



Green IT and Corporate Social Responsibility within Unicredit Group

Luca Alessandro Bellomo

**Head of ICT Procurement
Global Sourcing Area
UniCredit Group**



UniCredit Integrity Charter

» While profit generation is an essential prerequisite for ensuring business success and growth, in UniCredit's view it is not, however, sufficient per se.

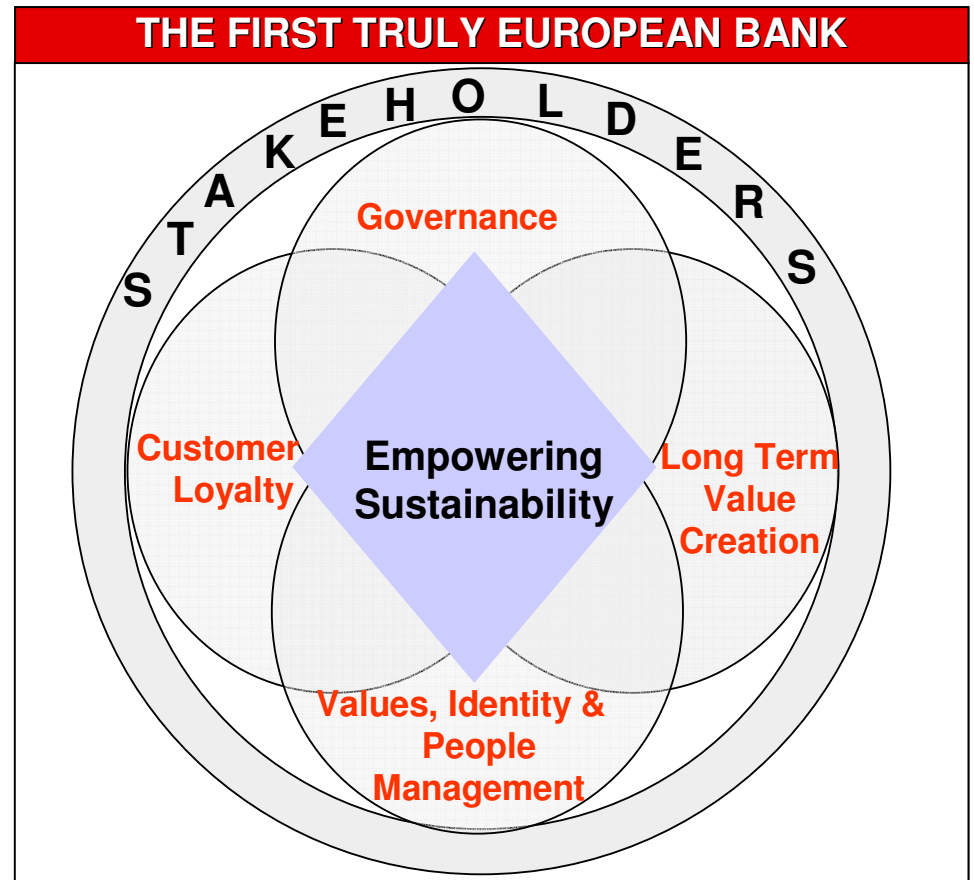
Profit must be generated with the integrity that promotes reputation, both internally and externally in order to create sustainability.«

UniCredit Group Integrity Charter

Sustainability and UniCredit Group value creation

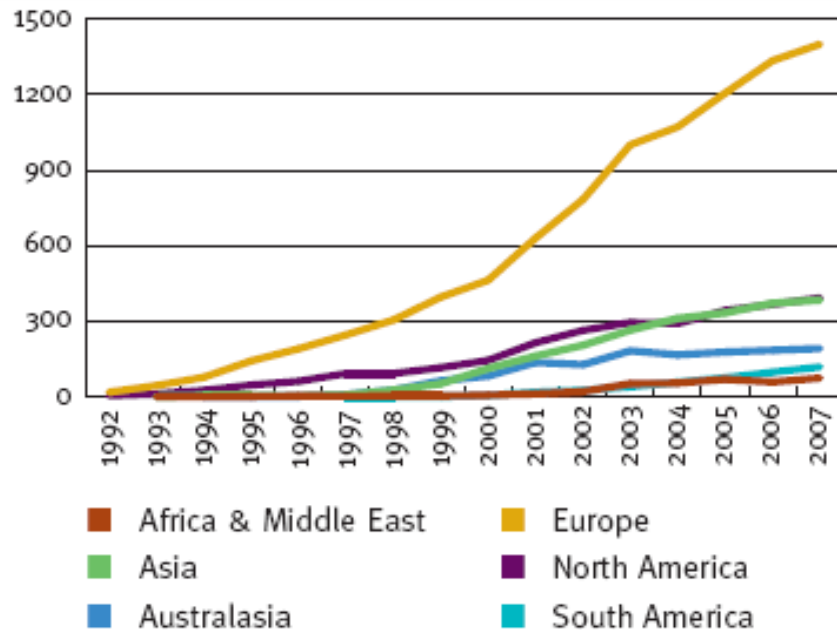
Four pillars of sustainability:

1. Long-term EVA
2. Customer Loyalty
 - Customer satisfaction
 - Brand awareness
 - Referral leverage
3. Governance
4. Values, Identity & People Management



CSR REPORTING WORLDWIDE

Since 1990: CSR reporting of companies grows worldwide, but especially in Europe



Source: Corporate Register CR Reporting Awards 2007: Global Winners and Reporting Trends, March 2008.

Today: Prominent topics for CSR reporting include

- Climate Protection and Climate Change Mitigation
- Corporate Governance and Anti-Corruption
- Biodiversity
- Demographic Change
- Human Rights
- Supply Chain Development
- ...

BANKING OPERATIONS: FIELDS OF ACTIVITY

- **Sustainable / green procurement:**
supplier-level, product specific requirements (health a. safety, environment, sources)
- **Sustainable mobility:**
business travel, commuting
- **Sustainable real estate management:**
facility management, space management, energy efficiency
- **Green IT:**
data centres (energy, space), virtualisation of processes
- **Waste and paper:**
efficient waste management, reduced paper consumption
- **Information:**
awareness raising, training, motivation
- **Communication:**
internal (homepage, events, pop-ups), external (CSR-report, web-site, ratings)

Example n.1 - GHG* REDUCTION: HVB's SUSTAINABLE MOBILITY



*Greenhouse gas

A look outside – What are other companies doing in terms of CSR within Procurement?



- **Appliance of CSR Policy***
 - **79 percent** of asked companies have a CSR Policy in place and integrate it into the evaluation of suppliers and during tenders
 - *21 percent don't*

- **Appliance of "Green" and Sustainability Strategies***
 - **58 percent** of asked companies anticipate (considering and evaluating) increasing costs incorporating Green and Sustainability Strategies into purchasing decisions
 - *42 percent don't*

Corporate Social Responsibility within Global Procurement



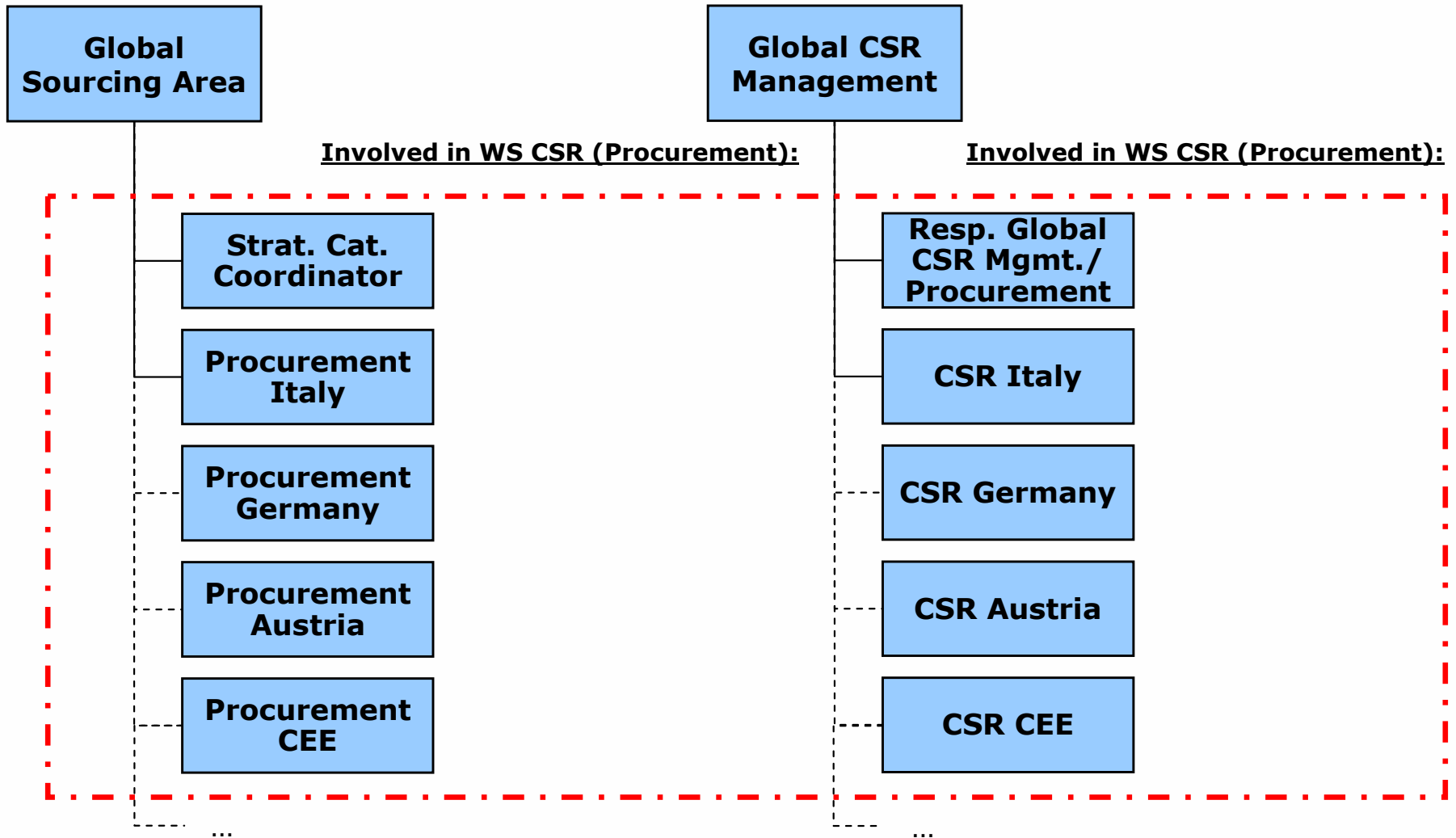
Mission

“To create value for UniCredit Group by establishing and enhancing CSR methods and tools within Global Procurement, taking into account the different risk potentials of different suppliers and products“

UniCredit Group CSR Management



Involved Departments and Responsibilities



--- Currently involved departments and responsible persons

Risk Class Model – Allocation of Categories

Definition of Risk Classes

The appliance of risk classes shall illustrate, that the effort taken within each category and/or for a certain product is related to its risk potential. The Global Procurement categories are allocated to the defined risk classes.



- **Risk Class I:** uncritical
- **Risk Class II:** may be critical under certain circumstances
- **Risk Class III:** very critical

Risk Class I

Global Categories:

- Infoprovder
- Software
- IT Services
- Management Consulting

G-Local Categories:

- Security Services
- Media Buying
- Insurance

Risk Class II

Global Categories:

- Self Service Cash Machine
- Furniture
- Hardware Peripheral
- Hardware Central
- Telephone and Telecommunication

G-Local Categories:

- Facility Management
- Security Equipment
- Building Construction and extraordinary Maintainance

Risk Class III

Global Categories:

- Business Travel
- Fleet Management
- Paper

G-Local Categories:

- Energy Power
- Logistic Services
- Printing
- Giveaways: Media Buying

Integrating CSR Aspects in Supplier Evaluations and RFx Evaluations (→ linked to WS Supplier Mgmt.) (1)



- **Step 1: Initial Gateway** for suppliers introducing into UCI Group, through basic CSR questionnaire ("Minimum Requirements")



- Supplier complies with CSR minimum requirements: "green light" => to Step 2
- Supplier does not comply with CSR minimum requirements: "red light" , it is out

- **Step 2: Additional CSR questionnaire :**

supplier is allocated to a **high CSR Risk Class category** (Risk Class 2 or Risk Class 3)

or for Risk Class 1

- **Has critical volume** (as per definition of WS Supplier Management) or
- **Buyer initiative** (ratio between supplier turnover and total UCG spending per category) or
- **Strategic Supplier** (importance of supplier, impact on our business) or
- **Supplier wishes** to be part of Finance ID Community (Achilles system)



- **Result:** Overall Supplier Evaluation, including CSR criteria of available

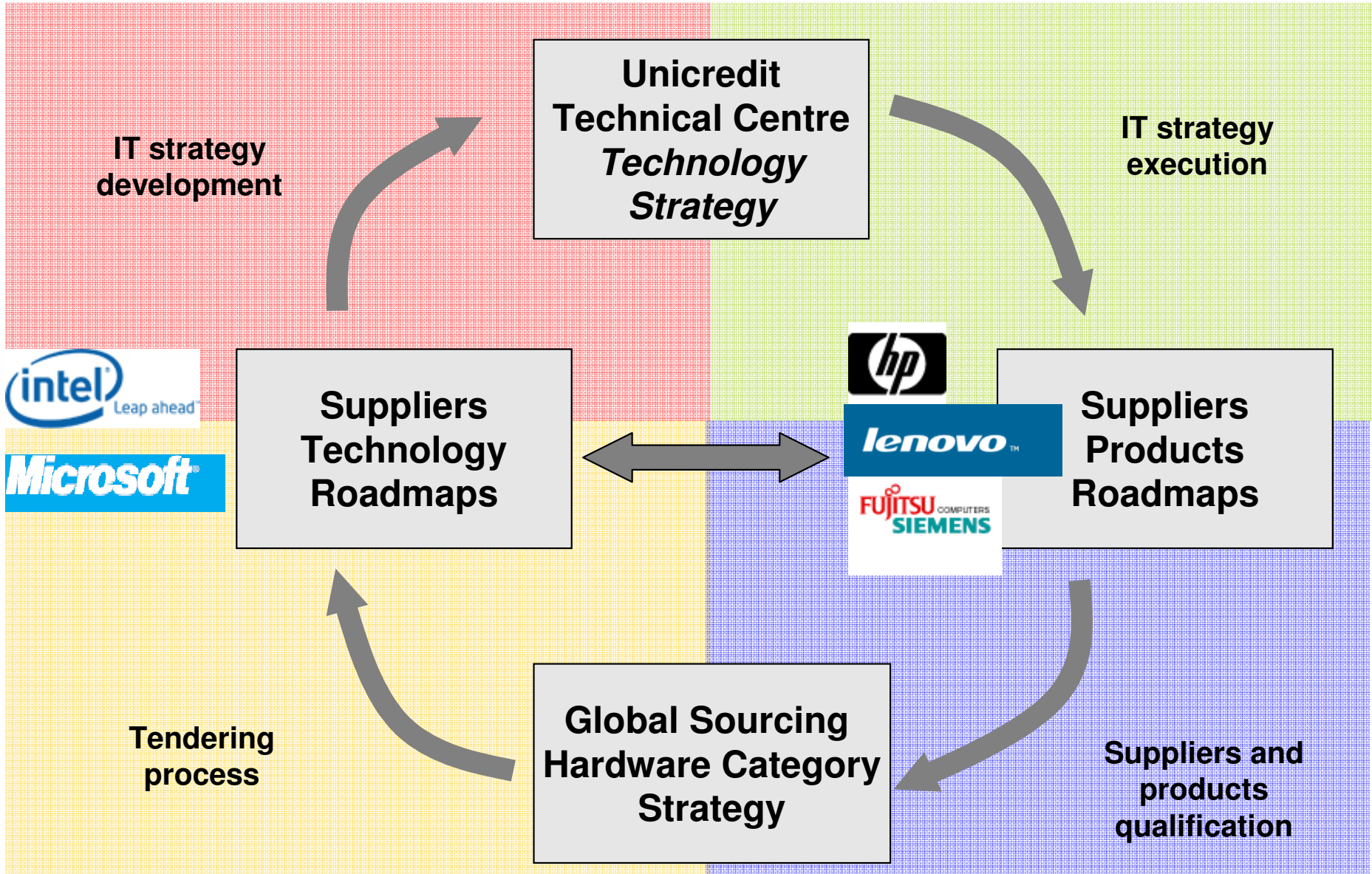
Integrating CSR Aspects in Supplier Evaluations and RFx Evaluations (→ linked to WS Supplier Mgmt.)

**RFQ:
Combined
Supplier and
Product
Level**

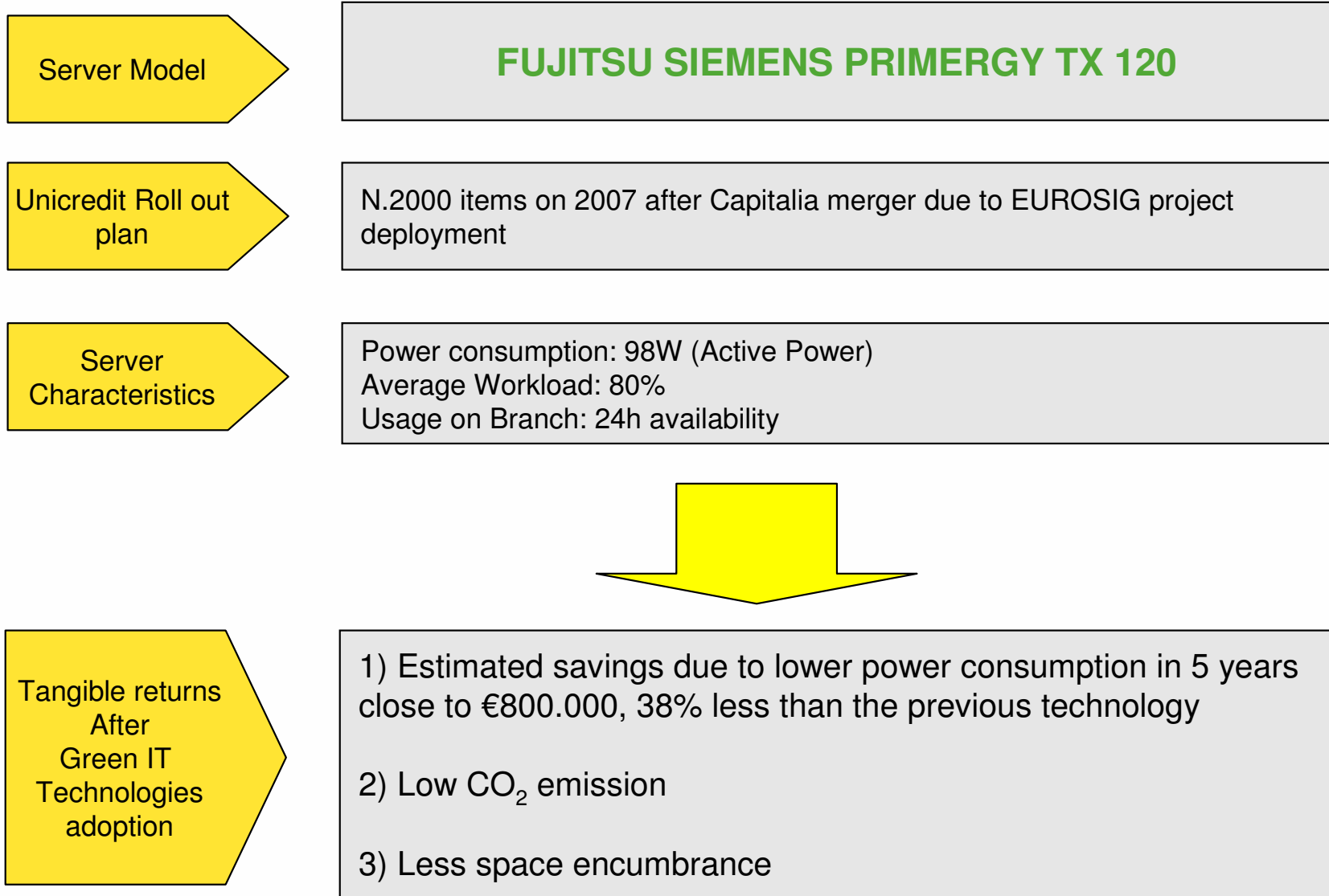
Tool: i-Faber

- **Weighting system according to Global Procurement Rules for the Risk Category in 2° and 3° class:**
 - xx% price
 - xx% technical aspects
 - xx% objective criteria on company profile
 - xx% CSR-related aspects (preferably product-related, otherwise supplier-related)

Product Lifecycle Certification Process: key stakeholders and key inputs



Unicredit - Fujitsu Siemens: Technological partnership on TCO reduction



Grazie!