






Natural Capital

The 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.

MATERIAL CLUSTERS

-  INNOVATION FOR CLIENTS
-  SYSTEMIC TRENDS
-  PEOPLE DEVELOPMENT
-  POSITIVE IMPACT ON SOCIETY

RELATED LINK

-  [Supplement chapter](#)

2022 RESULTS

€28.7bn

Assets under Management conversion towards ESG investments

€11.4bn

new environmental lending

€12.8bn

total ESG Debt Capital Market origination

100% single-use plastic free

target achieved

14%

reduction own GHG emissions vs. 2021

TARGETS

€65bn

Assets under Management conversion towards ESG investments

€25bn

new environmental lending

€50bn

total ESG Debt Capital Market origination

Net Zero

- on own emissions by 2030
- on portfolio emissions by 2050

“



Reducing our environmental footprint is a core element of our approach to operations.

Bart Schlatmann
Group Chief Operating Officer

“



Our Client Solutions will accompany clients in their transition to a sustainable future.

Richard Burton
Head of Client Solutions

Execute an effective environmental strategy

In line with our strategy, presented in December 2021, we remain committed to **protecting Natural Capital**. The Group wishes to do so both by **delivering sustainable financing solutions to clients and reducing the environmental impacts of our direct operations**.

WHY

TAKE CARE OF NATURAL CAPITAL?

Natural Capital preservation underpins a more equitable and just society.

WHAT

IS THE ROLE OF FINANCE?

Sustainable finance, as rightly defined by the EU, is a finance that supports economic growth while reducing pressures on the environment and taking social and governance aspects into account.

Our strategy approach is built on the so-called double materiality concept which takes into account both an **inside-out** and an **outside-in** perspective.

OUR DOUBLE MATERIALITY APPROACH



We integrate environmental factors in governance and processes by building up specialized capabilities across functions. Currently, besides the Sustainable Finance Advisory in the Client Solutions Department, all major

countries in which we operate have dedicated teams, developing and offering ESG-related products and services to corporates and individuals in line with Group ambitions.

ESG Service Excellence



To deliver ESG excellence to business functions and boost the commercial value proposition across the Group, a new dedicated unit - ESG Service Excellence - has been established

Group Real Estate ESG



Group Real Estate reinforced its ESG Governance by establishing a dedicated team whose main task is to coordinate ESG initiative across the Group, and facilitate dissemination of ESG best practice

Our actions to preserve Natural Capital

Shifting to a low-carbon economy and containing our environmental footprint requires specific actions as highlighted in the infographics in next pages.

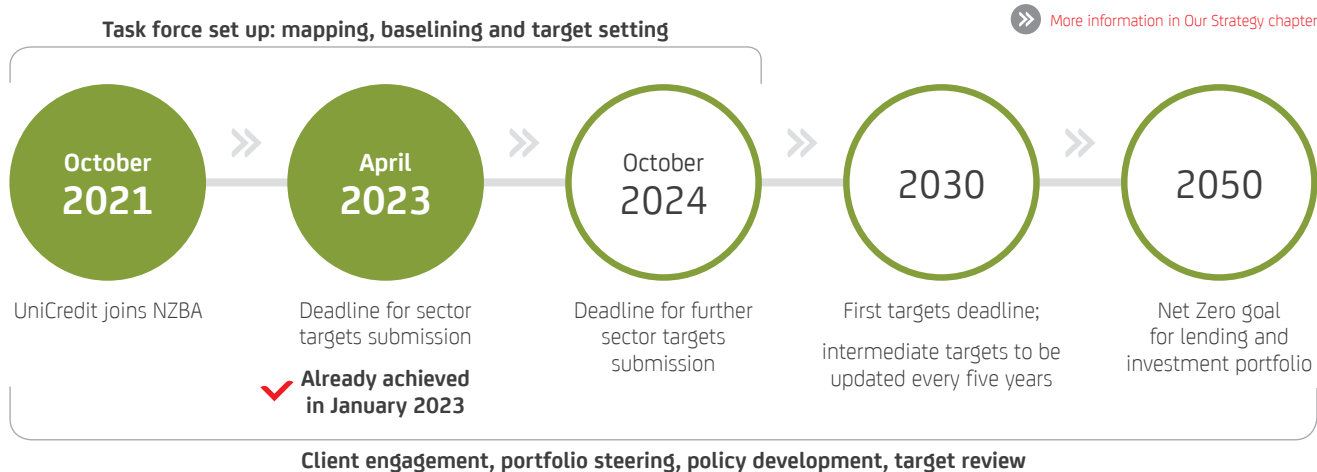
» **Shifting to a low-carbon and climate-resilient economy** includes actions such as the endorsement of Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.²² We are fully integrating Climate & Environmental risk drivers in monitoring, reporting, stress testing and limit frameworks. The Financial Risk department monthly monitors and reports the concentration towards Climate Policy Relevant Sectors to the competent corporate governing bodies. The Market Risk stress testing programme has been enhanced with a dedicated Climate Risk scenario which extends the ECB short-term disorderly transition scenario in terms of scope of risk factors and perimeter.

UniCredit has in place a methodology to estimate the potential actual annual deterioration of the fair value (FV) of the collaterals behind the mortgage portfolio, as a consequence of climate-related physical risk.

Our Coal Sector Policy prohibits lending to new projects in thermal coal mining and coal-fired power generation. Our oil & gas sector policy prohibits Arctic On-Shore Gas and Oil explorations and expansions. In December 2021 we adhered to the Tobacco-Free Finance pledge, with the aim to phase out from relationships with tobacco growers and manufacturers of tobacco products by the end of 2025.²³

In 2022 we updated our Mining policy and adhered to the Finance for Biodiversity Pledge in order to strengthen our commitment regarding other environmental risks such as Biodiversity.²⁴

OUR PATH TOWARDS 2050 NET ZERO TARGETS ON PORTFOLIO EMISSIONS



» We are working to **contain our environmental footprint** by procuring our electricity from renewable sources, improving the energy efficiency of our premises and data centres, supporting our people with more sustainable mobility solutions and sourcing from environmentally friendly suppliers. The approach is also

supported by the implementation of Environmental Management Systems across the Group. While UniCredit S.p.A. is registered according to the EMAS Regulation, we hold other environmental certifications in our countries.²⁵ A snapshot of some relevant initiatives is provided in next page.

²² Refer to the 2021 TCFD Report for more information.

²³ Refer to UniCredit Tobacco Position Paper for more information: <https://www.unicreditgroup.eu/en/esg-and-sustainability/esg-sustainability-policies-and-ratings.html>.

²⁴ Refer to the Risk Management and Strategy chapters for more information.

²⁵ We hold ISO 14001 certification for UniCredit Bank Austria AG, UniCredit Bank Czech Republic and Slovakia as, UniCredit Bank. In terms of energy efficiency management, UniCredit Bank Czech Republic and Slovakia hold the ISO 50001 certification.

► From green energy to a new car policy: reducing our direct environmental impacts across Europe

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.

THE FIRST CORPORATE PPA IN ITALY

UniCredit has signed a **partnership** with **CVA** for the supply of electricity produced from renewable sources. The collaboration with CVA, a green power company based in the Aosta Valley, will result in the construction of three new solar plants in Piedmont, Lombardy and Sicily.

The new solar plants with a total capacity of 25MW will be operational in 2023, providing 35GWh per year to supply the energy demand of UniCredit data centres in Verona, covering around 20% of the bank's total electricity consumption in Italy. CVA will sell green energy to UniCredit at a set price, optimising the risk profile of the investment in its assets. This is the **first time that a financial institution has committed to a corporate PPA** (Power Purchase Agreement) in Italy.

THE GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK (GRESB) SCORING

UniCredit is the first bank in Europe to obtain the **Global Real Estate Sustainability Benchmark (GRESB)** scoring on its corporate real estate portfolio. The total portfolio analysed based on GRESB's sustainability criteria included properties owned by the Group, with an approximate value of €5bn, located across Italy, Germany and Central and Eastern Europe.

The initiative also showcases UniCredit as a frontrunner on ESG reporting for property management. The GRESB scores will be consolidated over time through continued monitoring of the ESG performance of the Group's properties and the related management processes, along with a constant comparison of these against the highest market standards.

PLASTIC-FREE AND CIRCULAR ECONOMY

In 2022 Group Real Estate implemented activities to make our work environment increasingly sustainable, in line with our Group Plastic Free target, part of the UniCredit Unlocked strategy.

During the year **single-use plastic items were progressively removed from all canteens, cafeterias and coffee and vending machines** located in all Group offices (involving all countries).^A

As of 1 January 2023 this means that:

- water and all soft drinks will be sold in plastic-free containers or, where present, through dispensers for filling own glasses or reusable water bottles
- coffee and all hot drinks will be served in the cafeterias or dispensed from vending machines in non-plastic cups and with non-plastic stirrers and spoons
- disposable plastic cutlery, plastic bread packaging and disposable plastic cups will be eliminated in canteens and cafeterias
- any catering services will be provided in accordance with our plastic-free standards.

Such an achievement is a demonstration of how **UniCredit wants to play a strategic role in fostering the transition towards a circular economy**. During 2022, we worked to extend the waste separation in our main Italian buildings, replacing over 1,500 single bins (one per each desk) with new dedicated recycling areas (over 500 bins in total) where people can differentiate plastic, aluminum, paper, toner and organic waste. Furthermore, during 2022 over 1330 waste separation bins have been placed in more than 380 branches. Initiatives related to waste separations developed also in Austria, Hungary and Serbia. Finally in December 2022 we became a member of the Ellen McArthur Foundation international charity network in order to further support an acceleration of the circular economy transition across our countries.^B

A NEW CAR POLICY IN GERMANY

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.

^A Since re-usable several times, multipurpose glass or plastic cups and all other types of reusable tableware will remain in use. Owing to a lack of readiness of industrial providers and local health regulations, it is not currently possible to replace all snack plastic packs in vending machines, canteens and cafeterias with plastic-free products everywhere. As soon as feasible, they will also be removed from all Group sites and replaced with non-plastic or reusable containers.

^B Refer to Our Strategy chapter for more information.

How did we preserve Natural Capital during 2022?

Shifting to a low-carbon economy

2021:

- First stand-alone 2020 TCFD report published in October
- UniCredit joined the Net Zero Banking Alliance

2022:

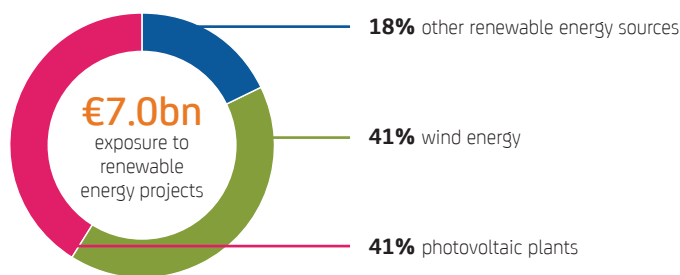
- UniCredit established working Group to define Net Zero strategy

2023:

- UniCredit disclosed sectoral targets on priority sectors

Supporting renewable energy sources

As at December 2022:



Promoting sustainable financial instruments

6
own Green Bonds issued

€3.56bn
of total amount

- 2 Senior Green Bond** issued in June 2021 and Nov 2022 for **€1bn each**
- 2 Green Mortgage Covered Bond** issued in September 2021 and 2022 for **€0.5bn each**
- 1 Green Mortgage Covered Bond** issued in October 2021 for **€0.06bn**
- 1 Green Mortgage Covered Bond** issued in May 2022 for **€0.5bn**

INDIRECT IMPACTS

PROMOTE BUSINESS THAT SUPPORTS NATURAL CAPITAL

€52.9bn
of cumulative ESG volumes in 2022^A

Financing energy efficiency and green solutions

- continuing bridge funding for clients who use the 110% bonus on **energy-efficient refurbishment** promoted by government: **€1.08bn** granted in 2022
- 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: €414.6m in 2022
- a diversified range of sustainable investment products including pension funds integrating ESG criteria
- Green Leasing specially developed product for the purchase of electric cars through financial leasing, offered together with a dedicated insurance: €8.9m granted in 2022, for a total stock monetary value equal to €34.0m

[More information in the Supplement - Social & Relationship Capital section](#)

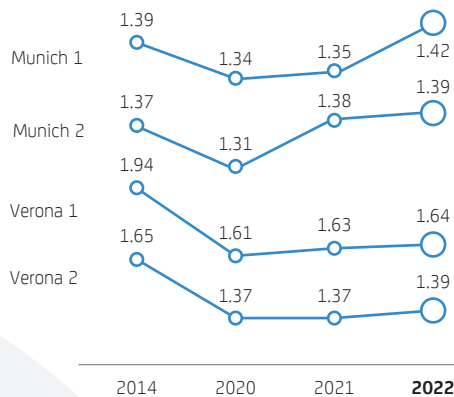
^A €4.8bn of social lending volumes not included.

^B Refer to Human Capital chapter for more information.

^C Data refer only to building for which electricity consumption invoices are in the name of UniCredit.

UniCredit's premises energy-efficiency

Data Center power usage effectiveness (PUE) ratios



Raising awareness on environmental impact

- Sustainable initiatives and topics are spread through several channels, including Yammer, to reinforce the colleague awareness on ESG
- 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



• Launch of **UniCredit University^B**

• SURE (Sustainable Real Estate) Ambassadors: In 2022, over 40 ESG ideas to be implemented have been collected among these, **20** have been selected as eligible



Mandatory training for new hired on environmental topics in the first few weeks



ESG Academy certification program with 60 hours

Managing mobility

MOBILITY INITIATIVES FOR EMPLOYEES



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

Energy management

SPECIAL MEASURES TO FACE GLOBAL ENERGY CRISIS

- 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

LOCALLY DRIVEN MEASURES



9 new Photovoltaic systems on our buildings



Started a 5-year program to replace the old HVAC systems, for an expected annual saving of around 100mWh



Started a new HVAC system implementation in Mostar HQ consisting of 2 electrical heat pumps that use groundwater

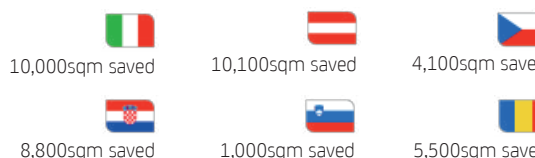
Electricity procurement and space optimisation

ELECTRICITY PROCUREMENT

87% of total electricity consumption was from renewable sources^C



HEADQUARTER SPACE OPTIMISATION PROJECTS



DIRECT IMPACTS

REDUCE OUR ENVIRONMENTAL IMPACT

-14%
reduction in own GHG emissions (scope 1 and 2, market-based) 2022 vs 2021

Sourcing responsibly

Our suppliers are required to comply with the standards of the International Labour Organisation and our Environmental Policy

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

28 completed audits of external service providers since 2014

Our Story, Your Story



Category: Clients



Country: Bulgaria



Values: Integrity, Ownership

Interior design company using the zero-waste method

Our clients remain at the centre of everything we do. With this in mind, we place a key focus on all facets of their business, from the **product offering to sustainability**. In 2022, **UniCredit Bulbank** announced a partnership with interior design company **Pachkov Ltd.** in an effort to further promote and embed sustainability in everything we do - starting with zero-waste initiatives. The key focus of the company is interior design, namely the production of furniture. Pachkov has long history in the furniture production and interior design business, being on the market for over 18 successful years.

As a company, Pachkov is a firm believer in sustainability. Given the scope of their work, they understand how essential it is for them to ensure they are embedding waste reduction efforts in the way they conduct business. Their mission is to use the best quality materials and complement that with craftsmanship. An innovative idea of the company is to recycle coffee capsules by placing collection containers capsules in front of some of the biggest retailers in Bulgaria.

In 2020, UniCredit Bulbank signed a 12+12+12- month revolving limit (**BGN 250,000**) in support of this thoughtful and earth-friendly initiative. And there's a science behind all of this. The coffee from recycled capsules will be used for fertilisation and compost soil for growing mushrooms. From there, the plastic is then processed into granules to then be used in production of furniture boards for their business - all while maintaining the quality of work the brand is known for. The capacity of the capsule processing machine is **5 million** annually. By embedding sustainability in their everyday practices, our bank can empower companies like Pachkov to do their work well, all while diminishing their carbon footprint one furniture piece at a time.



[Discover more](#)





Category: ESG



Country: Austria



Values: Caring, Integrity

Climate Week

Only together, we can save the planet. At **Climate Week 2022** in **Austria**, we took another tangible and important step in this direction, together with **Glacier**, raising awareness for climate protection.

In cooperation with Glacier, an international team of climate enthusiasts, product experts, and community builders, UniCredit Bank Austria's employees spent **five days** engaging in deep discussions to raise our awareness

on climate protection. Glacier's goal is to inspire companies and their employees to set up climate protection initiatives and implement ESG in their businesses. During the Climate Week, both our employees and representatives from Glacier engaged in fruitful discussions about current climate conditions, what each of us can do to contribute to a more sustainable tomorrow, and much more.

To keep our people engaged throughout the week, in addition to the daily videos shared across UniCredit Bank Austria, targeted quizzes were promoted (with answers shown the next day) and key learning resources and easy to digest content pills were shared, allowing our people to learn more about climate issues and sustainability.

Climate action requires a transformation that can only be achieved together. In line with its commitment to sustainability, UniCredit Bank Austria is a proud founding partner of Glacier, and hosts and supports the Climate Week with more than **500 other participating companies** all over Austria.