive sectors. - Support to clients in the development and scaling up of innovative climate solutions. - Targeted partnerships with companies specialised in sustainability for specific sectors. We are now focusing on definining transition plans for the these three sectors, and setting targets for the remaining material sectors. We remain committed to protecting Natural Capital. The Group wishes to do so both by delivering sustainable financing solutions to clients, but also reducing the environmental impacts of our direct operations. In this respect, we committed to become Net Zero on own emissions (Scope 1 and 2) by 2030. Our Net Zero Journey requires a greater engagement of real estate and fleet management staff. We are designing a roadmap, shared at Group level, to achieve our target on own emissions by 2030. In 2022 we held two dedicated workshops on Net-Zero, involving Group Real Estate and Group Strategy & ESG, where activities plan and common practices were shared. A bottom up data collection process with all our countries has been organized to build an operative baseline and estimate energy consumption forecasts, leveraging on space optimization, energy efficiency, electricity from renewable sources and heating systems transformation	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS14.3a

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

	Assessment of alignment of clients/investees' strategies with a 1.5°C world	Please explain why you are not assessing if your clients/investees' business strategies are aligned with a 1.5°C world
Banking (Bank)	Yes, for some	We only assess 1.5° alignment for a selected portion of our portfolio, mostly for sectors in scope of our Net Zero perimeter. Such assessment is fundamental for both setting our sectoral targets and designing a credible transition plan in line with a 1.5°C world. Furthermore, we are redesigning internal rules for business activities and may consider to include such assessment of alignment.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C15. Biodiversity

C15.1

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

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

C15.2

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

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to not explore or develop in legally designated protected areas Commitment to respect legally designated protected areas Commitment to no conversion of High Conservation Value areas Other, please specify (Commitment of financial institutions to protect and restore biodiversity through their finance activities)	Other, please specify (Finance for Biodiversity Pledge; Unep Fi)

C15.3

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

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?
Not assessed

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Education & awareness Law & policy Other, please specify (We are progressing in building a Group framework to approach Biodiversity preservation involving all the relevant functions in order to mitigate our direct impacts and engage with clients to support their business in biodiversity preservation.)

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

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

C15.7

(C15.7) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In other regulatory filings	Content of biodiversity-related policies or commitments	Refer to 2022 Integrated Report, Strategy Chapter, page 37

C16. Signoff

C-FI

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

N. A.

C16.1

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

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

FW-FS Forests and Water Security (FS only)

FW-FS1.1

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

	Board-level oversight of this issue area	Explain why your organization does not have board-level oversight of this issue area and any plans to address this in the future
Forests	Yes	<Not Applicable>
Water	Yes	<Not Applicable>

FW-FS1.1a

(FW-FS1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for forests- and/or water-related issues.

Issue area(s)	Position of individual(s) or committee(s)	Responsibilities for forests- and/or water-related issues
Forests Water	Board-level committee	The ESG Committee (ESGC) supports the Board of Directors in fulfilling its responsibilities with respect to the ESG components integral to the Group’s business strategy and sustainability. It also provides opinions and support to the other Board Committees so as to ensure the alignment of Group policies with UniCredit’s ESG principles and objectives. In 2022, cooperation with other Board Committees was further consolidated. For example, ESG topics which are strictly related to risk matters, such as climate and environmental risks, were addressed jointly with the Internal Controls and Risks Committee (IC&RC). The ESGC also continued to strengthen discussion with Heads of Functions in charge of specific ESG-related areas such as Group Strategy & ESG, Group Stakeholder Engagement and Group Risk Management. According to the items on the agenda, managers were invited to share information with and support the Committee in its considerations. At the same time, the Committee provided guidance and suggestions to managers. As part of its information-gathering, consultative and proposition-making actions, in 2022 the Committee supported the Board of Directors in its appraisal of a broad spectrum of ESG topics, from strategy and targets, reporting and disclosure, policies on controversial sectors, to risk and compliance matters. In particular, during 2022 there were 6 meetings on controversial sectors policies (including Dam policy review) and ESG Commitments (including the adherence to Finance for Biodiversity Pledge).

FW-FS1.1b

(FW-FS1.1b) Provide further details on the board's oversight of forests- and/or water-related issues.

Issue area(s)
Forests

Frequency with which the issue area(s) is a scheduled agenda item
Sporadic - as important matters arise

Governance mechanisms into which this issue area(s) is integrated
Reviewing and guiding strategy
Reviewing and guiding the risk management process
Overseeing and guiding public policy engagement
Other, please specify (Guiding the participation to international institutional initiatives)

Scope of board-level oversight
Risks and opportunities to our banking activities
The impact of our banking activities on forests and/or water security

Please explain
As UniCredit, our ambition is being front-runner on Natural Capital preservation, integrating biodiversity and nature considerations into our business activities, along with climate ones. In line with this principle, we adhered to Finance for Biodiversity Pledge in December 2022, committing to taking ambitious action on biodiversity to reverse nature loss in this decade. During 2022, the oversight of the Board mainly consisted of steering our strategy and risk management approach while we decided to adhere to Finance for Biodiversity Pledge. Furthermore, we participated to several relevant consultations, such as Deforestation Regulation and Corporate Sustainability Due Diligence Directive.

Issue area(s)
Water

Frequency with which the issue area(s) is a scheduled agenda item
Sporadic - as important matters arise

Governance mechanisms into which this issue area(s) is integrated
Reviewing and guiding the risk management process

Scope of board-level oversight
Risks and opportunities to our banking activities
The impact of our banking activities on forests and/or water security

Please explain
Environmental and social risk assessments are guided by our environmental, social, operational and reputational risk sectoral policies as well as by our human rights commitment. We annually review our sectoral policies and, if necessary, set up policies in other sensitive ESG sectors. During 2022, two Board-level Committees, the ESG Committee (ESGC) and the Internal Controls and Risks Committee (IC&RC) agreed to work updating the Water (Dam) Infrastructure policy during 2023, aiming at enhancing it with the most recent ESG standards.

FW-FS1.1c

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

Forests

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

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

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

Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future
In UniCredit the competences on forests- and/or water-related issues of its Board members are not assessed at the moment as a specific competence.
We do regular assessment of the competences of the BOD according to what is defined in the document "Corporate Governance Overview" published in March 2023, which defines a set of 10 core competences. Sustainability is one of the them. 75% of the Board members have sustainability competence.

Water

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

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

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

Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future
In UniCredit the competences on forests- and/or water-related issues of its Board members are not assessed at the moment as a specific competence.
We do regular assessment of the competences of the BOD according to what is defined in the document "Corporate Governance Overview" published in March 2023, which defines a set of 10 core competences. Sustainability is one of the them. 75% of the Board members have sustainability competence..

FW-FS1.2

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

Position or committee
Chief Sustainability Officer (CSO)

Issue area(s)
Forests
Water

Forests- and/or water-related responsibilities of this position
Integrating forests- and/or water-related issues into the strategy

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

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

Please explain
Based on the relevance of water and forest sectors in our business, up to now these topics were handled at the managerial level. Giving the growing importance of these topics, when an important matter arise, we bring it to the attention of the Board thorough its ESG Committee.
As an example, we are going to present the updated water sector policy to the ESG Committee.

FW-FS2.1

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

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

FW-FS2.2

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

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

FW-FS2.2a

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

	Type of information considered	Process through which information is obtained	Industry sector(s) covered by due diligence and/or risk assessment process	State how these forests- and/or water-related information influences your decision making
Banking – Forests-related information	Other, please specify (We don't finance customers involved in: illegal logging; wood registered in violation of traditional and civil rights; wood in forests where high conservation values are threatened; or forests converted illegally into planting or illegal use of fire.)	Directly from the client/investee Data provider Public data sources	Energy Materials Capital Goods Commercial & Professional Services Transportation Automobiles & Components Consumer Durables & Apparel Consumer Services	Each time a Group legal entity is undertaking a new initiative that could envisage a reputational risk for the legal entity or for the entire Group, a Reputational Risk Evaluation must be conducted with the aim of assessing the presence of Reputational Risks associated to the initiative and/or to the subject and of triggering a proper Reputational Risk Assessment. In particular a Reputational Risk Assessment is requested: • On Event ("Single Deal Approval" when a customer, generally, but not exclusively, belonging to one or more "sensitive sectors" is requesting a financial support for a project or a general financing or "Reputational Clearance" whenever an event, related to a customer, occurs and the event itself could impact UniCredit group's reputation); • On Schedule (annual clearance for assessing the risk and opportunity to maintain or to ..establish a relationship with a subject (e.g., customer, third party service provider). A reputational risk assessment includes complying with the requirements listed above (Type of information considered).
Banking – Water-related information	Breaches to local water regulations Impingements on the human right to water in communities Other, please specify (All transactions / projects concerning Water Infrastructure development must be consistent with the International Finance Corporation (IFC) Performance Standards and the Environmental, Health and Safety (EHS) Guidelines of the World Bank Group)	Directly from the client/investee Data provider Public data sources	Energy Materials Capital Goods Commercial & Professional Services Transportation Automobiles & Components Consumer Durables & Apparel Consumer Services Retailing Food & Staples Retailing Food, Beverage & Tobacco Household & Personal Products Health Care Equipment & Services	Each time a Group legal entity is undertaking a new initiative that could envisage a reputational risk for the legal entity or for the entire Group, a Reputational Risk Evaluation must be conducted with the aim of assessing the presence of Reputational Risks associated to the initiative and/or to the subject and of triggering a proper Reputational Risk Assessment. In particular a Reputational Risk Assessment is requested: • On Event ("Single Deal Approval" when a customer, generally, but not exclusively, belonging to one or more "sensitive sectors" is requesting a financial support for a project or a general financing or "Reputational Clearance" whenever an event, related to a customer, occurs and the event itself could impact UniCredit group's reputation); • On Schedule (annual clearance for assessing the risk and opportunity to maintain or to ..establish a relationship with a subject (e.g., customer, third party service provider). A reputational risk assessment includes complying with the requirements listed above (Type of information considered).
Investing (Asset manager) – Forests-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Water-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Forests-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS2.3

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

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

FW-FS2.4

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

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

FW-FS3.1

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

Forests

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

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

Financial planning elements that have been influenced
<Not Applicable>

Description of influence on financial planning
<Not Applicable>

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

Water

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

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

Financial planning elements that have been influenced
<Not Applicable>

Description of influence on financial planning
<Not Applicable>

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

FW-FS3.2

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

Forests

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

Type of scenario analysis used
<Not Applicable>

Parameters, assumptions, analytical choices
<Not Applicable>

Description of outcomes for this issue area
<Not Applicable>

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

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

Water

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

Type of scenario analysis used
<Not Applicable>

Parameters, assumptions, analytical choices
<Not Applicable>

Description of outcomes for this issue area
<Not Applicable>

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

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

FW-FS3.3

(FW-FS3.3) Has your organization set targets for deforestation free and/or water secure lending, investing and/or insuring?

	Targets set	Explain why your organization has not set targets for deforestation free and/or water secure lending, investing and/or insuring and any plans to address this in the future
Forests	No, but we plan to set targets within the next two years	Risks and opportunities related to forest have not been judged as material/relevant for the Bank up to now and therefore we have not set targets related to deforestation. Given the growing importance of these issues we plan to do it the near future.
Water Security	No, but we plan to set targets within the next two years	Risks and opportunities related to forest have not been judged as material/relevant for the Bank up to now and therefore we have not set targets related to water security. Given the growing importance of these issues we plan to do it the near future.

FW-FS3.4

(FW-FS3.4) Do any of your existing products and services enable clients to mitigate deforestation and/or water insecurity?

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

FW-FS3.5

(FW-FS3.5) Does the policy framework for the portfolio activities of your organization include forests- and/or water-related requirements that clients/investees need to meet?

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

(FW-FS3.5a) Provide details of the policies which include forests- and/or water-related requirements that clients/investees need to meet.

Portfolio
Banking (Bank)

Issue area(s) the policy covers
Forests

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

Portfolio coverage of policy
100

Policy availability
Publicly available

Attach documents relevant to your policy
UniCredit-Commitment-on-rainforests.pdf

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

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

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

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

Forest risk commodities covered by the policy
All agricultural commodities

Commodities with critical impact on water security covered by the policy
<Not Applicable>

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

Exceptions to policy based on
<Not Applicable>

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

Portfolio
Banking (Bank)

Issue area(s) the policy covers
Water

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

Portfolio coverage of policy
100

Policy availability
Publicly available

Attach documents relevant to your policy
Dam_Statement-ENG.pdf

Requirements for clients/investees
Comply with all applicable local, national and international laws and water regulations
Other, please specify (International Finance Corporation Performance Standards and the EHS Guidelines of the World Bank Group; Equator Principles; World Commission

on Dams; recognize the rights includedin the “UN Declaration on the Rights of Indigenous Peoples”)

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

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

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

Forest risk commodities covered by the policy
<Not Applicable>

Commodities with critical impact on water security covered by the policy
Please select

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

Exceptions to policy based on
<Not Applicable>

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

FW-FS3.6

(FW-FS3.6) Does your organization include covenants in financing agreements to reflect and enforce your forests- and/or water-related policies?

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

FW-FS4.1

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

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

FW-FS4.3

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

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

FW-FS4.3a

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

Palm oil

Financial service provided
Banking

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

Other smallholder engagement approaches

Number of smallholders supported

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

Soy

Financial service provided
Banking

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

Other smallholder engagement approaches

Number of smallholders supported

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

Rubber

Financial service provided
Banking

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

Other smallholder engagement approaches

Number of smallholders supported

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

Cocoa

Financial service provided
Banking

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

Other smallholder engagement approaches

Number of smallholders supported

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

Coffee

Financial service provided
Banking

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

Other smallholder engagement approaches

Number of smallholders supported

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

Sugar

Financial service provided
Banking

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

Other smallholder engagement approaches

Number of smallholders supported

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

FW-FS4.4

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

	External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area	Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area	Explain why you do not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area
Forests	Yes, we engage directly with policy makers Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact this issue area	<Not Applicable>	<Not Applicable>
Water	Yes, we engage directly with policy makers Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact this issue area	<Not Applicable>	<Not Applicable>

FW-FS4.4a

(FW-FS4.4a) On what policy, law, or regulation that may impact forests and/or water security have you been engaging directly with policy makers in the reporting year?

Issue area(s)
Forests

Focus of policy, law or regulation that may impact this issue area
Zero deforestation

Specify the policy, law or regulation on which your organization is engaging with policymaker
Regulation on deforestation-free products

Policy, law or regulation coverage
Global

Country/area/region the policy, law or regulation applies to
<Not Applicable>

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

Description of engagement with policymakers
Engagement through the european banking relevant associations

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
Evolving regulatory framework (CSDDD) already defines an appropriate responsibility for the financial institutions on this matter.

Have you evaluated whether your engagement on this policy, law, or regulation is aligned with the Sustainable Development Goals?
No, we have not evaluated

Issue area(s)
Water

Focus of policy, law or regulation that may impact this issue area
Other, please specify (Due diligence requirements in assessing value chains' sustainability practices)

Specify the policy, law or regulation on which your organization is engaging with policymaker
CSDDD (Corporate Sustainability Due Diligence Directive)

Policy, law or regulation coverage
Global

Country/area/region the policy, law or regulation applies to
<Not Applicable>

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

Description of engagement with policymakers
Engagement through the european banking relevant associations

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
Through the european banking relevant associations we stressed, for example, the importance of:
- Ensuring consistency and alignment with sustainability-related legislation e.g. Taxonomy Regulation, SFDR and CSRD
- Clarifying the extent of value chain for banks (clients vs. suppliers)

Have you evaluated whether your engagement on this policy, law, or regulation is aligned with the Sustainable Development Goals?
No, we have not evaluated

FW-FS5.1

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

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

FW-FS5.2

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

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

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Investing (asset owner) to companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS5.3

(FW-FS5.3) Indicate whether you measure the percentage of clients/investees compliant with your forests- and/or water-related requirements stated in question FW-FS3.5, and provide details.

Portfolio
Banking (Bank)

Issue area(s) the requirements cover
Forests

Forests risk commodity covered by the requirements
All agricultural commodities

Commodities with a critical impact on water security covered by the requirements
<Not Applicable>

Measurement of proportion of clients/investees compliant with forests- or water-related requirements
No, and we do not plan to measure this in the next two years

Metric used for compliance with forests-related requirements
<Not Applicable>

Metric used for compliance with water-related requirements
<Not Applicable>

% clients/investees compliant with forests- or water-related requirements
<Not Applicable>

% portfolio value that is compliant with forest- or water-related requirements
<Not Applicable>

Target year for 100% compliance
<Not Applicable>

Explain why your organization does not measure the % of clients/investees compliant with forests- or water-related requirements, and any plans to address this in the future
Since our is based on excluding some activities, this indicator is not applicable.

Portfolio
Banking (Bank)

Issue area(s) the requirements cover
Water Security

Forests risk commodity covered by the requirements
All agricultural commodities

Commodities with a critical impact on water security covered by the requirements
<Not Applicable>

Measurement of proportion of clients/investees compliant with forests- or water-related requirements
No, but we plan to measure this within the next two years

Metric used for compliance with forests-related requirements
<Not Applicable>

Metric used for compliance with water-related requirements
<Not Applicable>

% clients/investees compliant with forests- or water-related requirements
<Not Applicable>

% portfolio value that is compliant with forest- or water-related requirements
<Not Applicable>

Target year for 100% compliance
<Not Applicable>

Explain why your organization does not measure the % of clients/investees compliant with forests- or water-related requirements, and any plans to address this in the future
We are currently updating our policy related to water security and in the future we will consider to monitor these kpis

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FW-FS6.1

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

Focus of the Publication
Forests

Publication
In mainstream reports

Status
Complete

Attach the document
UniCredit-Commitment-on-rainforests.pdf
UC_INTEGRATO_2022_ENG_FINAL.pdf

Page/Section reference
Please see reference to our Deforestation Commitment (on rain forests) as reported in our 2022 Integrated Report, Risk Management chapter, at page no. 68. For reference we have also attached the full Commitment.

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

Comment
N.A.

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

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

Please confirm below
I have read and accept the applicable Terms