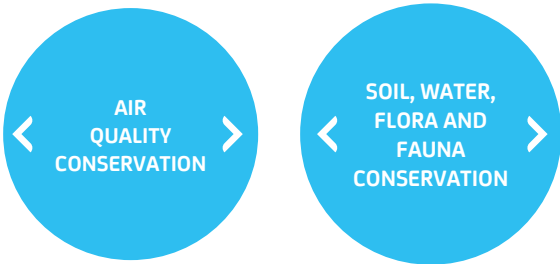


Natural Capital

Earth's natural resources and the countless services they provide make human life possible. The bank's activities have an impact on natural capital and must therefore be monitored and limited.

OUR STOCKS OF CAPITAL



RESULTS

- **€7.8 billion** exposure to the renewable energy sector
- **-49%** in Scope 1 and 2 emissions since the base year
- **>€1.1 billion** energy efficiency outstanding loans to individuals

COMMUNITY IMPACTS



2019 PRIORITIES

- Continued reduction of GHG emissions
- Promotion of green sensitive practices in the workplace



Execute an effective environmental strategy

UniCredit's solid governance system guides its behaviour in favour of conserving natural capital, which is consistent with its commitment to prevent and mitigate any environmental impact of our operations and lending¹ activities as set out in our Environmental Policy.² As we implement this environmental strategy, our Group holds ISO 14001 certification through UniCredit Bank Austria AG, and UniCredit Bank Czech Republic and Slovakia, as. Furthermore, UniCredit SpA is registered under the EMAS Regulation.

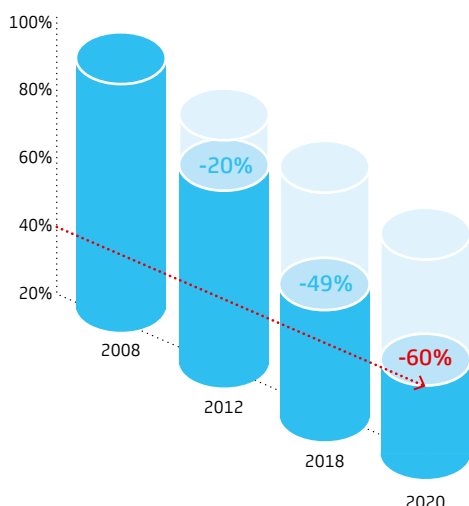
energy-efficient. Among the various methods used to monitor and manage UniCredit energy consumption in Italy, we have installed centralised, remote-controlled Heating, Ventilation, and Air Conditioning (HVAC) systems in about 1,000 branches and energy monitoring devices in 800 branches. In particular, the former systems are used to remotely control and optimise HVAC operation and thermal comfort. Both systems detect energy consumption anomalies, which are transmitted to system providers to be resolved.

We continue to use new technologies to reduce the environmental footprint, costs and emissions of our operations. In 2018, we closed 199 retail branches and we further reduced our office space by 172,000 square meters in Western Europe. This effort to reduce our footprint, part of the UniCredit *Transform* 2019 plan, will result in a total reduction of 332,000 square meters of office space, including the closing of 944 retail branches, by the end of 2019.

Reduce our environmental impact

The UniCredit climate strategy calls for a major reduction in our operational emissions of greenhouse gases. Our target is to reduce our carbon emissions by 60 percent by 2020, while a longer term target is a reduction of 80 percent by 2030.³ In 2018, we achieved an overall reduction of 49 percent compared to our 2008 Scope 1 and 2 emissions.

GHG emissions trend



Increasing energy efficiency

One of our main initiatives to reduce energy consumption is making UniCredit's premises more

FOCUS Campus Vienna

As the headquarters of UniCredit Bank Austria AG, the Austria Campus brings UniCredit Bank Austria, the UniCredit CEE units established in Vienna and all UniCredit group companies in Vienna together in one location. This is one of the largest relocation projects in Central Europe.

- 5,300 employees together with the related IT infrastructure were relocated to our new company headquarters without any interruptions to our business.
- 60,000 square meters of office space have been acquired. This equates to the surface area of almost nine football pitches.

We continue to invest in making 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 limit any increase in energy consumption even as they meet heavier demand. In 2018, the recorded power consumption at our two data centres in Verona was 23.7 million kWh and 15.4 million kWh, respectively, which puts the performance of our new UPSs at the top of the efficiency curve, resulting in a slightly lower consumption than the previous year. Based solely on

1. Refer to the 2016 Integrated Report and to Risk Management and Compliance Chapter for more information.

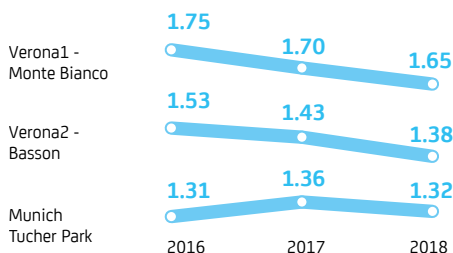
2. Refer to https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/environment-suppliers/environmental-management-system/UniCredit-Environmental-Policy_last.pdf for further information.

3. The Scope 2 component of Group GHG emission reduction targets refers to emissions calculated in accordance with the location-based method.

Our Strategy
→ **Natural Capital**

the higher IT load the overall consumption would have been over 40 million kWh. The savings were due to our energy-efficiency measures as the new UPSs reduce energy leakage. This is reflected in the data centres' Power Usage Effectiveness (PUE) ratios,⁴ which were reduced further in 2018, as shown below.

PUE ratios



UniCredit believes the use of **renewable energy** is vital for tackling climate change. We do our part by procuring the vast majority of our electricity from renewable sources for our networks in Italy, Germany and Austria. In 2018, nearly all of the electricity that we used in Italy, Germany and Austria came from renewable energy sources: 97 percent in Italy, 100 percent in Germany and 86 percent in Austria. At Group level this accounts for 78 percent of total electricity consumption.

FOCUS
Mobility management

Groupwide, we continue to promote smart solutions that enable remote meetings. Desktop video communication tools are available for all branch managers and, in some countries, such as Austria and Russia, for all staff. All employees at UniCredit headquarters have access to video conference facilities, and state-of-the-art video technology has been widely adopted for online meetings. Our Group travel policy encourages the use of public transport and, since 2016, the Group has prohibited non-customer-related travel for one week each month. Employees in Austria cycle to and from work, amounting to over 120,000 km in 2018, as part of a bank initiative which promotes commuting by bicycle or public transport rather than by car or motorcycle. As of September 2018, Italian car policy has been reviewed enhancing the rules for assignment; moreover Company cars can be hybrid, electric or, in any case, in line with the European emission standards protocol in force.

According to our data, the widespread adoption of flexible working solutions in Italy has saved over 1,500,000 km in employee commuter travel over the three years since their inception.⁵

Cutting consumption

By reducing our consumption of materials, we can increase our Group's sustainability. A prime area for reduction is the use of paper, which we can limit by making greater use of technology.

Our Centralised Document Dematerialisation (CDD) project in Italy aims to make handling branch documents more efficient and secure by developing a management process based on a new IT platform. The project is based on scanning and digitally storing contract documents and transaction confirmations in order to create a highly automated data system.

This process began with a pilot phase in January 2017 which digitised selected contracts. It is now in place for all branch finance documents (e.g., deposit forms and government bonds purchases). In 2018, the CDD securely stored nearly nine million documents. The CDD is further supported by *FirmaMia*,⁶ which our customers can now use to digitally sign their routine in-branch transactions and contracts.

FirmaMia 2018

12.6 million contracts digitally signed
573 tons of paper saved
8.7 million in-branch digital transactions

Sourcing responsibly

UniCredit's suppliers must meet certain minimum sustainability requirements and are selected according to the standards of the International Labour Organization relating to fundamental human rights, child labour, freedom of association, working conditions, equal pay, health and safety and business ethics. Suppliers must also comply with the standards set out in our Environmental Policy. An example of our commitment can be seen in Italy, where we have completed audits of 21 external service providers since 2014.

4. The ratio of total power used by the data centre to the power used for IT processing.
5. Refer to chapter to Human Capital chapter of the 2016 Integrated Report for more information on flexible working.
6. Refer to the 2015 Integrated Report for more information.



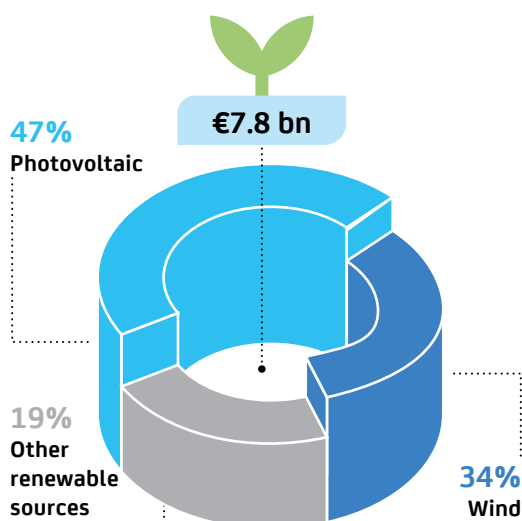
Promote business that supports natural capital

At UniCredit, we are always open to business opportunities that arise from the need to address environmental challenges.

Supporting renewable energy sources

We continue to invest in renewable energy sources. As of December 2018, our portfolio of renewable energy projects was valued at almost €7.8 billion.⁷ Overall, the largest portion of our financing for renewable projects goes to photovoltaic plants, with a share of 47 percent. Wind energy comprises 34 percent of the portfolio, with other renewable energy sources making up the remaining 19 percent.

Renewable energy portfolio, 2018



Promoting green bonds

UniCredit, the first ever lead manager of green bond issuance, continues to invest in these instruments. In 2018, we acted as the joint bookrunner or joint arranger of 16 green and sustainable bond issues for a total placement of nearly €13 billion. Over the year, we also saw growing demand for green and sustainability loans. UniCredit had a leading role in 7 Sustainability-linked Revolving Credit Facilities in 2018 and participated in a total of 11 transactions for an issued amount of €18.7 billion. Furthermore UniCredit supported the European Investment Bank (EIB) with its inaugural Sustainability Awareness Bond (SAB) in September 2018.

Financing energy efficiency

By the end of 2018, our energy efficiency loans to SMEs through subsidized programmes amounted to nearly €2.4 billion and to €1.1 billion to individuals.⁸

UniCredit's commitment to EU energy-efficiency targets is also demonstrated by its engagement with industry initiatives. One such initiative is the Energy Efficient Mortgages Initiative (EEMI), a market-led initiative funded via the European Commission's Horizon 2020 Programme which aims to deliver a standardised European framework and data collection architecture for energy efficient mortgages, with favourable financing conditions for energy efficient buildings, energy saving renovations and anti-seismic measures. UniCredit hosted the Italian section of the Energy Efficient Mortgage Action Plan (EeMAP) Initiative, one of the two pieces of the EEMI, and is one of the 40 lending institutions participating in the pilot phase launched in June 2018 which are going to provide dedicated mortgages for refurbishments implying at least a 30 percent energy efficiency improvement.

- In 2018, UniCredit traded over 400 tons of CO₂e valued at almost €5 billion in the EU Emission Trading System (ETS) market.

Advancing environmental risk management

UniCredit has been a member of the Natural Capital Finance Alliance (NCFA) since the launch of the Natural Capital Declaration. The NCFA recently launched its ENCORE tool as a result of its Advancing Environmental Risk Management programme. ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is the world's first comprehensive tool connecting environmental change with its consequences for the economy. The web-based tool will help global banks, investors and insurance firms assess the risks that environmental degradation, such as the pollution of oceans or destruction of forests, causes for financial institutions.

7. Expressed in terms of Exposure at Default (EAD); the perimeter includes roughly €1 billion attributable to Yapı ve Kredi Bankası A.Ş.
8. Refer to the 2017 Integrated Report for more information.