

# Unlock your potential

Integrated report 2021

Empowering  
Communities to Progress. |  **UniCredit**



# Unlock your potential

Integrated report **2021**

# Report structure

UniCredit Group (hereinafter also "the Group") has prepared this document in compliance with the requirements of Art. 3 and 4 of the Legislative Decree 254/2016, which implements European Directive 2014/95/EU in Italy.

The Integrated Report (the "Report") has been approved by the Board of Directors of UniCredit SpA on March 8th, 2022 and has been produced by Group ESG Strategy & Impact Banking, in collaboration with the all relevant functions. In line with the requirements of Legislative Decree 254/2016, the process of preparing the Consolidated Non-Financial Statement ("NFS") is regulated by a specific policy, issued in 2017. As foreseen by Article 5 of the Legislative Decree 254/2016, this document constitutes a separate report marked with a specific heading, to allow its reconciliation with the NFS required by the regulation.

The Report should be considered in its entirety, including its Supplement, which is here enclosed or available in the Sustainability section of our website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)) and contains a number of essential indicators and underlying quantitative data.

The guidelines adopted for the preparation of the sustainability information included in the 2021 Integrated Report, including its Supplement, are the "GRI Sustainability Reporting Standards", applied according to the Core option, and the "Financial Services Sector Disclosures," both issued by the GRI - Global Reporting Initiative. The performance indicators reported in accordance to the adopted guidelines are included in the "GRI Content Index" section. The principles contained in the International Framework, published by the International Integrated Reporting Council (IIRC), were also used as the reporting framework. Figures and information relating to the Scope 1, Scope 2 and Scope 3 classes of greenhouse gas emissions have been prepared in accordance with "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition, 2004)" as well as the "GRI Sustainability Reporting Standards."

In order to guarantee maximum transparency to the market and to its stakeholders, this Report contains the main policies of the Group, the management models and the results achieved in 2021 relating to the issues expressly referred to by Legislative Decree 254/16 (environmental, social, personnel-related, respect for human rights, fight against active and passive corruption), as well as the main risks identified connected to the aforementioned issues and the related management methods.

The information in the Report addresses the issues that were identified as material and their associated indicators, which reflect the main economic, environmental and social impacts of the Group or could have a substantial influence on the views and decisions of its stakeholders. The materiality analysis, updated in 2021, was fundamental to determine the topics to be reported on, in line with stakeholders' needs. Following the analysis of the relevant topics indicated in Article 3 of the Legislative Decree 254/2016, the use of water, considering the activity carried out and the specific business sector, was not considered significant for the representation in this NFS and therefore is not reported. The content of this Report refers to the year 2021 and, in particular, to the activities of UniCredit during the year, unless otherwise stated. Figures relating to previous years are provided for comparison and refer mainly to the 2020 fiscal year.

Concerning the reporting perimeter, in line with previous years the legal entities consolidated on a line by line basis by UniCredit SpA have been analysed in order to identify the relevant companies and ensure the Report would provide a proper understanding of the Group's activities, development, performance and relevant impacts. In particular, with reference to year 2021, the reporting

perimeter represents about 99 percent of Group's FTEs and headcount.

Community contribution and initiatives in support of communities included in the "Social and relationship Capital" chapter include data and information related to UniCredit Foundation - Fondazione di studio in onore del Cavaliere del Lavoro Ugo Foscolo (the "UniCredit Foundation"), not included in the perimeter of the consolidated financial statements. The data reported in the paragraph of the Supplement "Compliance - Whistleblowing" refers to the legal entities currently monitored and considered relevant by Group Compliance. For figures related to staffing and calculations of the Value Added, the perimeter of the Report corresponds to the 2021 consolidated financial statements, unless otherwise indicated. In accordance with GRI Standards 207-4, taxation data are related to the fiscal year 2020 and compared to 2019 data. The information's source of the disclosed data comes from documents reported to the fiscal bodies as required by law. Any conditions that may limit the scope of the data are clearly disclosed throughout the Report. In addition, from this year a SASB content Index is included, which contains all the indicators of the standard covered by this Report.

To ensure reliability, the Report includes directly measurable quantities and limits the use of estimates as much as possible. Potential estimates are based on the best available information or spot checks. Restatements of previously published figures that have been provided for comparison are clearly indicated as such.

This Report has been externally assured by an independent assurance provider in accordance with the criteria established in the principle "ISAE 3000 Revised". Its conclusions regarding the compliance of the information provided with Article 3, paragraph 10, of the Legislative Decree 254/2016 are set out in a separate external assurance report. The procedures followed for the assurance of the NFS are disclosed in the "Independent auditor's report", included in this Report. The limited assurance did not cover the information required by article 8 of the European Regulation 2020/852 and the application of the instructions provided by SASB.

As an evolution of the long-term journey aimed at defining a new ESG strategy, in December 2021 UniCredit presented the new strategic plan 2022-2024 ("UniCredit Unlocked"), of which sustainability represents a fundamental lever.

For an overview of the new strategic plan, the main targets and commitments as well as for the principal generated or perceived risks in relation to ESG aspects and how they are managed, refer to "Our Strategy" and "Our Sustainable Business Model" chapters of this Report. UniCredit signed the UNEP FI Principles for Responsible Banking (PRB) starting from 2019. The full PRB Report disclosing the progress made in implementing the principles has been approved by the Board of Directors together with the present Integrated Report and is available on the website of the Group, while a simplified table is provided in this Report.

With reference to climate change, a separate document dedicated to the disclosure aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations related to 2020 was issued in October 2021. 2021 TCFD report will be issued in the second half of 2022.

The report also includes the Simplified Disclosure according to art. 10 of the Delegated Act supplementing EU Taxonomy Regulation (2020/852), requiring financial companies to disclose the eligibility KPIs from 1 January 2022 to 31 December 2023. UniCredit has taken decisive actions to support all stakeholders during the Covid-19 pandemic. The initiatives adopted to face this challenge are spread throughout the relevant chapters within dedicated focuses.

**LEGEND**  Initiatives and projects put in place to face the Covid-19 pandemic.

In order to guide and support the reading of our Integrated Report, through the icons below you can find a visual representation of the clusters linked to the material topics that are presented in our materiality matrix. The same clusters are also reported at the top of the right page of the relevant chapters, which can be used as a reference while reading the report.

## MATERIAL CLUSTERS



INNOVATION  
FOR CLIENTS



SYSTEMIC  
TRENDS



LEAN AND  
SOLID BANK



PEOPLE  
DEVELOPMENT



ETHICS



POSITIVE IMPACT  
ON SOCIETY

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# Our commitment to a more sustainable world

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UniCredit Unlocked

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How we build value

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Empowering communities to progress



# Letter from the Chief Executive Officer



“

This is a journey, and we all know it will not be a simple one. However, I believe it is the only possible road to travel if we are to secure a better future, and I also believe that our bank has everything we need to make the journey.

**ANDREA ORCEL**  
GROUP CHIEF EXECUTIVE OFFICER  
UNICREDIT SPA

## Dear Stakeholders,

Since becoming CEO of UniCredit, I have made no secret of my ambitions for our bank: I believe that we can be the bank for Europe's future. Europe's future may look markedly different today than it did when I became CEO, facing conflict the scale of which has not been seen on our continent for a generation, but what it needs from its institutions in the long-term is unchanged. That bank must be many things: financially successful and resilient; driven by empowered people working to a common goal; and united behind a shared purpose.

Underpinning all these qualities lies a commitment to creating a better future, a future that is more sustainable and benefits all our stakeholders in the long-term, as we emerge from the pandemic and, eventually, from the crisis in Ukraine. The bank for Europe's future has Environmental, Social, and Governance considerations at the heart of all its activity. The crisis only makes this more important.

At UniCredit, ESG is not an afterthought or an add-on. It is a mindset, which guides and informs every decision we make and all the actions we take. And ours is an ambitious mindset: already this year we have extended our Coal policy to support the financing of green activities and our Oil & Gas policy to include onshore, oil expansion and new oil projects.

These policies are written and codified, but they are about more than words. They are about action and leading by example. We must hold ourselves and our clients to certain standards of accountability and responsibility. We must demonstrate real, measurable, tangible ESG actions.

That's why ESG is woven through UniCredit Unlocked, the new strategy for our bank, to help our clients in a just and sustainable transition towards a better society. We will take a holistic approach to all aspects of ESG because they must be considered equally in this journey.

Environmental, Social, and Governance considerations are often seen as touching only E. This is not the case. They are equally important, but they do not always equate to the other. We are determined to be both ambitious and pragmatic in our approach to ESG. We will continually evaluate how we deliver on ESG considerations, always working to achieve success across all, but also understanding that we as a company may have greater impact in different areas at different times. This is particularly important when we consider those industries and countries which are less further along in their development and may face greater challenges to reach sustainability. We cannot simply discount them: countries are home to millions of people and these sectors are still vital contributors to our economy, employing vast numbers. To exit them entirely would have significant social consequences, undermining the possibility of a decent living for the people in those regions. They, and their communities, deserve our support to progress towards a greener future.

Sustainability cannot be achieved by making these industries and countries disappear. Instead, we must support them through this transition in order to mitigate social risk. This will involve compromise, and a complex interaction with clients, but we will work with them to define common standards of action and a specific framework for transition. This will take time, but it is necessary to truly

make this a just transition for all. At every step of the way, we will ask ourselves if we are doing the right thing and ensure we are confident the answer is yes.

What we expect from our clients we must embody ourselves. Just this year, we have taken important steps to do so. In 2021, we signed up to the Net-Zero Banking Alliance, an important milestone in our journey to a more sustainable future. Delivering a positive and sustainable transition to green energy which does as little harm to the planet and its people as possible will not be an overnight process, and it is only right to set goals and hold ourselves accountable.

We also signed a CEO manifesto as part of the G20, committing us to driving meaningful and accountable change towards gender pay parity. As part of this, we will invest EUR100 million to ensuring equal gender pay, which means equal pay for equal jobs.

Within the framework of our participation to the UN Principles for Responsible Banking, we joined the Commitment to Financial Health and Inclusion; a first-of-its-kind commitment to promoting universal financial inclusion and to fostering a banking sector that supports the financial health of clients.

This is completely aligned with our purpose of empowering communities to progress: banks exist to do more than lend. We exist to support individuals - entrepreneurs, families, and the vulnerable - to build better lives and, in turn, to help communities grow. We are endeavouring to shape a society that is not only more sustainable, but more inclusive and equitable. We are proud to be the first Italian bank to sign this collective commitment.

The changes we make within the bank will resonate outwards. We will bring our clients and communities on our journey towards sustainability with us. Our ESG commitments will inform our choices of who we partner with to deliver aligned environmental and social goals, and how we mobilise capital and set targets to foster sustainable development. In the next three years we plan to target new ESG volumes with a cumulative value of over EUR150 billion.

This is a journey, and we all know it will not be a simple one. Doing the right thing is not always straightforward. However, I believe it is the only possible road to travel if we are to secure a better future, and I also believe that our bank has everything we need to make the journey.

We will commit to being held accountable and we will provide updates on our progress as we build a more equitable and sustainable future - a better future.

That is what I know you expect from the bank for Europe's future, and it is what I know we will deliver.

Yours,



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**ANDREA ORCEL**  
CHIEF EXECUTIVE OFFICER UNICREDIT SPA

## UniCredit Tower

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Our Headquarter  
UniCredit Tower, Milan



# Empowering the future

“

We know that leading by example is the right thing to do: ESG is embedded throughout our business. It is a collective mindset that we all take responsibility for. UniCredit's ESG strategy reflects our ambition to position ourselves as a bank of reference on ESG issues. Our strategy is based on 3 guiding principles:

- › hold ourselves to the highest possible standards in order to do the right thing both for our clients and society
- › be fully committed to supporting our clients in a just and fair transition
- › reflect and respect the views of our stakeholders in our business and decision-making processes.

**FIONA MELROSE**  
HEAD OF GROUP STRATEGY & ESG



At UniCredit, ESG considerations are fundamental to every decision we make and every action we execute. They are a central part of how we do business. We know that fulfilling our purpose of empowering communities to progress would not be possible without the highest standards of ESG across our bank.

Our business is governed by ESG principles for two reasons. The first is simple: it is the right thing to do, and it will equate to fulfilling our purpose in the long term. The second is because we believe the ESG transformation is the greatest business opportunity of decades. Reaching the Net Zero goal by 2050 will cost Europe €28tn for transportation, construction, infrastructure, energy and agriculture sectors.

While the opportunity is immense, any transition is a journey and this one is particularly complex. There is no doubt that we will encounter difficulties and obstacles. This is untrodden ground for institutions, individuals, governments and regulators alike, and we must work together to forge the most beneficial path for all stakeholders.

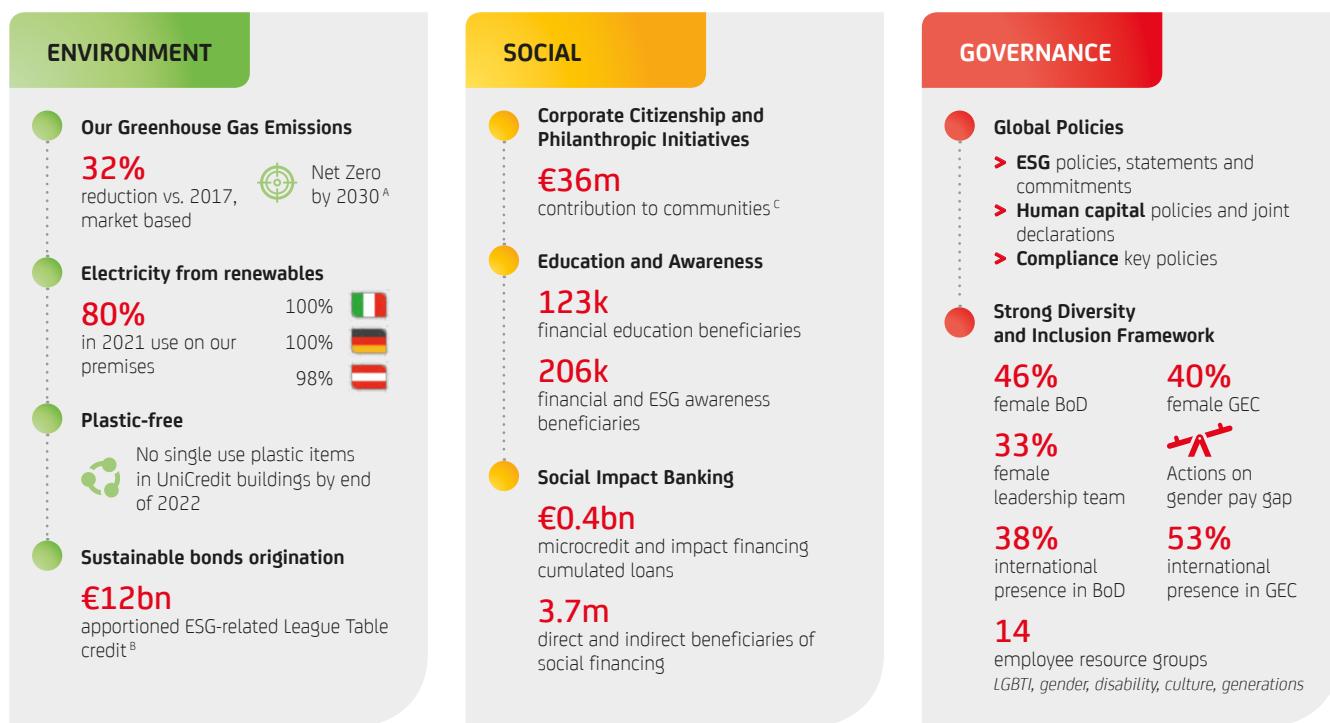
ESG will provide as much challenge as it does potential. We will constantly be required to evaluate the trade-off between environmental impacts and social repercussions. These are equally important for UniCredit, but we are realistic about their interaction and where we can add most value.

Compromises will be necessary if we are to deliver on our goals for both, but we will make these with our ultimate purpose in mind, focusing our energies on where we can have most impact.

At UniCredit, we are focused on delivering a positive and sustainable transition to green energy which does as little harm to the planet and its people as possible. In order to make this a fair transition for all, we work consistently towards increasing our own positive social impact in line with our role and responsibilities as a social actor. Our Social Impact Banking (SIB) programme, UniCredit Foundation and Banking Academy are but a few examples of this.

Sustainability is a critical part of UniCredit's new 2022-2024 Strategic Plan, UniCredit Unlocked. This is both in reference to those we choose to work with and also within our own bank. We believe it is essential to lead by example. We adhere to the highest standards and expect our partners and clients to do the same.

In 2021 we reduced our direct CO<sub>2</sub> emissions by 32% compared to 2017 and made a commitment to reach Net Zero by 2030 (by 2050 for financed emissions). We have provided financial education and financial awareness initiatives to approximately 330,000 beneficiaries. In terms of



<sup>a</sup> 2030 target on own emission.

<sup>b</sup> From Green, Social, Sustainability and Sustainability-linked Bonds. All regions, all currencies. FY 2021. Source: Dealogic.

<sup>c</sup> Measured by the former London Benchmarking Group (LBG), now Business for Societal Impact (B4SI) reporting framework.

gender diversity, we can claim undisputed leadership in the European financial system and have established solid policies in all ESG areas.

What we embody ourselves, we demand from those we work with and have set clear objectives to support our clients in their transition. This means actively engaging with clients in our daily commitment to support their energy transition plans and working closely together to accelerate climate action. We aim to raise awareness and provide them with information, tools and education on innovations that can help their business evolve. We are committed to delivering €150 bn in ESG finance in the form of lending, DCM and investments over 2022-2024.

With a clear multi-stakeholder approach, in recent years we have been making a great effort to integrate all ESG factors into the bank's governance, business, risk and credit management, metrics and operations. With a best-in-class corporate governance, UniCredit is one of the few groups in Europe to have a dedicated ESG Committee, created in April 2021, on its board. The purpose of the new Committee, which took over the sustainability responsibilities previously assigned to the Corporate Governance, Nomination and Sustainability Committee, is to supervise all the activities carried out in this field.

From an operational point of view, the ESG Strategy Roadmap encompasses more than 20 streams across the entire organisation, including national ESG plans, business approach, advisory and products, credit policies, ESG risk management and agenda, Net Zero plan and other commitments, ESG ICT and data strategy.

As well as having an important role in supporting clients in their transition plans, banks are also responsible for driving and encouraging further industry collaboration and innovation. That is why UniCredit engages in specific sector initiatives, such as the Steel Climate-Aligned Working Group and the European Clean Hydrogen Alliance, and supports innovative start-ups with its UniCredit Start Lab platform.

Banks have an important social function which goes far beyond lending. We have a huge responsibility in supporting clients in their own business transformation and guiding financing in the right direction. Our role is to assist our clients and communities in making meaningful progress towards a more sustainable, inclusive and equitable society in the long term.

Any transformation has a cost and, as with any investment, the return is spread over time. We spend today to collect tomorrow. With a multiplier effect, finance and private savings flank the extraordinary booster of public spending and become the main agents of change in social and business models. This is what banks can facilitate and what UniCredit will work to achieve.

We will continue to play our part in doing so: cultivating stakeholders' trust, supporting impactful social initiatives and consistently measuring our results to ensure we are held accountable. This will ensure ESG is at the heart of all our activity as we build a bank for the long-term; a bank for Europe's future.

# How we unlock our potential



## FINANCIAL CAPITAL

We exceeded our full year targets for revenue, cost and net profit,<sup>1</sup> delivering a RoTE of 7.3 per cent and generating substantial organic capital. Our commitment to significantly increase shareholder returns without impacting our robust capital was reconfirmed. This performance is the blueprint for what our new target model can deliver in 2022 and beyond for the benefit of all our stakeholders.

### 2021 RESULTS

**€3.5bn**  
Net Profit<sup>A</sup>

**7.3%**  
RoTE

**€3.75bn**  
shareholder distribution<sup>B</sup>

**15.03%**  
CET1 RATIO

**>€4.5bn**

Net profit<sup>A</sup>

**c.10%**

(2024) RoTE

**≥€16bn**

shareholder distribution<sup>B</sup> 2021-2024

**12.5%-13%**

CET 1 Ratio (2024)

### TARGETS

<sup>A</sup> Underlying net profit (i.e. stated net profit adjusted for non-operating items), adjusted for AT1, CASHES and DTA from tax loss carry forward contribution.

<sup>B</sup> Shareholder distribution subject to Annual General Meeting and Supervisory Authorities approval.



## HUMAN CAPITAL

We are committed to creating a positive environment based on respect, where our employees feel fully engaged at work and in their private lives. Our people are our greatest asset and we invest in their professional development. We are also committed to ensuring an equal opportunity workplace and a positive and inclusive environment for all our people, promoting diversity, equity and inclusion.

### 2021 RESULTS

**Group-wide minimum standard for parental leave**  
16 weeks for mothers, 4 weeks for fathers

**c.30**  
training hours per capita

**40%**  
women in Group Executive Committee

**33%**  
women in leadership team

**3,600**  
new hires under the UniCredit Unlocked strategic plan

**Ambition to ensure equal pay for equal work**  
investing €100m by 2024

**Ambition to promote gender parity**  
across all organisational levels, increasing cultural and ethnic diversity in our staff

### TARGETS



## SOCIAL AND RELATIONSHIP CAPITAL

We are committed to act as engines of individual and collective growth, empowering communities to progress and help people, communities, and countries in unlocking their potential. We provide clients with high-quality service beginning with actively listening and absorbing feedback and interacting with key stakeholders to build a sound banking environment based on transparency and mutual understanding. We also promote stronger economic participation for everyone and foster financial inclusion helping people and businesses improve their financial skills.

### 2021 RESULTS

**>580,000**  
feedbacks provided by stakeholders

**€36m**  
contribution to communities

**€0.4bn**  
microcredit and impact financing cumulated loans

**€10bn**  
new production (2022-2024) Social Lending

### TARGETS



## INTELLECTUAL CAPITAL

Digitalisation and data are at the heart of our new Group strategy and key to our new lean operating model. Indeed, 2021 marks a turning point in our Digital & Data strategy, of which a fundamental component is the creation of a new Group Digital & Information Division reporting directly to the CEO. In the next three years significant investments, both financial and in terms of human capital, will be dedicated to meeting our strategic objectives, including the internalisation of core competencies which were previously outsourced. At the same time, cyber security remains a priority in everything we do. Through our cyber security strategy based on a continuous improvement model, we act to protect our colleagues, systems, and data, and that of our clients.

### 2021 RESULTS

**Digital & Data governance**  
elevated to the highest managerial level

**c.260**  
new hires in Digital & Data

**20**  
courses dedicated to security and cyber security released

**€2.8bn**  
total Digital & Data investments in 2022-2024

**2,100**  
new hires in Digital & Data in 2022-2024

**80%**  
of core competencies internalised by 2024

### TARGETS



## NATURAL CAPITAL

We are committed to protecting natural capital by delivering sustainable financing solutions to clients and reducing the environmental impacts of our direct operations.

Sustainable finance is a means to lead the green transition: we play a strategic role in supporting our clients in their journey, in particular through our Sustainable Finance Advisory team. Within UniCredit Unlocked we set new targets of €150 billion cumulative ESG volumes, of which €25 billion of new environmental lending. We also joined the Net-Zero Banking Alliance committing to achieve Net Zero emissions from our operation by 2030 and from our financing portfolio by 2050.

We strongly believe in the effectiveness of the sustainable finance market and its ability to channel investments to projects and activities with environmental and social benefits. In this context, we published our Sustainability Bond Framework (SBF) as an important tool for the implementation of UniCredit's ESG Strategy and already issued successfully several green bonds. We started mapping Group initiatives linked to circular economy to identify gaps to be filled.

### 2021 RESULTS

**32%**  
reduction of own GHG emissions vs. 2017 (market-based)

**€5.9bn**  
exposure to renewable energy sector

**€12bn**  
apportioned ESG-related League Table credit

**€2.4bn**  
energy efficiency loans to SMEs and Individuals in ITA, GER, AUT

**€65bn**  
assets under management conversion towards ESG investments

**€25bn**  
new environmental lending

**Net Zero**  
on own emissions by **2030**; on financed emissions by **2050**

**€50bn**  
total ESG Debt Capital Market origination

### TARGETS



## UNICREDIT STORIES

In line with our purpose of **empowering communities to progress**, we are putting **our clients and communities at the heart of all that we do** with a constant commitment to always serve their needs and be the **bank for Europe's future**. To showcase how environmental, social and governance (ESG) values are **embedded in our business and culture**, this year's report includes a series of stories about our clients and people across the different countries of the Group, working together to **empower our communities and unlock their potential**. These are published at the end of selected chapters and reflect our **strong ESG ambitions** and continued focus on **supporting the transition to a more sustainable, better society for all**.

We are proud of the dedication of our teams in supporting and financing **initiatives with a positive impact** and we look to the future determined to continuously **do more for our people, clients and communities**.

# Our value creation over time

With our uniquely pan-European footprint and heritage, UniCredit is the bank for Europe's future.

## OPTIMISE TODAY: CLIENTS, PEOPLE AND ORGANISATION

We are building the bank for Europe's future, putting our clients at the heart of all that we do, inspiring our people and unlocking talent. We want to do it under a common purpose: empowering communities to progress.

## INSPIRED TO DELIVER FOR OUR CLIENTS

Adopting an entrepreneurial spirit, empowered by the right decisions at the right time.



INPUT



### Financial Capital ..... p.66

The financial resources implemented and generated by business are used to sustain the economy, creating and distributing value.



### Human Capital ..... p.70

We support our colleagues throughout their working lives in order to strengthen competencies, foster diversity and inclusion and improve the quality of life thanks to our welfare policies.



### Social and relationship Capital ..... p.80

We aim at generating a positive impact on society, investing to improve how people live and how businesses operate and strengthening the well-being and competitiveness of the countries in which we work.



### Intellectual Capital ..... p.94

We are intensely engaged in digitalisation to provide services based on innovative technologies and simpler and safer processes.



### Natural Capital ..... p.100

We take care of the environment promoting the shift to a low-carbon economy and containing our environmental footprint.



INPUT



Market context ..... p.46

Governance ..... p.52

Business model ..... p.50

Our Purpose ..... p.18

## A NEW MINDSET

Win.  
The Right Way.  
Together.

For our clients: delivery of best in class products and services  
For our investors: creating long-term shareholder value  
For us: uniting behind a single ambition and shared principles

Integrity  
Ownership  
Caring

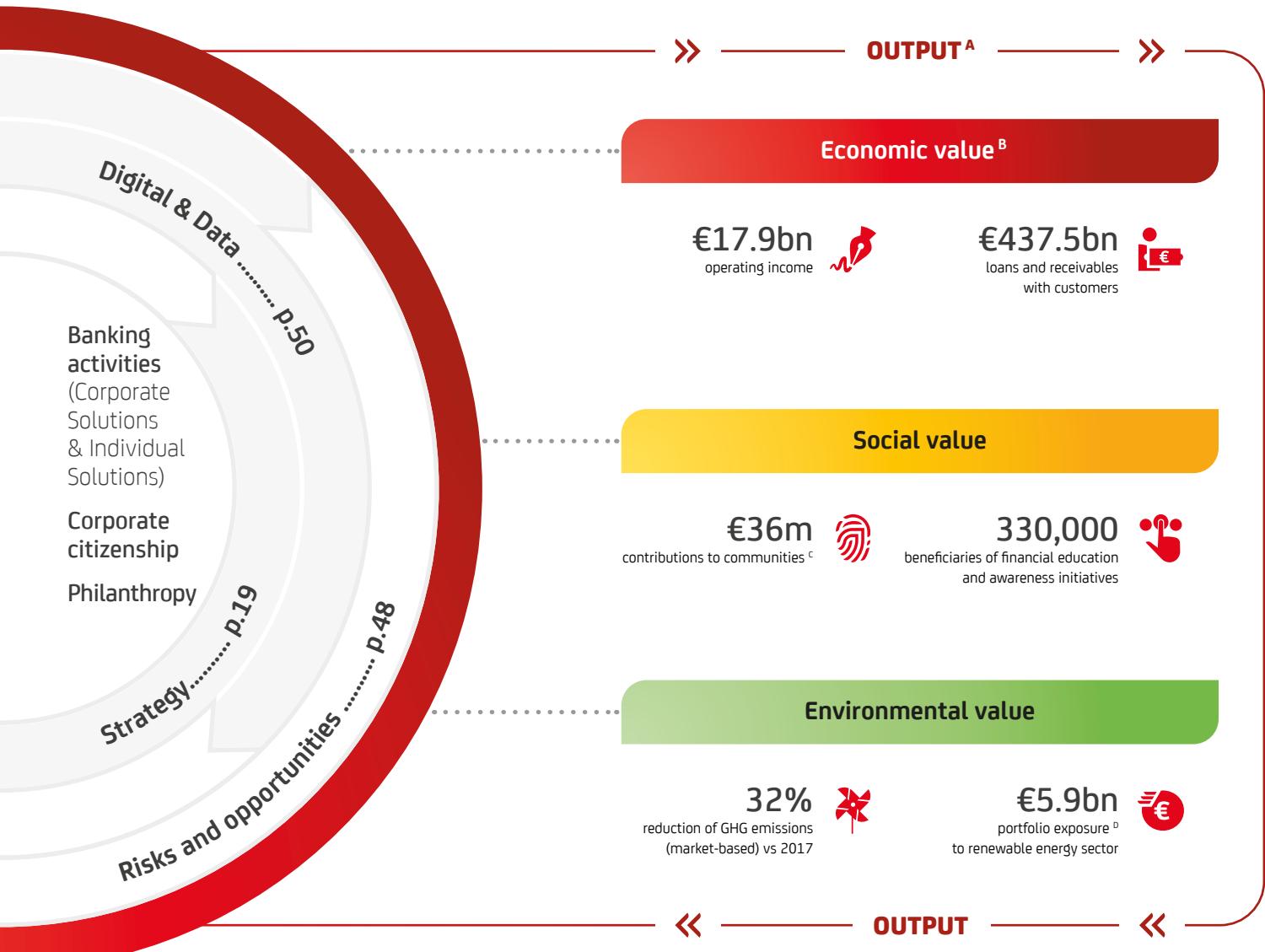
As one team and with a common purpose  
As true partners of all our stakeholders

### GALVANISED BY A COMMON OBJECTIVE

Reclaiming pride in our businesses and services, driving growth together.

### BUILD FOR TOMORROW

We are placing clients at the centre, setting out a new way of working for our employees and pursuing a capital-light model with sustainability embedded throughout our strategy.



<sup>A</sup> Refer to Stakeholder Engagement chapter for more information.

<sup>B</sup> Data refer to reclassified income statement and balance sheet.

<sup>B</sup> Impacts deriving from Business Innovation for Social Impact amount to a further €6.8 m in relation to the *Social Impact Banking* project. Refer to the Social and relationship Capital chapter for more information.

<sup>C</sup> EAD, Exposure at Default.

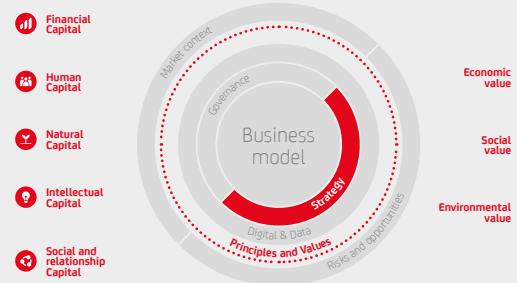


# UniCredit Unlocked

## 1 Our commitment to a more sustainable world

## 2 Shaping the future with an inclusive, long term view

- > Our Purpose: Empowering Communities to Progress
- > Our Strategy
- > Stakeholder Engagement



## 3 How we build value

## 4 Empowering communities to progress

# Our Purpose: Empowering Communities to Progress

**Our values are driven by our purpose and represent the cultural cornerstones that guide all our actions and behaviour, enabling us to deliver on our ambition and new business strategy.**

Our aim is to bring about the transformation by exploiting this moment of transition. We wish to be deeply embedded in our communities and united behind a new common purpose:



We will come together within a common culture that puts us back on the front foot, energised and emboldened. In line with our recent UniCredit Unlocked Strategy, the **values of integrity, ownership and caring** remain at the heart of everything we do and represent the qualities that define us.



## Integrity

Will drive us to act in the **best interests of our clients** in an **honest, straightforward and transparent** way



## Ownership

The empowerment to make decisions and **learn from failure** lies at the heart of what we do. We deliver on our **promises** and take **accountability** for our actions and commitments. We **speak up** to express an idea, an opinion or report wrongdoing



## Caring

We **care about our clients, communities and people** and enable them to prosper, treating everyone with respect and valuing our differences

# Our Strategy: UniCredit Unlocked

“

Our new strategic plan, UniCredit Unlocked, sets out our strategic imperatives and financial ambitions as we move into an era of purpose, growth and value creation, with sustainability embedded throughout. It sets us up for long-term success and stability beyond 2024.

ANDREA ORCEL  
GROUP CHIEF EXECUTIVE OFFICER

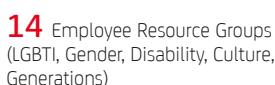


## 13 LEADING BANKS WITH UNRIVALLED DISTRIBUTION POWER AND TRULY DIVERSE TALENT



### UNIQUE AND DIVERSE TALENT BASE

#### International mindset



#### Gender balance



<sup>A</sup> Refer to Business Model chapter for further information.

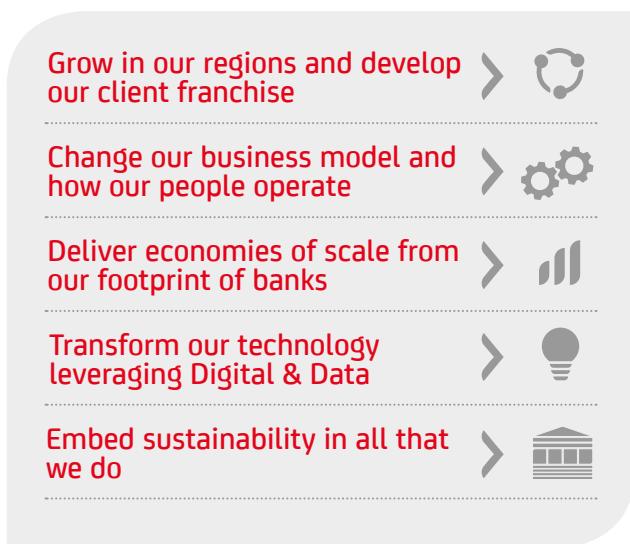
<sup>B</sup> Central Europe includes Austria, Czech Republic, Hungary, Slovakia and Slovenia.

<sup>C</sup> Eastern Europe includes Bosnia and Herzegovina, Bulgaria, Croatia, Romania, Russia and Serbia.

UniCredit Unlocked, our new Strategic Plan, aims to put UniCredit back in the top tier of European banks. Our ambition is to create a bank for Europe's future. We must unlock the potential within UniCredit in order to move from retrenchment to renewal, towards an era of purpose, growth and value creation. We want to win the right way, by placing the values of integrity, ownership and caring at the heart of our decisions, and we want to do so together, one united team acting as true partners to our different stakeholders.

## Our strategic imperatives

At the heart of UniCredit Unlocked are five strategic imperatives and a new financial ambition.



## Our financial ambitions

UniCredit Unlocked is about creating a bank that is financially strong and successful to deliver sustainable performance and profitable growth over the cycle, enabling us to reach a RoTE of at least 10% in 2024 and a sustainable distribution totalling more than €16 bn cumulative between 2021 and 2024.

### OUR THREE LEVERS

**€0.5bn**  
absolute cost reduction, net of **€0.6bn** investment and **€0.5bn** of inflation

**Organic capital of around 150 basis points**  
per annum from increased profitability and a more capital-efficient model

**€1.1bn**  
incremental net revenues mostly driven by fees, including €0.2bn incremental from ESG

## DELIVERY IN ALL AREAS LEADING TO A STRONG FINANCIAL FUTURE AND SHAREHOLDERS RETURN

Sustainability	Net Zero on own emissions by 2030	Net Zero on financed emissions by 2050
Solidity	<b>12.5-13%</b> CET1 ratio <sup>A</sup>	<b>c.3.5%</b> Gross NPE ratio <sup>B</sup>
Cost efficiency	<b>c.50%</b> Cost / Income ratio FY24	<b>4p.p.</b> Positive operating leverage 2021-24 <sup>C</sup>
Growth	<b>+2%</b> Net revenue 2021-24 CAGR	<b>&gt;15%</b> EPS 2021-24 CAGR <sup>D</sup>
Shareholders return	<b>≥16bn</b> Shareholders distribution 2021-24 <sup>E</sup>	<b>c.65%</b> Cumulative returned capital as % of Market Cap <sup>F</sup>
Delivering a RoTE of c.10% by 2024		

We believe 2024 is just the starting point. UniCredit Unlocked will pave the way for long-term financial success, our ultimate goal.

## UNICREDIT UNLOCKED TARGETS

	2021 (Actual)	TARGETS 2024
Net revenue	<b>16.3bn</b>	<b>&gt;17bn</b>
Fees, % of revenue	<b>&gt;37%</b>	<b>c.40%</b>
Cost / Income	<b>55%</b>	<b>c.50%</b>
Net profit <sup>G</sup>	<b>3.5bn</b>	<b>&gt;4.5bn</b>
RoTE	<b>7.3%</b>	<b>c.10%</b>
Organic capital generation	<b>200bps</b>	<b>c.150bps per annum</b>
CET1 <sup>H</sup>	<b>14.13%<sup>I</sup></b>	<b>12.5-13%</b>
Total ESG volumes	-	<b>150bn cumulative 2022-24</b>

<sup>A</sup> Managerial target 2024.

<sup>B</sup> 2024.

<sup>C</sup> Calculated as revenue CAGR minus cost CAGR.

<sup>D</sup> Net profit divided by average outstanding shares, assuming a fixed P/TBV multiple for share buyback.

<sup>E</sup> Share buyback plus cash dividends cumulative (o/w cash payout ratio for 2022 is expected at 35%). Shareholder distribution subject to Annual General Meeting and Supervisory Authorities approval.

<sup>F</sup> Market capitalisation as of 06/12/2021.

<sup>G</sup> Started net profit (for 2021 Underlying net profit) adjusted for AT1, CASHES coupons and impacts from DTAs from tax loss carry forward sustainability test.

<sup>H</sup> Proforma for share buyback

<sup>I</sup> 15.03% stated.



## MOVING FORWARD AFTER AN UNPRECEDENTED CHALLENGE

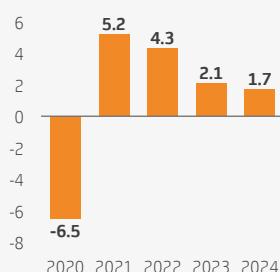
The Covid-19 pandemic constituted an unprecedented challenge for all economies worldwide, causing a severe impact on GDP growth in 2020. In 2021 GDP rebounded, generally the growth benefitted from the reopening of the economy and the effect of the vaccines. Some uncertainties could still characterise the near future but a gradual normalisation should occur in the next years, supported also by the deployment of Next Generation EU funds. European Central Bank (ECB) monetary policy remained accommodative in 2021.

## MACROECONOMIC CONTEXT AND IMPACTS ON ECONOMIC ACTIVITIES

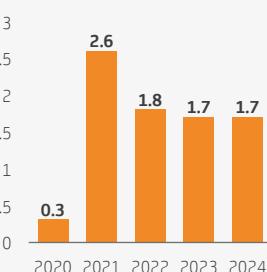
### GDP AND INFLATION

● UniCredit Group house view underlying UniCredit Unlocked

REAL GDP GROWTH - EUROZONE, Y/Y, %



INFLATION - EUROZONE, Y/Y, %

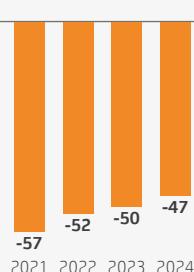


### INTEREST RATES AND YIELD ENVIRONMENT

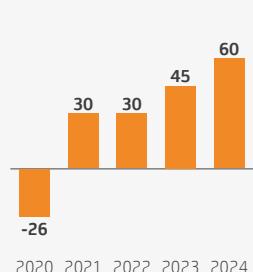
EOP

● UniCredit Group house view underlying UniCredit Unlocked

EURIBOR 3M



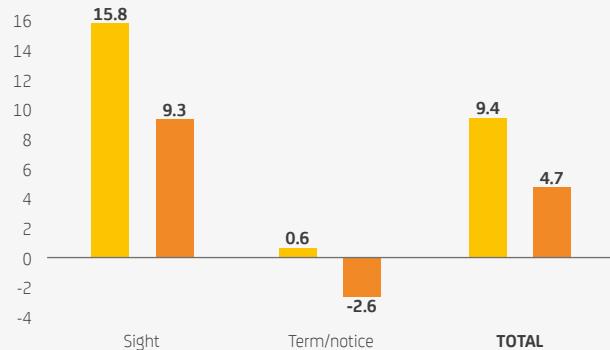
SWAP 10Y



## IMPACTS ON THE BANKING SYSTEM

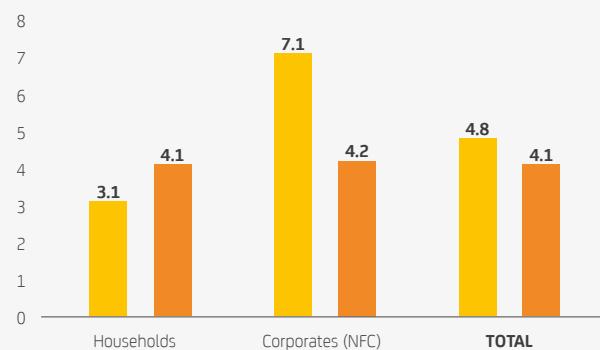
### EUROZONE DEPOSIT GROWTH<sup>A</sup>

Y/Y, % ● Dec 2020 ● Dec 2021



### EUROZONE LOAN GROWTH<sup>A</sup>

Y/Y, % ● Dec 2020 ● Dec 2021



### MAIN DRIVERS

- I. growth of investment and of purchase of durable goods
- II. NFC deposits growth normalisation after the liquidity increase in 2020
- III. still high precautionary savings for households although lower than in 2020.

<sup>A</sup> ECB statistics used in this document refer to MFIs excluding ESCB (European System of Central Banks) reporting sector - Adjusted Loans (growth rates adj. for securitisation & loans sales) - all currencies combined - Euro area (changing composition counterparts; Dec 2021 data are provisional; chain-index series. The data are neither seasonally nor working day adjusted.

### LOAN LOSS PROVISIONS

#### MAIN DRIVERS

- I. decreasing after significant proactive covid provisions.

### CAPITAL DISTRIBUTION STRATEGY

#### MAIN DRIVERS

- I. Following ECB recommendation to limit dividends in 2020, in 2021 banks returned to normal distribution.

### REVENUES

#### MAIN DRIVERS

- I. still low interest rates
- II. rebound of fees with improvement in commercial activity.



#### OUR ITALIAN EXPERIENCE OF SUPPORTING CLIENTS DURING THE PANDEMIC

As we emerge from the initial disruption of the pandemic, we are continuing to sustain our clients, also through specific partnerships.

In Italy we have implemented an agreement with PwC to provide dedicated advisory services to our individual clients for obtaining the **Superbonus 110%** and all the other interventions subject to tax benefits.

A similar approach has been developed with Warrant Hub to support our corporate clients on the same journey with **Next Generation EU** opportunities.

This initiative is part of a specific task force to assist our enterprises across all the six pillars of the **Piano Nazionale di Ripresa e Resilienza** (PNRR) in Italy. As digital transformation is one of the prominent aspects, thanks to our collaboration with Microsoft, the *Together 4 Digital* programme has been launched to support companies in their digital transformation plans with targeted interventions and specific tools at multiple levels:

- financial evaluation of digital investment, including an analysis of the returns for business in terms of new cash flows generated
- UniCredit Banking Academy training courses held after assessments made by companies on an ad hoc platform
- proposal of tailor-made digital solutions for companies to support their sustainable growth.

## UniCredit Unlocked



Optimise  
Today

Build for  
Tomorrow

Two principles underpin our strategic plan, a plan to optimise today and to build for tomorrow:



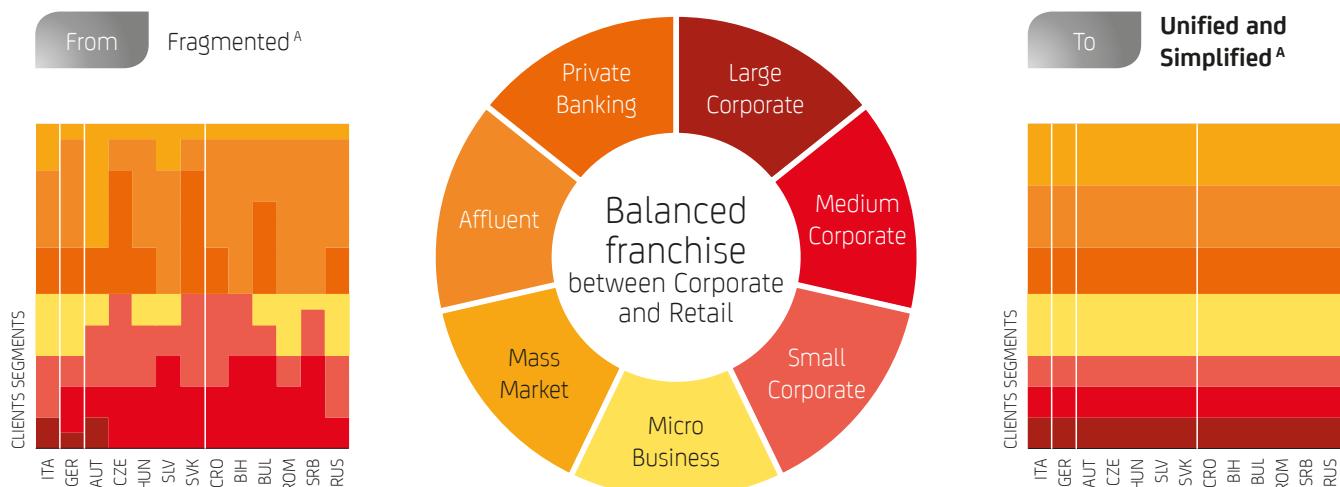
### Optimise Today

Our Pan-European assets comprise more than 15 million clients and about 87,000 people. We need to ensure that we have the right structure in place to connect them to our 13 banks and 4 regions in a unified way across Europe.

We are taking action to achieve this goal by:

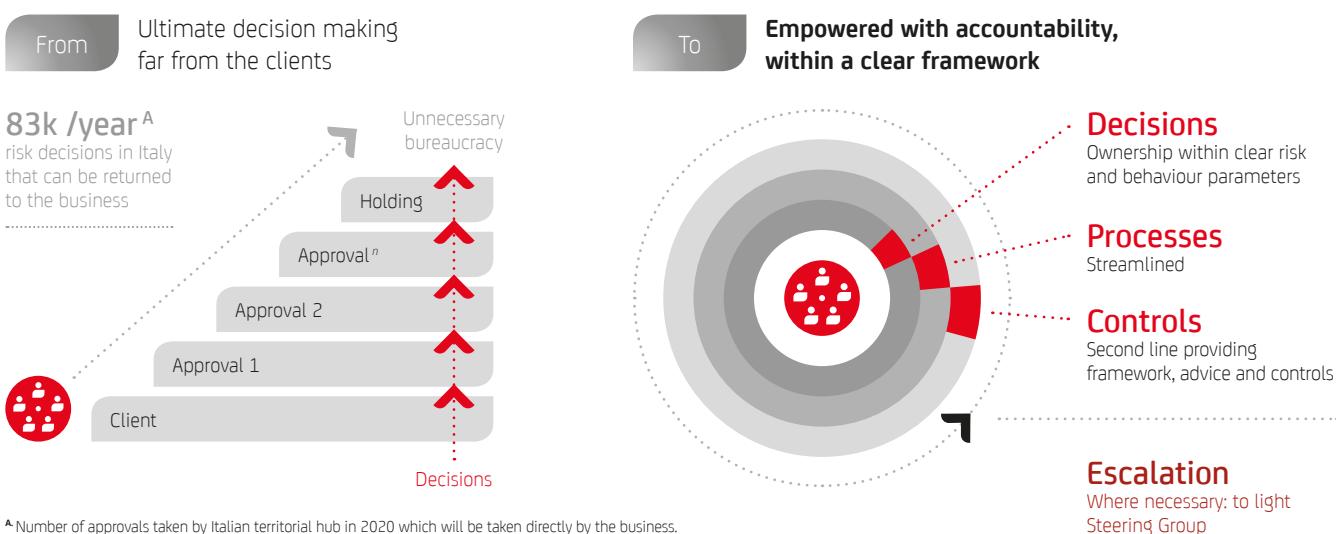
- changing our client segmentation
- harmonising our service model
- simplifying our processes
- establishing a common organisational structure Group-wide
- redefining our product factories as best-in-class.

## CLIENTS: A UNIFIED APPROACH, PUTTING CLIENTS BACK IN THE CENTRE



<sup>A</sup> Thresholds for Retail based on TFAs, for Corporates on total revenue. Segmentation thresholds are for illustrative purposes only.

## PEOPLE: CULTURE OF EMPOWERMENT, CENTRED AROUND THE CLIENTS



## ORGANISATION: LEAN GROUP WORKING IN PARTNERSHIP

UniCredit is becoming a simplified, empowered organisation with a lean corporate centre that embeds digital and data across the business. UniCredit is powered by two new product factories, **Corporate Solutions** and **Individual Solutions**, which will deliver best in class products and services to all clients in all our four regions: Italy, Germany, Central Europe, and Eastern Europe.<sup>1</sup>



### Build for tomorrow

UniCredit Unlocked is a plan that builds on our strong foundations and unlocks the potential of our Group, paving the way for the future of the bank and of all stakeholders. Our aim to build for tomorrow is based on two main actions:

- invest in **digital, data** and our **people**
- lead by example with **sustainability** embedded in our culture.

<sup>1</sup> Refer to Business Model chapter for more information.

## OUR FUTURE: DIGITAL, DATA AND OUR PEOPLE

Being the bank for the future of Europe means becoming a truly digital bank.

Embedding digital and data across our bank is also crucial to implement our new lean operating model.<sup>2</sup>

Our plan envisages investments of €2.8bn in digital and data over the next three years to:

- transform our technology considering three common global platforms: technology, data and business
- support a new operating model, fully integrated under our supervision and risk frameworks, that moves core competencies and key skillsets in-house (product managers and developers).

## SNAPSHOTS OF OUR NEW OPERATING MODEL

### INTERNALISING CORE COMPETENCIES AND RATIONALISING THE DIGITAL ORGANISATION

**From** Fragmented infrastructure and externalised skillset



50%  
external

Each one at 1.3x  
cost of an internal

**To** Ownership of core competencies and upskilled, streamlined workforce

**80%**

Internal and under our control, supervision and risk framework



-67%

External: used where they offer excellence and to cover the peaks

### ORGANISED AROUND PRODUCTS AND PLATFORMS WITH AN AGILE WAY OF WORKING

**From**

Traditional, functional, fragmented and duplicative approach



**To**

Digital, centred around clients' needs, organised around products, leveraging common platforms



## Our ESG Strategy: Enabling the future

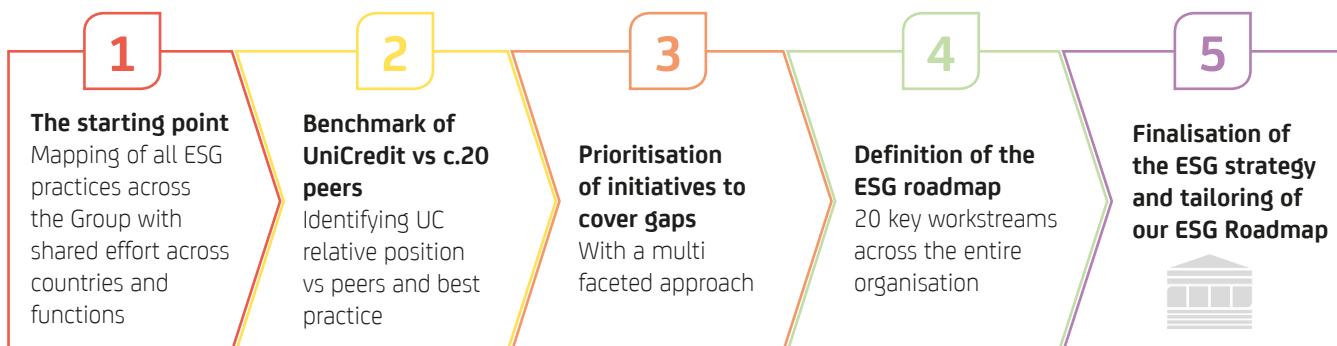
In 2020 we embarked on a journey to further integrate all ESG factors in the bank's strategy, core business and processes, looking at both risks and market opportunities and with a clear multi-stakeholder approach.

It is our conviction that **leading by example** is the right thing to do: embedding ESG in all that we do and bearing the associated cost of it.

The last step of the journey consisted in the completion of a new ESG strategy, a key component of the new Group Strategic plan, launched and communicated to our stakeholders during our Strategy Day on 9 December 2021. The new ESG Strategy represents a clear discontinuity in our journey aimed at embedding ESG factors at the heart of what we do. In line with this discontinuity, we have set new targets that are not comparable with the previous ones, therefore **the level of achievement of the previous targets** is not reported in this chapter **anymore**.

<sup>2</sup> Refer to the Intellectual Capital chapter for more information.

## THE PROJECT HAS BEEN STRUCTURED ALONG FIVE STEPS



Embedding sustainability in all that we do is one of the five strategic imperatives of UniCredit Unlocked, built around **four fundamentals**:

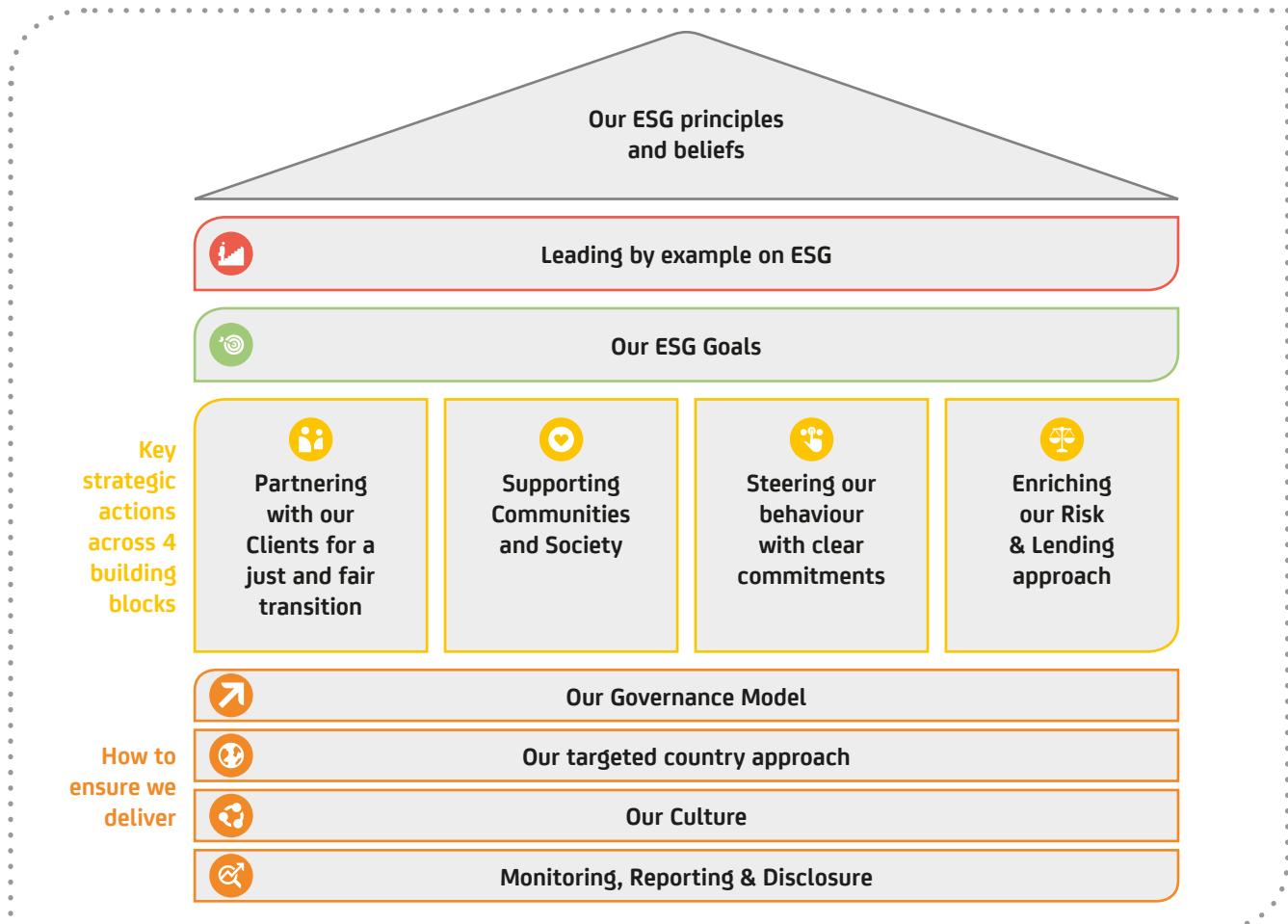
- **leading by example**, striving for the same high standards that we seek from those we do business with
- setting ambitious **ESG goals** to support our clients' need for change
- equipping ourselves with tools to assist clients and communities in navigating the environmental and social transition, through **strategic actions** across our building blocks

➤ embracing and investing the **resources needed to deliver** and reach medium and long-term commitments (Net Zero,<sup>3</sup> same salary for same role, Financial Health and Inclusion) to enable a more equal and sustainable society.

The ESG Strategy was built around our principles and beliefs across the Environmental, Social and Governance dimensions, based on clear business goals and key strategic actions across four building blocks, ensuring deliverables through transparent enablers.

<sup>3</sup> Refer to the Natural Capital chapter for more information.

## OUR ESG STRATEGY: BUILDING ON STRONG FUNDAMENTALS TO DELIVER VALUE





## OUR ESG PRINCIPLES AND BELIEFS

### PRINCIPLES

### BELIEFS



We will hold ourselves to the highest possible standards so that **we do the right thing** by our clients and society

- we are signatory of the **Principles for Responsible Banking**
- we foster a **more inclusive** and **fair society** with **finance, education** and **measurement** of our impact
- we engage in **academic research** to ensure our approach to ESG is rooted in **science**.



We are totally committed to supporting our client in a just and **fair transition**

- we create **excellent** and **innovative** ESG solutions for our client
- we partner with our client to deliver **aligned environmental** and **social** goals
- we mobilise **capital** and set **targets** to foster **sustainable** development.



We will **reflect & respect the views of our stakeholders** in our business and decision-making process

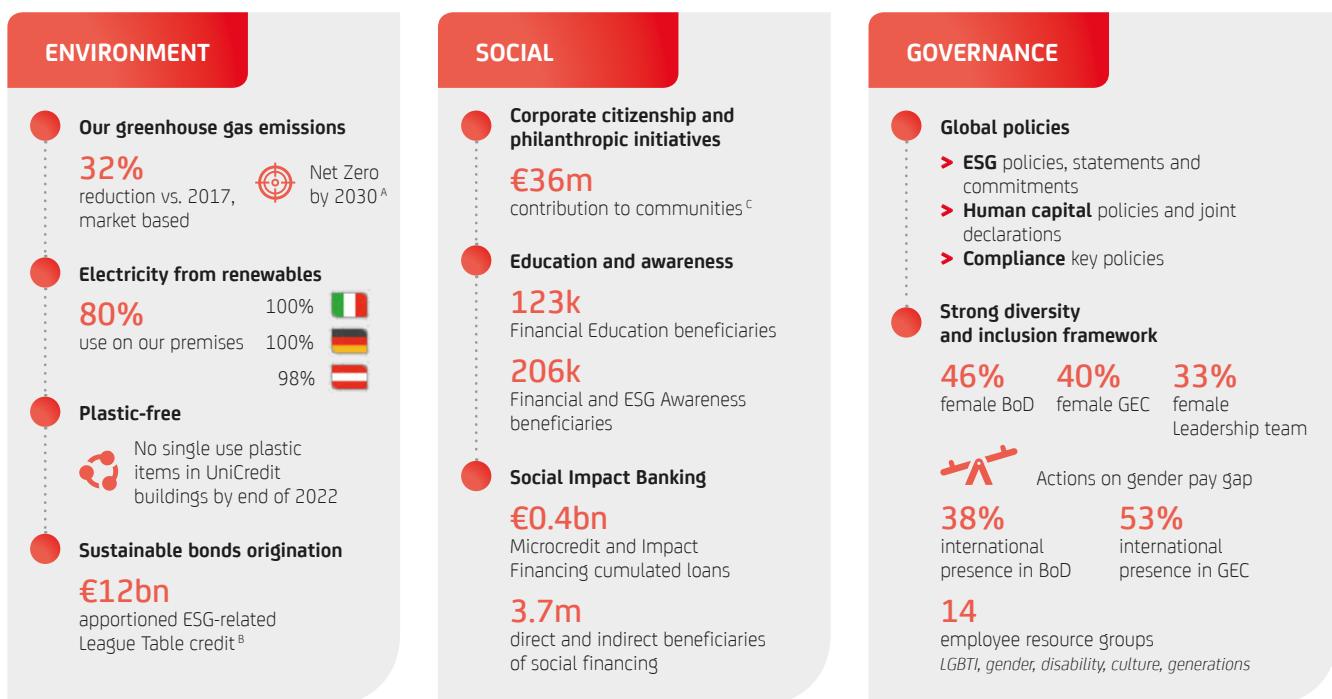
- we ensure **transparency** through **open** dialogue and extensive **disclosure** practices
- we develop **policies** which match our stakeholders' expectations
- we incorporate **ESG issues** into our company-wide operations.



## LEADING BY EXAMPLE ON ESG

At UniCredit, we recognise the importance of being purpose-driven global leaders.<sup>4</sup> As financial sector player and as a bank, we are both part of the game and part of the solution: **we can enable the future by financing the change and**

**changing finance.** We want to maintain our leadership position in the ESG global framework, leading by example on ESG with concrete results and a positive impact on communities:<sup>5 6</sup>



<sup>A</sup> 2030 target on own emission.

<sup>B</sup> From Green, Social, Sustainability and Sustainability-linked Bonds. All regions, all currencies. FY 2021. Source: Dealogic.

<sup>C</sup> Measured by the former London Benchmarking Group (LBG), now Business for Societal Impact (B4SI) reporting framework.

<sup>4</sup> Refer to the Our Purpose chapter for more information.

<sup>5</sup> Refer to the Stakeholder Engagement chapter for more information on our material contribution to economic, social and environmental value.

<sup>6</sup> Results as of 2021.



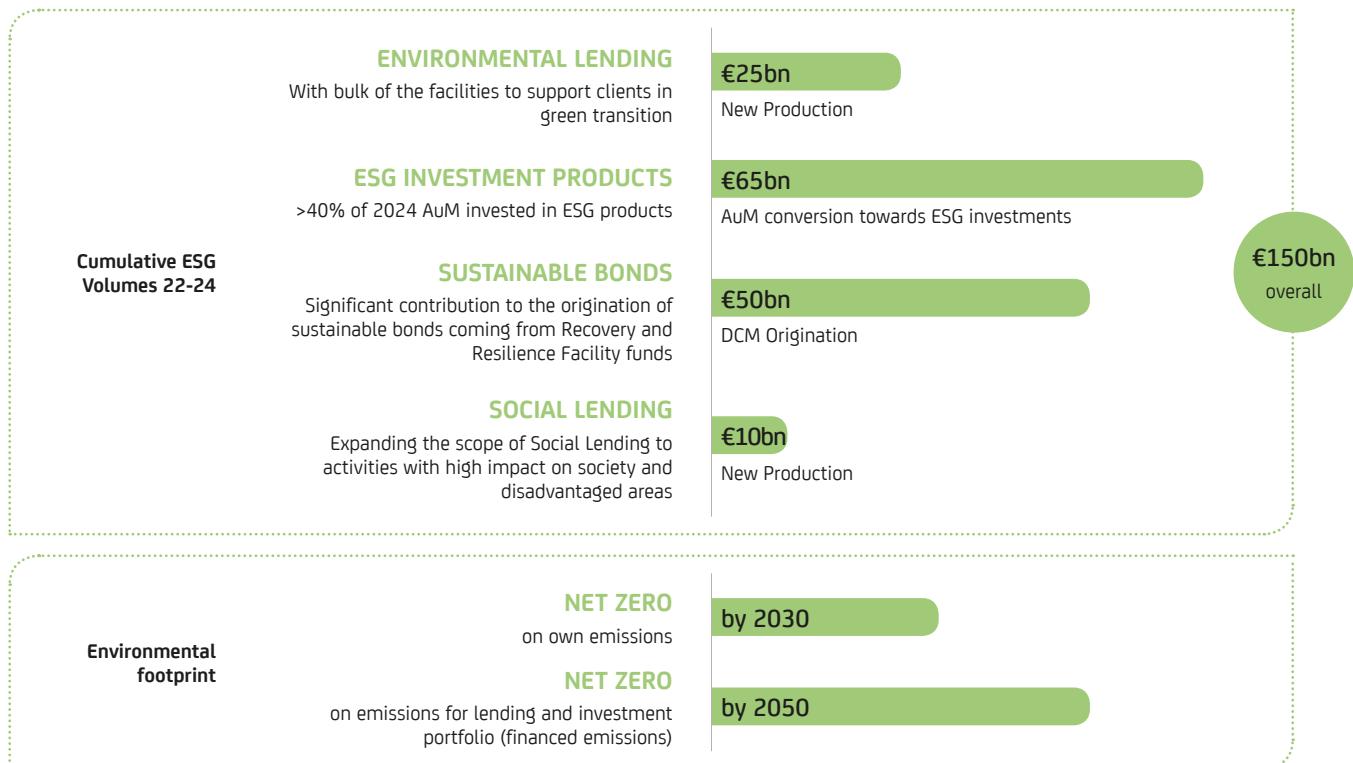
## OUR ESG GOALS

Our success as a global sustainability leader is a result of our strong commitment and requires us to set challenging targets against which our performance must continuously be monitored.

We have therefore decided to boost our agenda, reviewing the ESG targets set in 2019<sup>7</sup> and adopting new ones.

<sup>7</sup> Refer to 2020 Integrated Report and our quarter fixed income presentations for more information on previous achievements and targets.

## OUR ESG GOALS AND TARGETS



## KEY STRATEGIC ACTION ACROSS 4 BUILDING BLOCKS



**Partnering with our Clients  
for a just and fair transition**

Our building block Partnering with our Clients for a just and fair transition is implemented to three main strategic actions.

- > **products & services for transition**
- > **dedicated ESG Advisory model** Deep-dive
- > **ESG Ecosystems.** Deep-dive

## DEEP-DIVE

### DEDICATED ESG ADVISORY MODEL TO STRENGTHEN DISTINCTIVE VALUE PROPOSITION



We are a credible partner, among leaders in ESG corporate financing, providing **Sustainable Finance Advisory** for corporate clients, financial institutions and public sector, as certified ESG experts on commercial banking network, with our regional ESG Competence Centres and a **360° ESG advisory** approach for mid-caps.



Our priorities for UniCredit Unlocked time horizon are to enhance our ESG strategy, ESG rating and ESG tools to serve our clients with a customised approach.



## DEEP-DIVE

### ESG ECOSYSTEM TO FOSTER INNOVATION AND BOOST A FULL RANGE OF OPPORTUNITIES

At UniCredit, we are already part of an ESG Ecosystem in which regulatory bodies, companies, investors and other

relevant stakeholders are rapidly evolving. We want to play a strategic role, understanding emerging clients' needs and accelerating speed and scale of change of their social and environmental transition.





## KEY STRATEGIC ACTION ACROSS 4 BUILDING BLOCKS



### Supporting Communities and Society

At UniCredit, we strive to support Communities and Society and aim at empowering them to progress through three levers:

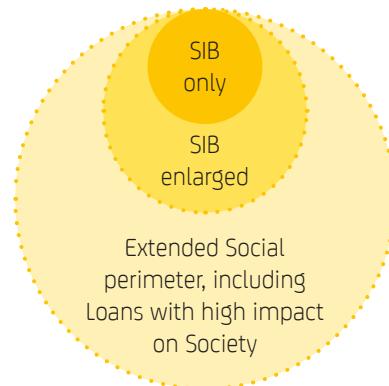
- **social financing** Deep-dive
- **supporting the development of society beyond finance**
- **UniCredit Foundation and philanthropy.**

### DEEP-DIVE

#### SOCIAL FINANCING: VULNERABLE CATEGORIES AND SOCIALLY-ORIENTED COMPANIES

Our Social Impact Bank acts as an incubator of high impact products such as **microcredit**, **impact financing**, and **social bonds**, providing an inclusive offer to vulnerable enterprises and individuals.

We want to enlarge our program, improving the **accessibility** of our financial offer and services model for vulnerable categories, supporting companies to become more **socially oriented** and addressing investments towards social **SDGs** initiatives.



## KEY STRATEGIC ACTION ACROSS 4 BUILDING BLOCKS



### Steering our behaviour with clear commitments

In light of the external context developments and considering our Purpose and Values, we aim to empower communities to progress steering our behaviour through two levers:

- **enhancing our sector policies framework**
- **undertaking strategic commitments.** Deep-dive

Our policies framework guides our approach towards controversial sectors: we recently updated the Coal and Oil&Gas policies and we want to continue enhancing our framework focusing on additional sectors.<sup>A</sup>

<sup>A</sup> Refer to the Risk Management chapter for more information.

## DEEP-DIVE

### UNDERTAKING STRATEGIC COMMITMENTS



In October 2021, in line with our commitment to a climate-positive future, we joined the **NZBA**, aiming at aligning our lending and investment portfolios with **net-zero emissions** by 2050 or sooner, in line with the most ambitious targets set by the Paris Climate Agreement.<sup>A</sup>



During the G20 Women's Forum Italy, our Group CEO signed the CEO Champion Commitment Towards the Zero Gender Gap, ensuring the topic is firmly established as a key corporate commitment. We are committing €100 million to ensure **equal gender pay**, which means equal pay for equal jobs.<sup>B</sup>



In 2021, UniCredit has been the first Italian bank to sign the commitment to **Financial Health and Inclusion**, developed in the framework of the Principles for Responsible Banking, as further proof of the bank's strong social responsibility and dedication to building an inclusive economy for all its stakeholders.<sup>C</sup>

<sup>A</sup> Refer to the Natural Capital chapter for more information.

<sup>B</sup> Refer to the Human Capital chapter for more information.

<sup>C</sup> Refer to the Social and relationship Capital chapter for more information.



### KEY STRATEGIC ACTION ACROSS 4 BUILDING BLOCKS



#### Enriching our Risk & Lending approach

In 2021 we set up a long-term sustainability strategy with a specific focus on climate-related risks, leveraging on:

- **an evolving risk management approach**
- **the integration of climate and environmental factors in our risk framework.**

[Deep-dive](#)

## DEEP-DIVE

### INTEGRATING CLIMATE AND ENVIRONMENTAL FACTORS IN OUR RISK FRAMEWORK



We designed a dedicated **roadmap to tackle climate topics**, in order to strengthen our governance, embed climate and environmental factors into RAF, ICAAP, stress test and processes, putting in place a group-wide climate risk management framework to assess and monitor all activities related to climate change and environmental risk.



## OUR FOUR UNDERLYING DRIVERS



### Our Governance model<sup>A</sup>

Our strong corporate governance supports the implementation of the ESG strategy and the integration of ESG factors in the bank's strategy, core business and operations. It also promotes **transparency** and **accountability**, fostering the creation of sustainable long-term value.



### Our targeted country approach

Country-specific ESG strategic priorities have been considered in setting targets, resulting in country-by-country ESG plans. Our ESG vision sees:

- **Italy** as an ESG company, with a leading position in transition financing and in Social factors for communities and small enterprises
- **Germany** acting as partner for our clients in all ESG matters to contribute economically to a sustainable and fair society, engaging with all relevant stakeholders
- **CE** as a benchmark for ESG products and deals, top player in transition financing and focusing on third-parties collaboration on the Social side
- **EE** focused mainly on ESG advisory service on the Green Transition and proactively engaged in supporting Social inclusion.



### Our culture<sup>B</sup>

We want to come together within a common culture that puts us back on the front foot, energised and emboldened. In line with our recent UniCredit Unlocked Strategy, the values of **integrity**, **ownership** and **caring** remain at the heart of everything we do.<sup>C</sup> **Diversity and Inclusion** are strategic assets for our business, growth, innovation and performance, ensuring a more sustainable growth in the long-term. **Employee engagement** and **training** continue to be our priorities.



### Monitoring, reporting & disclosure

Our path towards a reliable ESG monitoring entails important cross-functional activities and ICT investments.

## OUR PATH TOWARDS A STRUCTURED AND RELIABLE MONITORING SYSTEM



### 1 Definition of ESG MYP targets



### 2 Launch of Transition Monitoring



### 3 ESG Global architecture



### 4 EU Taxonomy<sup>D</sup>



We strive to invest in the deployment of an ESG Global IT architecture to manage all relevant ESG data. Under this architecture, ESG data will be gathered for several monitoring purposes: Multi-Year Plan ESG targets, Green Transition Financing, EU Taxonomy and Pillar III.

<sup>A</sup> Refer to the Governance chapter for more information.

<sup>B</sup> Refer to the Human Capital chapter for more information.

<sup>C</sup> Refer to the Our Purpose chapter for more information.

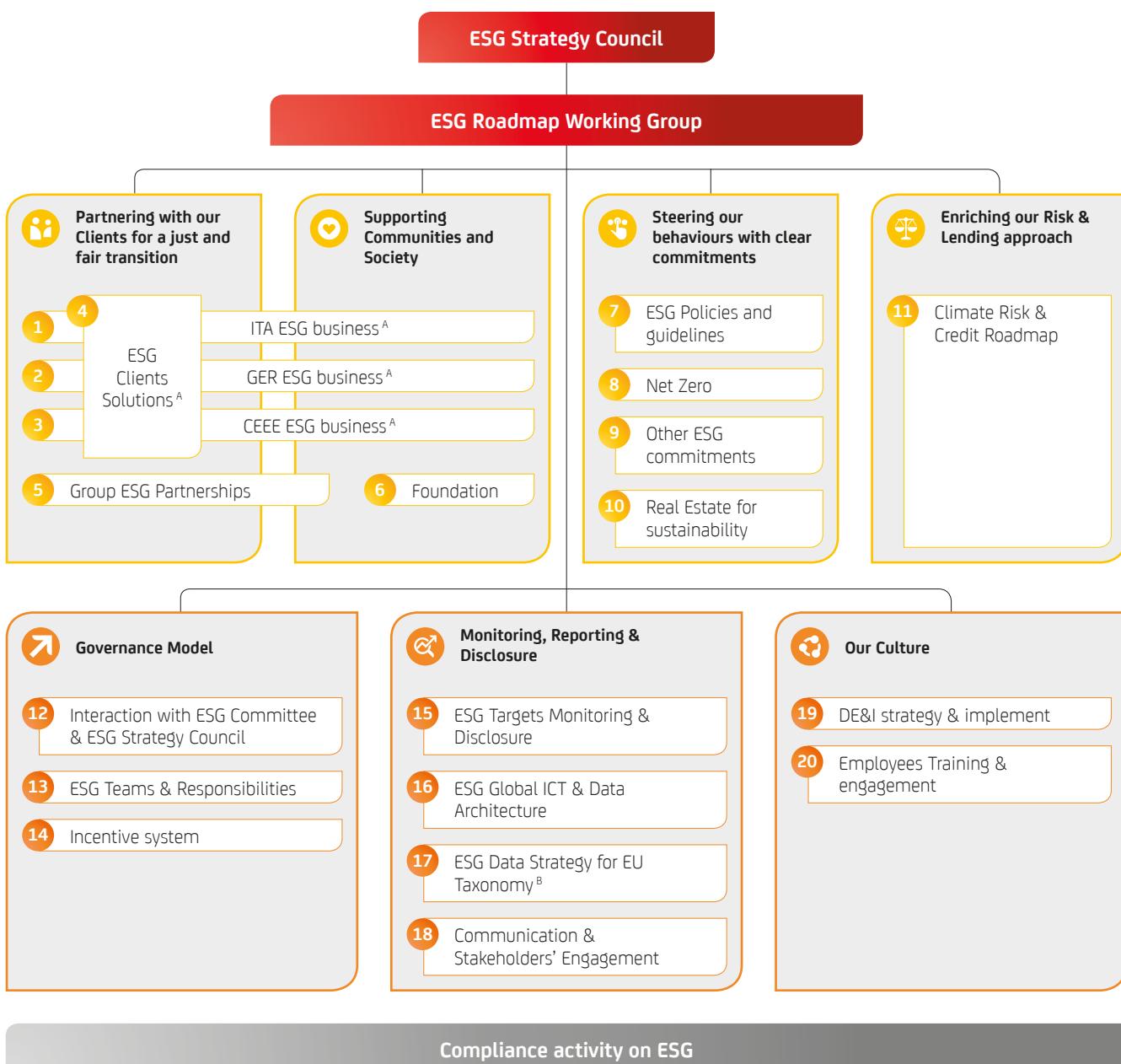
<sup>D</sup> Our disclosure aligned with the requirements of the Article 8 of the EU Taxonomy Regulation is available in the Supplement - Section EU Taxonomy regulation section.

# Group ESG Roadmap

Since last year, we have launched the Group ESG Roadmap as our operative tool to work on ESG priorities across the organisation and to ensure alignment on our overall strategic direction. Following the release of the new ESG Strategy, we have adapted also 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 organisation. Examples of key activities we will focus on this year are:

- implementation of detailed ESG country/divisional plans reflecting how we drive our E and S strategy from a business perspective
- priority activities to deliver on our commitments, such as Net Zero
- our Climate Risk Roadmap to embed ESG into the Risk & Credit framework
- our ESG ICT and data strategy.

## GROUP ESG ROADMAP 2022 BUILT ON THE ESG STRATEGY WITH CONTRIBUTION OF THE ENTIRE ORGANISATION



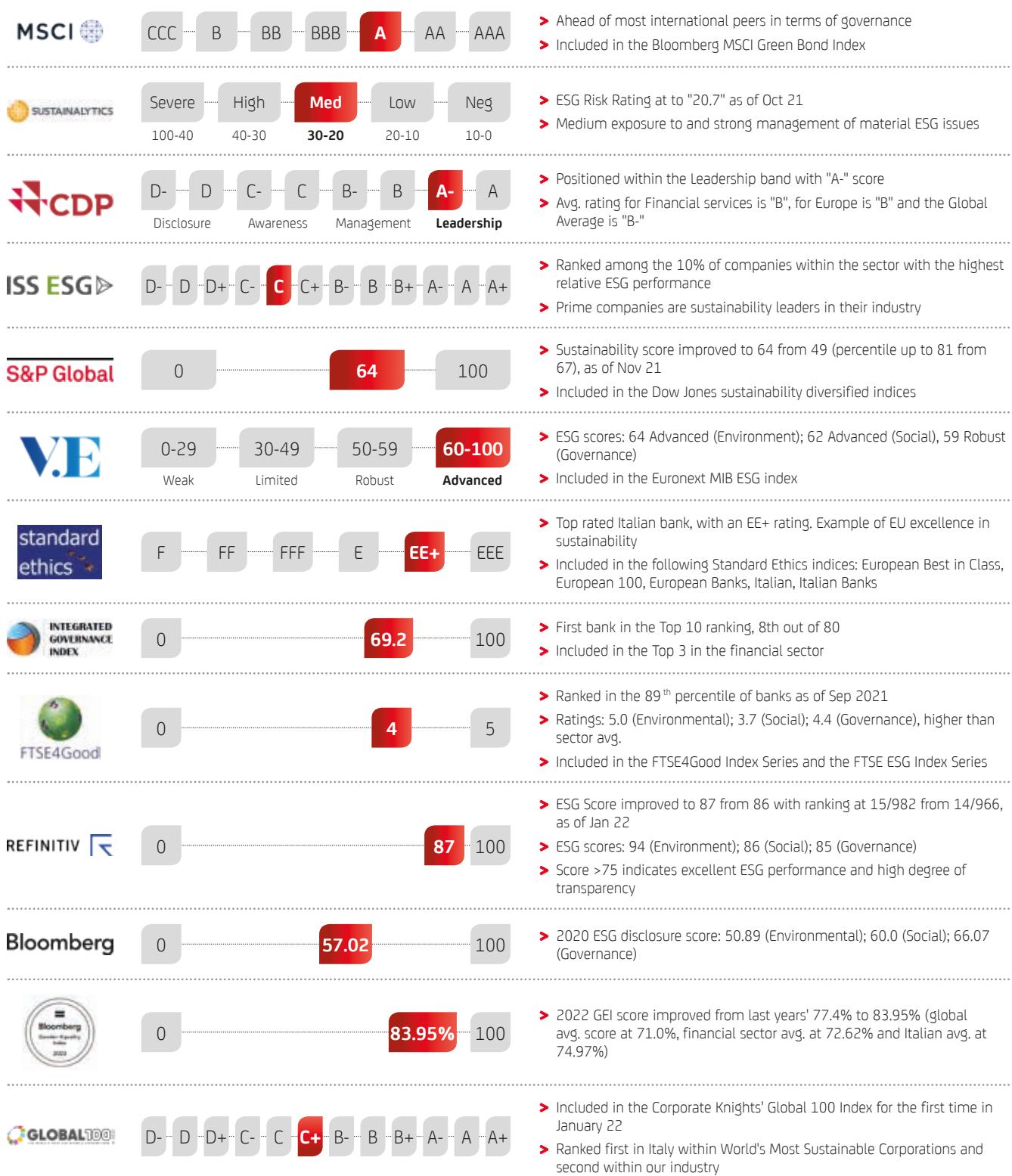
<sup>A</sup> Including E, S products, advisory model, partnerships, innovation.

<sup>B</sup> Also part of Climate Risk Roadmap.

## ESG ratings and indices

The Group Investor Relations Team, with the support of the ESG Metrics, Policies and Disclosure Team, proactively and reactively interacts with the ESG rating agencies with the aim of communicating and monitoring the Group sustainability strategy and improving the positioning and disclosure of the Group.

The Group sustainability performance has been reflected in the improvement in several external ratings in 2021. Among the most relevant achievements are the improvements on Sustainalytics, S&P Global, Vigeo Eiris, FTSE4Good and the recent inclusion in Corporate Knights Global 100 Index, as first company in Italy.



# International and institutional initiatives

To strengthen and manifest our commitment to the green transition, we have decided over the years to adhere to key international and institutional initiatives:



## Task Force on Climate-Related Financial Disclosures (TCFD)

- **2019** Endorsement of Task Force on Climate-Related Financial Disclosures (TCFD)
- **2020** Separate document with disclosure aligned with TCFD recommendations issued in the second half of 2021



## Paris Agreement Capital Transition Assessment (PACTA)

- **2019** We joined the Paris Agreement Capital Transition Assessment (PACTA) methodology developed by 2°Investing Initiative (2°ii)
- **2020** Completion of PACTA road-testing



## UNEP FI Principles for Responsible Banking (PRB)

- **2019** We signed the UNEP FI Principles for Responsible Banking (PRB) aimed at supporting banks in aligning their business strategy with society's goals
- **2020** We joined several working groups organised by UNEP FI in support of PRB implementation. UNEP FI PRB reporting was disclosed
- **2021** We signed UNEP-FI commitment to Financial Health and Inclusion



## UN Sustainable Development Goals (SDGs)

- **2015** The UN Sustainable Development Goals (SDGs) have been published. We contribute since then to their achievement by monitoring our progress via measurable KPIs, resulting from the management of material topics and related risks and opportunities



## European Banking Authority (EBA)

- **2020** We voluntarily joined the European Banking Authority (EBA) first pilot sensitivity exercise held by banks which aimed at providing a preliminary estimate of sustainable exposures based on EU green taxonomy. Results published during 2Q21



## Steel Climate-Aligned Finance Working Group

- **2021** 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



## European Hydrogen Forum

- **2021** We became a member of the European Clean Hydrogen Alliance. The Alliance aims at the deployment of hydrogen technologies by 2030



## Net-Zero Banking Alliance

- **2021** We joined the Net Zero Banking Alliance, the banking element of the Glasgow Financial Alliance for Net-Zero (GFANZ)



## Women's Forum

- **2021** Our CEO signed the CEO Champion Commitment Towards the Zero Gender Gap





UNICREDIT STORIES

COUNTRY  
AUSTRIA

OUR  
COMMUNITIES

## LA SCHACHTULA

SECTOR: FASHION  
ESG FOCUS

With an enduring commitment to **sustainability and detailed craftsmanship**, **Ulrike Eckerstorfer's** artisanal '**La Schachtula**' prides itself on "homemade gifts that tug at the heartstrings". Her pieces, suitable for every occasion and ranging from tea towels to cuddly toys, are sourced from 100% natural materials and tell a vivid story grounded in both **Austrian heritage** and her own family history, having been taught to sew by her mother at a young age. For Ulrike, regionality is both a deeply rooted and passionately lived philosophy.

That is why she not only opts for 100% Austrian materials, but wholly Austrian supply chains. Her fabrics derive from exclusively selected partners and are woven in the heartlands of Vorarlberg and the Mühlviertel region (Upper Austria).

Sustainability informs every decision and sits at the very core of her value proposition, from product right down to handmade packaging.

In March 2021, spurred on to take the reins and play an active role in stimulating a domestic economy beset by Covid-19, Ulrike took the courageous step to open a second shop in Vienna.

**UniCredit Bank Austria** had supported Ulrike in the establishment of her first shop. Believing that good ideas deserve a chance, UniCredit Bank Austria were determined to help Ulrike's business continue to thrive.

Through **MicroCredits**, UniCredit is able to promote the creation and development of small companies not only through conventional forms of financing, but also by making the necessary expertise available.

A MicroCredit is part of the **Social Impact Banking Initiative** and an effective instrument for corporate and social development. UniCredit Bank Austria extended a MicroCredit so Ulrike could finance her ambition and benefit from access to a network of mentors, who provided her with more day-to-day, holistic advice.

In August, Ulrike joyfully threw open the doors to her new premises in Vienna's first district in a ceremony shared with close friends, city representatives and the local press. Thanks to the fruitful cooperation, there are now two locations where consumers can find Ulrike's unique brand of 'homemade happiness'.

Despite the entrepreneurial challenges and uncertainty of expanding during a global pandemic, Ulrike's courage paid off, and she fulfilled her long standing dream of growing her business with UniCredit Bank Austria's help. Reflecting on the leap she made, she commented: "UniCredit Bank Austria has supported us in this big step.

Not only with a **favourable microcredit**, but with **comprehensive actionable advice**. The many lockdowns were a challenge. But I used the time to design new products. Despite the Pandemic, I knew it was the right time to further grow my business".



COUNTRY  
ITALY



OUR  
CLIENTS

## ERG

SECTOR: RENEWABLE ENERGY  
ESG FOCUS

Less than a decade to complete the transition from oil company to **leading international producer of energy from renewable and clean sources**. This is how long ERG, the historic Genoese energy producer, has been working, radically changing its business model, anticipating long-term energy scenarios and achieving a leading position in the Italian and European renewable energy market. ERG is an example of a transformation successfully completed: the company has changed its skin, abandoning since 2008 models of energy production no longer sustainable to follow the evolution of the times and new energy needs. ERG is today the **major wind energy producer in Italy** and ranking among the top five for solar energy. It has a new industrial plan that foresees further, strong growth in installed capacity. And it has developed an integrated ESG strategy, adopting a business model oriented towards **sustainable development and decarbonisation objectives**, consistent with the transition process of the energy system underway worldwide. ERG has also evolved its financial strategy, moving from a structure based on bank credit and project financing to a capital structure centred on the issue of **Green Bonds** placed on the market.

UniCredit has accompanied ERG's transition over the years,



UNICREDIT STORIES

overseeing numerous capital market transactions aimed at optimizing the capital and ownership structure and providing advisory for the reorganization of the group through the sale of oil assets and several acquisitions of renewable portfolios in the various segments and geographies. "The partnership with UniCredit - said **Michele Pedemonte, ERG's Chief Financial Officer** - has helped us to successfully implement a complex industrial and financial transformation. The bank's significant expertise in solutions to support decarbonisation has proved invaluable in mobilising capital for the investments required for our sustainable development". In 2021, the bank oversaw the placement on the market for ERG of a ten-year green bond - the longest so far issued by the company - of €500 million, which was very successful and obtained a demand equal to 6.6 times the offer. And it assisted ERG in the acquisition from Omnes Capital of 100% of Omniwatt, a French company that owns a portfolio of wind and solar power generation plants, which has enabled it to reach 3.2 GWh of installed capacity.



# Stakeholder Engagement

One of the fundamental values we have at UniCredit is that we genuinely listen to our stakeholders, strategically mapping and measuring their interests and investing regularly in an effective engagement and feedback process.

Acknowledging stakeholders' expectations and efficiently managing the risks and opportunities attached to them is essential when it comes to developing strategies to increase positive impact and minimise negative impact, key to long-term value creation.

Stakeholder engagement has always been a valuable activity for us, even more so this year as it represents a key step in the definition of **our new ESG Strategy**, part of **UniCredit Unlocked**.

## UNDERSTANDING STAKEHOLDERS' EXPECTATIONS: MEETINGS FOR STRATEGIC PLANNING

In September we met our key stakeholder groups to obtain their opinion on UniCredit ESG ambitions.

### STAKEHOLDERS

#### Internal



Business Heads

#### External



Institutional Investors



Corporate Clients



Civil Society NGO'  
(focus on S)



Green NGO'  
(focus on E)

#### Stakeholder Participation<sup>A</sup>



- 13% Business Heads
- 20% Civil Society
- 15% NGOs
- 13% Investors
- 40% Clients

<sup>A</sup> Numbers might not add due to rounding reasons.

40 interviewees



Covering all UC geo



Covering all ESG pillars

Playing a central role in financing,  
**supporting fragile client**, and  
pursuing a **positive impact on society**

Net Zero commitment

What our  
stakeholders  
focus on

A **dedicated service model** for our **corporate clients** with ESG products integrating innovative schemes

A strong link between ESG **strategy**, **goals** and **commitments, actions** and **disclosure**

By remaining steadfast to our commitment and taking decisive actions, we strive to understand our stakeholders' expectations. They contribute to much more than financial success, providing

our clients with support during the transition, enhancing corporate citizenship and, in line with our role as a bank, integrating social purpose into everyday business and offers.



<sup>A</sup>Business Heads were not interviewed on Governance.

<sup>B</sup>NGOs interviewed on Environment and Governance topics, while Civil Society on Social and Governance.

UniCredit has set up mechanisms to ensure that all stakeholders have the right opportunity and proper channels to engage with the Group.

We are committed to continuously evolving these tools to ensure their capability to adapt to different needs and contexts and preserve long-lasting relationships.

## DIALOGUE TOOLS WITH STAKEHOLDERS

	Channels	Key facts
 CLIENTS	<ul style="list-style-type: none"> <li>&gt; Client satisfaction assessment</li> <li>&gt; Brand reputation assessment</li> <li>&gt; Mystery shopping</li> <li>&gt; Instant feedback</li> <li>&gt; Focus group, workshops, seminars</li> </ul>	 <b>&gt;580,000</b> clients and prospects interviewed for our <b>client satisfaction survey</b>
 COLLEAGUES	<ul style="list-style-type: none"> <li>&gt; People Survey of professional engagement</li> <li>&gt; Internal clients' perceptions of headquarters' services</li> <li>&gt; Group Intranet Portal</li> <li>&gt; Departmental online communities</li> </ul>	 <b>&gt;35,000</b> colleagues involved in the <b>Pulse surveys<sup>A</sup></b>
 INVESTORS/SHAREHOLDERS	<ul style="list-style-type: none"> <li>&gt; Quarterly webcasts and conference calls to present results</li> <li>&gt; One-on-one and group meetings, calls</li> <li>&gt; Shareholders' meeting</li> </ul>	 <b>&gt;470</b> meetings and <b>41</b> roadshow days with <b>institutional, retail and socially responsible investors</b>
 REGULATORS	<ul style="list-style-type: none"> <li>&gt; One-on-one and group meetings, calls</li> </ul>	 <b>Proactive engagement and contribution to the debate</b> on the <b>regulatory framework</b>
 COMMUNITIES	<ul style="list-style-type: none"> <li>&gt; Surveys</li> <li>&gt; Social Media</li> </ul>	 <b>c.589,000</b> followers on social media

<sup>A</sup>Refer to the Human Capital chapter for more information.

## MATERIALITY ANALYSIS

Our business strategy, long-term value creation and stakeholder engagement relies on our materiality matrix. The long term life of a business depends on its ability to adapt to stakeholders' expectations, identify negative impact and reduce it. This dynamic materiality concept recognises that what is considered material can change over time and therefore takes a forward-looking approach to ESG topics, allowing more regular action on newly identified risks and financially relevant issues.

This year, engagement with stakeholders has led us to enhance our materiality matrix even further by underlining the actual and tangible needs to take into account.

Our analysis is based on information sourced externally by the Datamaran tool and internally during engagement with stakeholders.

The external sources enabled us to examine the main laws and directives impacting the financial sector of the regions in which we operate, analyse the latest news on the sector on online media and social networks and to benchmark our report against those of other banks.

Once again this year, the Board of Directors, the ESG Committee and all top management have renewed their

unwavering commitment to ESG and sustainability criteria. A 2021 analysis shows an increase in attention to 3 topics relating both to stakeholder relevance and the UniCredit approach.

**Climate change** is the most important topic for investors, peers and policy makers. Our approach this year has risen by 4 places in the ranking compared to 2020. In fact, in line with our commitment to a climate-positive future, in October 2021 we joined the NZBA with the aim of aligning our lending and investment portfolios with Net Zero emissions by 2050. One of the most important topics for the media, peers and policy makers is **positive impact on society**, on which our approach is strongly focused with specific initiatives. In our strategic UniCredit Unlocked plan we have set a target of €10 bn of social lending by 2024, expanding the scope of our activities with high impact on society and disadvantaged areas.

Compared to 2020, **diversity and inclusion** has risen by 2 positions in stakeholder relevance and 3 in the UniCredit approach. To highlight our reinforced approach, during the last strategy day the CEO announced our ambition to ensure equal pay for equal work, investing €100 m in this respect by 2024.<sup>1</sup>

<sup>1</sup> Refer to Our Strategy and Human Capital chapters for more information.



## FOCUS

### FINANCIAL MATERIALITY: THE INTANGIBLE FACTORS WITH AN IMPACT ON THE CORE BUSINESS

This year we have also started to highlight the concept of **financial materiality**: this perspective encompasses all sustainability risks and opportunities that may positively or negatively affect the reporting entity's development, performance and position (over the short, medium or long term) and therefore create or erode its enterprise value.

Any intangible factor that can have an impact on a company's core business value - namely growth, profitability, capital efficiency and risk exposure - falls within the financial materiality sphere. It may also be referred to as the **outside-in** perspective, to distinguish it from the **inside-out**, which shows the actual and potential impacts of the company's activities on sustainability issues.

### SOURCES AND OUTCOMES OF FINANCIAL MATERIALITY ASSESSMENT

#### External view



To develop the financial materiality we applied information sourced by the Datamaran tool. It leverages on the annual financial reports from industry peers, the mandatory regulations, the voluntary initiatives from financials market, and SASB standards as provider of capital point of view. Based on these sources, as also shown in the matrix chart, the most important material topics that could impact on our ability to create financial value are:

- > Cyber Security
- > Business Ethics
- > Bank Solidity
- > Climate Change

#### Internal view



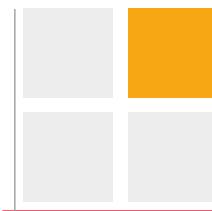
In order to have a more comprehensive view on the financial materiality analysis we also asked to the Top Management to express the most important material topics that could influence our financial structure. In line with the principle of the new strategic plan, UniCredit Unlocked, that focuses on our people, the enhancement of the digitalisation and the vital importance of our clients, they identified the following material issue as the most financial impacting ones:

- > Digitalisation & Innovation
- > Cyber Security
- > Employee's Empowerment
- > Value to Clients

## MATERIALITY MATRIX

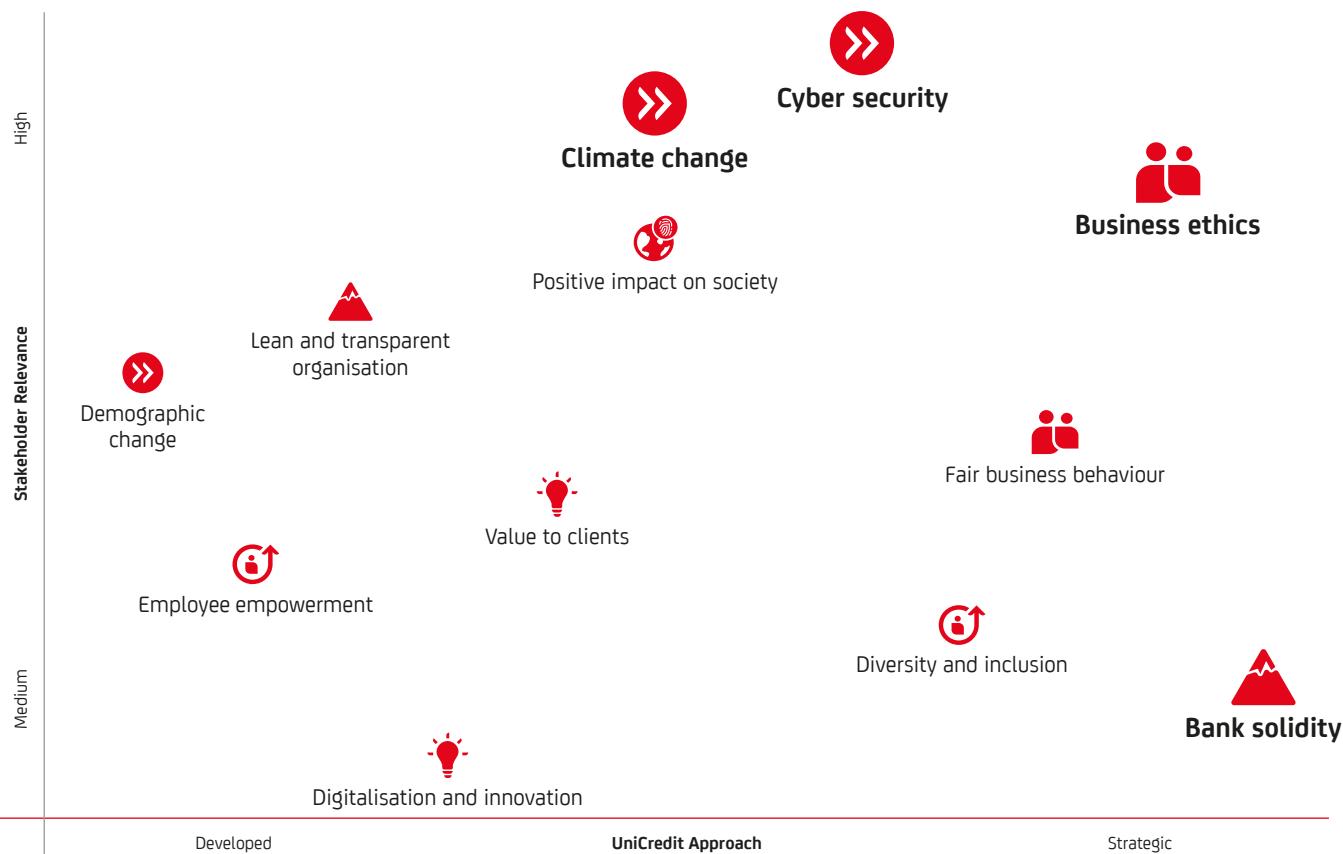
For several years we have been carrying out the materiality analysis aimed at identifying both the economic and ESG elements that have a significant impact on our business results and their ability to create value over the long term, as

well as at understanding the main environmental and social impacts triggered by our company. The resulting materiality matrix is the graphic representation of a crucial activity for our company: listening to and engaging with stakeholders.



The materiality matrix below represents the upper-right quadrant of the overall matrix, then used to consolidate and assess concerns from all of the bank's stakeholders: it not only takes into account their needs and expectations (y axes) but also monitors our investments and ability to address the issues stakeholders care about (x axes).

This year the data taken into account includes outside-in perspectives (financial materiality) as well as the inside-out perspectives described above. The financial point of view is highlighted by material topics with bigger icons and bold font.



## THE SCOPE OF OUR FOOTPRINT

CLUSTERS AND MATERIAL TOPICS <sup>A</sup>	RELEVANCE FOR OUR STAKEHOLDERS					OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS
 INNOVATION FOR CLIENTS						  
> Digitalisation and innovation						
> Value to clients						
 SYSTEMIC TRENDS						   
> Cyber security						
> Climate change						
> Demographic change						
 LEAN AND SOLID BANK						 
> Bank solidity						
> Lean and transparent organisation						
 PEOPLE DEVELOPMENT						  
> Employee empowerment						
> Diversity and inclusion						
 ETHICS						  
> Fair business behaviour						
> Business ethics						
 POSITIVE IMPACT ON SOCIETY						     
> Positive impact on society						

<sup>A</sup> Refer to the Supplement - Stakeholder Engagement section for more information on each material topic and cluster. Refer to Our Sustainable Business Model chapter for specific risks and opportunities of each material topic and cluster.

<sup>B</sup> Refer to Supplement - Determination and distribution of Value Added for more information.

### STAKEHOLDERS



CLIENTS



COLLEAGUES



INVESTORS



REGULATORS



COMMUNITIES

## OUR MATERIAL CONTRIBUTION TO ECONOMIC, SOCIAL AND ENVIRONMENTAL VALUE IN 2021

<p> <b>c.230 impact financing projects</b> for a total amount of <b>€290m</b> disbursed loans</p> <p> <b>€2.4bn</b> energy efficiency loans to Individuals and SMEs in ITA, GER, AUT</p> <p> +8% in active digital users and +20% in active mobile banking users vs. 2020</p>	
 <p> <b>€12bn</b> of apportioned <b>ESG-related League Table</b> credit from Green, Social, Sustainability and Sustainability-linked Bonds</p> <p> Update of <b>Coal</b> and <b>Oil&amp;Gas</b> policies and commitment to <b>Tobacco-Free Finance Pledge</b></p> <p> <b>20</b> courses dedicated to ICT security released</p>	
<p> Revenues (€ bn): ITA <b>8.4</b>, GER <b>4.5</b>, CE <b>3.0</b>, EE <b>2.4</b></p> <p> Setting up of the <b>ESG Committee</b> at Board level and the <b>ESG Strategy Council</b>, subgroup of the GEC</p> <p> More than <b>50 partnerships</b> within the Group with external players</p>	
<p> <b>€7,099m</b> of economic value distributed to employees and supervised workers<sup>B</sup></p> <p> &gt;<b>40,000</b> people involved in training on basic knowledge of ESG topics</p> <p> <b>€100m</b> to be invested to ensure <b>equal gender pay</b>, which means equal pay for equal jobs</p>	
<p> <b>c.2,000</b> transactions screened for environmental, social and reputational risk issues</p> <p> Commitment to <b>Net Zero Banking Alliance</b> to achieve net zero on own emissions by 2030 and on financed emissions by 2050</p> <p> Launch of <b>Courageous Voices</b> campaign, engendering a new accountability and speak-up culture, with <b>125 workshops</b></p>	

### VALUE

 ECONOMIC VALUE

 ENVIRONMENTAL VALUE

 SOCIAL VALUE



# How we build value

1 Our commitment to a more sustainable world

2 UniCredit Unlocked

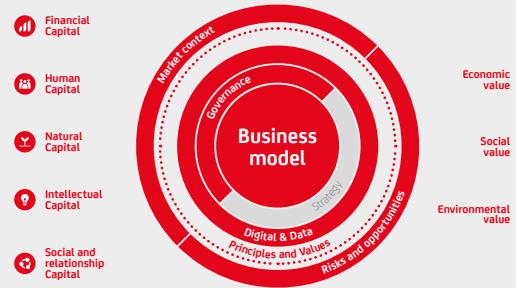
3 Integrating sustainability in our Business Model

> Our Sustainable Business Model

**Living, acting and playing sustainability.**

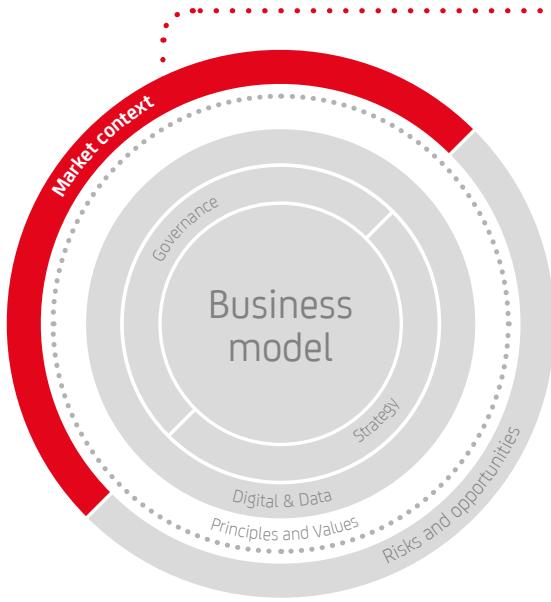
**Our way to lead**

- > Realising the opportunities with our strong Governance
- > Applying a balanced approach:  
Risk management and Compliance



4 Empowering communities to progress

# Our Sustainable Business Model



In a context where regulators, investors, consumers and market behaviours were already evolving rapidly, the Covid-19 pandemic delivered the biggest and broadest economic shock in recent years. By leading social and environmental transition, banks can concretely help bolster the economy and become purpose-driven global leaders.

To fulfill our purpose of empowering communities to progress, **we must ensure that sustainability is at the heart of all we do**. Creating a more sustainable and equitable future will inform all our choices: who we partner with, how we mobilise capital and the projects we operate to support the individuals and communities we serve.



## Macroeconomic context<sup>A</sup>

**2021 GDP rebound** after measures adopted to limit the spread of Covid-19.

<sup>A</sup> Refer to Our Strategy chapter for more information.  
B UniCredit Unlocked scenario based on latest available actual data (GDP at December 2021).

Euro Area Growth<sup>B</sup>  
Real GDP growth y/y, %



## Stakeholders

**Changing stakeholder behaviour** must not only be immediately recognised, but also anticipated. Remote channels have undergone further acceleration due to the digitalisation boost of Covid-19.

<sup>C</sup> Source: Digital around the world 2022 report, by We Are Social.

Global digital snapshot<sup>C</sup>  
% of world population



## Investors

ESG investing is becoming mainstream. Asset managers are no longer questioning ESG integration, rather how they can differentiate themselves through increasingly **sophisticated ESG investment approaches**.



## Regulators

The **banking regulatory framework** is rapidly **changing**.

Regulators' attention to sustainability trends has significantly increased owing to the introduction of regulation on sustainable finance and to the incorporation of ESG factors into risk management.



## Industry Trends

The growth of our business depends on the **competitiveness** of companies and the **well-being** of individuals within each country. Focusing on industry trends, we offer tailored solutions to our clients and invest in initiatives for:



Financial inclusion



Social inclusion



Support to community growth and countries' prosperity

## HOW MARKET CONTEXT IS DRIVING BANKS IN CAPTURING ESG BUSINESS OPPORTUNITIES

### SNAPSHOT OF COP26<sup>D</sup>

COP26 represented a key moment in 2021, with science and communities calling governments to accelerate the speed and scale of change

(Y) c.90% of the world is now committed to net zero and the Paris Rulebook is now completed, yet 2030 commitments are still insufficient

(F) 141 governments pledge to reverse deforestation

(H) Phasing out from coal and fossil fuels highlighted for the first time in a COP final agreement

<sup>D</sup> Source: Inside COP26 - Kickstarting a decade of delivery, by BCG.

### EMERGING ESG STAKEHOLDER TRENDS

(P) 57% of consumers pledged to shop at stores with a strong fair trade commitment<sup>E</sup>

(B) 81% of companies have witnessed an increased demand for ESG data over the 2020-2021 period<sup>F</sup>

(EV) 20% of electric vehicle buyers would go back to a fossil fuel car due to a lack of public charging infrastructure and no suitable charging facility at home<sup>E</sup>

<sup>E</sup> Source: Looking ahead - ESG 2030 Predictions, by McKinsey.

<sup>F</sup> Source: How ESG Data is Going Mainstream, July 2021, by Bloomberg.

### ESG Products

#### LENDING

Green mortgages  
Green Project Finance  
Social Impact Banking  
SDG-linked loans

#### CAPITAL MARKETS

Green bonds  
Social/Sustainable/Transition bonds

#### INSURANCE

Carbon neutral home/auto insurance  
Ad hoc for renewable projects

#### ASSET MGMT

SRI funds  
ESG ETFs and Indexes

### EU FRAMEWORK FOR SUSTAINABLE GROWTH



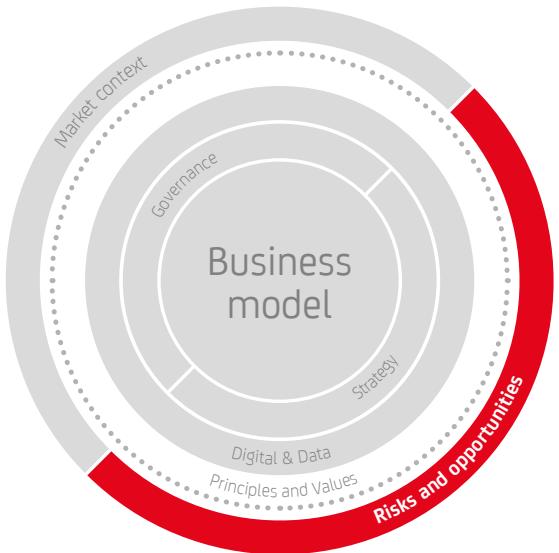
### EMERGING ESG INDUSTRY TRENDS

(L) Almost 290 gigawatts (GW) of new renewable power commissioned in 2021, 3% higher than 2020's already exceptional growth<sup>H</sup>

Top Five groups of technologies - Electrification, agriculture, power grid, hydrogen and carbon capture - to potentially attract up to \$2 trillion per year by 2025 and abate 40% of GHG emissions by 2050<sup>I</sup>

<sup>H</sup> Source: Renewables 2021, by International Energy Agency.

<sup>I</sup> Source: Innovating to net zero - An executive's guide to climate technology, by McKinsey Sustainability.



## Risks and Opportunities

At UniCredit we are aware of the constant evolution of the context in which we operate and remain committed to examining it regularly and to listening to all our stakeholders in order to **manage risks and capture business opportunities** efficiently.

In doing this, we apply our double materiality analysis with the aim of selecting those who:

- may affect our business activities
- may be impacted by our operations.

### RISKS AND OPPORTUNITIES IDENTIFIED THROUGH THE ANALYSIS OF THE MARKET CONTEXT AND LINKED TO OUR MATERIAL CLUSTERS<sup>A</sup>



#### INNOVATION FOR CLIENTS

##### Risks

- Loss of market share due to a non-competitive and non-inclusive digital and ESG products offering
- Unexpected shifts in client expectations and disruptive technologies
- Loss of market share and business focus if banking is not driven by client needs

##### Opportunities

- Responding to digital challenges in a client-centric manner, increasing clients' digitalisation and bank efficiency
- Leveraging new technologies and analytics (e.g. big data, machine learning) to enhance the risk management process
- Develop a product offer and commercial strategy which really reflect client needs in order to create sustainable long-term value



#### SYSTEMIC TRENDS

##### Risks

- Threat of critical breakdown and cyber-attacks to our ICT systems, also in relation to the increase in smart-working
- Climate change impact managed only in terms of reputational risk and not as a driver for lending strategies
- Extreme weather events producing financial damage to bank premises and lending portfolio (physical risk)
- Decrease in young people's level of trust towards economic, political and social structures
- Supply constraints, energy price instability and reduction in energy security may dramatically increase geopolitical risks

##### Opportunities

- Strong and safe ICT systems represent a building block for stakeholder trust
- Playing an important role in the transition to a low-carbon or circular economy by having a clear and effective strategy
- Including ESG factors in our risk assessment framework can strengthen our long-term strategy
- Intercepting ethical behaviours and values capable of inspiring younger generations can contribute to building their trust
- An innovative, proactive and visionary approach to the transition challenges can provide profitable business opportunities

<sup>A</sup> Refer to the Supplement - Stakeholder Engagement section for more information on each material topic and cluster.



## LEAN AND SOLID BANK

### Risks

- Uncertain and volatile economic, geopolitical and environmental scenario affecting our short and long-term planning
- Negative market developments can spread from economies, exacerbating the bank's environment
- Bank's internal structures not ready to respond to a constant expansion of the regulatory framework

### Opportunities

- Strong capital position and lean and solid structure increase stakeholder confidence
- Leaner processes can increase our flexibility and speed of response to external challenges
- Anticipating the regulatory framework updates can help us expand and strengthen our business



## PEOPLE DEVELOPMENT

### Risks

- A low attraction and retention of talents impacts on succession plans and pioneering in new business areas
- Disruptive technologies and tough competition may force a significant reskilling of employees
- Decrease in people engagement due to lack of incentives in terms of development, inclusion and work-life balance

### Opportunities

- Transform employees into an innovative and tech-oriented workforce
- Investing in training employees in modern skills can maintain our leadership in evolving market conditions
- Be an employer of choice with a widespread diversity and inclusion culture and concrete work-life balance solutions



## ETHICS

### Risks

- Compliance and sanctions risk undermining bank's reputation
- Being impacted by human rights abuses and other unethical business practices, also through our lending portfolio
- Lack of pre-emptive measures aimed at preserving the working environment from the spread of viruses

### Opportunities

- Maintain high reputation among stakeholders with a strong business ethics and by avoiding non-compliance sanctions
- Increase awareness of importance of human rights and ethics in general within the bank and client base
- Build a safe workplace for employees by permitting new solutions to work efficiently from home and thus maintain our business continuity



## POSITIVE IMPACT ON SOCIETY

### Risks

- The attention of the bank to its social impact not perceived or socially accepted by stakeholders
- Risk of losing the role of backbone of the real economy
- Failure in identifying and providing assistance to people and organisations at risk of financial and social exclusion, especially those most impacted by the pandemic

### Opportunities

- Being perceived as the bank of choice thanks to our inclusive approach
- Increase our offer of sustainable financing instruments with measurable ESG impact to foster the achievement of SDGs
- Being a leader of economic growth, financial education and well-being in our communities, in particular after the pandemic

# Business Model in action

At UniCredit, the **Bank for Europe's future**, our integrated and sustainable business model is based on local excellence, organised in **4 regions supported by central structures**, with **2 Product Factories** and a lean competence centre embedding **Digital and Data**, all inspired by our **Principles and Values**.

Our **Social Impact Banking**, contributes towards improving

the accessibility of our financial offer and services model for vulnerable categories and supports companies in becoming more socially oriented, addressing investments with initiatives that have a positive social impact and assist in achieving Sustainable Development Goals. We implement **corporate citizenship** and **philanthropic initiatives** through the **UniCredit Foundation**, focusing on youth, education, study and research.

## OUR DISTINCTIVE ASSETS



### Embedded in the fabric of Europe

13 Banks<sup>A</sup>

#1 Eastern Europe

#2 Central Europe

#2 Italy

#3 Germany



### Empower communities

>15m clients

#3 corporate lender in Europe



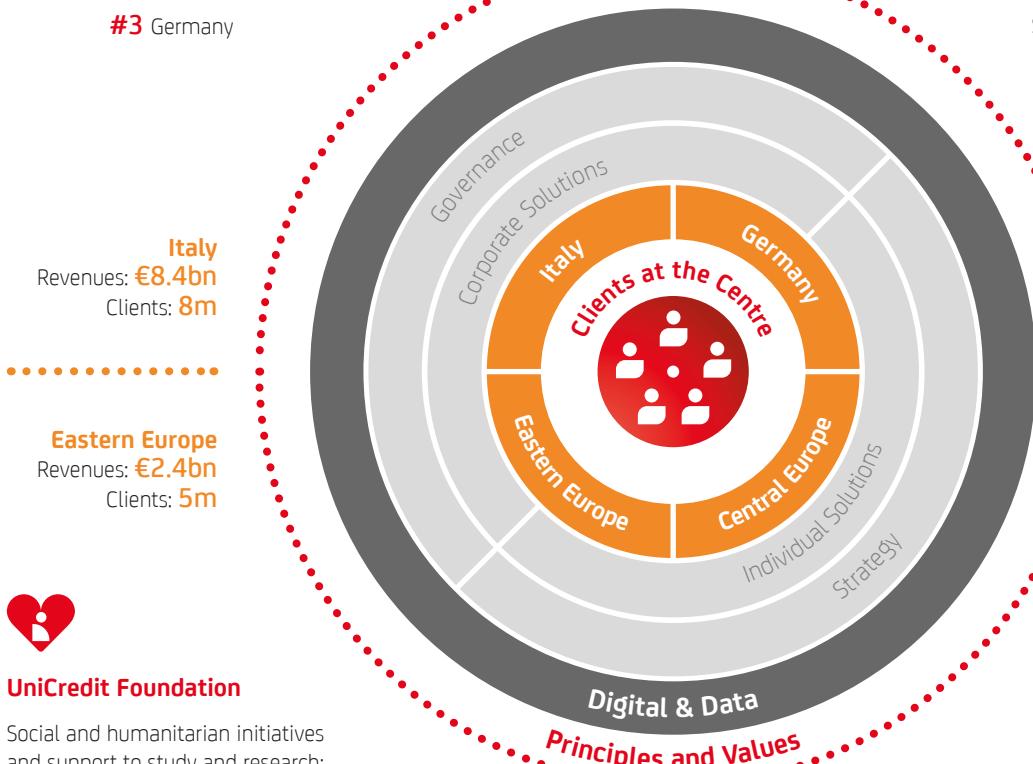
### Best-in-class factories delivering for our clients

n.1 in All Bonds in EUR in Italy, Austria and n.2 in Germany<sup>B</sup>

n.3 for number of transactions in EMEA Bonds in EUR<sup>B</sup>

n.4 in EMEA Green & Sustainability-linked Loans and

n.6 in EMEA combined Green & ESG-Linked Loans and ESG-related Bonds in EUR<sup>C</sup>



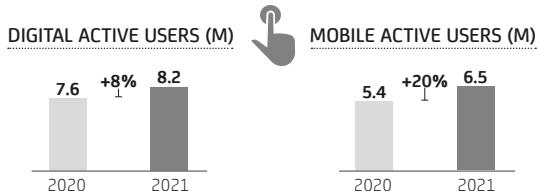
### UniCredit Foundation

Social and humanitarian initiatives and support to study and research:

€7m disbursed by UniCredit Foundation during 2021

>1.2m collected during Gift Matching Program 2021

>20m granted as scholarships and fellowships to students and researchers from 2009



### Corporate citizenship

Measuring our effort through the Business For Societal Impact (B4SI) reporting framework:

€36.0m to communities in 2021

€6.8m as investment in Social Impact Banking

<sup>A</sup> Ranking by total assets, Germany only Private Banks. Italian and German Peers last available update (4Q21 where available, 3Q21 otherwise); CE positioning is as of 3Q21; ERSTE Austria in CE perimeter ranking consists of ErsteBank Oesterreich & Subsidiaries, Savings banks and Other Austria; EE positioning is as of 3Q21.

<sup>B</sup> Source: League Tables of Dealogic, as of 4 January 2022. Period: 1 January - 31 December 2021; rankings by volume, unless otherwise stated.

<sup>C</sup> ESG-linked Loans include KPI-linked loans and ESG-rating linked loans. ESG-related Bonds include underwritten Sustainable Finance Bonds, i.e. bonds with proceeds earmarked for green and/or social projects, as well as Sustainability-Linked Bonds. Positioning based on Dealogic League Tables.

We are organised across **four regions**, Italy, Germany, Central Europe, and Eastern Europe and powered by two new client agnostic **product factories**, **Corporate Solutions** and **Individual Solutions**, which deliver best-in-class products and services to all clients in all geographies, ensuring strong synergies.

Both factories will leverage a balanced mix of **best-in-class solutions** developed by partners or internally on a comprehensive

offer to meet client needs enabled by **digital and data**.

We are deeply **rethinking our partnership approach**: to maximise the portion of the value chain that we retain, to streamline the number of partners and to better integrate technological aspects and to provide a more seamless digital experience for our clients. Through this process, UniCredit will become **one fully united bank**, delivering for all stakeholders in a unified way.

## Corporate Solutions

Unique differentiators in our model coupled with product range that meets clients' needs, that adapts, and that innovates:

- > **Extensive Corporate client base** with longstanding relationships
- > **High quality service** tailored and delivered to the client segment's need
- > **Cross-border positioning** with ability to support client in trade, transactional and growth ambitions



### Awards

**Best Bank for Transaction Services** in Western Europe

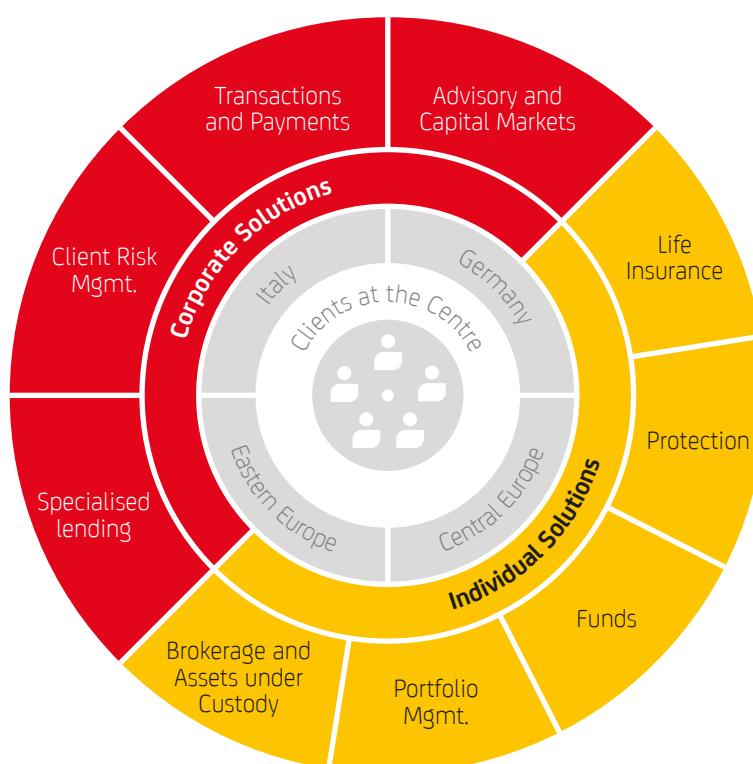
&

**Best Bank for Advisory** in Central and Eastern Europe

at Euromoney Awards for Excellence 2021

**Special mention to EasyPack e-commerce project**

at ABI's Innovation Award for Corporate clients



**Balanced mix of best-in-class solutions:**  
developed internally or by partners



**Comprehensive offering:**  
allowing us to meet all clients' needs



**Digital & Data as a key enabler**  
for a seamless client experience

<sup>b</sup> New business market share in Italian bancassurance market. Source: IAMA monitor database, internal elaboration.

# Governance

**UniCredit's system of corporate governance promotes clarity and accountability, while continuing to evolve to ensure long-term sustainable value.**

## GOVERNANCE MODEL

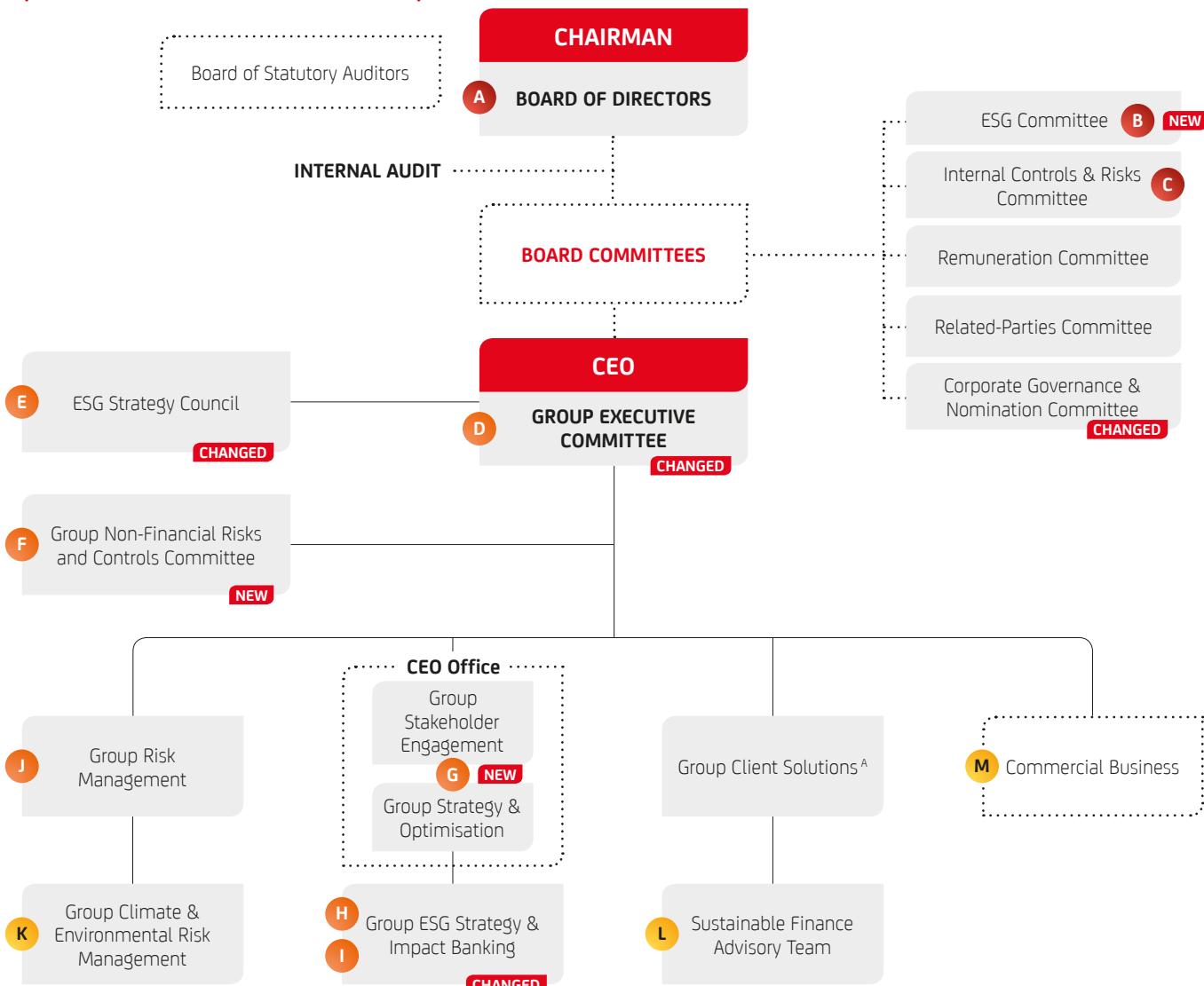
UniCredit is an Italian listed company, with a traditional management and control system, which assigns specific responsibilities to the Shareholders' Meeting and allows for a clear exchange of views between shareholders and management on key decisions relating to governance. These include appointing and removing Directors, appointing members to the Board of Statutory Auditors,

granting a mandate for external auditing to an audit firm and approving all associated fees.

Such decisions also include the approval of financial statements, the allocation of profits, resolutions on remuneration and incentive policies and practices in accordance with current provisions, as well as setting criteria to determine compensation to be granted in the event of early termination of employment or early retirement from office.<sup>1</sup>

## ORGANISATIONAL AND GOVERNANCE STRUCTURE, FOCUS ON ESG COMPONENTS

(AS AT THE APPROVAL DATE OF THIS REPORT)



**NEW** Structure created in the last 12 months, which has a role in ESG governance and management.

**CHANGED** Structure which has undergone changes in the last 12 months, such as composition, mandate, or name, and which has a role in ESG governance and management.

<sup>A</sup> Formerly 'Corporate & Investment Banking'.

<sup>1</sup> For more information refer to the annual Report on corporate governance and ownership structure, and the 2022 Group Remuneration Policy and Report, available in the Governance section of our website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)).

# ESG governance and management

UniCredit's sustainability governance has recently undergone a significant evolution, underpinning the drive to further integrate ESG criteria into the Group's overall business strategy. The changes apply at both steering and execution level.<sup>2</sup>

## CORPORATE BODIES OVERSIGHT

**A** UniCredit's **Board of Directors** defines the overall strategy of the Bank, which incorporates the Group's ESG strategy, overseeing its implementation over time.

**B** The recently established **ESG Committee** takes over, and expands upon, the sustainability responsibilities previously assigned to the Corporate Governance, Nomination and Sustainability Committee (now Corporate Governance & Nomination Committee). It supports the Board of Directors in fulfilling its responsibilities with respect to the ESG components

integral to the Group's business strategy and sustainability over time. See Focus for further details.

**C** The **Internal Controls & Risks Committee (ICRC)** supports the Board of Directors in risk management and control-related issues. Its work encompasses matters of risk in the ESG sphere, such as climate change risk.

The **Board of Statutory Auditors** exercises oversight of ESG governance and related topics.

## STEERING AND COORDINATION

**D** The **Group Executive Committee (GEC)** replaces the former Executive Management Committee, as of May 2021. The GEC is the Group's most senior executive committee, chaired by the CEO. The GEC 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. Moreover, in dedicated Risk sessions, it supports the CEO in coordinating and monitoring all categories of risks and approves strategic risk topics, including ESG-related matters.

**E** A subgroup of the GEC members and other top managers form a dedicated **ESG Strategy Council**. Operational under this new name since the first half of 2021, it provides oversight and strategic guidance across the Group on the definition and implementation of the Group's ESG strategy. See Focus for further details.

**F** The new **Group Non-Financial Risks and Controls Committee (GNFRC)** supports the CEO in the role of steering and monitoring Non-Financial Risks (e.g. it approves governance policies and guidelines for the management of reputational risk regarding sensitive sectors and client relationships).

**G** The **Group Strategy & Optimisation** and **Group Stakeholder Engagement** functions together serve as a

**CEO Office**. Active since May 2021, the Office deals with all initiatives which are critical for the CEO, such as strategy, M&A, the further integration of ESG criteria in our business, stakeholder management, and regulatory affairs.

**H** The **Group ESG Strategy & Impact Banking** function was further consolidated in May 2021. Part of Group Strategy & Optimisation, it makes proposals towards the definition of the Group's ESG strategy to the ESG Strategy Council and the ESG Committee, and reports its status of accomplishment. It is also tasked with disclosing the Group's ESG impacts and results, and with overseeing the adoption of relevant policies and standards.<sup>3</sup>

**I** Within Group ESG Strategy & Impact Banking, the **Social Impact Banking (SIB)** function identifies, finances and promotes initiatives of positive social impact. SIB fosters financial inclusion and provides concrete support to vulnerable social groups through initiatives in social impact financing, microcredit financing for small businesses, and financial education.

**J** The **Group Risk Management** function supports the CEO in defining the Group Risk Appetite proposal, to be shared with the GEC, the ICRC and the Board. It also interacts with the ESG Committee on ESG risk matters.

## IMPLEMENTATION AND EXECUTION

**K** Within Group Risk Management, the **Group Climate & Environmental Risk Management** function oversees climate-related and environmental risks. It defines assessment methodologies aimed at measuring the impacts related to climate change and environmental risks.

**L** The **Sustainable Finance Advisory Team** facilitates clients' access to Europe's sustainable financing market, combining sustainability expertise with capital markets capabilities.

**M** **Commercial Business**. Across our geographies, dedicated teams develop ESG-related products and services which are offered to our clients to support them in seizing relevant opportunities.

Additionally, a key component addressing social matters is the **UniCredit Foundation**, the corporate foundation of the Group. It carries out social and humanitarian initiatives and supports study and research opportunities in the economic, financial and legal fields.<sup>4</sup>

<sup>2</sup>For more information on functions involved in the governance and management of climate-related issues, see our 2020 TCFD Report, pages 14 - 18, available at <https://www.unicreditgroup.eu/en/a-sustainable-bank/natural-capital/climate-change.html>.

<sup>3</sup>This includes the coordination and publication of the Group Integrated Report, UniCredit's 2020 TCFD Report, and the implementation of the Principles for Responsible Banking-UNEP FI and related reporting.

<sup>4</sup>For more information refer to <https://www.unicreditgroup.eu/en/unicreditfoundation.html>.



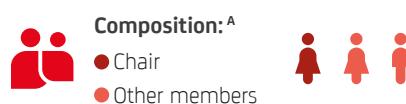
## ESG GOVERNANCE: NEW KEY COMPONENTS

### ESG COMMITTEE

The ESG Committee, one of the five Board committees, was established in April 2021, taking over and amplifying the sustainability responsibilities previously assigned to the Corporate Governance, Nomination and Sustainability Committee.<sup>5</sup>

The purpose of the ESG Committee is to support the Board of Directors in fulfilling its responsibilities with respect to the ESG components integral to the Group's business strategy and sustainability over time. It also provides support and opinions to the other Board Committees so as to ensure Group policies are aligned with UniCredit's ESG principles and objectives.

Moreover, the ESG Committee oversees:

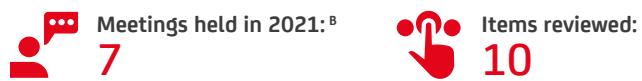


<sup>A</sup> The Chair of the Board of Statutory Auditors -or any other Auditor designated by the latter- attends ESG Committee meetings.

<sup>B</sup> From its first meeting on 3 June and up to 31 December 2021.

- ESG and sustainability-related developments, including international guidelines and principles and market developments, monitoring the positioning of the Group with respect to national and international best practices in the ESG field;
- The preparation of the annual Integrated Report, as well as that of the TCFD (Task force on Climate-related Financial Disclosures) Report, in addition to any further specific disclosure obligations.

Topics discussed by the Committee in 2021 include, amongst others, the Group ESG Strategy, the ECB self-assessment and Roadmap on Climate risk, and ESG-related policies.



### ESG STRATEGY COUNCIL

The ESG Strategy Council takes over the role of the former ESG Strategy Task Force. It is an informal working group composed by the majority of the GEC members<sup>6</sup> and a number of top managers reporting directly to them. The ESG Strategy Council serves as the initial arena in which the Group's approach, strategy, roadmap, targets and policies on ESG matters are discussed.

The Head of Group ESG Strategy & Impact Banking coordinates the work of the Council.



Opinions and proposals are brought to the attention of the relevant function, namely the CEO and/or the ESG Committee and the Board of Directors, for approval or for information, in accordance with the nature of the topic.

The presence of all the Group's business and operating line heads or first reporting line managers ensures that each ESG initiative is fully embedded in the business, processes and operations of the Bank from the outset.



### CASE STUDY: UNICREDIT'S ESG STRATEGY, ANNOUNCED IN 2021

Jointly with the functions involved, Group ESG Strategy & Impact Banking developed a proposal for a UniCredit ESG strategy

The proposal was presented to the ESG Strategy Council for analysis and discussion

The proposal was presented to the GEC which, in alignment with all the Group executives, further reviewed and refined it

The proposal was brought to the ESG Committee for discussion, which subsequently provided its opinion to the Board

The Board approved the proposed ESG strategy, which was embedded in the Group's new 3 year strategic plan, UniCredit Unlocked

<sup>5</sup> ESG matters were discussed in 2 of the meetings held by the Corporate Governance, Nomination and Sustainability Committee in June 2021.

<sup>6</sup> Head of Group ESG Strategy & Impact Banking, Head of Strategy and Optimisation, Head of Group Client Solutions, Head of Italy, Head of Germany, the two Heads of Central Europe & Eastern Europe, Head of Group Stakeholder Engagement, Chief Financial Officer, Group Risk Officer, Head of Group Credit Risk, Group Operating Officer, Group People and Culture Officer, Group Digital & Information Officer, Head of Group Performance, Head of Capital and Shareholding Management, Head of Group Regulatory Affairs, Head of Group Compliance, Head of Group Internal Audit, Head of Group Investor Relations, Head of Group Identity & Communication, Group Strategy and Benchmarking, Head of Group M&A and Corporate Development.

## BOARD COMPOSITION

The UniCredit Board of Directors meets the suitability requirements established by the relevant provisions, as well as qualitatively and quantitatively matches the theoretical

profile approved by the Board itself. The personal qualities of the Directors match the theoretical profile approved by the Board of Directors.<sup>7</sup>

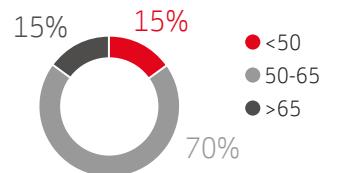
## BOARD IN NUMBERS

(AS AT THE APPROVAL DATE OF THIS REPORT)

### BALANCE OF EXECUTIVE AND NON-EXECUTIVE DIRECTORS



### AGE GROUP



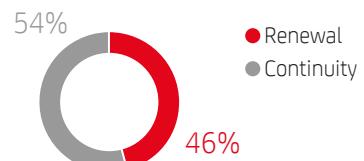
### DIRECTORS' COMPETENCIES



### BOARD GENDER BALANCE



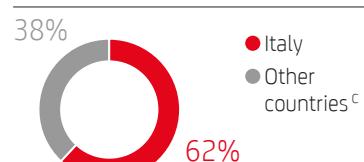
### RENEWAL RATE



### BOARD INDEPENDENCE



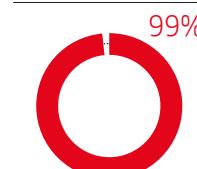
### GEOGRAPHICAL MIX



### 2021 AVERAGE TENURE LENGTH

2.6 years

### 2021 BOARD ATTENDANCE RATE<sup>D</sup>



<sup>A</sup> Legislative Decree No. 385 dated September 1, 1993.

<sup>B</sup> Legislative Decree No. 58 dated February 24, 1998.

<sup>C</sup> Austria, Germany, Spain, United Kingdom, United States of America.

<sup>D</sup> Refers to the Board members in office as at December 31, 2021.

<sup>E</sup> New or revised competence included in the theoretical profile.



## FOCUS

### NEW REMUNERATION POLICY SUSTAINS OUR ESG STRATEGY

Our new Remuneration Policy<sup>8</sup> has been developed to support the accomplishment of the UniCredit Unlocked plan, of which the ESG strategy of the Group is a key component. A core set of our ESG targets will be embedded in the CEO's performance scorecard so as to foster the alignment of management with the Group's ESG ambitions. These include:

- €140 billion in Environmental volumes (environmental lending, ESG investment products, sustainable bonds), by 2024
- €10 billion in Social volumes (social lending), by 2024
- Gender parity across our organisation, in accordance

with the Italy G20 Women's Forum CEO Champion Commitment 'Towards the Zero Gender Gap'

- €100 million dedicated to ensuring equal pay for equal work, by 2024

These ESG commitments, together with other criteria included in the 'Strategic Priorities & Culture' values set, have a weighting of 30% in the CEO's overall 2022 performance evaluation.

So as to align the Group's management structure and reinforce managerial commitment to our ESG strategy, such objectives will be cascaded to the CEO's reporting line and below, coherently with the respective areas of responsibility.

<sup>7</sup> Refer to the annual Report on corporate governance and ownership structure, available in the Governance section of our website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)) for more information.

<sup>8</sup> Refer to the 2022 Group Remuneration Policy and Report available in the Governance section of our website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)) for more information.

# Risk Management and Compliance

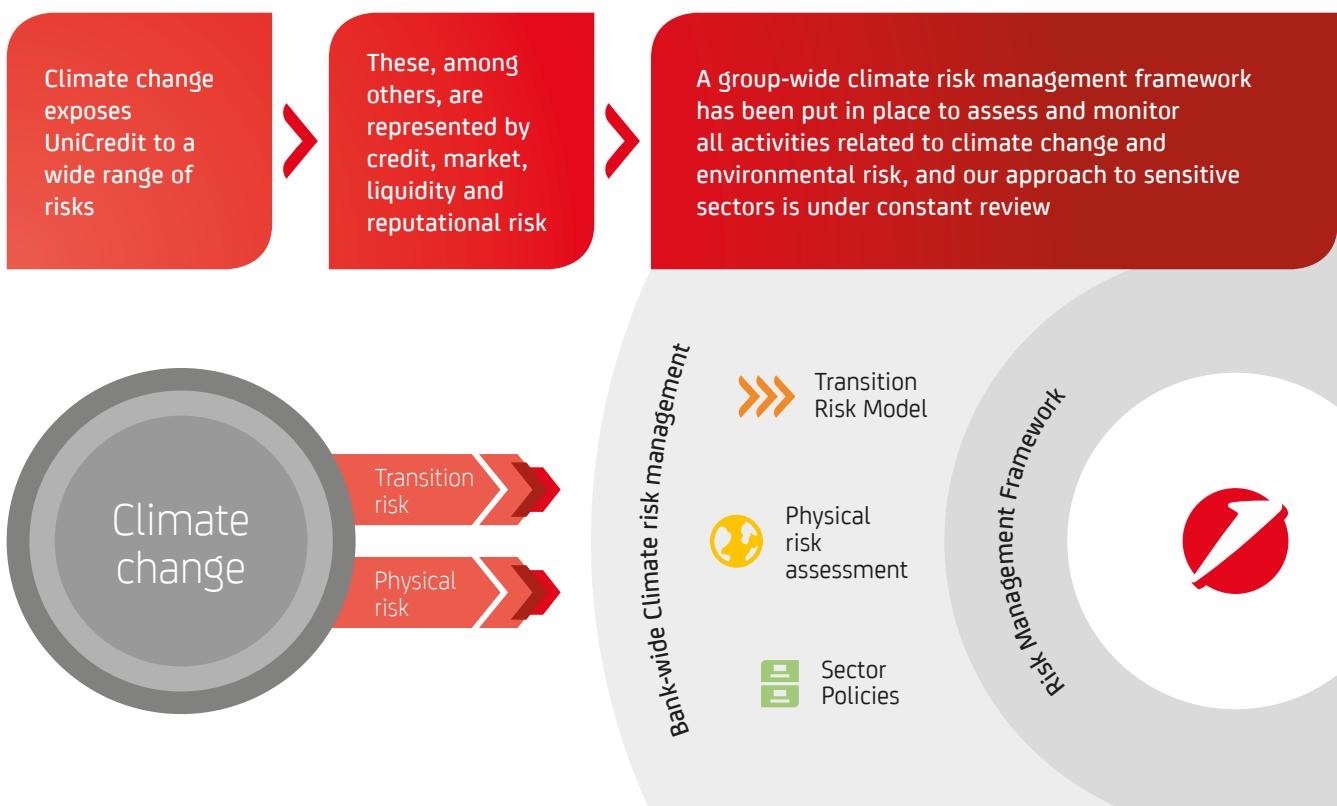
**Effective risk management and compliance are an integral part of our business model. Steered by our risk appetite framework, we aim to maintain a healthy balance between achieving sustainable future goals while developing long-term value and resilience.**

Risk management is the bedrock of best-in-class banking. The Group Risk Management function supports the CEO in defining the Group Risk Appetite proposal, to be shared with the Group Executive Committee (GEC) and Internal Controls & Risks Committee and submitted for approval to the Board of Directors in parallel, and coherently with, the yearly and multi-yearly budget plan pertaining to the Group Planning, Finance, Shareholding and Investor Relations structure.<sup>1</sup>

During recent years we have been making a great effort to further integrate all ESG (Environmental, Social and

Governance) factors into the bank's risk management, taking into account both risks and market opportunities and with a clear multi-stakeholder approach.

With the aim of being at the forefront of the green transition, in 2021 we set up a long-term sustainability strategy, embedding ESG factors in our risk framework and improving transparency. Additionally, we **further strengthened our evolving risk management approach, with a specific focus on climate-related risks and cyber risk protection.**



<sup>1</sup> Refer to our Governance chapter for more information.

## 2021 MAIN ACTIONS TO MANAGE CLIMATE-RELATED AND ENVIRONMENTAL RISKS

### >> TRANSITION RISK MODEL

We are simultaneously looking to seize opportunities to **finance the transition** of our counterparties, assessing those industries that require very high investments to meet both climate change goals and the emission targets set out in the EU Green Deal roadmap.

In order to achieve the above-mentioned goals, we are embedding climate-related and environmental risks and opportunities in our credit assessment. This required the definition of a dedicated methodology and the design of a specific process to identify the scope, collect data, execute the assessment and validate results.

### OUR APPROACH TO TRANSITION RISK

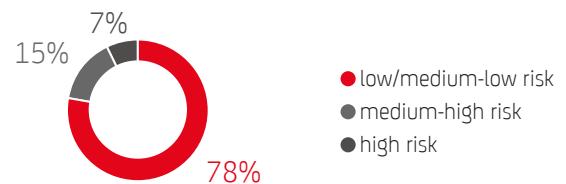
Determining the client's position on the transition pathway:  
 the **Climate & Environmental (C&E) Risk Assessment Questionnaire**.

 **530 Counterparts**  
 were assessed during the year, representing  
**c.30%** of our Corporate EAD

This framework comprises:

- the filling in of the above-mentioned questionnaire and addresses both high and low emission clients in line with regulatory expectations
- the generation of a C&E Risk Scorecard summarising 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.

### RISK OF OUR CLIENTS



These higher risk clients are thoroughly assessed during credit approval discussions in Credit Committees, although no automatic decision based on questionnaire results is currently in place.

Such methodology has been extended to all credit applications subject to Local Credit Committees. This extension will allow the Bank to further increase the coverage of the C&E Transition Risk assessment during 2022.

### PACTA<sup>2</sup>

The Paris Agreement Capital Transition Assessment (PACTA) for banks enables financial institutions to measure the alignment of their lending portfolio against a set of climate scenarios which imply several levels of ambition measured in relation to an increase in the global temperature.

### PACTA RESULTS

Sector	Portfolio exposure <sup>A</sup>	Positioning vs global Mkt <sup>B</sup>	Our Approach
 Power generation	€9.5bn (45%)	<b>Better than market</b>	➢ further increase internal focus on Renewables and follow Coal Policy prescriptions, together with strong client engagement
 Oil & gas	€3.9bn (19%)	<i>Under evaluation in light of new commitments for Net Zero</i>	➢ follow guidance of the Oil & Gas policy on Artic and non-conventional activities, combined with in-depth analysis to define the most suitable metrics and targets for the sector
 Automotive	€4bn (19%)	<b>Better than market</b>	➢ active support of clients' transition to Electric and Hybrid vehicle production
 Steel	€2.2bn (11%)	<b>Better than market</b>	➢ support clients in the extensive challenge to enable deep reduction in emissions
 Cement	€1.1bn (5%)	<b>Aligned with market</b>	➢ accompany clients in the transition to lower CO <sub>2</sub> from cement production and support clients in the development journey of new novel cement
 Aviation	€0.3bn (1%)	<b>Aligned with market</b>	➢ -

<sup>A</sup> Credit limit under the PACTA NACE codes, as at 30 June 2021.

<sup>B</sup> Position compared to the sectoral global markets.

<sup>2</sup> Refer to the TCFD Report for more information ([https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2020/UC\\_TCFD\\_2020\\_ENG\\_FINAL.pdf](https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2020/UC_TCFD_2020_ENG_FINAL.pdf)).



## PHYSICAL RISK ASSESSMENT

Physical risk typically affects **credit risk** and **operational risk**.

### CREDIT RISK

#### What have we done so far?

Collected the mapping of key physical risks to which our geographies are exposed to

#### What are we doing now?

Assessing the impact of physical risk on mortgage portfolios



### OPERATIONAL RISK

#### What have we done so far?

Defined an integrated approach from infrastructure design to emergency management (business continuity plans)

#### What are we doing now?

Assessing the impact of our data centre operations and reviewing/improving the adequacy of the related business continuity plans



## ESG INFORMATION FRAMEWORK

We are designing a **global framework for ESG information** that will be a key enabler for compliance to meet Regulatory Disclosure needs as well as for accelerating Risk Management and Business Steering. In this regard, as requested by art. 10 of the EU Taxonomy regulation we publish the simplified disclosure within the supplement.<sup>A</sup>

<sup>A</sup> Refer to the Supplement - EU Taxonomy regulation section for more information.

## FOCUS

**52%**



our exposures to Taxonomy-eligible economic activities over total covered assets - voluntary disclosure

**29%**



our exposures to Taxonomy-eligible economic activities over total covered assets - mandatory disclosure



## SECTOR POLICIES

UniCredit has adopted detailed policies regarding sectors that present significant environmental and social risks and monitors portfolio exposures to them accordingly.<sup>A</sup>

### Coal sector UPDATED

#### POLICIES IN PLACE

Mining sector

Nuclear energy

Defense/Armaments

Water infrastructure

### Oil & Gas sector UPDATED

Human rights commitment

Deforestation commitment

Tobacco commitment

- UniCredit signed the Free-Tobacco Finance Pledge
- NEW

We intend to review and, if necessary, set up policies in other sensitive ESG sectors. This will be done on the basis of our portfolio analysis and with the support of scientific experts in order to address such topics from a factual and impact-based perspective.

<sup>A</sup> Refer to the Supplement - Risk Management section or to Sustainability section on our corporate website for more information.



## FOCUS

### EXPLORING REPUTATIONAL RISK



7 workshops  
on policies and processes



>300  
colleagues involved



c.2,000  
transactions analysed

58  
meetings

>120  
transactions submitted  
to Committees for senior  
management decisions

6%  
of transactions declined

Group  
Non-Financial  
Risks and  
Controls  
Committee  
(GNFRC)<sup>A</sup>

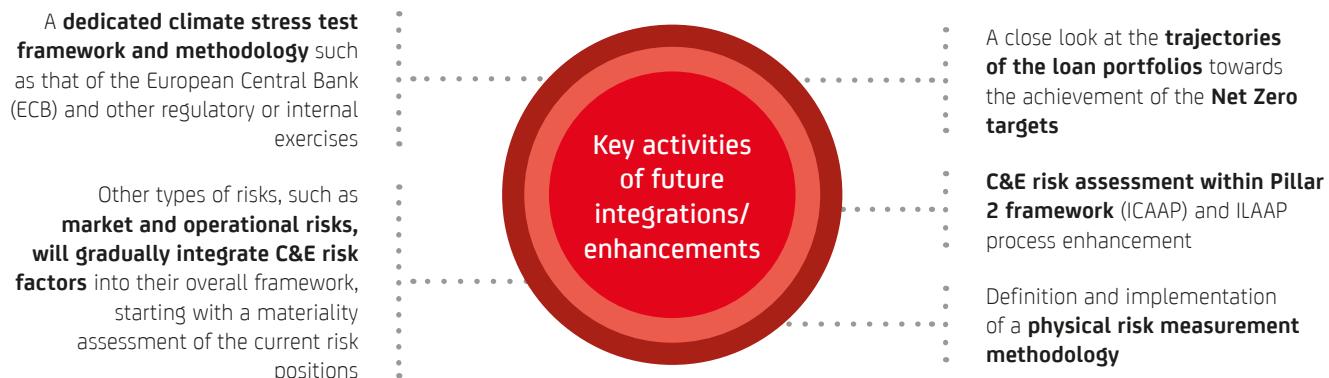
<sup>A</sup> GNFRC or delegated Competent Bodies. Refer to our Governance chapter for more information.

## Other initiatives

An action to **design an appropriate IT and data architecture** has been launched with the aim of **developing a proper IT backbone supporting ESG-related** processes and procedures and collecting more relevant data leveraging on internal and external sources.

Group credit risk strategies have been enhanced defining steering signals consistent with our overall ESG strategy, and dedicated climate steering indicators on certain sub-industries (e.g. fossil fuels) have been identified.

## 2022 PRIORITIES IN MANAGING CLIMATE-RELATED AND ENVIRONMENTAL RISKS



## ADDITIONAL INITIATIVES CARRIED OUT DURING THE YEAR

- 9 Board Committee meetings on ESG topics held to propose and discuss improvements to our environmental and social strategy
- around 2,000 transactions screened for environmental, social and reputational risk issues
- over 13,500 people trained in human rights with almost 12,000 hours provided
- continued to support a constructive dialogue with stakeholders by participating in working groups and forums such as the Thun Group,<sup>3</sup> the Net Zero banking Alliance (NZBA)
- compliance with section 54 of the United Kingdom's Modern Slavery Act 2015.

<sup>3</sup>Thun Group is an informal group of bank representatives and experts on environmental & social/human rights topics working together on further understanding the United Nations Guiding Principles for managing human rights impacts in the activities of banks.



### RAF ENHANCEMENTS - CLIMATE AND CYBER ACHIEVEMENTS

For monitoring purposes, dedicated Climate Risk KPIs have been defined to be included in the 2022 Risk Appetite Framework (RAF), enabling the Bank to oversee the evolution of transition and physical risks it is exposed to. The 2022 RAF for non-financial risks has been defined to include all risk types through a comprehensive ELOR metric and dedicated solutions for specific risks (e.g. ICT/cyber risks, Third Parties Risk) ensuring a more effective

ICT risk management and clearer monitoring of key drivers (IT incidents and obsolescence).

A cyber risk KPI introduced in 2021 related to vulnerabilities has been enhanced with one on infrastructure to guarantee RAF escalation in case of breaches.

Moreover, in the 2022 RAF ICT/cyber risks and Third Party Risk KPIs have been cascaded with related triggers and limits to all legal entities.

**FOCUS**

# Information and Communication Technology (ICT)/Cyber Risks

During 2021, we continued to work on a number of initiatives to reinforce the Group's ICT & Cyber defences.<sup>4</sup>

## 2021 MAIN ACTIONS TO MANAGE ICT/CYBER RISKS



**RISK MANAGEMENT PRACTICES:**

- focus on the Operational Risks deriving from the accelerated digitalisation
- initiatives on operational resilience for the analysis of different regulatory input and the definition of a high-level framework
- strong effort to provide proper and further support to the economy via moratoria extensions and liquidity lines under public guarantee
- frequent monitoring and analysis of Group Asset Quality, currently proved to be resilient to the pandemic context.

**RISK MANAGEMENT ACTIONS:**

- **strategy:** definition of activities and internal guidelines for all of the aspects of the Risk Appetite

Framework, including stress testing

- **governance & managerial response:** active involvement of UniCredit's Board of Directors in approving the strategy and monitoring the evolution of the asset quality
- **segmentation:** portfolio clustering (eg. portfolio under moratoria and portfolio with guarantee schemes)
- **non-financial risks:** specific risk monitoring is in place to ensure that corrective measures and oversight, also in relation to the Covid-19 pandemic, of ICT security controls are effective
- **liquidity risk:** several initiatives were launched to absorb the excess of liquidity cumulated in the previous months. The enhanced monitoring of the liquidity evolution has been maintained and coupled with a strengthening of the projections process, in order to ensure the maintenance of adequate buffers.

<sup>4</sup> Refer to the 2020 Integrated Report for more information.

# Compliance: values that guide action

Compliance plays a leading role in promoting a culture which reflects the Group's fundamental values and principles, including ESG sustainability.

Main initiatives in this regard revolved around the following three strategic pillars of the **Compliance Plan**.

## PILLARS OF THE 2021 COMPLIANCE PLAN



### ↗ GOVERNANCE

Since the Regulation (EU) 2019/2088 on the **Sustainable Finance Disclosure Regulation** (SFDR - information on sustainability in the financial services sector) entered into force in March 2021, Compliance carried out the following activities throughout the year:

- the issuance of an internal Group regulation regarding **Information on sustainability in the financial services sector**, which aimed to:
  - **detail the requirements** established by Regulation (EU) 2019/2088, translating them into Group principles and rules
  - **define the roles and responsibilities** across the Group and its companies with respect to the

implementation of the above mentioned requirements and definition of the related processes

- the **support to business** in terms of advisory on the production and/or distribution of financial instruments and/or products to ensure consistency with ESG sustainability regulations, e.g. SFDR
- in continuity with the past and in accordance with the Bank of Italy Circular no. 285/2013, the *specialist supervision* relating to the sustainability of UniCredit SpA, carries out second-level checks on activities to obtain environmental sustainability certification. Group Compliance subsequently carries out consistency and coherency checks on the work of the *specialist supervision* and collaborates with it in monitoring the corrective actions opened or in progress and prepares the specific summary report on a quarterly basis.

## RISK PRAESIDIUM

To ensure a correct monitoring of the risk of non-compliance with ESG principles, Compliance:

- has provided for the **inclusion at Group level of the SFDR in the Compliance Risk Assessment** and related second level controls. In particular,
  - a **new risk matrix** called SFDR was developed with risk scenarios applicable for financial advisors and financial market participants. UniCredit SpA is impacted both as a financial advisor (for the provision of the investment advisory service) and as a participant in financial markets (for the provision of the portfolio management service). The related catalogue of second level SFDR controls was defined and both were shared with all the companies of the Group in order to ensure a correct adoption, in line with local regulations and the business lines of each company, and consequent execution
- carried out consistency and coherency checks on the work of the specialist supervision unit, as mentioned above.



## COMPLIANCE CULTURE

Among the main initiatives undertaken by Compliance in 2021 to promote and spread an accurate awareness of ESG principles and related SFDR regulations within the Group, the following are highlighted:

- **Compliance Client Protection Workshop on ESG:** a live webinar for all Group colleagues in which experts provided an overview of the evolving regulatory framework of the ESG landscape and the related risks and main challenges associated with the introduction of the concept of sustainability in the world of investments
- Related publication of the news on the internal portal **How digitalisation and sustainability are reshaping our Bank**, also containing the material shared during the workshop
- as part of the **Tone from the Top Programme** (aimed at ensuring a correct dissemination of the compliance culture throughout the Group thanks to the involvement of top management at the forefront), a broad sharing of the topics of the workshop was carried out to increase awareness on ESG issues in relation to client protection
- **Compliance Ambassadors:** cascading of the initiatives undertaken in relation to Client Protection in the field of Sustainability and Digitalisation was spread by all the ambassadors (approximately 140) present in the companies of our Group (senior managers of the Group from different company divisions, jointly selected by Group Compliance and People & Culture, with a key role in disseminating and improving Compliance messages throughout the Group).

➤ **Compliance m@tters yammer community:** new Compliance communication channel with the aim of promoting risk awareness and insights into compliance issues among the Group's colleagues, including initiatives regarding the introduction of the concept of sustainability in the world of investments and digitalisation.

Furthermore, in addition to the above mentioned initiatives, during 2021 the following web-based **mandatory trainings** with final tests were rolled out: i) Anti-Money Laundering, ii) Financial Sanctions, iii) Antitrust, iv) GDPR Update - addressed to all employees of the Group - v) Unfair Commercial Practices, for specific targets depending on the roles/activities, vi) Antitrust courses addressed to specific high risk areas identified in the Antitrust Program, in specific legal entities, vii) FS Classrooms for specific targets (Compliance, Markets, Regional Managers & Branch Managers and Trade Finance).

In 2021 UniCredit employees received more than 519,000 hours of Compliance training and in particular more than 9,000 hours of Anti-corruption training.



## FOCUS

### THE SFDR REGULATION

One of the initiatives envisaged by the **Action Plan on financing sustainable growth** presented by the European Union in March 2018 led to the issuance of Regulation (EU) 2019/2088 of 27 November 2019 regarding **information on sustainability in the financial services sector** (so-called Sustainable Finance Disclosure Regulation - SFDR Regulation).

One of the aims of the SFDR Regulation is to provide information to final investors regarding the integration of risks to sustainability and the consideration of negative impacts on sustainability in the decision-making processes of subjects who offer investors managed savings products or advice to support investment decisions.

The SFDR Regulation therefore addresses two categories of subjects:

- financial market participants (entities offering managed savings products)
- subjects that provide advice either on investment or insurance investment products.

UniCredit SpA, as a bank providing both portfolio management and investment advisory services (including advisory services relating to insurance investment products), falls into both of the aforementioned categories and is therefore required to publish on its website the information required by the SFDR Regulation.



# Empowering communities to progress

1 Our commitment to a more sustainable world

2 UniCredit Unlocked

3 How we build value

## 4 Leveraging our 5 Capitals to play our part in a rapidly changing world

- > Financial Capital: financial value for a resilient future
- > Human Capital: nurturing skills to make wellbeing flourish
- > Social and relationship Capital: doing the right thing is doing it together
- > Intellectual Capital: sparking innovation to face unprecedented challenges
- > Natural Capital: building our tomorrow today



# Financial Capital

**Financial resources obtained from external providers and generated by our bank's activity, that are used to support clients' business and bank operations for the medium-long term.<sup>1</sup>**

<sup>1</sup> Financial data corresponds to information in our 2021 Annual Reports and Accounts. When not applicable, management data is used. For additional information on Group results, refer to the 2021 Annual Reports and Accounts and to the Presentation on 2021 preliminary results available on the investors section of the Group website. Refer to Our Strategy chapter for more information.

## THE RESOURCES WE HAVE

- > solid equity position
- > balanced funding mix
- > long-term financial stability

## COMMUNITY IMPACTS

- > support the economy's recovery
- > employees remuneration
- > significantly increase shareholder returns

## HOW WE CONTRIBUTE TO A MORE SUSTAINABLE WORLD

- > support to clients' green transition
- > significant contribution to the origination of sustainable bonds and sustainable finance overall

### 2021 RESULTS

**€3.5bn**

Net Profit<sup>A</sup>

**7.3%**

RoTE

**€3.75bn**

shareholder distribution<sup>B</sup>

**15.03%**

CET1 RATIO

### TARGETS

**>€4.5bn**

Net profit by 2024

**c.10%**

RoTE (by 2024)

**≥€16bn**

shareholder distribution<sup>B</sup>  
2021-2024

**12.5%-13%**

CET 1 Ratio by 2024

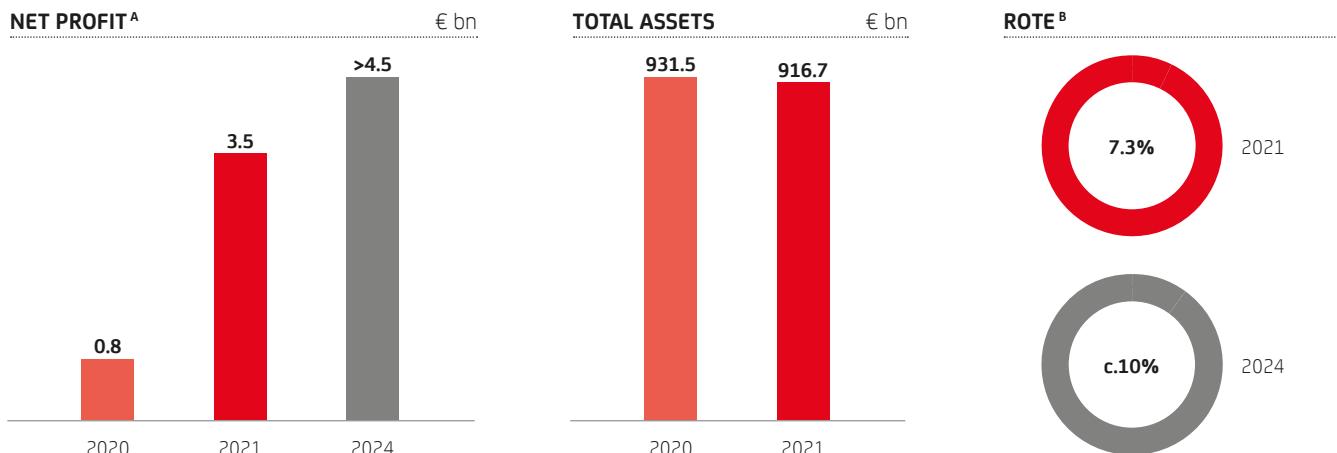
We are expecting growth in **all our countries**.

**Stefano Porro**  
Chief Financial Officer

<sup>A</sup> Underlying net profit (i.e. stated net profit adjusted for non-operating items), adjusted for AT1, CASHES and DTA from tax loss carry forward contribution.

<sup>B</sup> Share buyback plus cash dividends cumulative (o/w c ash payout ratio for 2022 is expected at 35%). Shareholder distribution subject to Annual General Meeting and Supervisory Authorities approval.

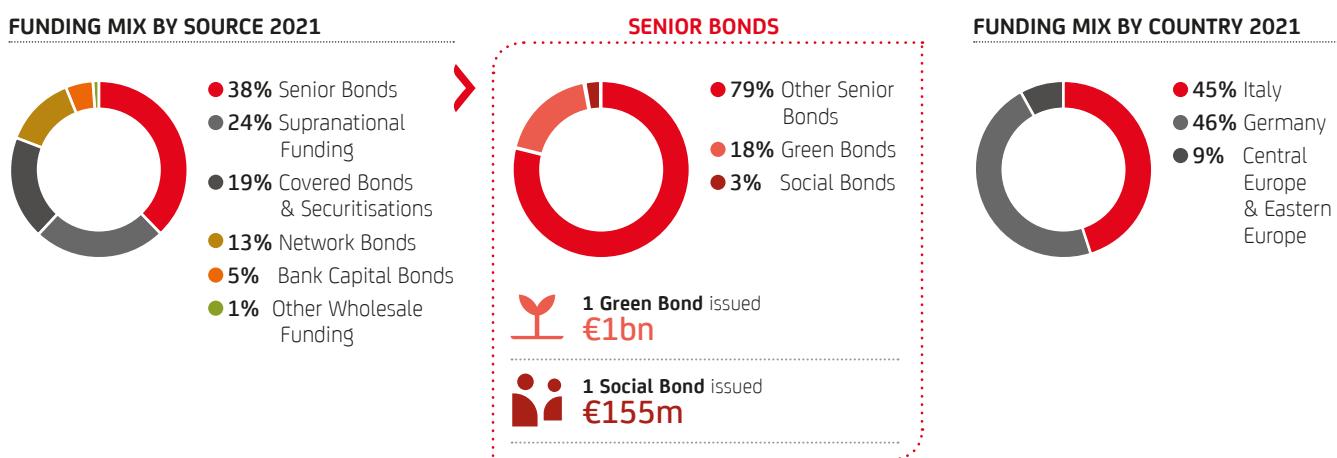
## SOLID EQUITY POSITION



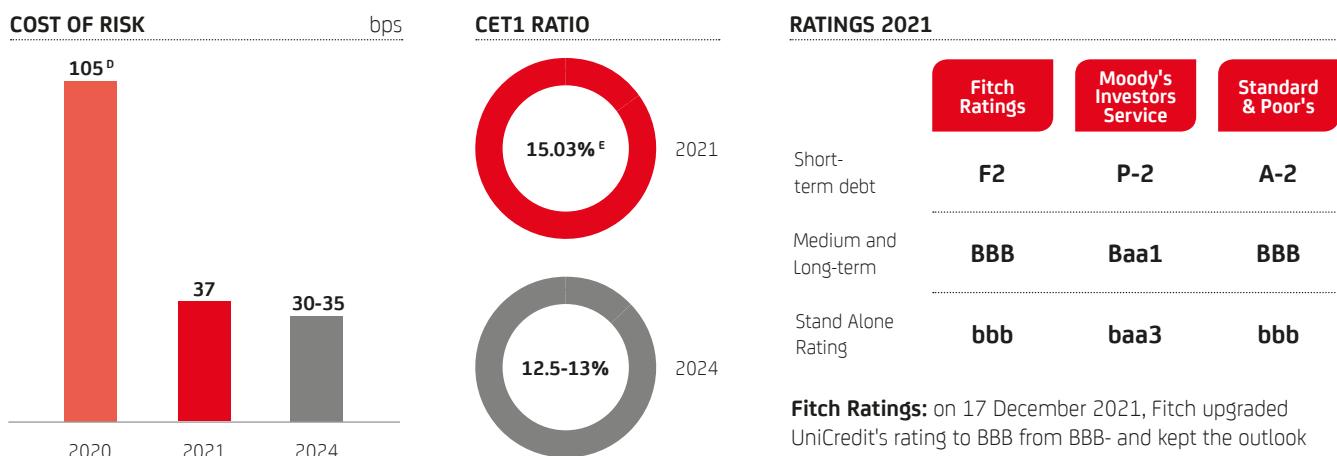
<sup>A</sup> Underlying net profit (i.e. stated net profit adjusted for non-operating items), adjusted for AT1, CASHES and DTA from tax loss carry forward contribution.

<sup>B</sup> Net profit over average tangible equity excluding AT1, CASHES and DTA from tax loss carry forward contribution.

## BALANCED FUNDING MIX



## LONG-TERM FINANCIAL STABILITY



<sup>D</sup> Including 46 basis points of overlays for the anticipation of future impacts, 47 bps of specific CoR21 (+4 bps FY/FY) and 12 bps of regulatory headwinds.

<sup>E</sup> Pro-forma CET1 ratio also includes approximately €2.58 billion via share buyback, whose deduction will be executed in 2022 after the ECB will grant the authorisation.

**Fitch Ratings:** on 17 December 2021, Fitch upgraded UniCredit's rating to BBB from BBB- and kept the outlook stable.

**Moody's:** on 13 July 2021, Moody's has affirmed UniCredit's rating at Baa1 with stable outlook.

**S&P:** on 23 November 2021, S&P has affirmed UniCredit's at BBB and changed outlook to positive from stable.



UNICREDIT STORIES



COUNTRY  
ITALY



OUR  
CLIENTS

## DOTT. GALLINA

SECTOR: CHEMICAL  
ESG FOCUS

**The Piedmontese company Dott. Gallina has an ambitious goal: to convert an abandoned, historic industrial site into a new type of factory. The "Transparent Factory" will use innovative automated production technologies and blend cutting-edge research with respect for the environment, employee welfare services, and benefits for the community and wider territory.**

Founded over sixty years ago in Turin, the family owned Dott. Gallina is active in the production of polycarbonate sheets and systems for the building industry, as well as technical profiles for the automotive industry. The company initially grew through its work for the automotive sector before expanding into the production of building materials.

Thanks to continuous investment, the development of a method that allows the design and manufacture of the production lines to take place internally, and a willingness to look beyond borders, **Dott. Gallina is today present in Europe, Asia and the United States, realizing 70% of its turnover in forty countries outside Italy.**

**The company launched a sizeable investment plan in 2021, aimed at increasing competitiveness, and therefore growth, through a stronger commitment to research and development combined with greater attention to environmental protection and the promotion of a welfare system for employees. The final objectives of the three-year plan are to increase turnover by more than a third and create more than a fifth of new jobs.**

**The first step in Dott. Gallina's ESG transition is the 100,000 sq m 'Transparent Factory', which is being built with an investment of €27 million and without the consumption of any new land, instead redeveloping a former industrial site using the best available technology in terms of innovative production processes, energy efficiency, and overall quality of the working environment.**

To help the company complete this project and see its plans underway, **UniCredit fully subscribed to a €14 million 7-year mini-bond issued by Dott. Gallina to finance the factory's construction.** The instrument itself is sustainability-linked, with a mechanism that ties its interest rate to the achievement of precise objectives in terms of reducing energy consumption and improving employee access to corporate welfare services.

**"I am particularly pleased to have concluded such an innovative financial transaction with UniCredit, which enhances both the green and social commitments of our company", commented Dario Gallina, CEO.**

"The loan is for the construction of a new production plant which rehabilitates a site with a great industrial history where Comau was born. UniCredit has proved to be a very constructive financial partner as regards issues of sustainable growth - supporting us with an investment that will allow us to combine innovation, productivity, efficiency, better working conditions and reduced environmental impact".

The subscription of the mini-bond issued by the Piedmont-based company also represented an important milestone for UniCredit. In addition to being **one of the largest sustainable mini-bonds issued in Italy to date**, it was the hundredth mini-bond structured by the bank in favor of small and medium-sized Italian companies (SMEs) - testament once again to UniCredit's leadership in facilitating capital markets access for SMEs and its enduring commitment to sustainability.





COUNTRY  
GERMANY



OUR  
CLIENTS

## RATHGEBER AG

SECTOR: REAL ESTATE  
ESG FOCUS

**A household name, Rathgeber AG has been active in Munich for more than a hundred years.** In recent times, the former mechanical engineering company has transformed itself firstly into a **property ownership company** and subsequently into a **real estate project developer**. Rathgeber AG develops real estate exclusively for its own portfolio. Through the "Meiller Gärten" project, Rathgeber AG is building one of the largest private rental housing developments in Munich - with a total investment of approximately €300 million.

A total of fourteen buildings with **over 650 residential units**, a boarding house, several commercial units and two daycare facilities are being built across the eight construction sites. In addition to private gardens, the open space planning also includes two **large public green areas**. The standout feature of the project is its sustainable orientation. Clinker bricks are used, for example, as a sustainable and durable material for parts of the facades.

A **regenerative concept** leveraging **groundwater heat pumps and solar power** will be installed for the development's energy supply. Taking into account the boarding house alone, a total CO<sub>2</sub> saving of 103,905 kilograms per year can be unlocked through the trifecta of good insulation, proper use of groundwater and CO<sub>2</sub>-free generated electricity.



UNICREDIT STORIES

The electricity required for the groundwater heat pumps is partly generated with the help of solar cells on the roof.

**UniCredit HypoVereinsbank financed the sustainably-designed boarding house**, which opened last year and covers an area of 6,400 square meters and 152 apartments, with its first 'Real Estate Green Loan' for a total of €15 million. With this new loan product, UniCredit HypoVereinsbank has expanded its range of sustainable financing solutions to include commercial real estate financing and is **helping its customers achieve their sustainability goals** with an additional tool.

In this context, the granting of loans is linked to specific property criteria for energy savings.

The financing was also supplemented by a KfW loan for energy-efficient construction amounting to €4 million. "With the green loan from UniCredit HypoVereinsbank, we are underlining the sustainable character of Meiller Gardens and also including the area of financing in our sustainability approach", commented **Andreas Ferstl, CEO of Rathgeber AG**.



COUNTRY  
SERBIA



OUR  
CLIENTS

## ELICIO ALI VE

SECTOR: ENERGY  
ESG FOCUS

Elicio Ali VE is a 100% subsidiary of Elicio NV, a **young and ambitious energy producer** with the goal to ensure a sustainable and better world for everyone.

The company started as a **pioneer in onshore and offshore wind energy** in Belgium and has grown to be an international player in the sector with a growing portfolio of wind farms in Belgium, France, Serbia, Spain and in Scottish waters. In July 2021, Elicio Ali VE was looking for refinancing for its Alibunar 42MW wind farm, which supplies energy to nearly 30,000 households in Serbia.

UniCredit Bank Serbia worked with Elicio Ali VE to complete the required transaction as the leading structuring bank and sole lender in the €53 million refinancing.

The transaction represented an important milestone for the Serbian renewables market, demonstrating its strong fundamentals and bankability.



UNICREDIT STORIES

Furthermore, the **green energy that can be produced as a result is expected to reduce carbon-dioxide emissions** in Serbia by 94,455 tonnes per year.

**Alain Janssens, CEO of Elicio**, commented: "This refinancing represents an important milestone for the Serbian renewables market as it affirms the project and the bankable regulatory environment for renewable energy production in the country.

The transaction also confirms the funding available in the Serbian market to locally finance well-structured projects and to do so on longer tenors. We are grateful to UniCredit for supporting us in this journey".

# Human Capital

We support our colleagues throughout their professional lives by:

- > listening to their needs
- > valuing their skills and implementing training programmes and development plans
- > promoting diversity, equity, inclusion and welfare policies

## THE RESOURCES WE HAVE

- > engaged colleagues
- > competent and skilled professionals
- > diversified workforce.

## COMMUNITY IMPACTS

- > empowerment and development of skills
- > enhanced diversity, equity and inclusion
- > strengthened quality of life through welfare policies.

## HOW WE CONTRIBUTE TO A MORE SUSTAINABLE WORLD

- > committed to creating a positive environment based on respect, where our employees feel fully engaged at work and in their private lives
- > invest in attracting, managing and developing talent
- > foster the professional development of colleagues
- > committed to ensuring an equal opportunity workplace and a positive and inclusive environment for all our people.

## 2021 RESULTS

**Group-wide minimum standard for parental leave**  
16 weeks for mothers, 4 weeks for fathers

c.30  
training hours per capita

**40%**  
women in Group Executive Committee

**33%**  
women in leadership team

**3,600**  
new hires under the UniCredit Unlocked Strategic Plan

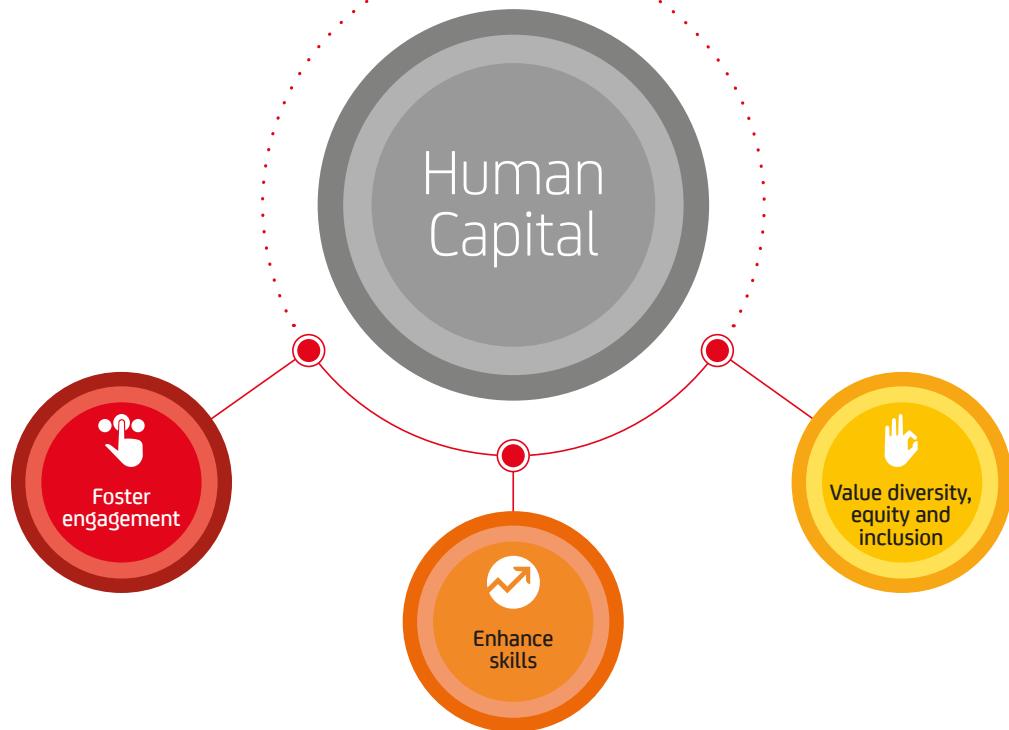
**Ambition to ensure equal pay for equal work**  
investing €100m by 2024

**Ambition to promote gender parity**  
across all organisational levels, increasing cultural and ethnic diversity in our staff



UniCredit Unlocked Employee Event

## OUR INVESTMENTS IN HUMAN CAPITAL



## Foster engagement

The engagement of our employees is key to the viability of our business.

### LISTENING AND INVOLVING

Two main initiatives were put in place in 2021.

#### CULTURE SURVEY

aimed at measuring the current company culture against an ideal one, identifying any gaps and targets for change.

 **c.5,000**  
responses across all our geographies

 **44**  
focus groups with 370 colleagues

 **26**  
one-to-one interviews with people from 13 countries

#### Main findings

 a strong sense of pride, identity and belonging. People feel valued and respected in their diversity. There is a spirit of co-operation and our employees recognise that UniCredit attracts and retains high-quality people

 excessively bureaucratic working environment

Based on the findings and feedback collected, the first important step towards UniCredit's culture transformation journey has been defined: a new set of values to drive people's behaviour and help deliver on the new purpose and Strategic Plan.<sup>1</sup>

<sup>1</sup> Refer to Our Purpose chapter for more information.



## UNICREDIT'S COURAGEOUS VOICES: THE EMPLOYEES SHAPE THE BANK'S FUTURE

UniCredit's *Courageous Voices* campaign engenders a new accountability and speak-up culture throughout the company, allowing employees to play an active role in shaping the bank's future.

Programme cascading ensures that leaders at all levels are able to create a safe working environment in which team members feel free to voice their opinions, are motivated to find solutions and take ownership of their activities.



**125**

workshops



**1,600**

participants to  
the campaign



**c.60**

ambassadors supporting the  
campaign in their business area

### PULSE SURVEYS

Regular instant assessments of the perceptions of our employees carried out during the year measuring satisfaction, motivation, recommendation and pride. Each wave involved a sample of employees with the aim to reach all colleagues in one year.



**>35,000**

colleagues involved

Thanks to these recurring listening moments, we could observe, among other results, an increased level of clarity about UniCredit vision and strategy over the year.

### BUILDING A POSITIVE WORK ENVIRONMENT

Our welfare offer remains a key pillar of our approach, in the current period dominated mainly by the Covid-19 pandemic. Welfare plays a crucial role in supporting colleagues in their daily personal, family and professional challenges and **minimum Group standards** have been set on those initiatives considered to be high-priority.

### 3 MAIN PILLARS OF OUR WELFARE OFFER<sup>A</sup>



**FLEXIBILITY**



**WELL-BEING**



**PEOPLE  
CARING**

<sup>A</sup> Refer to the Supplement - Human Capital section for more information.

In 2021 we set up a Group-wide minimum standard for **parental leave** across all our markets with **mothers** offered at least **16 weeks of paid leave** and **fathers** offered at least

**4 weeks on a voluntary basis**

During the year a **global survey** was carried out with a response rate

**higher than 51%,** to measure current levels of **emotional and professional wellbeing** of our employees and support them in the transition to the new normal and new ways of working

To reinforce our support during these unprecedented times, a global **Ask for Help** campaign aimed at increasing colleagues' awareness and use of the available psychological support services for them and their family services was launched.



## Enhance skills

We strive to be an employer of choice in a company where people can fully deploy their skills, abilities and qualities.

### ATTRACTING TALENT AND MANAGING PERFORMANCE

UniCredit offers opportunities to talented profiles ranging from graduate programmes to STEM activities.



Our recent UniCredit Unlocked Strategic Plan, calls for  
**3,600**  
new hires in the next three years

### IMPACT GROUP GRADUATE PROGRAMME



**35**  
young graduates hired in 2021



**7**  
different nationalities



**50%**  
gender balance

We have established processes to set goals, assess performance and define career development.

*UniCredit Performance Management* is the Group-wide **appraisal and development process** by which all employees receive every year a performance review by their managers. It ensures a common approach focusing both on performance and behaviours in line with our Group values. At the same time, this process supports decisions on rewards, career development, succession plans and learning opportunities.

To foster our feedback culture, in 2021 the process was endowed with a new feature giving most Group employees the opportunity to provide a **transparent and structured feedback** on the observed behaviours of their managers.

### DEVELOPING SKILLS

We invest in initiatives aimed at fostering the professional development of colleagues and at ensuring they can support UniCredit's objectives.

A core development path is available to all UniCredit employees and can be locally customised to meet specific business needs. For a selected pool of employees, identified according to outstanding performance and potential, a fast-track development path is available.

In relation to our executive development offer, our executives are supported in each stage of their career.

### FAST-TRACK DEVELOPMENT



**c.230**

colleagues involved in a fast-track development path

In 2021 we continued to deliver training initiatives aimed at equipping employees to work effectively in a remote/hybrid environment and to enhance their digital awareness and skills. We remain committed to invest on digital, data and our people, also through a digital attraction programme for 2022-2024 targeting 2,000 new resources to build the team and the capabilities for tomorrow.

To foster our sustainability culture, we also designed an ESG training framework covering basic to specialist needs targeting different employees.

### FOSTER OUR SUSTAINABILITY: ESG TRAINING



**ESG training framework**

addressing different needs



more than **40,000<sup>A</sup>**  
people involved in training on basic knowledge of ESG topics



**275 relationship managers<sup>A</sup>**

trained as Sustainable Finance Experts in cooperation with a leading German business school



**140**

certified ESG advisors in Austria



**37**

certified ESG specialists in Bulgaria in partnership with Sofia University

<sup>A</sup>Numbers refer to years 2020-2021.

We continued to foster professional growth over the course of the year with our training programmes in specific competence and business lines, and to enhance professional skills in retail, corporate and private banking. To face the challenges connected to skills retention and development, accelerated by a rapidly changing environment, we worked on improving people management and development through **upskilling and reskilling programmes**, thanks also to data-driven workforce planning.



**c.30**

training hours per capita during 2021

# Value diversity, equity and inclusion

At UniCredit **Diversity, Equity and Inclusion (DE&I)** are **strategic assets** for our business, growth, innovation and performance and act as an integral part of our corporate culture.

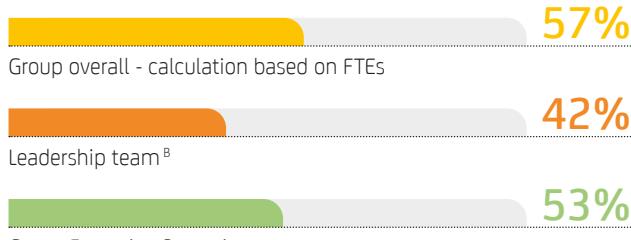


## A NEW GROUP DIVERSITY EQUITY & INCLUSION POLICY WAS SET UP IN 2021 AND EMBEDS THE GLOBAL POLICY ON GENDER EQUALITY

The new policy further enhances inclusion within the whole organisation, to ensure that the policies, procedures and practices promote DE&I and create an environment where individual differences are valued. **DE&I Accountable Executives** have been nominated under each GEC leader to promote the enforcement of the new policy and act as role models across the Group, ensuring DE&I are at the centre of our business agenda, alongside with **Group DE&I Manager and local DE&I Managers** appointed in our Group countries.



## International mindset<sup>A</sup>



<sup>A</sup> Percentage of non Italian employees.

<sup>B</sup> Refers to Group Executive Committee and first line reporting to Group Executive Committee.

We are strongly committed to and continue to work on **disability inclusion and a barrier-free environment**, supporting our people and clients with accessible online services (e.g. Group intranet, apps and new corporate website) and remote workplaces.

## Our employee resource groups foster an inclusive working environment

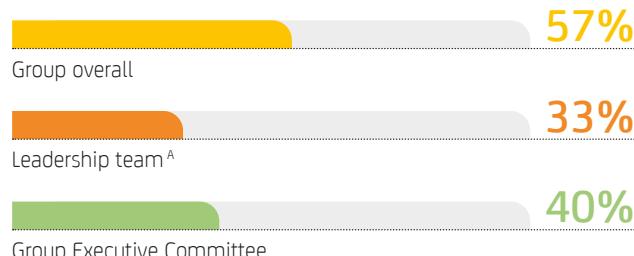
Unicorns networks (LGBTI) and Ally	
Women's Networks	
Diversity and Inclusion Network	
Disability Network	
Cultural Diversity Network	
Future Generation Network	

To build a more inclusive working environment, dedicated **Inclusive Leadership Programmes** have been rolled out to all managers across the Group to equip them with the right tools and skills. A series of initiatives addressed to all colleagues was launched to raise awareness and drive the cultural change, including a webinar on inclusive language and a leaflet with concrete suggestions on how to tackle unconscious bias in the workplace.

## PROMOTING GENDER PARITY

Our ambition is to promote gender parity across all organisational levels, increasing cultural and ethnic diversity in our staff. Since the subscription to the UK Women in Finance Charter (2018), our female representation in senior leadership has grown to 27% in 2021, exceeding our 2022 commitment of 20%.

### Gender balance Female presence



<sup>A</sup> Refers to Group Executive Committee and first line reporting to Group Executive Committee.

We launched dedicated leadership and development programmes for women to empower our most promising female colleagues, enhancing their leadership capabilities and maximising their career progression.

In October 2021, during the G20 Women's Forum Italy, our CEO signed the **CEO Champion Commitment Towards the Zero Gender Gap**, ensuring the topic is firmly considered on the corporate agenda with concrete objectives and a framework to move towards greater gender equality, diversity and inclusion in our bank.



## OUR AMBITION IS TO ENSURE EQUAL PAY FOR EQUAL WORK, INVESTING €100M IN THIS DIRECTION BY 2024

To reach this objective, UniCredit has a defined methodology in place to evaluate and monitor the progress within the Group, promoting a culture based on equal treatment and equal pay. The **UniCredit Remuneration Policy** framework embeds the equal pay principle and considers local specificities in each country. A number of initiatives have been implemented to address any pay differentials, such as: guidelines for compensation process, allocation of salary budgets, specific goals related to DE&I assigned to senior management in the annual goal-setting process.

“

We have the responsibility to contribute to a more equal and inclusive society with concrete actions, both inside our bank and outside. We take this commitment seriously and continuously work towards a more diverse workforce as well as playing our role in relevant industry initiatives and partnerships to foster joint progress.

ANDREA ORCEL  
CHIEF EXECUTIVE OFFICER



## AWARDS



### BLOOMBERG GENDER-EQUALITY INDEX (GEI)

UniCredit included for the third time in this index, showcasing our commitment to move towards greater gender equality, diversity and inclusion in our bank.



### EUROPEAN WOMEN ON BOARDS (EWOB) 2021 GENDER EQUALITY AWARDS

UniCredit recognised as Best Practice Leader, first in Italy and among top 3 companies in the financial and insurance sector.



### 2022 BREAK THE CEILING 101 BEST GLOBAL COMPANIES FOR WOMEN IN LEADERSHIP INDEX

UniCredit ranked 14 out of 101 companies.



### FINANCIAL TIMES LEADERS IN DIVERSITY 2022 INDEX

For the first time, UniCredit has been included in the assessing of employees' perceptions of their employers' inclusiveness or efforts to promote various aspects of diversity.



### AIF AWARD IN TRAINING INNOVATION

Received in 2021 by UniCredit for the online training in Sign language and Lip-reading.



### TOP EMPLOYER CERTIFICATE

For the sixth year in a row, UniCredit has officially been certified by the Top Employers Institute, thanks to the local certifications achieved in six countries: Italy, Germany, Austria, Bulgaria, Hungary and Russia.

### FINANCIAL ADVISER MAGAZINE DIVERSITY IN FINANCE AWARDS 2021 DIVERSITY AND INCLUSION INITIATIVE OF THE YEAR

UniCredit Bank Austria won Diversity and Inclusion Initiative of the year 2021 for its excellence in disability management and barrier-free services.



## UNICREDIT STORIES

### FOUR WOMEN IN LEADERSHIP TESTIMONIALS

#### OUR PEOPLE

TAKEN FROM SERIES PUBLISHED ON ONE UNICREDIT IN 2021  
ESG FOCUS

UniCredit's commitment to ensuring a fair and positive work environment is evidenced by our strong focus upon diversity and inclusion.

Since the subscription to the UK Women in Finance Charter (2018), our female representation in senior leadership has grown to 27% in 2021, exceeding our 2022 commitment of 20%. The bank's commitments are supported by concrete Group-wide initiatives which continue to undergo rigorous monitoring.

In 2021, UniCredit launched a new series named **Women in Leadership**. The series highlights the roles, expertise, and commitments of some of its female executives operating in the countries and areas of the business in which the bank operates.

#### 1. Monika Rast - Head of Multinational Corporates and Deputy Head of Corporates, UniCredit Bank AG:

"We can't be yesterday's expert in tomorrow's world."

**As a woman in an executive role what advice would you give women working in the financial sector?** It's been quite a journey for women around the world to try to achieve gender equality. This applies not only to the financial industry but to all economic sectors and, I believe, that the fight for equality will continue to be an ongoing journey for

many years ahead. I would also advise women working in the financial sector to be courageous, determined, open and last, but not least, hard working. Furthermore, strong women who have made their way up the career ladder shouldn't hesitate or hide their ability when it comes to stepping-up and actively pursuing a higher position.

**What are your expectations for the future?** In a nutshell, I expect change and disruption to continue. As a very adaptive species, we need to anticipate these developments and adjust to the best of our capabilities. Those of us who can manage this well are likely to succeed beyond our highest expectations. Additionally, the strong advances of ESG (Environmental, Social and Governance) considerations will undoubtedly influence markets going forward as companies strive to combine positive sustainability with financial impact. Regulatory developments in this direction are already at hand and will likely to continue to exert an ever-greater influence on our daily lives - not only in the workspace.

#### 2. Teodora Petkova - Head of Eastern Europe

"According to Google, empathy is the skill of the future."

**As a woman in an executive role what advice would you give women working in the financial sector?** It is very important to encourage women to work in the financial sector, including in leadership roles. One thing I can say for sure is that women who want to make career are in the right place because I strongly believe in our Group's diversity & inclusion approach and initiatives. As Picasso says, "Inspiration exists, but it has to find you working." In this respect, my advice to women is to keep working with inspiration and heart. We do face the challenges but, in the meantime, we should turn them into starting points that

motivate us to improve ourselves and our talents. I believe that women in an executive role should lead their teams with empathy and, at the same time, make timely and firm decisions.

**What are your key take-aways from the pandemic?**

**Which initiatives are you most proud of?** 2020 was a year in which I took an accelerated course in management and humanity. All my take-aways are related to how important achieving balance is. We need to aim to find the balance between the company's short-term problems and its long-term strategy while keeping the foundations of the company unchanged, and we need to find the balance between the need to make quick decisions and the need to make the right decisions. I also want to share how proud I am of the team at UniCredit Bulbank and congratulate my colleagues on all that we achieved during a challenging year. In 2020, payments for utilities through online banking increased by 50%. Since the beginning of 2019, our mobile banking clients have grown by over 65%. This trend will certainly continue as we all become more tech savvy.

**3. Luisella Altare - Head of Region North East, UniCredit Italy:**

"Starting over is a chance to face the future with an open mind."

**As a woman in a leadership role in Italy, what advice would you give to women working in the financial sector?**

Never feel inadequate. Work on enriching your skills and cultivating the courage to pursue your goals with tenacity. My job as a Manager is to encourage female colleagues to take on their professional challenges with confidence and to accompany and support them on their journey.

**What are your expectations for the future?** We need great flexibility. We should treasure the positives of this period that has greatly changed our habits and confronted us with so many weaknesses, often in a system that we have had to question. We learned the value of caring, collaborative working, and the need for more inclusive communication. I believe that people who can anticipate change, be flexible, know how to question themselves, even rethink their professional development plan will have great opportunities with the highest expectations.

**4. Laurence Fraissinet-Dubois - Country Manager France and Branch Manager UniCredit Paris:**

"There are a lot of opportunities and women should not be shy to grab them."

**As a woman in an executive role, what advice would you give women working in the financial sector? In Paris there is a high level of diversity within the bank, how did you manage to achieve such a great result and what are the actions that you are implementing to maintain this high level of diversity in the future?** Women should be confident that they can succeed in every sector and financial services is no exception! There are also a series of impressive

role models: could you ever have imagined that the Head of ECB and EU Commission would both be women and, at the same time, there being several powerful women as heads of state? But diversity is not just about women, it is also about bringing together different nationalities or profiles to break stereotypes and foster collaborative thinking. At UniCredit Paris we have been very open to diversity since our inception and are often regarded as an exemplar of the Group, specifically due to the development opportunities we offer to talented people at all levels.

**What is your outlook for this year?**

As remote working became the norm, companies had to quickly adjust to digital channels whilst revisiting their existing strategies. In this context, the banking sector played an important role in supporting both economies and the private sector; depending on the industry, M&A activity has restarted whilst asset rotation in portfolios is also accelerating thanks to increased liquidity in the market. We expect to return to pre-Covid growth trends in 2022, with a boost to longer-term investments helped by European and national funds in the areas of energy transition, infrastructure, and education.





### WELFARE PROGRAMS IN OUR GROUP

#### ESG FOCUS

UniCredit is a pan-European bank and the goals that inspire our company welfare programs are unified across our Group. They are intended to create a workplace where each person strives to contribute in the very best way that they can.

This is the reason we were certified as a Top Employer in 2022 for the sixth consecutive year.

Across the Group, we aim to create a positive work environment for our colleagues by offering tailor-made packages that improve their flexibility and well-being. We also support our people during the most important moments in their personal and professional lives with our people caring initiatives.

We pride ourselves on our commitment to our colleagues' well-being and we know this means different things for different people. Our welfare programmes vary by country: they are tailored to ensure we are meeting local needs and responding to challenges faced by our team.

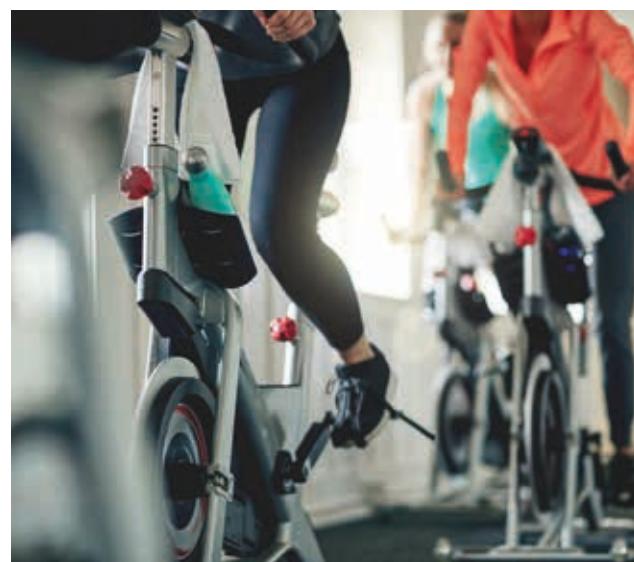
During the ongoing Covid-19 pandemic, the welfare programmes that UniCredit provided have become crucial and served as a lifeline for our employees whose normal routines have been greatly disrupted. In the almost two years since the start of the pandemic, which profoundly altered our personal and professional lives, our welfare programme has evolved to support our team during this unprecedented time. We have taken significant steps to strengthen workplace flexibility, make remote working easier and enhancing our team's morale, their individual health and well-being. Our holistic approach to well-being ranges from gym memberships to discounted bike rentals. Most importantly, we offer health care and prevention campaigns, counselling, and coaching programs which support private and



professional needs so that our team can reach all of their individual aims, including their emotional, physical, and financial goals.

With reference to flexibility, our colleagues tell us that the "time factor" is more important than ever. This is true for every age group, including millennials, new parents, and our colleagues caring for elderly relatives. By listening to our people, we discovered that time is considered the most valuable part of our offer, in particular flexibility and work-life balance.

Therefore, we offer programs such as paid leave for key life events and voluntary activities, time banks, flexible working hours and locations. Confirming the value of this approach, member of management board of UniCredit Bank Austria, People and Culture Georgiana Lazar said: "Our employees in our Headoffices can structure their working day anytime between 6am and 8pm either from the office or from home, choosing from different part-time and flexi-time working arrangements. About one third of our staff works on a part-time basis."





# Social and relationship Capital

**Close relations with our main stakeholders create long-term value and support individual and collective growth.**

## THE RESOURCES WE HAVE

- > long-term stakeholder relationships
- > our business approach to foster social and economic development.

## COMMUNITY IMPACTS

- > client satisfaction
- > companies' competitiveness
- > well-being and social inclusion.

## HOW WE CONTRIBUTE TO A MORE SUSTAINABLE WORLD

- > provide clients with high-quality service which begins by actively listening and absorbing feedback
- > interact with key stakeholders to build a sound banking environment based on transparency and mutual understanding
- > promote stronger economic participation for everyone.

### 2021 RESULTS

**>580,000**

feedbacks provided by stakeholders

**€36m**

contribution to communities

**€0.4bn**

microcredit and Impact Financing cumulated loans

### TARGETS

**€10bn**

new production (2022-2024) Social Lending

Our ultimate goal is the creation of long-term success for all our stakeholders, from employees and investors to the clients and communities we serve. Stakeholder Engagement ensures we have a holistic understanding of each of these groups and what they expect from us, so that we can deliver for them all.

**Joanna Cars**

Head of Group Stakeholder Engagement



Our priority is to support our clients and communities through a positive and sustainable energy transition that takes into consideration both the environmental and social aspects of our commitments to ensure a just and fair transition for all.

**Niccolò Ubertalli**  
Head of Italy



Sustainable business is both a challenge and a huge opportunity. That's why banks like ours are needed to provide competent support and drive forward the transformation of the economy.

**Michael Diederich**  
Head of Germany



We are actively helping our clients and communities to progress, offering a comprehensive range of ESG products, investing in dedicated training for our relationship managers and ESG targeted campaigns in different sectors.

**Gianfranco Bisagni**  
Head of Central Europe



We are committed to sustainable value creation in Eastern Europe for our clients, communities, and investors alike. Green lending is a key element of our growth strategy, and we promote access to opportunity through multiple social programs.

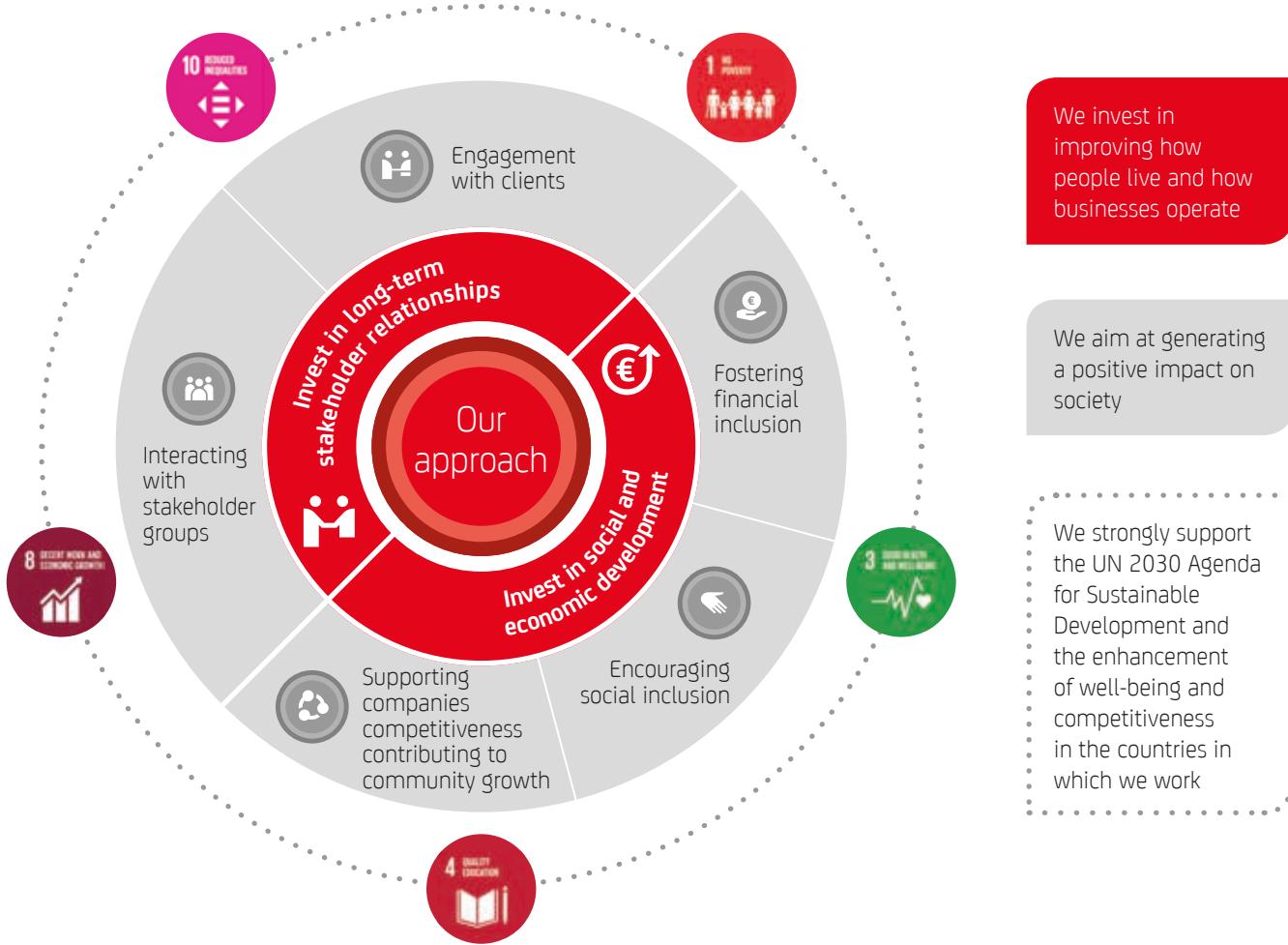
**Teodora Petkova**  
Head of Eastern Europe

As Europe emerges from the initial disruption of the pandemic, **we have the chance to rebuild our economies and societies for the better**. The financial sector has a crucial role to play in this transition and banks should be deeply embedded in their communities, acting as engines of individual and collective growth in helping people,

communities and countries deliver on their potential.

UniCredit will play its part in **unlocking the potential** of all the stakeholders across Europe. Our people are united behind a new common purpose - **empowering communities to progress** - which lies at the heart of everything we do.

## **OUR APPROACH TO SOCIAL AND RELATIONSHIP CAPITAL**



## **Invest in long-term stakeholder relationships**

Connecting with stakeholders on a deeper level represents a crucial building block for a relationship based on trust.

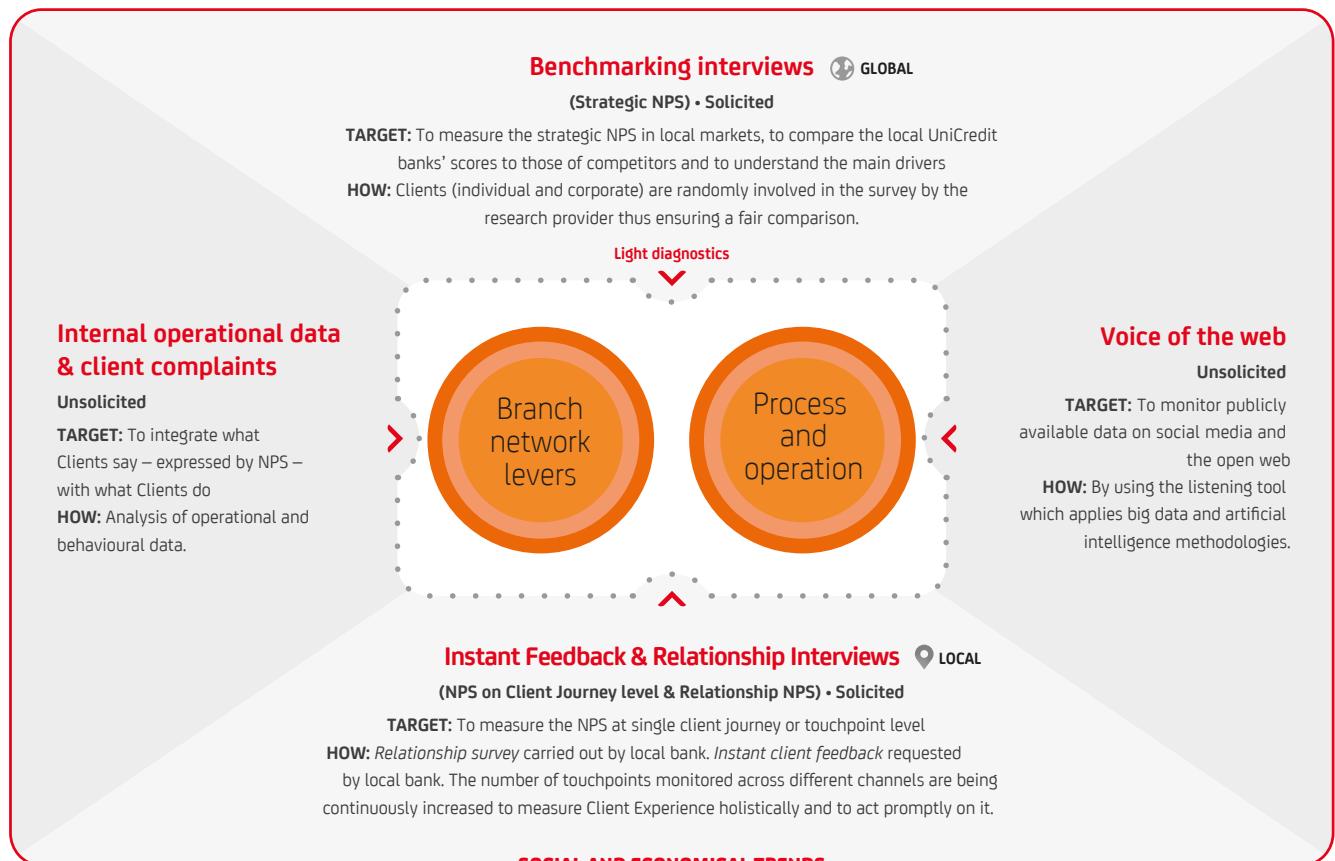
### **ENGAGING WITH CLIENTS**

While capturing new business opportunities and facilitating stakeholder engagement, the service we provide is measured by identifying and prioritising interventions in areas where improvement is required. This activity has become even more significant since the advent of the Covid-19 pandemic. Our strategic plan relies on the **Net Promoter Score (NPS)**

as key performance indicator, fundamental in understanding the degree of clients' recommendation and experience of our banking services, and guiding our interventions accordingly. Starting with key client journeys and touchpoints, the NPS is regularly measured, monitored, analysed and discussed, and any written feedback from clients on specific areas is examined.

In 2021 UniCredit achieved an NPS of 30, +7 points ahead competitors, 3 points increase vs 2020 driven by improvements in Italy, Germany and Central Europe.

## HOW WE LISTEN TO OUR CLIENTS: THE NET PROMOTER SCORE



**Design thinking** and **process mapping** are important tools for heightening client experience. In this way, we analyse processes from the client's perspective, e.g. identifying complexities to be removed and enhancing experience through all channels.

All the data and feedback thereby collected are observed in order to redesign processes and improve operations to better meet client needs. Group-wide, our complaint management system allows us to identify sources of concern and promptly resolve them to the satisfaction of our clients.

ACTIVITY	ITALY	GERMANY	CENTRAL AND EASTERN EUROPE (CE-EE): CZECH REPUBLIC
PROCESS	Quality initiatives arise from <b>complaints analysis</b> and feed a <b>continuous improvement</b> process	Ongoing touchpoint surveys to foster client-centered product development and ongoing <b>improvements</b> for our end-to-end <b>client journeys</b> (e.g. for investment products)	Deepening <b>insight</b> from clients regarding experience with <b>new digital platform</b> (assisted sale, E2E process) beyond instant feedback activities
2021	Every time a structural problem is found through complaints analysis, process owner is contacted and invited to define a <b>possible solution</b> . A periodical monitoring of status update allows us to keep the pace of <b>improvements and problems removal</b>	After successful <b>security account opening</b> , clients are asked about their likelihood to <b>recommend</b> this product. In addition, open questions are used to collect specific <b>suggestions</b>	Extension of mystery shopping activities by closing deals in the area of <b>current accounts</b> . Monitoring and evaluation of the entire process from <b>sales interview</b> to Smart Banking activation

Our Group remains committed to strengthening consumer protection and improving awareness. In Italy Noi&UniCredit, our longstanding partnership with national **consumer associations** in place since 2005, includes 14 different associations.

Under this partnership, in 2021 many information and awareness campaigns were developed for the benefit of consumers. They focused on topics such as the new European legislation redefining criteria for the classification of default for individuals and companies; products and services offering opportunities also in terms of environmental sustainability; responsible consumption; cybersecurity.

## INTERACTING WITH STAKEHOLDER GROUPS

We are a **Global Systemically Important Bank** (G-SIB) and consequently subject to different regulatory measures and to scrutiny of supervisory authorities. At EU level, we are registered in the common transparency register of the European Commission, the Council of the European Union and the European Parliament.

In 2021 we continued our **proactive communication** and **engagement with regulators** at national, European and international levels as part of our commitment to ensure the swift implementation of the economic measures taken to support the recovery from the Covid-19 crisis and the transition to a low-carbon economy.

We have actively taken part in discussions with EU institutions (EC, EBA and ECB) and banking trade associations in developing an ambitious and comprehensive sustainable finance regulatory framework including: how to integrate ESG risk factors into bank strategies, governance and risk management frameworks; how to set ESG risk disclosure standards to facilitate capital flows towards sustainable activities and the establishment of the European Single Access Point, an EU data-hub to facilitate the investor's access to ESG data.

Other key regulatory debates in which UniCredit engaged in 2021 include the extension of the EU Taxonomy to social objectives and the development of a regulatory framework for EU Green Bond Standard to stimulate the transition to a just, fair and green economy.

## OUR INVESTOR ENGAGEMENT IN 2021

474  
meetings  
  
41  
roadshows

With investors,  
analysts and  
rating agencies

**Investors are increasingly integrating ESG factors in their investment decisions.** ESG ratings and scores are therefore becoming more and more relevant, triggering sustainable investor and fund decisions and strategies. For this reason **we have strengthened our attention towards external stakeholders like ESG investors and analysts and ESG rating agencies.**

Dedicated meetings with ESG investors and ESG rating agencies took place in order to increase disclosure and improve the positioning of the Group. A proactive management of ESG rating agencies has been adopted through a comprehensive and regular disclosure tracking the progress of ESG strategies.

Tangible results on the Group ESG rating positioning are reflected in the key external ratings we received in 2021.<sup>1</sup>

During the year, we also have strengthened our **engagement with NGOs and Civil Society**, especially to get their feedback on our new/updated sector policies and to assess their perception of our ESG strategic positioning.<sup>2</sup>

## Invest in social and economic development

We are forever evolving to better serve and shape our company, our clients and our communities. Not only do we provide traditional banking services, we also support financial and social inclusion with corporate citizenship and philanthropic initiatives.

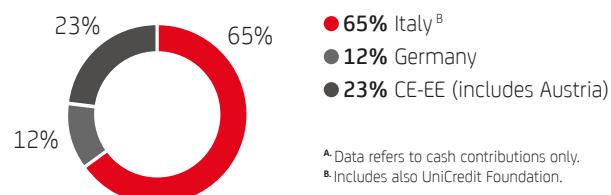
### OUR CONTRIBUTION TO COMMUNITIES IN 2021

 **€36m**  
as measured by the former London Benchmarking Group (LBG), now Business for Societal Impact (B4SI) reporting framework.

## COMMUNITY CONTRIBUTIONS

### BY GEOGRAPHY, 2021<sup>A</sup>

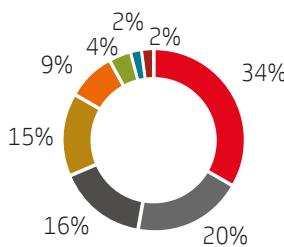
100% = €29.5m



<sup>1</sup> Refer to Strategy chapter for more information.

<sup>2</sup> Refer to Stakeholder engagement chapter for more information.

### BY FOCUS, 2021<sup>A</sup>



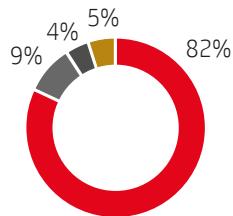
100% = €36m

- 34% Arts/Culture
- 20% Social welfare
- 16% Education and young people
- 15% Economic development
- 9% Emergency relief
- 4% Other support<sup>B</sup>
- 2% Environment
- 2% Health

<sup>A</sup> Includes Group cash contributions and - for Italy, Germany and Austria only - time, in-kind resources and management costs. Management costs are attributed proportionally based on contributions by focus.

<sup>B</sup> "Other support" refers to activities that cannot be classified.

### BY TYPE, 2021<sup>A</sup>



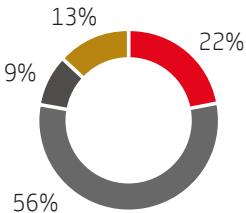
100% = €36m

- 82% Cash
- 9% Time
- 4% In-kind
- 5% Management costs

<sup>A</sup> Includes Group cash contributions and - for Italy, Germany and Austria only - time, in-kind resources and management costs. Management costs are attributed proportionally based on contributions by focus.

## BUSINESS INNOVATION FOR SOCIAL IMPACT (RELATED TO SOCIAL IMPACT BANKING - SIB PROJECT)

### BY TYPE, 2021<sup>A</sup>



100% = €6.8m

- 22% Cash
- 56% Time
- 9% In-kind
- 13% Management costs

<sup>A</sup> Data includes cash contributions, time, in-kind resources and management costs for Italy, Germany and Austria.



## FOSTERING FINANCIAL INCLUSION

We offer a broad range of customised solutions to enable individuals and businesses to gain ready access to financial products and services. At the same time, we are strongly committed to helping people and businesses improve their personal financial skills, enabling them to make responsible choices.

### COMMITMENT TO FINANCIAL HEALTH AND INCLUSION

In December 2021 we were one of the founding signatories and the first Italian bank to subscribe a new **collective commitment to Financial Health and Inclusion** under the **Principles for Responsible Banking**. The commitment focuses on unbanked, formerly banked and underbanked individuals, households, micro, small and medium-sized enterprises, assisting financial institutions further in creating and maintaining inclusive societies.

## OUR OFFER OF CUSTOMISED SOLUTIONS



### MICROCREDIT IN SIB



c.5,800

disbursed loans  
for a total amount of

€117m



c.32%

female micro-entrepreneurs (Italy only)



>51%

beneficiaries represented by Start-ups  
(Italy only)

Our microcredit service model supports micro-entrepreneurs and strengthens their skills with an end-to-end process, from the business plan development to accompaniment during the first period of the business activity, also leveraging local and international partnerships.



## FINANCIAL EDUCATION IN SIB

In 2021 we continued to engage in a range of financial education and awareness programmes in our countries. Our beneficiaries included young and students, women, fragile individuals, small enterprises, start-ups and social organisations.



**>123,500**

beneficiaries of financial education in 11 countries



**>206,000**

beneficiaries reached by financial and ESG awareness initiatives

### IMPACT OF OUR START UP YOUR LIFE PROGRAMME (IN ITALIAN HIGH SCHOOLS)



**+28%**

improvement in personal branding skills



**+18%**

knowledge level of digital money and innovative payments



**+28%**

knowledge level of marketing



## FOCUS

### EMPOWERING WOMEN

In Italy the pandemic has particularly affected female employment and entrepreneurship, increasing gender inequality. To provide a solution, in 2021 we promoted a distinctive microcredit and impact financing offer to support female businesses and those businesses dealing with family services.



**c.€20m**

disbursed with this initiative

UniCredit's commitment to enhancing talent and growth opportunities for women was further demonstrated by the launch of *UniCredit4Women*.

Under this initiative, a female mentoring programme was set up with leading female professionals acting as mentors to entrepreneur mentees selected from the bank's SME clients.

In addition, financial education courses specially dedicated to women were held during the year and specific Digital Talks on the topics of training, business support, leadership and talent were given.



### ENCOURAGING SOCIAL INCLUSION

We are continuously endeavouring to improve the social welfare and well-being of our communities; our efforts include the promotion of fundraising activities and culture in all its forms.

### SUPPORT BY UNICREDIT FOUNDATION AND FUNDRAISING

In 2021 UniCredit Foundation disbursed about €7 million with its activities. It confirmed its ongoing strong social commitment supporting local communities hit by natural disasters. By developing initiatives against hunger, it also helped mitigate the unprecedented Covid-19 emergency effects on people regarding their ability to satisfy basic needs.



**>€400,000**

collected with fundraising initiatives in support of local communities hit by natural disasters in Germany, Croatia and Czech Republic



**c.€2.8m**

donated to provide food to people in poverty after the Covid-19 emergency

**>6,500**  
donations by  
colleagues

**c.€1.2m**  
collected

## Gift Matching Program

supporting non-profit  
organisations' activities for  
children and adolescents<sup>A</sup>  
and to face the effects of the  
pandemic

<sup>A</sup> Up to the age of eighteen.

In 2021, in Italy UniCredit made more than €2.2 m available to support social initiatives at national level by donating part of its commission from clients' UniCredit Card E and from the credit cards of all employees in Italy.

## CULTURAL SUPPORT

### Supporting talent

UniCredit Foundation remains dedicated to promoting studies, research and initiatives aimed at building up knowledge of economic, finance, banking, and legal disciplines by awarding several scholarships, fellowships and grants every year.



**>€20m**

for more than 350 scholarships and fellowships granted to more than 1,000 students and researchers since 2009

### Promoting cultural initiatives

UniCredit has a long tradition of sustaining culture, in particular art and music, sectors most affected by the Covid-19 emergency.

We have continued to support our main cultural partners such as Filarmonica della Scala and Arena Foundation in Italy, the Bavarian State Opera and Kunsthalle Munich in Germany, Kunstforum Vienna in Austria in all their activities and initiatives, including social projects for communities and scholarships for young musicians.

In 2021 we announced a new strategy to leverage and enhance our artistic heritage with a focus on increasing access to our collections.

**Virtual access for a wider audience to our art collection**

**Educational programmes addressed to children in collaboration with UniCredit Foundation**

Increasing  
access to  
our artistic  
collection

**Ongoing programme of long-term loans to museums and institutions across Europe**

**Short-term loans for temporary exhibitions**



### 12 NEW ARTWORKS SIGNED BY YOUNG ARTISTS: THE AGREEMENT WITH BOLOGNA MUSEUMS INSTITUTION

In Italy, consistent with the objective of having an increasingly active role in contributing to the growth of a more equitable and inclusive society by identifying, financing and promoting initiatives that have a positive social impact, UniCredit, after signing an agreement with the Bologna Museums Institution, commissioned to 12 young artists the production of new artworks, becoming part of the Group's artistic heritage.

UniCredit has paid particular attention to youth and education, continuing its ten-year cooperation with the Osservatorio Permanente Giovani-Editori with the ambition of guiding high school students in critical reading, both digital

and on paper, as well as understanding the reality of and improving economic and financial literacy in order to close the gap between them and their European peers.



## SUPPORTING COMPANIES COMPETITIVENESS CONTRIBUTING TO COMMUNITY GROWTH

Our Group remains focused on maintaining continuous interaction with stakeholders to support community growth. In Italy, as partner in the Italian Alliance for Sustainable Development (Alleanza Italiana per lo Sviluppo Sostenibile or ASViS), we contributed to organising the **2021 Sustainable Development Festival** to draw attention to SDGs and help raise awareness on ESG topics. This initiative constitutes a single widespread and inclusive event, comprising hundreds of events organised online and with hybrid formats throughout the country.

Ongoing interaction is required if we are to understand and meet with appropriate initiatives the urgent needs of our corporate clients.



### SUSTAINABILITY BAROMETER

In **Austria** we offer an analysis tool, the **sustainability barometer**, developed together with a well-known **ESG rating agency**. We support companies in jointly assessing their current sustainability situation, an important first step towards a professional sustainability report that truly reflects daily business, guiding them towards the **development of a comprehensive sustainability strategy** - increasingly more important for long-term value creation. On the basis of this first assessment, during which an industry comparison is made, individual ESG goals and the relevant proactive measures to achieve a greater sustainability can begin to be defined. Acting as a strategic financial partner, we present the assessment to our clients in order to develop together the correct actions to be followed as well as the necessary financing to **attain these ESG goals**.



### UNICREDIT AND CONFINDUSTRIA EST EUROPA STRATEGIC PARTNERSHIP

Strategic partnership focused on 3 main pillars: **sustainability, innovation** and especially corporates **internationalisation**. Confindustria **Est Europa** is playing a pivotal role to address new activities supporting the internationalisation of SMEs, the promotion of Made in Italy, the diffusion of new opportunities from/in the countries in the area and in particular from 11 countries (Albania, Bielorussia, Bosnia Erzegovina, Bulgaria, Macedonia del Nord, Montenegro, Polonia, Serbia, Slovenia, Romania, Ucraina).

Confindustria Est Europa and UniCredit have negotiated a **well-structured Partnership Agreement** which allows for an **exclusive relationship and collaboration** between the two till the end of 2022. UniCredit's will focus in providing its corporate clients with advisory, financial products, local assistance and banking services in all the countries in which the Group is present.

After having evaluated business opportunities, we directly support their financial viability by actively cooperating with national, international and European institutions to ensure that SMEs receive the **public funds** earmarked for them.

### ESG-LINKED LOANS ACROSS THE GROUP

Companies can leverage their ESG performance to improve their bottom line and their company's overall ESG performance through **Sustainability Linked Loans** (SLLs). SLLs give borrowers the opportunity to apply the loan to general business purposes as the terms are tied solely to companies' ESG-related performance and not to the use of proceeds or the projects financed. This flexibility has made the SLL a popular alternative to traditional capital raising and debt.

During the year, we have enhanced the offer of sustainability-linked loans across our Group: financing 17 companies for about €59 m.

Our Group's long-established expertise in managing state and EU-supported programmes benefits clients in a number of areas.

## MAIN INITIATIVES TO SUPPORT COMPANIES THROUGH PUBLIC FUNDS



### ITALY

Fondo Garanzia PMI and Garanzia Italia SACE

€ 11.8bn  
52,896

Beni Strumentali - Nuova Sabatini supporting new investments and Resto al Sud initiative

€ 449.5m  
2,037

European Investment Bank (EIB) funds support the material and immaterial investment projects and finance the working capital of SMEs and MID-CAP companies

€ 117.4m  
51



### GERMANY

Pro-active advisory and granting of all relevant promotional lending programmes

€ 1.3bn  
1,125<sup>A</sup>



### CENTRAL EUROPE AND EASTERN EUROPE (CE-EE)

InnovFin SME Guarantee Facility for the financing of innovative companies

€ 233.5m  
199

COSME, programme for the competitiveness of enterprises

€ 188.3m  
1,612

Sme Initiative-EaSi Umbrella-European Guarantee Fund

€ 178.4m  
540

Cooperation with Austrian Promotion Agency, European Investment Fund, Austrian Export Credit Agency (OeKB)

€ 513m  
168

<sup>A</sup> Credit lines.

#### LEGEND



COMPANIES



DISBURSEMENT



### NATIONAL RECOVERY AND RESILIENCE PLAN (NRRP) TASK FORCE

In **Italy** we set up a dedicated and structured **Task Force**, bringing together the bank's best expertise in relation to the various initiatives covered by the **NRRP** (large infrastructures, construction, agriculture, health, energy, digital transition, tourism, culture, green economy, Public Administration). Within the Task Force there is a **specialised organisation** for ecosystems, in substantial adherence to the missions defined by the NRRP. The aim is to serve our client companies and **help them to access the opportunities** provided by the Plan, particularly if they need additional and/or ancillary financing instruments to implement their projects.

We have long been dedicated to helping businesses find solutions in **key sectors** of the countries in which they operate.

It is our purpose to increase competitiveness in these sectors by providing sound advice products aimed at improving productivity, efficiency and prospects for growth.

## SNAPSHOT: OUR SUPPORT TO SECTOR-SPECIFIC COMPANIES

### START-UPS



#### ITALY (START-UP LAB)

680 participating companies  
€12.3m contributed by stakeholders

72 supported companies  
€82.9m since 2015



#### GERMANY

795 supported companies  
€466.4m



#### CE-EE<sup>A</sup> (AT-BG-HR-HU-RS)

11,757 supported companies  
€86.9m

<sup>A</sup> Stock as of 2021.

## TRAVEL AND TOURISM

ITALY

⬆ 6,542  
€ €604.8m

## INFRASTRUCTURE

ITALY

⬆ 14  
€ €857m

GERMANY

⬆ 14  
€ €970m

CE-EE (AT)

⬆ 1  
€ €32m

## AGRICULTURE

ITALY

⬆ 8,968  
€ €795.3m

CE-EE (RU-BA-BG-RO)

⬆ 1,764  
€ €302.4m

## REAL ESTATE

SOCIAL HOUSING  
CE-EE (AT)

⬆ 21  
€ €170m

## THIRD SECTOR

ITALY

⬆ 1,913  
€ €151.8m

### LEGEND

COMPANIES

DISBURSEMENT

PROJECTS



## START UP & CIRCULAR ECONOMY

UniCredit plays a strategic role in fostering the **transition** towards a **circular economy**, a building block of the European Green Deal.<sup>b</sup>

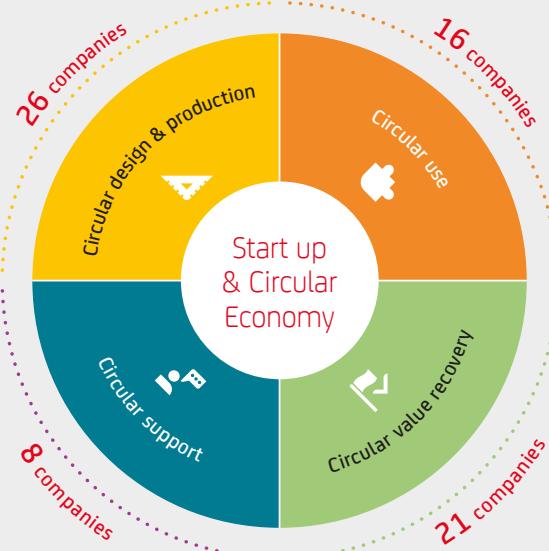
In Italy, since 2009, we supported high innovative startups and SME's through **UniCredit Start Lab**, a business platform among Italian territories with the aim of identification, training and support the **best innovative** Italian's ones in the following sectors:

- clean tech
- digital
- innovative made in Italy
- life science
- impact innovation: this category was launched in 2021 to support those innovative projects operating in the previous four sectors and characterised by high sustainability traits. **NEW**

During the last years, we leverage on start-ups also to bring **new solutions in the ESG space** to corporate and private clients. In order to support impact start-ups and enhance their **sustainable traits** and **mission**, customised initiatives with **experts, mentors** and **consultants** have been implemented.

Among all the supported new companies, we have identified the ones linked to the main categories of circular economy within the **Categorisation System** for the Circular Economy by **Eurostat**.

**50 Start Ups supported<sup>a</sup>**



**18**  
Start-ups are now UniCredit clients

**>€33m**  
as investments raised by the startups in the innovation ecosystem

<sup>a</sup> In the classification by Circular Economy pillars, some companies could be linked to more than one pillar.

<sup>b</sup> Refer to Natural Capital Chapter for more information.



## IMPACT FINANCING IN SIB

In the framework of our Group Social Impact Banking we support entrepreneurial initiatives that respond to the main social needs of our communities.

### HIGHLIGHTS ON MAIN OUTPUTS



**c.230 projects**  
for a total amount of  
**c.€290 m**  
of cumulated disbursed loans focused on the following sectors:



- **51%** Welfare sectors
- **13%** Health and medical assistance
- **11%** Social housing
- **10%** Education and training
- **9%** Promoting job integration
- **6%** Conservation and recovery of cultural and artistic heritage and other

**69%**

Projects matched with pay-for-success (PFS) mechanism<sup>a</sup> in Italy

### DIRECT IMPACTS<sup>b</sup>

**97%**

organisations which achieved or exceeded the  
**social objectives**  
of their projects

**95%**

of reporting organisations have strengthened their  
**economic and financial sustainability**  
and carried out their initiative thanks to our loans

**96%**

of reporting organisations have strengthened their  
**skills**  
by improving their ability to measure the impact they generated

### INDIRECT IMPACTS<sup>b</sup>

All financed projects reached or exceeded target with their achievements:



**1,362**

beds  
(106% of target)



**1,200,000**

medical health services  
(181% of target)



**555**

social houses  
(90% of target)



**482**

training courses  
(140% of target)

**>1,500,000**

beneficiaries were reached in the following sectors:  
**95%** health, **4%** education and training,  
**1%** welfare

**60%**

of **beneficiaries** reached in **welfare** are  
**fragile people**

at risk of exclusion, with disabilities, in fragile conditions or poverty

**79%**

of beneficiaries have  
**experienced some positive change**  
on one or more social dimensions (vs a target of 71%)

**67%**

**635 jobs created**

(representing **67%** of final target at the end of project),  
of which **134 job inclusions** of disadvantaged people

### EXPECTED RESULTS<sup>c</sup>



**>3.7m**

beneficiaries to be reached by the financed projects  
in the first 5 years



**>3,400 jobs**

to be created by the end of the financed projects (**of**  
**which > 500** for job inclusion of disadvantaged people)

<sup>a</sup> The recognition of further economic benefits, in terms of donations or repayment of interest, to clients who demonstrate they have achieved a clear, shared and measurable social impact.

<sup>b</sup> Data refers to 60 Italian initiatives that provided social reporting related to 2020 results during 2021.

<sup>c</sup> On all financed initiatives, at the end of project.



UNICREDIT STORIES



COUNTRY  
CZECH REPUBLIC



OUR  
CLIENTS

## CENTRUM PÉČE DOUBRAVA

SECTOR: SOCIAL HOUSING  
ESG FOCUS

Situated in the leafy village of Doubravčice on the outskirts of Prague, **Centrum péče Doubrava** is a specialised **therapeutic care centre** focused around three core tenets: **health, nursing, and activation**. The harmonious, award-winning facility caters to those who require continuous care with chronic diseases and impaired cognitive functions, delivering a **highly-personalised** service through its hundred-strong team of nurses, caregivers, activators, physiotherapists and masseurs.

In just three short years, Centrum péče Doubrava has built a stellar reputation based on its **modern approach** and exceptional levels of **patient expertise**. It is the first care centre in the Czech Republic, for instance, to provide Namaste Care: an exclusively non-pharmacological method that enables staff to cater to the personal needs of residents living with advanced dementia, focusing on the person rather than the process and protocol. In its private park, inspired by the rolling hills of the French countryside, residents can undertake both creative and physical activities in a natural setting. This outdoor recreation simultaneously prolongs the active part of their lives whilst **alleviating the intense pressures associated with such caregiving** that often fall to close family members. In addition, a personal physician is located on site, complemented by a team of specialists including a psychiatrist, a neurologist, and an ENT doctor.

Thanks to the quality of services that it offers, Centrum péče Doubrava became **an important pillar of its local community**. However, with this growth in stature naturally came increased interest.

The centre's management soon realised that additional capacity was required to provide for the influx of patients. Plans were immediately drawn up to build a second senior house, once more revolving around the model of continuous care but this time with a sharper focus on treatment of the neurodegenerative disease Alzheimer's.

The centre's ambitions were noble, but if it was to expand and provide care for this condition, which requires a unique degree of treatment, it would need funding. Recognising the value of the institution and what it could provide the community, **UniCredit Bank Czech Republic & Slovakia** granted Centrum péče Doubrava CZK75 million in loans in order to both finance the facility and boost the company's working capital.

How society treats its most vulnerable is always the foremost measure of its humanity. In providing both dignity in old age and peace of mind for families, Centrum péče Doubrava continues to exemplify this value on a daily basis, ensuring quality of life for its patients until the end of life - with **CEO Miloš Tkáčik** commenting: "Dignified old age is something we care about. We are very pleased that, with the financial support of UniCredit Bank, we have built Centrum péče Doubrava - the place you want for your loved ones where specialized care of the highest order is provided for chronically ill seniors".



## ZVEZA PRIJATELJEV MLADINE (ZPM) LJUBLJANA MОСТЕ - POLJE

SECTOR: NON-PROFIT HUMANITARIAN ORGANISATION  
ESG FOCUS

**UniCredit Bank Slovenia** has been affiliated with the charity organisation **ZPM Ljubljana Moste-Polje** since 2009. The non-profit and humanitarian organisation is committed to **improving the quality of life** of young people and families by representing their interests, asserting their needs, and protecting their rights. ZPM is driven by the value of **social inclusion** to **improve the terms** on which individuals and groups take part in society. Propelling their aim forward is a team of forty specialists, including social workers and legal counsellors, as well as a devoted team of volunteers.

Traditionally, the organisation drew the bulk of its funding from the public and local businesses in order to **support families in paying for basic living expenses**.

However, as the pandemic took hold and the financial situation quickly worsened for many families in Slovenia, ZPM realised that they had to do more than just offer financial assistance.

While financial assistance can make an instant impact, ZPM knew that to facilitate lasting change they needed to adopt a **systematic approach** - and so the "**Chain of Good People**" project was born. The programme is grounded in the organisation's long-term work with families and covers areas such as **psychosocial assistance, effective parenting, and housekeeping training**.

Recognising the astonishing work of the project and its extraordinary assistance programme for the alleviation of poverty, the UniCredit Foundation donated €10 thousand to the "Chain of Good People". And the collaboration with UniCredit did not stop there.

In August 2021, more than one hundred of UniCredit's employees helped with the renovation of the Scouts centre and its surroundings in Bohinj.

The centre will host 30 children from ZPM Ljubljana Moste - Polje for a week of relaxation. The children's week of fun and tranquillity at the Scouts centre will provide them with a much-needed break from their everyday lives but they will also have the opportunity to acquire, with the help and guidance of professionals, social and other skills.

As the New Year approached, the support of UniCredit's staff for the camp was highlighted by the combined donation of €15 thousand made by the Bank. ZPM and UniCredit's synergistic partnership also extended to the inception of the Giftmatching programme, taking place during the last months of 2021. The amount donated by the employees - including from the UniCredit Foundation - will be around €3 thousand.

Emphasizing the magnitude of UniCredit's support of their initiative, **Anita Ogulin, President of ZPM Ljubljana Moste - Polje**, commented: "Together with UniCredit, we have already helped many families from all over Slovenia on their way to equal opportunities. We are sincerely grateful for the bank's contribution to our empowerment programs that restore strength, courage, and dignity to families so they may live independently. The support and involvement of various members of society will be of the utmost importance in the coming period".



# Intellectual Capital

We are committed to optimising and innovating our systems and processes to provide our clients with simple, secure and user-centric solutions that meet the needs and challenges of rapid change.

## THE RESOURCES WE HAVE

- > advanced Digital & Data governance
- > stable and secure IT systems
- > capacity to innovate
- > continuous improvement attitude

## COMMUNITY IMPACTS

- > business security and continuity
- > simplified client experience
- > high quality, customizable, and fully digital products and services

## HOW WE CONTRIBUTE TO A MORE SUSTAINABLE WORLD

- > resilient IT infrastructures
- > dedicated security processes and policy framework to tackle the swiftly evolving threat landscape
- > streamlined processes and effective services
- > stimulating innovation and enabling the digital transformation path

## 2021 RESULTS

### Digital & Data governance

elevated to the highest managerial level

c.260

new hires in Digital & Data

20

courses dedicated to security and cyber security released

## TARGETS

€2.8bn

total Digital & Data investments in 2022-2024

2,100

new hires in Digital & Data in 2022-2024

80%

of core competencies internalised by 2024

We are moving from 'using digital' to 'living digital'.

Jingle Pang

Group Digital & Information Officer

Digitalisation and data are at the heart of our new Group strategy, **UniCredit Unlocked**, announced in December 2021. Our ultimate ambition is to be a **truly digital bank**, powered by data in all we do.<sup>1</sup>

## DIGITALISATION IN OUR GROUP STRATEGY

### INVESTMENTS

#### Digital & Data

**€2.8bn**

Total investments 2022-24

#### New hires<sup>A</sup>

**2,100**

Digital & Data 2022-24

<sup>A</sup> Hires related to new investments only, not including turnover replacement.  
Rounded figure, expressed in Full-time Equivalents (FTEs).

### KEY PROJECTS



#### User experience

New platform for unique and consistent experience across devices



#### New digital offering

Digital onboarding, lending, advisory



#### Payment value chain

Simpler, faster, real-time payment processing



#### Cyber security

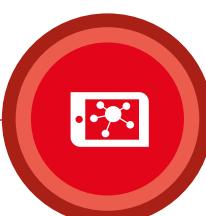
Several initiatives aimed at continuously strengthening our cyber security defences

### THE IMPORTANCE OF DATA



#### to build a seamless digital offering

that exceeds the expectations of our clients



#### to implement a new lean operating model

for a new way of working centered around clients, common platforms and internalised competencies, affording greater control and alignment with our risk frameworks

### DIGITAL & DATA PRIORITIES

#### Core competencies in-house

An internalised, up-skilled workforce and rationalised external partnerships, bringing core competencies and skills in-house, allowing higher productivity rates and lower costs. We target an internalisation of 80% of core competencies by 2024.

#### New way of working

A new way of working with modular and reusable solutions which can be scaled across our Group; global technology, business and data platforms to maximise reusability, scale, cost efficiencies and speed.

#### Optimised investment model

An optimised investment model achieved through efficiencies, scale, cost reductions and targeted spending.

#### Client approach focused on value creation

A client approach focused on value creation and an organisation structured around products and functions working together to deliver quality at speed.

<sup>1</sup> Refer to the Strategy chapter for more information.



## A NEW DIGITAL & DATA GOVERNANCE

The year 2021 marks a turning point in the evolution of our **Digital & Data strategy**, of which the creation in the same year of the **Group Digital & Information Division** is a fundamental component.

The division reports directly to the CEO, while the head of the division, the **Group Digital and Information Officer**, is a member of the Group Executive Committee (GEC), the highest managerial body of the Group. Elevating technology, digitalisation and data in this way underscores the critical importance of this area for the future of our business.

The new division defines and executes the Group's digital transformation and, as such, is responsible for providing the technological backbone comprehensive of digital security, and for steering and overseeing the digital transformation strategy, while also ensuring secure and effective IT systems for clients, partners and colleagues.

At the same time, it assures the organisation has the capability to access the data required to support business decisions, add value to products, automate processes and ensure timely and relevant reporting.

The division also integrates digital foresight capabilities through a dedicated function which focuses on technology strategy, digital product research and market best practices, as well as on developing partnerships with FinTech companies.



## CYBER SECURITY: CONTINUOUS IMPROVEMENT

Security threats continue to increase in terms of frequency, scale and sophistication. Cybercrime is a growing concern for the financial sector and beyond, requiring a high level of protection of client and company data and assets.

Our **cyber security strategy** is based on a continuous improvement model, and a dedicated process and policy framework to respond effectively to a dynamic threat landscape and evolving regulatory requirements. Furthermore, it is periodically monitored both internally and through third party assessments.

Raising employee awareness is also key in promoting appropriate and secure behaviour and reducing vulnerability throughout the whole organisation. Security training and tailored educational activities, such as periodic campaigns on phishing, provide a continuous learning process.



**20**

training courses released through our Security Culture and Academy in 2021



**5**

new training courses planned for 2022



## FROM STRATEGY TO EXECUTION

From an execution perspective, 2021 also represents an important passage in which we took stock of our efforts and achievements under our previous strategic plan, while working towards our new Digital & Data strategy. For example, in 2021 our Open Banking services progressed with the implementation of inbound and outbound services under the Payment Services Directive 2 (PSD2), thereby going beyond regulatory requirements. This provides our clients with account aggregation and payment services integrated with other banks' or third-parties' applications. Furthermore, we continued to strengthen our cyber security detection and defense mechanisms. For example, in 2021 we centralised and reinforced our Security Operation Centre which, acting at both a technical and organisational level, monitors and manages security events.

## SELECTED STRATEGIC INITIATIVES

The following table provides a selection of initiatives launched or consolidated in 2021 in key areas of our new Digital & Data strategy, such as User Experience and Digital Offering, Cyber Security and Resilience, and Digital Foresight.

	<b>Project</b>	<b>Beneficiaries</b>	<b>Output</b>
User Experience and Digital Offering	<b>NEW High Speed Consumer Loans</b> In Austria, clients can access pre-approved consumer loans, both remotely and in branch, in less than five minutes, and which require the Relationship Manager to complete only three steps	Clients Relationship Managers	More than 400k clients eligible to access the loans About €170m in loans disbursed in 2021
	<b>NEW SMILE</b> A fully digital and innovative consumer lending solution in Italy	Clients	Project launched in Italy in September 2021, enabling instant approval of credit of up to €12,000 in just 10 minutes and disbursement within 48 hours
	<b>PSD2 Open Banking</b> New services such as management of multi-bank accounts (balance and transactions) and payment initiation flows on other banks' accounts through our banking platforms, and vice versa	Clients	UniCredit Bank Austria was among the first local banks to manage third-party providers within its internet and mobile banking services
	<b>NEW Global Advisory Platform</b> Delivering high quality investment advice to our German clients supported by sophisticated data and risk analytics capabilities, to facilitate access to market leading capital raising, financing and advisory services	Clients Relationship Managers	Successful go-live in Germany in 4Q21 for Wealth and Private clients
	<b>NEW Smart Invest</b> A new tool launched in Croatia supporting relationship managers by helping profile and recommend investment management options in real-time	Clients Relationship Managers	Free advisory service rolled out for all current and potential clients
	<b>DigitALL</b> An advanced digital workplace to strengthen collaboration amongst colleagues and improve effectiveness through the use of advanced digital tools	Colleagues	Various tools rolled out to approximately 64k colleagues
	<b>NEW AI Powered Recruiting</b> In Czech Republic and Slovakia an artificial intelligence chatbot was introduced to the recruiting process, eliminating unconscious bias in the process and improving the quality of our hiring process	New hire candidates Colleagues	1,000 candidates completed the chatbot phase. Recruiting process time reduced from 45 days in 2020, to 31 days in 2021
	<b>NEW Treasury Management System (TMS)</b> An innovative solution for payments/cash flow processing and FX risk calculation/hedging, aimed at alleviating corporate clients' operational needs	Clients Relationship Managers	Pilot with a FinTech completed. An evaluation phase to define further development of the project is ongoing
Cyber Security and Resilience	<b>Security Operation Centre (SOC)</b> A centralised unit dealing with security events at an organisational and technical level, where enterprise information systems are monitored, assessed, and defended	Clients Colleagues	SOC consolidated and fully operational as of spring 2021
	<b>Security Culture and Academy</b> Focused on increasing awareness and knowledge of security and cyber security topics	Colleagues	20 courses released in 2021, of which 6 for all Group colleagues
	<b>Service Reliability Programme</b> A multi-year programme aimed at strengthening the resilience of our IT systems and infrastructure	Clients	Together with other projects, improved performance of our IT systems achieved, with a 19% reduction of reported incidents compared to 2020
Digital Foresight	<b>Cooperation with Plug and Play</b> The Group took part in several thematic FinTech sessions, including Finance & Control, Digital solutions for contact centres, Predictive Analytics for Corporate Advisory	Clients Internal functions	7 deep dive sessions on FinTech, over 200 colleagues engaged across the Group, with over 240 start-ups screened
	<b>Collaboration with Vento</b> The Group collaborated with Vento, the first non-profit venture builder that helps young people create disruptive companies from scratch	Clients Internal functions	30 young people selected and divided into teams, to work on a 4 month full-time venture building programme



## UNICREDIT STORIES



COUNTRY  
AUSTRIA



OUR  
PEOPLE

### OPEN BANKING INNOVATION

#### ESG FOCUS

We live in a world where technology plays a greater role in our lives than ever before, and there are no signs of this changing. To keep their competitive advantage and survive in this environment, where disruption is routine, companies need to reshape their business models and structures through digital transformation.

Banking services are no exception. UniCredit Bank Austria recognises this imperative, and we are constantly growing and evolving our services to offer new solutions to the more than 55% of our clients who are Digital Active Users.

We were the first bank in Austria to embrace the revolution of "open banking" with two innovative and easy-to-use tools for clients. The first was our free multi-banking feature in 24You Internet Banking, and the second our highly rated MobileBanking app. Through these multi-banking services, our clients have their accounts in a single place at their fingertips. We help 800,000 clients access their other bank payment accounts directly from their UCBA account and make SEPA transfer payments, all the while ensuring their financial data is safe.

With Bank Austria's innovations, every client's financial information is available to them, stored in a completely safe and protected environment as accessible in just a few clicks.

"Many people are talking about Open Banking, and in 2021 we successfully launched the first application under the EU's new Revised Payment Services Directive (PSD2) guidelines as a pioneer in Austria," says **Robert Zadrazil**, CEO of UniCredit Bank Austria. "Our goal as Austria's leading multi-channel bank is to make our essential services available to every client, regardless of time, place, or how they use them. We are now taking this one step further and enabling our clients to also view and manage payment transaction accounts at other banks in our Internet banking 24You and our top-rated MobileBanking."

As "open banking" changes, we are keeping pace. In 2019, the PSD2 directive came into the EU, with new rules designed to create a level playing field for innovative financial services, while making payments more secure and protecting people's financial data in an "open banking" system.

The directive required that from September that year, banks would offer third-party providers their dedicated Application Programming Interfaces, or APIs. A bank's API is the software tool that manages the interaction between a client's bank account and a third-party service provider.

Always ready to embrace developments like this, UniCredit Bank Austria is proud to currently be the first and only bank in Austria to manage third-party accounts via secure API interfaces in its internet and mobile banking.

"With this development, we are ushering in a new chapter in digital banking and are one of the first real banking platforms within the framework of the new PSD2 guidelines in Austria," says Robert Zadrazil.



## UNICREDIT STORIES



COUNTRY  
GERMANY



OUR  
CLIENTS

### PURE ENERGY

SECTOR: RENEWABLE ENERGY

ESG FOCUS

Founded in Istanbul, Turkey and with a base in Düsseldorf, **Pure.energy GmbH** are boldly bridging the gap between energy's traditions and its future. The company is creating a space for a meeting of the classic utility-focused mindset and the emergent world of new energy shaped by technologically empowered clients who are supplied by decentral and renewable power.

With over four decades of combined international experience and a competent team bringing diverse backgrounds, Pure.energy GmbH are a prudent and experienced trader, passionate about innovative business models in renewable energy, climate products, and offering advisory services.

They have set themselves the ambitious goal of becoming the leading energy company of the next generation, combining state-of-the-art tools with transparent and efficient business models to EEG/renewable plant owners, direct marketers, and companies. Over the next four years Pure.energy aim to offer clean energy management and trading services to an additional five countries within their "Virtual Power Plants" project which serves as a bridge between pure renewable power generation and corporate renewable energy demand through power purchase agreements (PPAs).

To achieve this, the company needed a reliable financial partner who would meet their requirements for tailor-made solutions, share their ethos of sustainability, understand their value proposition and risk-mitigation approach, and be able to provide insight into the markets where they wanted to expand.

UniCredit ticked all the boxes. The bank was able to provide the perfect service to suit Pure.energy's growth plans in the form of its own forward-thinking technology: its new digital account opening process for corporates.

"We embraced the full digital client onboarding offering of UniCredit, which was the service we were looking for," said **Anduvap Servet Akgün**, co-founder, Managing Director of Pure Energy. "We filled a couple of forms fully digital and opened our new bank account within 30 minutes! The week after, our Key Account Manager and Cash Management specialist reached out to us and fully supported our processes by going the extra mile."

The process creates an entirely new client experience for corporate clients, which has helped UniCredit to stand out from the competition in Germany. While the development of this innovation initially posed a challenge, an international team consisting of more than twenty colleagues from all areas of UniCredit combined their efforts to make it a reality, using agile methodology, achieving a significant milestone both for the bank and in the field of Corporate Banking.

Using our omnichannel process, corporates in Germany can conveniently - and completely digitally - open their account with UniCredit. Our step-by-step guide will show them how to do so with ease; all they need is their PC or mobile device and the IDs of the persons they wish to identify quickly and simply. They do not even need to provide a physical signature. All verification procedures, including personal identification, are integrated into the digital process. Once this is complete, the client can use the account immediately with a minimum of data entry.

"Using an agile development process, we transformed our vision of paperless, fully digitalising our account opening for corporate clients in only two years," commented **Benjamin Höhne**, product owner for this initiative. "We have reduced the opening process, which used to take up to two weeks, down to 30 minutes! It was only possible through cross-functional and cross-country collaboration, combined with a great team spirit."

Pure.energy is looking forward to having UniCredit at their side in the years to come, harnessing the Group's international presence and deep insight into the power markets to help the company grow. The importance of such cooperation is vital especially at a time when European energy markets are experiencing unprecedented times.

# 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 which must be monitored and limited over time.

## THE RESOURCES WE HAVE

- > soil, water, flora and fauna
- > ecosystem services.

## COMMUNITY IMPACTS

- > air quality conservation
- > pollution reduction
- > awareness raising.

## HOW WE CONTRIBUTE TO A MORE SUSTAINABLE WORLD

- > we offer support to businesses respectful of the environment
- > we contain our own environmental footprint.

### 2021 RESULTS

**32%**

reduction of own GHG emissions vs. 2017 (market-based)

**€12bn**

apportioned ESG-related League Table credit from Green, Social, Sustainability and Sustainability-linked Bonds

**€5.9bn**

exposure to renewable energy sector

**€2.4bn**

energy efficiency loans to SMEs and individuals in ITA, GER, AUT

**€65bn**

assets under Management conversion towards ESG investments

**€25bn**

new environmental lending

**Net Zero**

on own emissions by **2030**; on total emissions by **2050**

**€50bn**

total ESG Debt Capital Market origination

### TARGETS

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

**Richard Burton**  
Head of Client Solutions



Our operations are designed to sustainably minimise the **environmental footprint**.

**Ranieri De Marchis**  
Group Operating Officer



## Execute an effective environmental strategy

We are committed to **protecting natural capital** as part of our strategy presented in December 2021. The Group wishes to do so both by **delivering sustainable financing**

**solutions to clients and reducing the environmental impacts of our direct operations.**



### Being a leader in the green transition

UniCredit has set new ambitious targets to reduce the environmental impacts of both its operations and lending activities, assuming the key principle that, **as an organisation, we should lead by example and by being a leader in the green transition**.

The recently approved strategy resulting from the multiyear plan towards 2024 calls for new targets which encompass several ESG objectives. Among these, we are refining our environmental lending definition to align it to the EU taxonomy.

**During 2022 we will also set an additional target in terms of limiting the maximum exposure to carbon intensive industries.** Furthermore, UniCredit has published its Sustainability Bond Framework, allowing the Group's main issuers to issue green, social, and sustainability bonds, which will be a recurring part of the Group's funding activity going forward.

**UniCredit sees sustainable finance as a means to achieving the transition to a more sustainable economy.**

#### OUR 2022-2024 TARGET



**€25bn**

new environmental lending with bulk of the facilities to support clients in the green transition



**€65bn**

assets under Management conversion towards ESG investments, with >40% of 2024 AuM invested in ESG products<sup>A</sup>



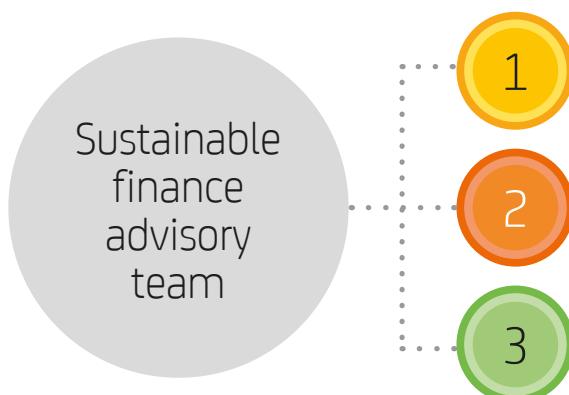
**€50bn<sup>B</sup>**

total ESG Debt Capital Market origination (significant contribution to the origination of sustainable bonds coming from Recovery and Resilience Facility funds)

A. Based on Art. 8 and 9 of the Sustainable Finance Disclosure Regulation.

B. Apportioned ESG-related League Table credit (from Green, Social, Sustainability, and Sustainability-linked Bonds).

### TRANSITION TO A MORE SUSTAINABLE ECONOMY: THE ROLE OF THE SUSTAINABLE FINANCE ADVISORY TEAM<sup>A</sup>



<sup>A</sup> Refer to the Natural Capital chapter of the 2019 Integrated Report for more information.

<sup>B</sup> Refer to the Supplement - Risk Management and Compliance section and to Risk Management and Compliance chapter for more information.



## DIRECTION CARBON NEUTRALITY: JOINING THE NET ZERO BANKING ALLIANCE (NZBA)

In October 2021, UniCredit joined the Net Zero Banking

Alliance, the industry-led, UN-convened group of banks which are committed to aligning their lending and investment portfolios with net-zero emissions by 2050.

## OUR PATH TOWARDS 2050 NET ZERO TARGETS



## Our commitment to natural capital

Our constant attention has led us to develop a two-pronged approach to promoting and preserving natural capital:

**INDIRECT IMPACTS.** We offer **support to businesses** respectful of the environment while accompanying clients operating in climate-sensitive industries in their journey along the transition path

**DIRECT IMPACTS.** We **contain our own environmental footprint.**

To **contain our environmental footprint**, we procure most of our electricity from renewable sources, improve the energy efficiency of premises and data centres, adopt circular solutions in resources management, and promote more sustainable mobility solutions.

During 2021, UniCredit adopted safety measures to face the pandemic emergency. Our buildings in Italy are provided with the correct air exchange ratios. When possible, we adapted the energy consumption of Italian premises to the effective occupancy of the buildings. 5 headquarters in Italy have been temporary closed, avoiding more than 300 tCO<sub>2</sub> emissions in 2021.

## Our actions to preserve natural capital

Shifting to a low-carbon economy and containing environmental footprint requires actions detailed in the infographics on the following pages. UniCredit embeds climate-related and environmental risks and opportunities in its credit assessment, and discloses according to the Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations.<sup>1</sup> We apply the Paris Agreement Capital Transition Assessment (PACTA) which allows financial institutions to measure the alignment of their lending portfolio against climate scenarios. We released new versions of our Coal and Oil & Gas policies, and adhered to the Tobacco-Free Finance Pledge.<sup>2</sup>

<sup>1</sup> Refer to TCFD Report 2020 for more information: [https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2020/UC\\_TCFD\\_2020\\_ENG\\_FINAL.pdf](https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2020/UC_TCFD_2020_ENG_FINAL.pdf).

<sup>2</sup> Refer to the Risk Management chapter for more information.



## THE EMAS CERTIFICATION

Since 2002 UniCredit is registered according to the eco-management and audit scheme (EMAS), regulation currently covering all activities in Italy, with nearly 2,400 sites. EMAS registration is a voluntary certification scheme, created by the European Commission, for organisations who identify significant aspects of their activities and progressively reduce their impacts and improve environmental performance. The Group also holds ISO 14001 environmental management system certification for UniCredit Bank AG, UniCredit Bank Austria and UniCredit Bank Czech Republic and Slovakia.





## FOCUS

### BUILDING A CIRCULAR ECONOMY

UniCredit plays a strategic role in fostering the **transition towards a circular economy**, a building block of the European Green Deal and one of the six objectives of the EU Taxonomy. There are several ways in which we can contribute to the circular transition: through finance/lending, advisory, synergies and partnerships, and internal initiatives in terms of resource efficiency and recycling. During 2021 we started **mapping Group initiatives linked to the circular economy** to better understand our positioning and identify any gaps to be filled.

The infographic below provides a picture of our most relevant initiatives on our operations to foster the circular transition.

### MAPPING OUR CIRCULAR INITIATIVES<sup>A</sup>



Area	Initiatives	Scope	Main achievements / targets
Circular design & production	Our cards UniCreditCard Flexia BIO and MyOne BIO are produced in PLA (polylactic acid), a compostable material. Furthermore, My Genius Green is a completely paper-free account	ITA	
	We are fostering mobile token vs. physical to reduce plastic consumption	ITA	
Circular use	Plastic-free projects: review of canteens/cafes/vending machines contracts to ban single use plastic items	Group	100% single use plastic ban by 2022
	In our contracts for furniture we always require resistance and durability. Moreover we require certain information like share of recycled or certified timber, and the possibility of disassembly in the technical specification	ITA	
Circular value recovery	Paper-less program <sup>B</sup>	Group	
	Recycled or labeled paper with environmental certifications for printers	Group	c.94% purchased paper for printers labeled with environmental certification (FSC, Ecolabel, others)
Circular support	Donation to Charity organisations of dismissed furniture	ITA-AT	
	In Italy, our service supplier ensures an adequate end-life management of our IT equipments, favouring reconditioning and recycling	ITA	In 2021, we dismissed 40.000 IT devices: <ul style="list-style-type: none"> <li>- 84% sent to materials recovery -&gt; 96% of materials recovered</li> <li>- 16% reconditioned</li> </ul>
	Reducing waste by maximizing recycling	Group ITA	Separation and recycling of valuable materials at 98% in ITA and at 60% at Group level
	In Italy waste separation in main buildings extended, replacing single bins with new dedicated recycling areas (for plastic, aluminum, paper, toner, organic waste)	ITA	100% of paper recycled Almost 100% of toner recycled
Area	Initiatives	Scope	Main achievements / targets
Circular support	Informative and educational initiatives to engage colleagues both through Group main communication channels and local initiatives	Group	Real estate best practice sharing platform: <ul style="list-style-type: none"> <li>- 37 projects submitted during 2020 with an environmental focus;</li> <li>- 41 projects in 2021, focusing on branch transformation and digital real estate.</li> <li>6 Group video pills on Group intranet to share Sustainable practices</li> </ul>

<sup>A</sup>The initiatives are linked to the main categories of circular economy identified in the Categorisation System for the Circular Economy by Eurostat ([https://ec.europa.eu/info/publications/categorisation-system-circular-economy\\_en](https://ec.europa.eu/info/publications/categorisation-system-circular-economy_en)).

<sup>B</sup>The program was terminated at 1H21. The project boosted digital signature adoption through enhancement of private clients behavior and engagement initiatives. Refer to Integrated Report 2020 for more information.



# How did we preserve natural capital during 2021?

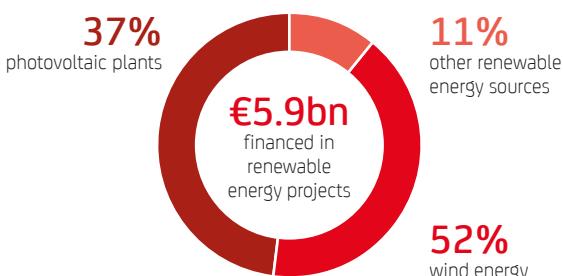
## Shifting to a low-carbon economy

2021:

- First stand-alone 2020 TCFD report published in October
- We began to regularly use PACTA for banks to measure the alignment of our lending portfolio against a set of climate scenarios
- UniCredit joined the Net Zero Banking Alliance

## Supporting renewable energy sources

As at December 2021:



## Promoting sustainable financial instruments

2  
Green Bonds issued <sup>A</sup>

€1.5bn  
of total amount

## Financing energy efficiency

c.€0.6bn  
energy-efficiency loans to SMEs <sup>B</sup>

c.€1.8bn  
energy-efficiency loans to individuals <sup>B</sup>

➢ In Italy, continuing bridge funding for clients who use the 110% bonus on energy-efficient refurbishment promoted by government: - € 300 million of credits purchased and € 290 million of loans granted in 2021

➢ A diversified range of sustainable investment products including pension funds integrating ESG criteria.<sup>C</sup>

INDIRECT IMPACTS

**PROMOTE BUSINESS THAT SUPPORTS NATURAL CAPITAL**

€12bn <sup>D</sup>  
of apportioned ESG-related League Table credit in  
83 deals <sup>D</sup>

<sup>A</sup> 1 Senior Green Bond issued in June for €1 bn and 1 Green mortgage covered Bond issued in September for €0.5 bn. Refer to TCFD Report 2020 for more information: [https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2020/UC\\_TCFD\\_2020\\_ENG\\_FINAL.pdf](https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2020/UC_TCFD_2020_ENG_FINAL.pdf)

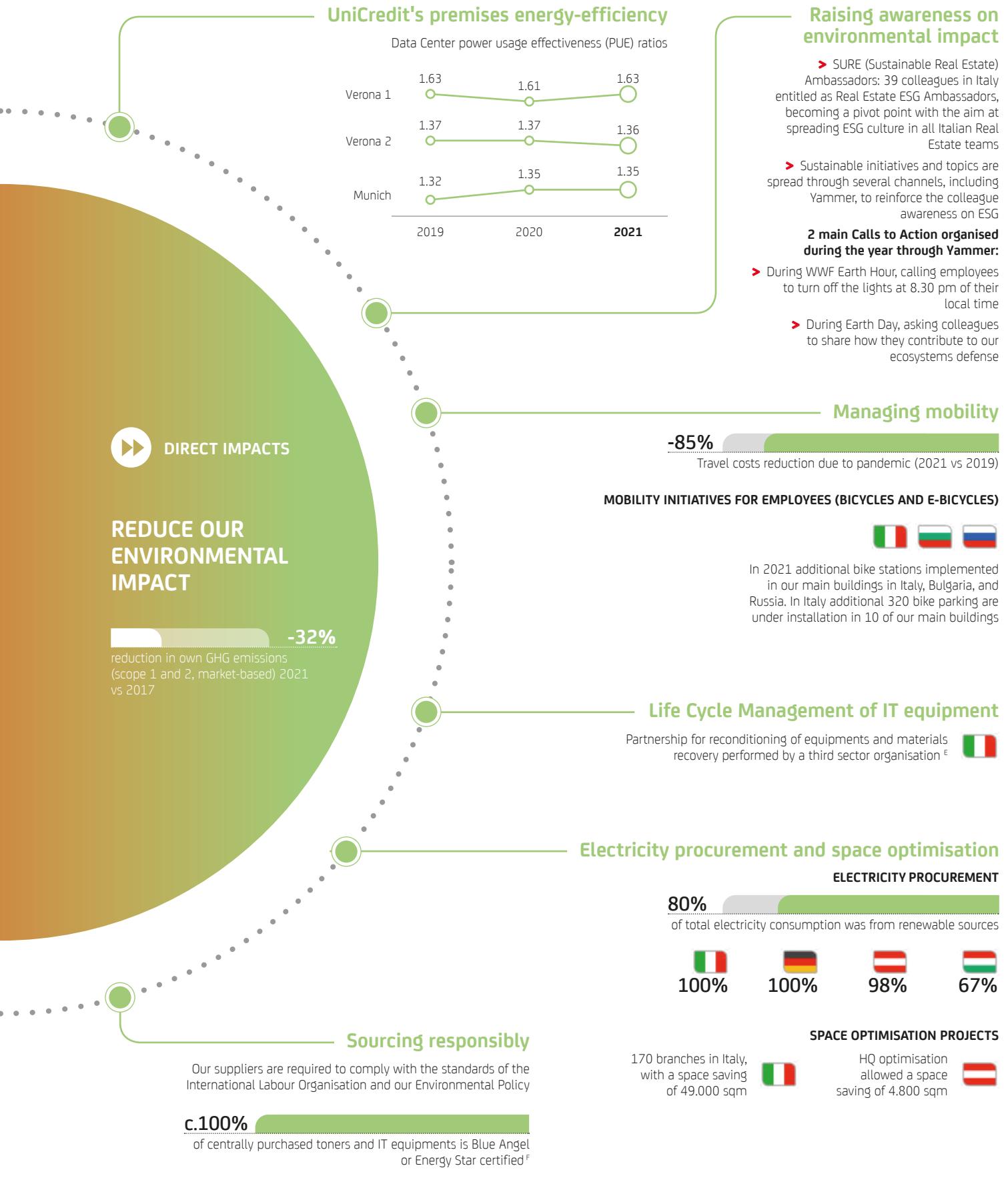
<sup>B</sup> In Italy, Germany and Austria.

<sup>C</sup> Refer to the Supplement - Social & Relationship Capital section for more information.

<sup>D</sup> From Green, Social, Sustainability and Sustainability-linked Bonds. All currency, all regions. Source: Dealogic.

<sup>E</sup> Refer to the info-graphic in the previous page for further information and figures.

<sup>F</sup> Blue Angel is an environmental label in Germany that has been awarded to particularly environmentally friendly products and services since 1978; Energy Star is a programme run by the U.S. Environmental Protection Agency and U.S. Department of Energy which provides certification to buildings and consumer products which meet certain standards of energy efficiency.





## PLT ENERGIA

SECTOR: RENEWABLE ENERGY

ESG FOCUS

The price of gas skyrocketed in the fourth quarter of 2021, leading to a substantial rise in electricity and gas bills for both households and energy-intensive manufacturing sectors. This demonstrates once more how urgent it is to transition to **the production of energy using renewable sources**.

**PLT energia** aims to answer this need. The company designs, develops, and manages **wind and photovoltaic plants**, with facilities in Spain and Italy. In 2016 PLT energia established its subsidiary company PLT puregreen, **Italy's first company to produce and sell only green energy**.

The group is continuously enhancing its technical and financial know-how to hit new milestones in sustainable energy production.

To become a leading green utility in Italy, the company could rely on a long-standing partner as UniCredit. The bank stepped in to make these ambitions a reality.

**In 2018, UniCredit structured a hybrid financing operation for the PLT group**, consisting of a bond issue and a bank loan for a total amount of over **€162 million, which aimed, among other things, at refinancing a portfolio of 9 wind farms**. In 2019, PLT energia signed a project financing contract with UniCredit with an EIB guarantee for over €34 million to construct wind farms with a total capacity of 37 MW in Calabria and Basilicata.

**In 2020**, SEF signed a loan agreement with UniCredit for a total of €60 million for the refinancing of a portfolio of 16 photovoltaic plants for a total of 13.5 MWp.

In 2021, with the help of UniCredit and the continuous stream of investments, the PLT group reached a major milestone as it produced approximately 470 GWh of clean energy from wind power generated by its 44 wind farms. In addition, SEF produced approximately 60 GWh from photovoltaic sources in its 37 power plants. **This astonishing achievement avoided the emission of more than 247,000 tons of CO<sub>2</sub> into the atmosphere and met the energy needs of 240,000 households**.

In this year, UniCredit also joined leading public financial institutions supporting the PLT Group with a loan agreement for a total of €92.3 million. This will go towards the construction of greenfield wind projects which will have a capacity of 95 MW. The bank also allowed a further loan of €43.95 million to refinance several companies in the PLT Group that own a wind operating portfolio of 74 MW.

**President of the PLT group Pierluigi Tortora** professed that having UniCredit as a partner over the years, in addition to the credit support the bank has provided, "has allowed the group to identify and structure in the market the best financial solutions to make important investments both in Italy and abroad". In this way, UniCredit has played a vital role in the group's ongoing quest to combat climate change.





## STEINICKE

SECTOR: FOOD  
ESG FOCUS

Steinicke is one of the **world's leading manufacturers of dried vegetables and herbs**, supplying major food groups such as Nestlé and Unilever.

A family-run company with a rich history, founded over 100 years ago, Steinicke has three production sites across Germany growing and processing vegetables and herbs such as parsley, dill, coriander, carrots, cauliflower and asparagus. Sustainability is of the utmost importance to the company and sustainability education is key to Steinicke's work practices, with regular training provided to employees and suppliers.

The company also allows elementary schools access to its production facilities to engage young people in topics such as biodiversity and resource conservation.

Steinicke also employs environmentally conscious innovations in its production process, such as a watering system it developed with a customer that implements GPS to help farmers reduce water consumption.

Proving what is possible with a sustainable working model, Steinicke achieved sales of €29 million in 2020.

The company has no intention of resting on its laurels, as it has set itself the goal of being climate-neutral by 2030.

Recently, Steinicke decided to make **two major investments** that will help it to continue its work in the sustainability area, while also remaining competitive. One of these is a major innovation: Steinicke is one of the first ever companies in Germany to have built an agrophotovoltaic plant at its headquarters in Lüchow, Lower Saxony.

This system generates solar power in the same fields where crops are grown, which will be used for the energy-intensive process of drying herbs and vegetables.

The second investment is a combined heat and power plant with a wood chip system, which is being built at Steinicke's headquarters.

Valuable as these investments are, they required a great deal of capital. UniCredit HypoVereinsbank has been Steinicke's house bank for over 30 years, providing financing as well as strategic advice on day-to-day business and significant issues such as working capital management.

When the bank learned what the company hoped to achieve with these investments, it was ready to lend support.

UniCredit HypoVereinsbank financed the investments of €1.3 million for the photovoltaic system and approximately €8 million for the combined heat and power plant.

The expertise of the bank's funding specialists was invaluable when Steinicke explored funding programs from the German government's development bank, KfW. The specialists, using their high level of industry knowledge from a wide range of sectors, advised the company to apply for product no. 270, "Renewable Energies," in addition to a grant from the Federal Environment Agency to fund the agrophotovoltaic system. For the woodchip heating system, the specialists found that Steinicke was eligible for program no. 295: "Federal support for energy efficiency in the economy".

This program provides for a repayment subsidy of up to 55%, provided that the system meets certain criteria. These must be confirmed by an independent energy consultant after a certain period of operation.

**Michael Lettenbichler**, one of Steinicke's three **Managing Directors and responsible for purchasing and sales**, human resources and public relations, is very satisfied with the advice he receives. "When it comes to money, you need a good bank that finds clever solutions just as UniCredit HypoVereinsbank", he said commenting on the cooperation with the bank.



# GRI Content Index, SASB Indicators Index, UN Global Compact and Principles for Responsible Banking

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- > GRI Content Index
- > Making the connection by UN Global Compact Principles and GRI Standards Disclosures
- > SASB indicators index
- > UNEP FI Principles for Responsible Banking reporting
- > Independent Auditor's Report

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Supplement

# GRI Content Index

GRI Standard	Disclosure	References	Notes and pages	Omissions
<b>GRI 101: FOUNDATION (2016)</b>				
<b>GRI 102: GENERAL DISCLOSURES (2016)</b>				
<b>Organisational profile</b>				
102-1	Name of the organisation		UniCredit SpA	
102-2	Activities, brands, products, and services	2021 Integrated Report 2021 Annual Reports and Accounts	19-20; 50-51; 85-88; 89-91	
102-3	Location of headquarters	2021 Integrated Report	Piazza Gae Aulenti 3 - Tower A - 20154 Milano	
102-4	Location of operations	2021 Integrated Report	50	
		2021 Integrated Report	52	
102-5	Ownership and legal form	2021 Annual Reports and Accounts 2021 Report on Corporate Governance and Ownership Structure		
102-6	Market serves	2021 Integrated Report	19; 50	
102-7	Scale of the organisation	2021 Integrated Report	20; 50-51; S.34	
102-8	Information of employees and other workers	2021 Integrated Report	S.34-S.35, S.37	
102-9	Supply chain	2021 Integrated Report	50; 105	
102-10	Significant changes to the organization and its supply chain	2021 Integrated Report 2021 Annual Reports and Accounts	19-32; 52-53	
102-11	Precautionary Principles or approach	2021 Integrated Report	48-49; 56-58; S.18-S.21	
102-12	External initiatives	2021 Integrated Report	6-11; 47; 57; 59; 60; 74; S.18; S.51	
102-13	Membership of associations	2021 Integrated Report	S.10-S.11	
<b>Strategy</b>				
102-14	Statement from senior decision-maker	2021 Integrated Report	6-11	
102-15	Key impacts, risks and opportunities	2021 Integrated Report	6-11; 30; 43; 48-49; 58-63; 91; 102; S.18-S.21	
<b>Ethics and integrity</b>				
102-16	Values, principles, standards, and norms of behavior	2021 Integrated Report	14-15; 18 25-26	
102-17	Mechanisms for advice and concerns about ethics	2021 Integrated Report	71-72; S.26-27; S.30-S.31	
<b>Governance</b>				
102-18	Governance structure	2021 Integrated Report 2021 Report on Corporate Governance and Ownership Structure	52-55	
102-19	Delegating Authority	2021 Integrated Report 2021 Report on Corporate Governance and Ownership Structure	52-55; S.14-S.16	
102-20	Executive-level responsibility for economic, environmental, social topics	2021 Integrated Report	52-53; S.14-S.16	
102-21	Consulting stakeholders on economic, environmental and social topics	2021 Integrated Report	38-43; 82-83; S.32-S.33	
102-22	Composition of the highest governance bodies and its committees	2021 Integrated Report 2021 Report on Corporate Governance and Ownership Structure	52-53	
102-23	Chair of the highest governance body	2021 Integrated Report 2021 Report on Corporate Governance and Ownership Structure	52-53	

GRI Standard	Disclosure	References	Notes and pages	Omissions
102-24	Nominating and selecting the highest governance body	2021 Integrated Report 2021 Report on Corporate Governance and Ownership Structure	52-53; S.15-S.16	
102-25	Conflicts of interest	2021 Integrated Report 2021 Report on Corporate Governance and Ownership Structure	S.23; S.28	
102-26	Role of the highest governance body in setting purpose, values and strategy	2021 Integrated Report	52-53; S.15	
102-27	Collective knowledge of highest governance body	2021 Integrated Report	52-55; S.16	
102-28	Evaluating the highest governance body's performance	2021 Integrated Report 2021 Report on Corporate Governance and Ownership Structure	55; S.16-S.17	
102-29	Identifying and managing economic, environmental and social impacts	2021 Integrated Report 2021 Report on Corporate Governance and Ownership Structure	38-43; 52-53; S.32; S.33	
102-30	Effectiveness of risk management	2021 Integrated Report 2021 Report on Corporate Governance and Ownership Structure	52-55; 59	
102-31	Review of economic, environmental and social topics	2021 Integrated Report 2021 Report on Corporate Governance and Ownership Structure	54; S.18	
102-32	Highest governance body's role in sustainability reporting	2021 Integrated Report 2021 Report on Corporate Governance and Ownership Structure	2	
102-33	Communicating critical concerns	2021 Integrated Report 2021 Report on Corporate Governance and Ownership Structure	52-54; S.22-S.23; S.30-S.31	
102-35	Remuneration policies	2021 Integrated Report 2021 Report on Corporate Governance and Ownership Structure	S.16-S.17	
102-36	Process for determining remuneration	2021 Integrated Report 2021 Report on Corporate Governance and Ownership Structure	S.17	
102-37	Stakeholders' involvement in remuneration	2021 Integrated Report 2021 Report on Corporate Governance and Ownership Structure	S.17	
<b>Stakeholder engagement</b>				
102-40	List of stakeholder groups	2021 Integrated Report	38-39; 42; S.32-S.33	
102-41	Collective bargaining agreements	2021 Integrated Report	S.40	
102-42	Identifying and selecting stakeholders	2021 Integrated Report	38-39	
102-43	Approach to stakeholder engagement	2021 Integrated Report	38-42; 71-72; 82-84; S.49-S.50	
102-44	Key topics and concerns raised	2021 Integrated Report	38-42; 71-72; 82-84; S.49-S.50	
<b>Reporting Practice</b>				
102-45	Entities included in the consolidated financial statements	2021 Integrated Report 2021 Annual Reports and Accounts	2^  Notes to the consolidated accounts - Part A - Accounting Policies; A.1 - General, Section 3 - Consolidation scope and methods.	
102-46	Defining report content and topic Boundaries	2021 Integrated Report	40-42; 48-49; S.32-S.33	

<sup>A</sup> The following legal entities have been included in the reporting perimeter: UniCredit SpA, Cordusio SIM SpA, UniCredit Factoring SpA, UniCredit Leasing SpA, UniCredit Services SCpA (with its activities in Italy, Germany, Czech Republic, Hungary, Poland, Romania and Slovakia), UniCredit Bank AG, UniCredit Direct Services GmbH, UniCredit Leasing GmbH, Wealthcap Kapitalverwaltungsgesellschaft mbH, UniCredit Bank Austria AG, Card Complete Service Bank AG, Schoellerbank Aktiengesellschaft, UniCredit Leasing (Austria) GmbH, UniCredit Services GmbH (with its activities in Austria, Poland and Romania), UniCredit Bank DD, UniCredit Bank ad Banja Luka, UniCredit Bulbank AD, UniCredit Consumer Financing EAD, UniCredit Leasing EAD, Zagrebačka Banka DD, UniCredit Leasing Croatia doo za Leasing, UniCredit Bank Czech Republic and Slovakia as, UniCredit Leasing CZ as, UniCredit Bank Hungary Zrt, UniCredit Leasing Hungary Zrt, UniCredit Bank SA, UniCredit Consumer Financing IFN SA, UniCredit Leasing Corporation IFN SA, UniCredit Leasing Fleet Management Srl, AO UniCredit Bank, Ooo UniCredit Leasing, UniCredit Bank Serbia Jsc, UniCredit Leasing Slovakia as, UniCredit Banka Slovenija DD, UniCredit Leasing, leasing, doo.

GRI Standard	Disclosure	References	Notes and pages	Omissions
102-47	List of material topics	2021 Integrated Report	40-42; S.32-S.33	
102-48	Restatements of information	2021 Integrated Report	2	
102-49	Changes in reporting	2021 Integrated Report	38-42; S.32-S.33	
102-50	Reporting period	2021 Integrated Report	2	
102-51	Date of most recent report		March 2021	
102-52	Reporting cycle		The frequency of this publication is set as annual, in accordance with the provisions of Legislative Decree 254/2016.	
102-53	Contact point for questions regarding the report		For any information related to this Report you can write to groupssustainability@unicredit.eu. This document is also available on the Sustainability section of UniCredit Group website ( <a href="http://www.unicreditgroup.eu">www.unicreditgroup.eu</a> ).	
102-54	Claims of reporting in accordance with the GRI Standards		This report has been prepared in accordance with the GRI Standards: Core option.	
102-55	GRI content index	2021 Integrated Report	110-120	
102-56	External assurance	2021 Integrated Report	126-129	

## TOPIC-SPECIFIC STANDARDS

### GRI 200: ECONOMIC SERIES (2016)

#### Topic: Economic Performance

#### GRI-103: Management Approach (2016)

103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	14-15; 19-21; 104-105; S.18-S.19; S.42	
103-3	Evaluation of the management approach	2021 Integrated Report	14-15; 19-21; 104-105; S.18-S.19; S.42	

#### GRI-201: Economic Performance (2016)

201-1	Direct economic value generated and distributed	2021 Integrated Report	S.2-S.3
201-2	Financial implications and other risks and opportunities due to climate change	2021 Integrated Report	56-59; S.18-S.20
201-3	Defined benefit plan obligations and other retirement plans	2021 Integrated Report 2021 Annual Reports and Accounts	S.43

#### Topic: Indirect Economic Impacts

#### GRI-103: Management Approach (2016)

103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33
103-2	The management approach and its components	2021 Integrated Report	82; 84-91
103-3	Evaluation of the management approach	2021 Integrated Report	84-91

#### GRI-203: Indirect Economic Impacts (2016)

203-1	Infrastructure investments and services supported	2021 Integrated Report	84-91
203-2	Significant indirect economic impact	2021 Integrated Report	84-91

#### Topic: Anti-Corruption

#### GRI-103: Management Approach (2016)

103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33
103-2	The management approach and its components	2021 Integrated Report	62-63; S.23; S.24-S.25; S.30-S.31
103-3	Evaluation of the management approach	2021 Integrated Report	62-63; S.23; S.24-S.25; S.30-S.31

GRI Standard	Disclosure	References	Notes and pages	Omissions
<b>GRI-205: Anti-Corruption (2016)</b>				
205-1	Operations assessed for risks related to corruption	2021 Integrated Report	S.24-S.25	
205-2	Communication and training about anti-corruption policies and procedures	2021 Integrated Report	63	
<b>Topic: Anti-Competitive Practices</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	62-63; S.26-S.27	
103-3	Evaluation of the management approach	2021 Integrated Report	62-63; S.26-S.27	
<b>GRI-206: Anti-competitive practices (2016)</b>				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2021 Integrated Report 2021 Annual Reports and Accounts	S.26-S.27	
<b>Topic: Tax</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	S.6-S.8	
		2021 Annual Reports and Accounts		
		2019-2020 Country by Country Reporting		
103-3	Evaluation of the management approach	2021 Integrated Report	S.6-S.8	
		2021 Annual Reports and Accounts		
		2019-2020 Country by Country Reporting		
<b>GRI-207: Tax (2019)</b>				
207-1	Approach to tax	2021 Integrated Report	S.6-S.8	
207-2	Tax governance, control, and risk management	2021 Integrated Report	S.6-S.8	
207-3	Stakeholder engagement and management of concerns related to tax	2021 Integrated Report	S.6-S.8	
207-4	Country-by-country reporting	2021 Integrated Report	S.9	
<b>GRI 300: ENVIRONMENTAL SERIES (2016)</b>				
<b>Topic: Materials</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	100-105	
103-3	Evaluation of the management approach	2021 Integrated Report	100-105	
<b>GRI-301: Materials (2016)</b>				
301-1	Materials used by weight or volume	2021 Integrated Report	S.55; In 2021, the total copy paper consumption amounted to roughly 2.037.000 kg, out of which 48% is recycled.	
<b>Topic: Energy</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	100-105	
103-3	Evaluation of the management approach	2021 Integrated Report	100-105	

GRI Standard	Disclosure	References	Notes and pages	Omissions
<b>GRI-302: Energy (2016)</b>				
302-1	Energy consumption within the organisation	2021 Integrated Report	S.55; In 2021, direct energy consumption amounted to roughly 497.000 GJ. The main fuels used were natural gas (il 94 percent), followed by diesel (about 4%) and crude oil and petroleum products (2 percent). Indirect energy consumption amounted to roughly 1.756.000 GJ of which district heating accounted for 20 percent and electricity for about 80 percent. Electricity consumption included self-produced energy from photovoltaic plants in Austria, Germany, Hungary, and Italy.	
302-3	Energy intensity	2021 Integrated Report	S.55; Pro-capita data is calculated using the energy consumption reported in the Disclosure GRI 302-1.	
302-4	Reduction of energy consumption	2021 Integrated Report	100; 102; S.55	
302-5	Reductions in energy requirements of products and services	2021 Integrated Report	100; 102; S.55	
<b>Topic: Water</b>				
<b>GRI-303: Water and effluents (2018)</b>				
303-3	Water withdrawal	2021 Integrated Report	S.55; In 2021, the total water withdrawal from public water mains or other water services providers amounted to roughly 1.294.000 m <sup>3</sup> .	
<b>Topic: Emissions</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	100-105	
103-3	Evaluation of the management approach	2021 Integrated Report	100-105	
<b>GRI-305: Emissions (2016)</b>				
305-1	Direct (Scope 1) GHG emissions	2021 Integrated Report	S.54; Gases included in the calculation: CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs; Sources for emission factors: - DEFRA, UK Government GHG Conversion Factors for Company Reporting (2021), <sup>b</sup> for direct energy consumption, business travel and refrigerant gas leakages.	
305-2	Energy indirect (Scope 2) GHG emissions	2021 Integrated Report	S.54; Gases included in the calculation: CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs; Sources for emission factors: - DEFRA, UK Government GHG Conversion Factors for Company Reporting (2021), <sup>b</sup> for district heating. - IEA (2021), Emission Factors www.iea.org/statistics (all rights reserved; as modified by UniCredit SpA), for electricity consumption - Location Based method; - Association of Issuing Bodies (AIB), 2020 European Residual Mixes, V.1.2 (2021), for electricity consumption - Market Based method. AIB does not report emission factors for gases other than CO <sub>2</sub> ; Scope 2 Market-based emissions are therefore expressed in tones of CO <sub>2</sub> ; however, the percentage of methane and nitrous oxide has a negligible effect on total GHG emissions (CO <sub>2</sub> -equivalent) as inferred from the relevant technical literature.	

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GRI Standard	Disclosure	References	Notes and pages	Omissions
305-3	Other indirect (Scope 3) GHG emissions	2021 Integrated Report	S.54; Gases included in the calculation: CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O; Sources for emission factors: - DEFRA, UK Government GHG Conversion Factors for Company Reporting (2021), <sup>b</sup> or business travel and waste disposal; - CEPI, CEPI statistics (2020), for copy paper use.	
305-4	GHG emissions intensity	2021 Integrated Report	S.54; In 2021, the Scope 1 emissions intensity amounted to roughly 0.57 tons of CO <sub>2</sub> e per FTE; the Scope 2 emissions intensity (location-based) amounted to roughly tons of 1.78 CO <sub>2</sub> e per FTE; the Scope 2 emissions intensity (market-based) amounted to roughly 0.65 tons of CO <sub>2</sub> e per FTE; the Scope 3 emissions intensity amounted to roughly 0.02 tons of CO <sub>2</sub> e per FTE.	
305-5	Reduction of GHG emissions	2021 Integrated Report	100; 102; S.54	
305-6	Emissions of ozone-depleting substances (ODS)		In line with applicable regulations, where necessary UniCredit continues to replace refrigeration and cooling systems that contain ozone depleting substances. In recent years some episodes of refrigerant gas leakages have occurred in Germany, Austria, Hungary and Italy, and the related GHG emissions have been calculated and included in Scopo1 emissions. In 2021, 261 kg of refrigerant gas leakage (R134a, R407C, R410A) corresponding to 0 t of CFC-11 equivalent was recorded in Germany; in Austria about 217 kg of refrigerant gas leakage (R407C, R407F, R410A) corresponding to 0 t of CFC-11 equivalent was recorded; 746 kg of refrigerant gas leakage (R407C, R410A, R134) in Italy, corresponding to 0 t CFC-11 equivalent; and 198 kg of refrigerant gas leakage (R410A, R134a) in Hungary, corresponding to 0 t CFC-11 equivalent. Sources of emission factors: - Ozone Secretariat UNEP, Handbook for the Montreal Protocol on Substances that Deplete the Ozone Layer (14th edition, 2020), for refrigerant gas leakage [CFC-11e].	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2021 Integrated Report	No other significant air emissions have been identified.	
<b>Topic: Waste</b>				
<b>GRI-306: Waste (2020)</b>				
306-1	Waste generation and significant waste-related impacts	2021 Integrated Report	40-43; 48-49; S.32-S.33	
306-2	Management of significant waste-related impacts	2021 Integrated Report	100-105	

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GRI Standard	Disclosure	References	Notes and pages	Omissions
306-3	Waste generated	2021 Integrated Report	S.55; In 2021, the total amount of waste produced was roughly 8,801,348 kg, out of which: - paper and cardboard: 4,347,450 kg (of which 0 kg of hazardous); - plastic: 296,427 kg (of which 0 kg hazardous); - glass: 19,064 kg (of which 0 kg hazardous); - toner: 54,764 kg (of which 0 kg hazardous); - electrical and electronic appliances: 63,700 kg (of which 26,235 kg hazardous); - batteries: 2,246 kg (of which 2,211 kg hazardous); - oils: 28,719 kg (of which 980 kg hazardous); - filter materials: 2,563 kg (of which 632 kg hazardous); - other wastes: 3,986,414 kg (of which 982 kg hazardous).	
306-4	Waste diverted from disposal	2021 Integrated Report	S.55; The 2021 data on waste management comply with the reporting requirements of GRI Disclosures 306-4, articles a, b, c, introduced in 2020. With regards to article d of the same disclosure, the differentiation between on-site and off-site waste management is not relevant with regard to the Group's activities (almost entirely off-site waste management). It should be noted that most of the waste is delivered on the basis of specific reuse agreements (e.g., paper). The remaining waste represents a marginal quota which is managed in accordance with the type of waste and to local practices.	
306-5	Waste directed to disposal	2021 Integrated Report	S.55; The 2021 data on waste management comply with the reporting requirements of GRI Disclosures 306-5, articles a, b, c, introduced in 2020. With regards to article d of the same disclosure, the differentiation between on-site and off-site waste management is not relevant with regard to the Group's activities (almost entirely off-site waste management).	

#### Topic: Environmental Compliance

##### GRI-103: Management Approach (2016)

103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-33	
103-2	The management approach and its components	2021 Integrated Report	62; 100-105	
103-3	Evaluation of the management approach	2021 Integrated Report	62; 100-105	

##### GRI-307: Environmental Compliance (2016)

307-1	Non-compliance with environmental laws and regulations	2021 Integrated Report	No relevant fines were imposed in 2021 for non-compliance with environmental laws or regulations.	
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GRI Standard	Disclosure	References	Notes and pages	Omissions
<b>Topic: Supplier Environmental Assessment</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	105	
103-3	Evaluation of the management approach	2021 Integrated Report	105	
<b>GRI-308: Supplier Environmental Assessment (2016)</b>				
308-1	New suppliers that were screened using environmental criteria	2021 Integrated Report	105; In UniCredit, 100 percent of new suppliers are screened using socioenvironmental criteria.	
<b>GRI 400: SOCIAL SERIES (2016)</b>				
<b>Topic: Employment</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	70-75	
103-3	Evaluation of the management approach	2021 Integrated Report	70-75	
<b>GRI-401: Employment (2016)</b>				
401-1	New employee hires and employee turnover	2021 Integrated Report	S.36-37	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2021 Integrated Report	S.42; In nearly all countries, part-time and fixed-term employees are offered the same benefits that are offered to full-time and permanent employees.	
<b>Topic: Labor Management Relations</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	S.39	
103-3	Evaluation of the management approach	2021 Integrated Report	S.39	
<b>GRI-402: Labor-Management Relations (2016)</b>				
402-1	Minimum notice periods regarding operational changes	2021 Integrated Report	S.41	
<b>Topic: Occupational Health and Safety</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	S.45	
103-3	Evaluation of the management approach	2021 Integrated Report	S.45	
<b>GRI-403: Occupational Health and Safety (2018)</b>				
403-1	Occupational health and safety management system	2021 Integrated Report	S.45	
403-2	Hazard identification, risk assessment, and incident investigation	2021 Integrated Report	S.45	
403-3	Occupational health services	2021 Integrated Report	S.45	
403-4	Worker participation, consultation, and communication on occupational health and safety	2021 Integrated Report	S.45-S.46	
403-5	Worker training on occupational health and safety	2021 Integrated Report	S.45	
403-6	Promotion of worker health	2021 Integrated Report	S.45	

GRI Standard	Disclosure	References	Notes and pages	Omissions
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2021 Integrated Report	S.45	
403-9	Work-related injuries	2021 Integrated Report	S.47	
<b>Topic: Training and Education</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	60; 63; 73; 96-97	
103-3	Evaluation of the management approach	2021 Integrated Report	60; 63; 73; 96-97	
<b>GRI-404: Training and Education (2016)</b>				
404-1	Average hours of training per year per employee	2021 Integrated Report	S.38	
404-2	Programs for upgrading employee skills and transition assistance programs	2021 Integrated Report	73; S.44	
404-3	Percentage of employees receiving regular performance and career development reviews	2021 Integrated Report	73	
<b>Topic: Diversity and Equal Opportunities</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	55; 74-75; S.15	
103-3	Evaluation of the management approach	2021 Integrated Report	55; 74-75; S.15	
<b>GRI-405: Diversity and Equal Opportunity (2016)</b>				
405-1	Diversity of governance bodies and employees	2021 Integrated Report	55; S.34-S.35	
		2021 Report on Corporate Governance and Ownership Structure		
405-2	Ratio of basic salary and remuneration of women to men	2021 Integrated Report	S.37-S.38	
<b>Topic: Non-Discrimination</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	74-75; S.31	
103-3	Evaluation of the management approach	2021 Integrated Report	74-75; S.31	
<b>GRI-406: Non-Discrimination (2016)</b>				
406-1	Incidents of discrimination and corrective actions taken	2021 Integrated Report	Our global policies allow zero tolerance against harassment, sexual misconduct, bullying, and acts of retaliation. Under these policies, in 2021 across the Group, 42 reports were received and investigated for which 11 disciplinary sanctions have been committed.	
<b>Topic: Human Rights Assessment</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	60; 71-72; 74; 105; S.18-S.19	
103-3	Evaluation of the management approach	2021 Integrated Report	60; 71-72; 74; 105; S.18-S.19	

GRI Standard	Disclosure	References	Notes and pages	Omissions
<b>GRI-412: Human Rights Assessment (2016)</b>				
412-2	Employee training on human rights policies or procedures	2021 Integrated Report	60	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	2021 Integrated Report	105; In UniCredit, 100 percent of new suppliers are screened using socioenvironmental criteria, including compliance with International Labor Organization (ILO) conventions. S.19.	
<b>Topic: Local Communities</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	80-91	
103-3	Evaluation of the management approach	2021 Integrated Report	80-91	
<b>GRI-413: Local communities (2016)</b>				
413-1	Operations with local community engagement, impact assessments, and development programs	2021 Integrated Report	84-91	
<b>RGI-G4 Financial Services Sector Disclosures: Local communities</b>				
FS13	Access points in low-populated or economically disadvantaged areas by type	2021 Integrated Report	S.51	
FS14	Initiatives to improve access to financial services for disadvantaged people	2021 Integrated Report	82; 84-91	
<b>Topic: Supplier Social Assessment</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	105	
103-3	Evaluation of the management approach	2021 Integrated Report	105	
<b>GRI-414: Supplier Social Assessment (2016)</b>				
414-1	New suppliers that were screened using social criteria	2021 Integrated Report	105; In UniCredit 100 percent of new suppliers are screened using socioenvironmental criteria, including compliance with International Labor Organization (ILO) conventions. S.19.	
<b>Topic: Client Privacy</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	61; 94-97; S.22-23; S.29	
103-3	Evaluation of the management approach	2021 Integrated Report	61; 94-97; S.22-23; S.29	
<b>GRI-103: Management Approach (2016)</b>				
418-1	Substantiated complaints concerning breaches of client privacy and losses of client data	2021 Integrated Report	- In 2021 UniCredit Italia received 3 complaints for privacy-related issues reported by the competent authorities; - 5 cases of potential leaks or theft of client data were recorded in 2021. These were not caused by cyber-attacks but by procedural/operational errors or errors deriving from the IT system. The exposure to data derived from them did not have a material impact on clients. Nevertheless, for such cases, it was deemed appropriate to notify the supervisory authority (Bank of Italy).	

GRI Standard	Disclosure	References	Notes and pages	Omissions
<b>Topic: Socioeconomic Performance</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	62-63; S.22-S.31	
103-3	Evaluation of the management approach	2021 Integrated Report	62-63; S.22-S.31	
<b>GRI-103: Management Approach (2016)</b>				
419-1	Non-compliance with laws and regulations in the social and economic area	2021 Integrated Report 2021 Annual Reports and Accounts	S.27; S.31	
<b>Topic: Product portfolio</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	19-22; 46	
103-3	Evaluation of the management approach	2021 Integrated Report	19-22; 46	
<b>GRI-G4 Financial Services Sector Disclosures: Product portfolio</b>				
FS6	Portfolio for business lines	2021 Integrated Report 2021 Annual Reports and Accounts	S.48	
FS7	Monetary value of products and/or services designed to deliver a specific social benefit	2021 Integrated Report	84-91; S.52	
FS8	Monetary value of products and/or services designed to deliver a specific environmental benefit	2021 Integrated Report	104; S.52	
<b>Topic: Demographic change</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	82; 84-87; 91	
103-3	Evaluation of the management approach	2021 Integrated Report	84-87; 91	
<b>Topic: Digitalisation and innovation</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	24; 43; 48; 94-97	
103-3	Evaluation of the management approach	2021 Integrated Report	24; 43; 48; 94-97	
<b>Topic: Lean and transparent organisation</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	94-97; 24	
103-3	Evaluation of the management approach	2021 Integrated Report	94-97; 24	
<b>Topic: Value to client</b>				
<b>GRI-103: Management Approach (2016)</b>				
103-1	Explanation of the material topic and its Boundary	2021 Integrated Report	40-43; 48-49; S.32-S.33	
103-2	The management approach and its components	2021 Integrated Report	22-24; 84-93	
103-3	Evaluation of the management approach	2021 Integrated Report	22-24; 84-93	



# Making the connection by UN Global Compact Principles and GRI Standards Disclosures

UniCredit submits the Integrated Report as its annual Communication on Progress (COP), publicly disclosing to stakeholders also on progress made in implementing the Ten Principles promoted by the UN Global Compact in its core business, and in supporting broader UN development goals. The table included in this Report provides connections among UN Global Compact Principles and the GRI Standards Disclosures reported by UniCredit in this Report.

Categories	Principles	GRI Standards Disclosures
Human Rights	Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights	412-2; 412-3; 413-1; 414-1
	Principle 2 - Business should make sure they are not complicit in human rights abuses	
	Principle 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	
Labour	Principle 4 - Businesses should uphold the elimination of all forms of forced and compulsory labour	102-8; 102-41; 401-1; 401-2; 402-1; 404-1; 404-2; 404-3; 405-1; 405-2; 406-1
	Principle 5 - Businesses should uphold the effective abolition of child labour	
	Principle 6 - Businesses should uphold the elimination of discrimination in respect of employment and occupation	
Environment	Principle 7 - Businesses should support a precautionary approach to environmental challenges	201-2; 301-1; 302-1; 302-3; 302-4; 302-5; 303-3; 305-1; 305-2; 305-3; 305-4; 305-5; 305-6; 305-7; 306-3; 306-4; 306-5; 307-1; 308-1
	Principle 8 - Businesses should undertake initiatives to promote greater environmental responsibility	
	Principle 9 - Businesses should encourage the development and diffusion of environmentally friendly technologies	
Anti-corruption	Principle 10 - Businesses should work against corruption in all its forms, including extortion and bribery	102-16; 102-17; 205-1; 205-2

# SASB Indicators Index

## Commercial Banks sector<sup>A</sup>

Topic	Code	References
Data Security	FN-CB-230a.1	2021 Integrated Report - GRI Content Index page 119
	FN-CB-230a.2	2021 Integrated Report - Risk management chapter page 61; Intellectual capital chapter pages 95-97
Financial Inclusion & Capacity Building	FN-CB-240a.1	2021 Integrated Report - Social and Relationship capital chapter pages 84-91
	FN-CB-240a.4	2021 Integrated Report - Social and Relationship capital chapter page 86
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.1	Annual Reports and Accounts 2021 - Consolidated financial statements - Notes to the consolidated accounts: (i) Part B - Balance Sheet, Assets: - Section 2 - Financial assets at fair value through profit or loss - Item 20 - Tables 2.2-2.4-2.6; - Section 3 - Financial assets at fair value through other comprehensive income - Item 30 - Table 3.2; - Section 4 - Financial assets at amortised cost - Item 40 - Table 4.3. (ii) Part E - Information on risks and hedging policies: - Section 2 - Risks of the prudential consolidated perimeter - 2.1 Credit risk - Quantitative information - Table B.1
		2021 Integrated Report - Our Strategy: UniCredit Unlocked chapter page 30 2021 Integrated Report - Risk management chapter pages 56-60
	FN-CB-410a.2	2021 Integrated Report - Supplement Compliance chapter page 5.27
Business Ethics	FN-CB-510a.1	Annual Reports and Accounts 2021 - Consolidated financial statements - Notes to the consolidated accounts - Part E - Information on risks and hedging policies - Section 2 - Risks of the prudential consolidated perimeter - 2.5 Operational risks - B. Legal risks
	FN-CB-510a.2	2021 Integrated Report - Supplement Compliance chapter pages 5.30-5.31
Systemic Risk Management	FN-CB-550a.1	UniCredit Group website link <a href="http://www.unicreditgroup.eu/en/investors/financialreports.html">www.unicreditgroup.eu/en/investors/financialreports.html</a> - (G-SIBs Disclosure section) Latest available score in bp at <a href="http://www.bis.org/bcbs/gsib/">www.bis.org/bcbs/gsib/</a>
	FN-CB-550a.2	Annual Reports and Accounts 2021 - Consolidated financial statements - Notes to the consolidated accounts - Part E - Information on risks and hedging policies - Section 2 - Risks of the prudential consolidated perimeter - 2.2 Market risk - Stress test, 2.4 Liquidity risk and 2.6 Other risks Pillar III - Credit Risk - Stress test  Description of new methodologies of climate risk management in TCFD paper <a href="http://www.unicreditgroup.eu/it/a-sustainable-bank/natural-capital/climate-change.html">www.unicreditgroup.eu/it/a-sustainable-bank/natural-capital/climate-change.html</a>

<sup>A</sup> These indicators were taken into account where applicable. The limited assurance did not cover the application of the instructions provided by the Sustainability Accounting Standards Board (SASB).

# UNEP FI Principles for Responsible Banking reporting

UniCredit signed the UNEP FI (United Nations Environment Programme Finance Initiative) Principles for Responsible Banking in October 2019.

In 2021 we joined several working groups organised by UNEP FI in support of PRB implementation. In particular, during the year we actively participated in a working group to define the **Commitment to Financial Health and Inclusion** which was subsequently signed.

Our full report disclosing the progress made in implementing the PRB is published together with this Integrated Report and is available on our Group website.<sup>1</sup>

Below is a simplified table reporting UniCredit's main advancements in implementing each Principle.

Principle	High-level summary of bank's response	Reference(s)/link(s) to bank's full response/relevant information
Principle 1 <b>Alignment</b>	<p>UniCredit is organised across 4 regions, Italy, Germany, Central Europe and Eastern Europe, and powered by two product factories, Corporate Solutions and Retail Solutions.</p> <p>We have more than 15m clients and are the third largest corporate lender by assets in Europe.</p> <p>An attentive assessment of our initiatives and their positive impacts on society has allowed us over the years to actively contribute to the achievement of the UN SDGs and the Paris Agreement goals.</p> <p>Our ESG strategy is a key component of the new Group strategic plan and is built on four building blocks:</p> <ul style="list-style-type: none"><li>• partnering with our clients for a just transition</li><li>• supporting communities and society</li><li>• steering our behaviour with clear commitments</li><li>• enriching our risk and lending approach.</li></ul>	<b>2021 Integrated Report</b> <ul style="list-style-type: none"><li>• Our Strategy, page 19</li><li>• Stakeholder Engagement, page 38</li><li>• Our Sustainable Business Model, page 46</li></ul>
Principle 2 <b>Impact and Target Setting</b>	<p>We are conducting an in-depth impact analysis using the Portfolio Impact Analysis Tool for Banks developed by UNEP FI. We are currently focusing on our most important markets (Italy and Germany where our revenues total €12bn and the core business segments (retail and corporate). In order to gather the required data, several functions of the bank, such as Group Data Office, Group Planning &amp; Control and Group Finance, have been involved in a working group. Based on a preliminary analysis, the areas of climate change and financial inclusion are among our most significant impact areas.</p> <p>For the next three years we will be targeting ESG cumulative volumes of over €150bn (Environmental Lending: €25bn new production; ESG Investment Products: €65bn AUM conversion to ESG investments; Sustainable Bonds: €50bn DCM origination; Social Lending: €10bn new production).</p>	<b>2021 Integrated Report</b> <ul style="list-style-type: none"><li>• Our Strategy, page 19</li><li>• Applying a balanced approach: Risk Management and Compliance, page 56</li><li>• Social and Relationship Capital: doing the right thing is doing it together, page 80</li><li>• Natural Capital: building our tomorrow today, page 100</li></ul> <b>2020 UniCredit TCFD Report</b> <a href="https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2020/UC_TCFD_2020_ENG_FINAL.pdf">https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2020/UC_TCFD_2020_ENG_FINAL.pdf</a>

**Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis and Target Setting.**

We have made further progress on the implementation of the PRB and we continue to work to analyse all the impacts of Group activities and define the related targets.

<sup>1</sup> Refer to our website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)) for more information.

Principle	High-level summary of bank's response	Reference(s)/link(s) to bank's full response/relevant information
<b>Principle 3 Clients and Customers</b>  We will work responsibly with our clients and our clients to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.	<p>We have set ourselves clear objectives to support our clients in their social and environmental transition path. Our approach to our clients' transition in controversial sectors is guided by our policy framework.</p> <p>We assess our clients to determine their position on the transition pathway and support them in the best possible way.</p> <p>Our Group remains committed to strengthening consumer protection and improving awareness.</p> <p>In 2021 we were one of the founding signatories and the first Italian bank to subscribe the collective commitment to Financial Health and Inclusion under the Principles for Responsible Banking. Our Social Impact Bank provides an inclusive offer to vulnerable enterprises and individuals.</p>	<b>2021 Integrated Report</b> <ul style="list-style-type: none"> <li>• Our Strategy, page 19</li> <li>• Applying a balanced approach: Risk Management and Compliance, page 56</li> <li>• Social and Relationship Capital: doing the right thing is doing it together, page 80</li> <li>• Natural Capital: building our tomorrow today, page 100</li> </ul>
<b>Principle 4 Stakeholders</b>  We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.	<p>Stakeholder engagement has always been a valuable activity for us, even more so this year as it represents a key step in the definition of our new ESG Strategy, an integral part of UniCredit Unlocked.</p> <p>In order to obtain opinions on our ESG ambitions, in September 2021 we met with the following key stakeholder groups:</p> <ul style="list-style-type: none"> <li>• business heads</li> <li>• institutional investors</li> <li>• corporate clients</li> <li>• civil society</li> <li>• NGOs</li> </ul> <p>We held 40 interviews covering all our geographies and all ESG pillars.</p>	<b>2021 Integrated Report</b> <ul style="list-style-type: none"> <li>• Stakeholder Engagement, page 38</li> </ul>
<b>Principle 5 Governance &amp; Culture</b>  We will implement our commitment to these Principles through effective governance and a culture of responsible banking.	<p>The UniCredit Board of Directors defines the overall strategy of the Bank, which incorporates the Group's ESG strategy, of which the PRB are an important component. The recently established ESG Committee supports the Board of Directors in fulfilling its responsibilities regarding ESG components. A subgroup of members of the Group Executive Committee, the most senior executive committee of the Group, forms a dedicated ESG Strategy Council which provides oversight and strategic guidance across the Group on the definition and implementation of the strategy. The Group ESG Strategy &amp; Impact Banking makes proposals for the definition of the strategy to the ESG Strategy Council and the ESG Committee and reports its status of accomplishment.</p> <p>A core set of our ESG targets will be embedded in the CEO's performance scorecard so as to foster the management's alignment with the Group's ESG ambitions, such objectives will be cascaded to the CEO's reporting line and below.</p> <p>In 2021 we continued to deliver training initiatives aimed at promoting a sustainability culture among colleagues.</p>	<b>2021 Integrated Report</b> <ul style="list-style-type: none"> <li>• Realising the opportunities with our strong Governance, page 52</li> <li>• Applying a balanced approach: Risk Management and Compliance, page 56</li> <li>• Human Capital: nurturing skills to make wellbeing flourish, page 70</li> </ul> <b>2020 UniCredit TCFD Report</b> <a href="https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2020/UC_TCFD_2020_ENG_FINAL.pdf">https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2020/UC_TCFD_2020_ENG_FINAL.pdf</a>
<b>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</b>		<p>We have further progressed in fulfilling this requirement. UniCredit has an effective and clear sustainability governance in place which was further reinforced in 2021.</p>
<b>Principle 6 Transparency &amp; Accountability</b>  We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.	<p>Below we list some international good practices/initiatives in which the Group is actively involved and for which substantial results were achieved in 2021 in relation to areas of major impact of the Bank's activity:</p> <ul style="list-style-type: none"> <li>• Equator Principles</li> <li>• Task Force on Climate-Related Financial Disclosure (TCFD) Recommendations</li> <li>• Labour Organisation's Fundamental Human Rights Conventions</li> <li>• European Clean Hydrogen Alliance</li> <li>• Steel Climate-Aligned Finance Working Group.</li> </ul>	<b>2021 Integrated Report</b> <ul style="list-style-type: none"> <li>• Applying a balanced approach: Risk Management and Compliance, page 56</li> <li>• Natural Capital: building our tomorrow today, page 100</li> <li>• Supplement, Natural Capital, page S.54</li> </ul> <b>2020 UniCredit TCFD Report</b> <a href="https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2020/UC_TCFD_2020_ENG_FINAL.pdf">https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2020/UC_TCFD_2020_ENG_FINAL.pdf</a>
<b>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking.</b>		<p>In the past year UniCredit has progressed in its journey towards responsible banking and the implementation of the PRB. A particularly important development was the signing of new, significant and challenging commitments in areas of impact of the bank.</p>

**INDEPENDENT AUDITOR'S REPORT  
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,  
PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND  
ART. 5 OF CONSOB REGULATION N. 20267/2018**

To the Board of Directors of  
UniCredit S.p.A.

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of UniCredit S.p.A. (the "Bank") and its subsidiaries (hereinafter "UniCredit Group" or "Group") as of December 31, 2021 prepared on the basis of art. 4 of the Decree and approved by the Board of Directors on March 8, 2022 (hereinafter "NFS").

Our limited assurance engagement does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the chapter "*Risk Management and Compliance*" and in the paragraph "*Eu Taxonomy Regulation*" of the Supplement.

**Responsibility of the Directors and the Board of Statutory Auditors for the NFS**

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and "Global Reporting Initiative Sustainability Reporting Standards" established by GRI – Global Reporting Initiative ("GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

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## **Auditor's Independence and quality control**

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Auditor's responsibility**

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with Bank personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art.3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the UniCredit Group;
4. understanding of the following matters:
  - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
  - policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
  - main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a) of this report;

5. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of UniCredit S.p.A. and with the employees of the main legal entities of the Group and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the group level and subsidiaries level:
  - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
  - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for subsidiaries UniCredit S.p.A., UniCredit Leasing S.p.A., UniCredit Factoring S.p.A., Cordusio SIM S.p.A., UniCredit Services S.C.p.A., UniCredit Bank AG, UniCredit Leasing GmbH, Wealthcap Kapitalverwaltungsgesellschaft mbH, UniCredit Direct Services GmbH, UniCredit Bank Austria AG, Schoellerbank Aktiengesellschaft, Card Complete Service Bank AG, UniCredit Leasing (Austria) GmbH, UniCredit Services GmbH, UniCredit Bulbank AD, UniCredit Leasing EAD, UniCredit Consumer Financing EAD, UniCredit Bank S.A., UniCredit Leasing Corporation IFN S.A., UniCredit Consumer Financing IFN S.A., UniCredit Leasing Fleet Management S.R.L, AO UniCredit Bank, OOO UniCredit Leasing, UniCredit Bank D.D., UniCredit Bank A.D. Banja Luka, UniCredit Bank Hungary Zrt e UniCredit Leasing Hungary Zrt, which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out remote meetings, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

## Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the UniCredit Group as of December 31, 2021 is not prepared, in all material aspects, in accordance with article 3 and 4 of the Decree and GRI Standards.

Our conclusion on the NFS does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the chapter "*Risk Management and Compliance*" and in the paragraph "*Eu Taxonomy Regulation*" of the Supplement.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Franco Amelio**  
Partner

Milan, Italy  
March 11, 2022

*This report has been translated into the English language solely for the convenience of international readers.*



# Supplement

5

GRI Content Index, UN Global Compact, SASB Indicators Index and Principles for Responsible Banking

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- > Determination and distribution of Value Added
- > EU Taxonomy regulation
- > Information on Tax Management
- > Main partnerships and affiliations
- > Governance
- > Risk Management and Compliance
- > Stakeholder Engagement
- > Human Capital
- > Social and relationship Capital
- > Natural Capital

# Determination and distribution of Value Added

(€/m)

Items		2021	2020
10	Interest income and similar revenues	12,703	13,182
20	Interest expense and similar charges	-3,612	-3,685
40	Fees and commissions income	7,693	7,169
50	Fees and commissions expenses (excluded external networks' expense)	-1,206	-1,167
70	Dividend income and similar revenues	351	208
80	Net gains (losses) on trading	1,472	678
90	Net gains (losses) on hedge accounting	49	-54
100	Gains (Losses) on disposal and repurchase of:	244	230
	a) financial assets at amortised cost	53	80
	b) financial assets at fair value through other comprehensive income	141	144
	c) financial liabilities	50	6
110	Net gains (losses) on other financial assets/liabilities at fair value through profit or loss:	-469	225
	a) financial assets/liabilities designated at fair value	-306	242
	b) other financial assets mandatorily at fair value	-163	-17
130	Net losses/recoveries on credit impairment relating to:	-2,185	-4,656
	a) financial assets at amortised cost	-2,167	-4,640
	b) financial assets at fair value through other comprehensive income	-18	-16
140	Gains/Losses from contractual changes with no cancellations	-5	-20
160	Net premiums	0	0
170	Other net insurance income/expenses	0	0
230	Other operating expenses/income	566	513
250	Gains (Losses) of equity investments (gains or losses on disposal)	-1,597	-1,570
280	Gains (Losses) on disposal of investments	11	488
320	Profit (Loss) after tax from discontinued operations	4	49
	<b>A. TOTAL ECONOMIC VALUE GENERATED</b>	<b>14,289</b>	<b>11,590</b>

Items		2021	2020
190	b) other administrative expenses (excluded indirect taxes, duties and donations and contributions to resolution funds and deposits guarantee)	-2,627	-2,641
	<b>ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS</b>	<b>-2,627</b>	<b>-2,641</b>
190	a) staff expense (included external networks' expense)	-7,099	-7,433
	<b>ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES AND SUPERVISED WORKERS<sup>A</sup></b>	<b>-7,099</b>	<b>-7,433</b>
340	Minority interests	-30	-7
	<b>ECONOMIC VALUE ATTRIBUTABLE TO MINORITY SHAREHOLDERS</b>	<b>-30</b>	<b>-7</b>
	Net profit attributable to shareholders <sup>B</sup>	0	0
	<b>ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS</b>	<b>0</b>	<b>0</b>
190	b) other administrative expenses: indirect taxes and duties	-568	614
190	b) other administrative expenses: contributions to resolution funds and deposits guarantee	-1,014	831
300	Tax expense (income) related to profit or loss from continuing operations: current tax, adjustment to current tax of prior years, reduction of current tax for the year	355	551
	<b>ECONOMIC VALUE DISTRIBUTED TO PUBLIC BODIES &amp; INSTITUTIONS</b>	<b>-1,227</b>	<b>-894</b>
190	b) other administrative expenses: donations	-3	-5
	Net profit allocated to the charitable funds	0	0
	<b>ECONOMIC VALUE DISTRIBUTED TO COMMUNITY AND ENVIRONMENT</b>	<b>-3</b>	<b>-5</b>
	<b>B. TOTAL ECONOMIC VALUE DISTRIBUTED</b>	<b>-10,986</b>	<b>-10,980</b>
	<b>C. TOTAL ECONOMIC VALUE RETAINED</b>	<b>-3,303</b>	<b>-610</b>

<sup>A</sup> The economic value distributed to employees and supervised workers excluded expenses for financial advisors.

<sup>B</sup> For the proposals to the Shareholders' Meeting on the distribution to shareholders please refer to the specific Board of Directors' reports in relation.

# EU Taxonomy regulation

According to art. 10 of the Delegated Act<sup>1</sup> supplementing EU Taxonomy Regulation (2020/852), from 1 January 2022 to 31 December 2023 UniCredit Group, as 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 that are 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 has been made at Group level with a centralised retrieval strategy approach agreed on by the functions involved. The methodology for the computation of the KPIs is FINREP-driven, while the exposure is expressed in terms of carrying amount and with reference date 12/2021.

## GROUP DATA - REFERENCE DATE 31/12/2021 - MANDATORY DISCLOSURE

Indicators	Ratio
1) TAXONOMY-NON-ELIGIBLE ACTIVITIES/TOTAL COVERED ASSETS	71%
2) TAXONOMY-ELIGIBLE ACTIVITIES/TOTAL COVERED ASSETS	29%
3) EXPOSURE TO CENTRAL GOVERNMENTS, CENTRAL BANKS, SUPRANATIONALS/TOTAL ASSETS	33%
4) EXPOSURE TO DERIVATIVES/TOTAL ASSETS	1%
5) EXPOSURE TO UNDERTAKINGS THAT ARE NOT OBLIGED TO NFRD/ TOTAL ASSETS	80%
6) EXPOSURE TO TRADING BOOK and EXPOSURE TO ON DEMAND INTER-BANK LOANS/TOTAL ASSETS	21%

## GROUP DATA - REFERENCE DATE 31/12/2021 - VOLUNTARY DISCLOSURE

Indicators	Ratio
1) TAXONOMY-NON-ELIGIBLE ACTIVITIES/TOTAL COVERED ASSETS	48%
2) TAXONOMY-ELIGIBLE ACTIVITIES/TOTAL COVERED ASSETS	52%

## EXPOSURE TO TAXONOMY-ELIGIBLE/NON-ELIGIBLE ACTIVITIES OVER TOTAL COVERED ASSETS

- **Mandatory disclosure.** The exposures to taxonomy-eligible activities include the residential and commercial real estate mortgages towards households and non-financial corporations.  
The total covered assets have been considered at consolidated level.
- **Voluntary disclosure.** In addition to the exposure considered in the mandatory disclosure, the NACE at counterparty level has been applied to identify the eligible activities as defined by the Option 3 of the Platform for Sustainable Finance proposal on voluntary disclosure. Hence, the numerator also includes the activities with all non-financial counterparties, including non-EU and not subject to NFRD.  
The non-eligible activities are all counterparties of the total covered assets that do not have an eligible counterparty NACE, considering the total exposure of the counterparties and excluding held for trading.

The total covered assets include:

- a. financial assets at amortised cost
- b. financial assets at fair value through other comprehensive income
- c. investments in subsidiaries

<sup>1</sup> Commission Delegated Regulation 2021/2178 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.

- d. joint ventures and associates
- e. financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss
- f. real estate collaterals obtained by credit institutions by taking possession in exchange for the cancellation of debts
- g. households.

The total covered assets do not include exposures to central governments, central banks, supranational issuers.

## EXPOSURE TO CENTRAL GOVERNMENTS, CENTRAL BANKS, SUPRANATIONAL ISSUERS

The central government and central banks have been identified considering the exposures represented in the FINREP balance sheet statement, while supranational issuers have been identified as Multinational Banks with risk weight = 0. Every type of exposure to the identified counterparties has been taken into account (both trading and banking book). The overall total assets has been considered, as represented in the FINREP balance sheet statement, at consolidated level.

## EXPOSURE TO DERIVATIVES

The derivatives have been identified considering the exposures represented in the FINREP balance sheet statement (Hedge Accounting). The overall total assets excluding Held for Trading Derivatives has been considered, as represented in the FINREP balance sheet statement, at consolidated level.

## EXPOSURE TO UNDERTAKINGS THAT ARE NOT SUBJECT TO NFRD

The exposure to undertakings that are not subject to NFRD has been identified excluding the counterparties that are subject to NFRD from the total asset of the bank.

The overall total assets has been considered, as represented in the FINREP balance sheet statement, at consolidated level.

## EXPOSURE TO TRADING BOOK AND ON DEMAND INTER-BANK LOANS

The exposure to trading book and on demand inter-bank loans have been identified considering the exposures represented in the FINREP balance sheet statement.

The overall total assets has been considered, as represented in the FINREP balance sheet statement, at consolidated level.

## Data retrieval strategy

UniCredit Group is designing a **global framework for ESG information** that will be a key enabler for compliance to regulatory disclosure needs as well as for accelerating risk management and business steering.

To define if a transaction/counterparty is EU taxonomy-eligible and aligned, a careful assessment has to be made, starting from all the technical screening criteria of the EU taxonomy, and the study of delegated acts. Approaching the issue in a granular way is however very onerous, since the necessary information is not currently available and would have to be requested to clients, with a relevant impact on the network and lending processes. In order to find a balance between a granular approach versus impact on origination processes, we have defined a data recovery strategy that mixes the different approaches.

The data retrieval strategy proposal leverages both external providers and client interviews, taking into account the trade-off between accuracy on ESG KPIs versus impact on origination processes. Consequently, it is necessary to define a feasible approach to the information retrieval that considers the following drivers: stock and flow exposure, loan purpose, economic sector, counterparty sizing.

It has to be flexible over time, contemplating the evolution of both the regulation and bank experience.

Three possible types of data strategy have been designed:

- 1. Client Survey at transaction level:** Granular KPIs through specific client questionnaires at origination
- 2. NFRD Disclosure at counterparty level:** Percentage of client's KPIs (CapEx, OpEx and Turnover) aligned with the EU taxonomy as reported in the non-financial information disclosure (NFRD) gathered by providers and to be then applied to compute counterparty's sustainable exposure to UniCredit Group
- 3. Algorithm at cluster level:** Cluster data retrieved and/or elaborated by providers leveraging geographical and/or sectorial logics and algorithms, to then be applied to compute the counterparty's sustainable exposure to UniCredit Group.

# Information on Tax Management

UniCredit SpA, in its capacity as Parent entity, has issued a series of Global Policies on tax management.

The UniCredit Group's approach to taxation is described in the **Global Policies** adopted internally and made available to employees. Chief among them are the **Code of Conduct** and the **Tax Strategy** document of the UniCredit Group (available also at the following link: <https://www.unicreditgroup.eu/en/governance/our-governance-system.html>), which defines the guidelines and principles of UniCredit Group for the management of tax matters and associated risks (both financial and reputational).

Specifically, this latter document was prepared in line with the Group's values, stated in the Code of Conduct, which also reflect international best practices; it shall be read and applied in the context of the other policies and procedures issued by UniCredit and by the Group Companies.

The UniCredit Group is guided by the following principles in relation to the tax management of its business activities:

- i. **compliance with form and substance of all relevant tax laws**, regulations and practices applicable in every jurisdiction where the Group carries out its business
- ii. prohibition from using **aggressive tax planning** and tax avoidance schemes
- iii. implementation of a tax strategy that is consistent with the general rules of the Group, with its approach to risk and the values stated in the Code of Conduct
- iv. use of **professional risk management standards** for all the risks associated with tax and ensuring that the procedures applied from time to time to that end are adequate with reference to the requirements of the due fulfilments
- v. establishment of relations of mutual **trust, cooperation and transparency with the Tax Authorities** in the various jurisdictions where the Group operates, including through participation in projects of co-operative compliance
- vi. foster a **culture of tax compliance and awareness** of relevant tax laws throughout the Group, including organisational units, not directly working within the tax departments of the Group.

Since it is highly sensitive to tax issues and takes an approach intended to mitigate tax risk as much as possible, the Group has long been encouraging participation in Enhanced Co-operation initiatives with Tax Authorities where provided for by the legislation of the countries where the Group operates. In accordance with such principles:

- in the United Kingdom, since 2010 the Group has adopted the Code of Practice on Taxation for Banks issued by UK Tax Authorities (HMRC) and is unconditionally committed to full compliance with it
- in Italy, since 2016 and 2017, respectively, UniCredit SpA and UniCredit Services SCpA have been voluntarily participating in the Italian Tax Cooperative Compliance Scheme as per articles 3-7 of Italian Legislative Decree no. 128/2015 with the Italian Tax Agency. Above Group companies are therefore included in the list of entities admitted to the mentioned Scheme, which is published and freely available on the Italian Tax Agency's website (<https://www.agenziaentrate.gov.it/portale/web/guest/schede/agevolazioni/regime-di-adempimento-collaborativo/elenco-societa-ammesse-al-regime-imprese>)
- in Austria, the participation to the local "Horizontal Monitoring" regime is under preparation and definition
- in Germany, UniCredit Bank AG obtained the certification of its Tax Compliance Management System, according to the IDW PS 980 Standard. Said certification, issued by an independent auditor, is not related to a co-operative tax compliance legal regime.

# Tax Governance, Risk Control and Management

The Board of Directors of the Parent entity defines UniCredit's tax strategy by vesting tax management powers in the Group Chief Financial Officer and the Head of Group Tax. Each Group Company makes sure it has a specific internal Tax Function or, in the case of small-sized entities, an internal Manager, who is vested with tax management powers. The Tax Function is responsible for defining domestic, international and supranational tax scenarios, as well as implementing appropriate and effective procedures to properly fulfil tax obligations and ensure the Group is taxed correctly.

Specifically, the Group exercises its tax governance by issuing Global Policies that are directly applicable to UniCredit SpA and issued to all Group Companies, which transpose and implement them in accordance with applicable local legal and regulatory requirements.

The Tax Function of the various Group Companies is committed to ensuring its staff receives continuous training (base, advanced and specialist training).

Considering the complexity of tax laws, to achieve the above objectives, several entities of the Group, chief among them UniCredit SpA, have adopted an effective Tax Control Framework (TCF), which forms part of the corporate governance system and ensures the constant monitoring of tax risks that could potentially concern them.

Specifically, the TCF of the Parent entity, UniCredit SpA, provides for (i) a clear division of roles and responsibilities between corporate bodies and functions, with appropriate skills and experience (ii) adequate processes to detect, measure, manage, and control tax risk, ensuring compliance with the relevant procedures at all levels of the company (iii) specific procedures to correct any shortcomings detected and activate the necessary corrective actions.

The system for assessing the effectiveness of tax compliance, as well as the analysis of the outcomes of such assessment, is implemented through a system of controls and assessments by bodies and functions within UniCredit SpA as well as external entities, such as:

**> Internal Audit**

**> the BoD**, as well as the **Internal Controls and Risks Committee (IC&RC)**, the **Board of Statutory Auditors and the Supervisory Auditors for Legislative Decree n.231/2001**, receives a report on the status of the control system, the tax audits carried out and the relevant findings, the measures taken to correct any shortcomings found, and scheduled activities. The findings and the assessments made by the Governing Body are then shared with the Italian Tax Agency

**> Compliance** establishes the method of conducting and monitors the second level controls performed by Tax Compliance, in its capacity as specialist of the Compliance function as per Circular no. 285/2013 of the Bank of Italy; Tax Compliance, set up in 2014 to monitor the risk of non-compliance with tax laws applicable to the bank, performs second level controls, which are formalised and planned as part of a specific Framework outlining the risks, the operations to be audited, the outcomes of the controls, the level of risk, etc.

**>** the structure of the controls set out in the above Framework, approved by the Italian Tax Agency at the time of the admission to the Co-operative Compliance Scheme, is constantly reviewed and shared with the Italian Tax Agency. Every year, the latter presents the outcomes of the audits of the control system and the discussions held in a Final Report and the Compliance Letter, in which the Agency also reports on the in-depth investigations conducted at the Bank's request or on its own initiative.

With respect to **whistleblowing** on tax matters, please note that:

- since some tax crimes rules have been included in UniCredit SpA's Organisation and Management Model as per Italian Legislative Decree no. 231/2001, any conduct that constitutes such crimes is to be reported to the Supervisory Body;
- the Whistleblowing system guarantees a specific and confidential channel, as well as the whistleblower's anonymity, for reporting violations of the relevant internal regulations, chief among them those outlined in the Code of Conduct, including any conduct that could constitute tax fraud or attempted tax fraud or is intended to facilitate tax fraud by third parties;
- the Group companies participating in the Co-operative Compliance Scheme have the obligation to report any crimes that could result in tax non-compliance to the Italian Tax Agency as soon as they are formally informed about them.

Through its tax function, the Bank actively participates in meetings hosted by **trade and other associations** of which it is a member and that promote initiatives intended to develop best practices for tax management.

With reference to the implementation of tax regulations having international scope that took place during 2021 (i.e., DAC 6, ATAD II, and prospectively Pillar II) the Bank defines an analytical methodological approach aimed at intercepting the relevant cases, according to the organisational complexity of the Group. These methodological guidelines are generally transposed into Global Policy in order to give a common direction within the Group and in some cases are also linked to the distribution of training courses to raise awareness among employees on these matter.

With specific reference to the DAC 6 regulation (European Directive 2018/822), starting from 1st January 2021, the reporting obligations to the Revenue Agency of cross-border mechanisms, entered into force that integrate certain potential tax avoidance indices, put in place starting from 25th June 2018.

For this purpose, the Bank has put in place specific analysis activities and set up processes and control systems aimed at detecting the aforementioned mechanisms subject to reporting.

These procedures have been formalised in the internal regulatory document issued on the subject, in addition to the Global Policy containing the guidelines also applicable to the other Group companies. Specific training sessions were organised for the benefit of the most impacted corporate functions to raise awareness on the issue.

With reference to the ATAD II regulation (European Directive 2017/952), the Bank is required to intercept specific transnational transactions that have determined, starting from 1st January 2020, an undue double tax advantage linked to the so-called "Hybrid mismatches", in order to cancel any identified tax advantages, even unintentionally obtained, in the context of UniCredit's tax return.

For this purpose, in 2021 the Bank defined an operating methodology suitable for identifying and analyzing the transactions potentially capable of generating the so-called hybrid mismatches, and the results of this analysis were reported in the UniCredit SpA income tax return.

## COUNTRY-BY-COUNTRY REPORTING 2019-2020

(values in €/000)

	Revenues from transactions with related parties		Corporate income tax paid on a cash basis		Tangible assets other than cash and cash equivalents	
	2020	2019	2020	2019	2020	2019
Italy	- 2,361,676	- 1,263,040	- 71,001	- 46,574	5,095,489	5,782,407
Germany	1,834,506	866,730	- 119,419	- 122,024	2,781,558	3,311,732
Austria	- 14,950	77,752	- 24,883	- 23,748	694,259	1,044,401
Bosnia and Herzegovina	80	1,336	- 10,494	- 8,704	52,821	55,061
Bulgaria	- 9,030	10,059	- 10,324	- 22,170	166,211	189,071
Croatia	- 128,888	108,689	- 85,551	- 16,794	297,012	254,374
Czech Republic	81,845	83,156	- 70,582	- 59,310	196,298	197,557
Hungary	69,792	72,632	- 13,533	- 31,663	117,327	96,667
Romania	197,453	82,745	- 30,287	- 40,797	193,161	224,870
Russian Federation	- 132,145	628,890	- 54,111	- 52,849	137,236	186,653
Serbia	- 6,518	- 250	- 5,069	- 8,365	38,387	41,619
Slovenia	- 3,358	- 7,340	- 4,457	- 1,301	20,688	26,082
Other countries <sup>A</sup>	707,455	604,714	- 58,992	- 50,442	282,751	320,469

<sup>A</sup> Other includes: Bermuda, Brazil, Canada, Cayman Islands, China, Estonia, France, Ireland, Jersey, Latvia, Lithuania, Luxembourg, Poland, Slovakia, Spain, Ukraine, United Arab Emirates, United Kingdom, United States of America.

For the Group Legal Entities considered in this data and their related primary activities and the reasons for the difference between corporate income tax accrued on profit/loss and the tax due, if the statutory tax rate is applied to profit/loss before tax, refer to the 2019 - 2020 Company financial statements notes to the accounts.

For the number of employees, for the revenues from third-party sales, for the profit/loss before tax and for the corporate income tax accrued on profit/loss, refer to Country-by-Country Reporting, art. 89 CRD IV as at 31 December 2019 and Country-by-Country Reporting, art. 89 CRD IV as at 31 December 2020.

# Main partnerships and affiliations

Legal entities	Organisation	Description
UniCredit SpA	ACAMS	ACAMS is the largest international membership organisation for Anti-Financial Crime professionals. It supports individuals and organisations who are dedicated to preventing financial crime through thought leadership, continuing professional education and our best-in-class peer network.
	Assonime	Assonime is an association of companies that studies issues related to Italy's economy and works to improve its industrial, commercial, administrative, tax and currency legislation.
	Bruegel	Bruegel's distinctive nature is drawn from a balanced partnership between private and public stakeholders. Its member base is composed of EU member states, international corporations and self-standing institutions.
	B4IG - Business for Inclusive Growth	B4IG is a partnership between the OECD and a global CEO-led coalition of companies fighting against inequality in income and opportunities.
	B4SI Social Impact Framework & Benchmark (B4SI Framework)	The B4SI Framework is a robust measurement standard that any company can apply to understand the difference their contributions make to business and society. The companies using B4SI are from some of the world's leading organisations and are part of a global B4SI Network.
	CDP (formerly Carbon Disclosure Project)	The CDP promotes understanding of the potential impacts of climate change on shareholder value.
	CEPS-Centre For European Policy	CEPS is a leading think tank and forum for debate on EU affairs, with an exceptionally strong in-house research capacity and an extensive network of partner institutes throughout the world.
	CSR Manager Network Italia (now Sustainability Makers   the professional network)	CSR Manager Network is the Italian national association for corporate social responsibility professionals.
	EUROFI	A non-profit organisation for exchanges between the financial services industry and public authorities, addressing issues related to the financial regulation and supervision and the economic and monetary context impacting the EU financial sector.
	European Financial Services Round Table (EFR)	The EFR brings together Chairmen and Chief Executives of leading European banks and insurance companies. Its purpose is to contribute to the European public policy debate on issues relating to financial services and to the financial stability with the completion of the single market in financial services. The EFR is also engaged in the lessons to be drawn from the financial crisis to render the financial system more resilient.
	European Microfinance Network (EMN)	The EMN is a member-based non-profit organisation based in Brussels which promotes microfinance as a tool to fight social and financial exclusion in Europe through self-employment and the creation of microenterprises.
	European Venture Philanthropy Association (EVPA)	EVPA is a lively network of organisations sharing the same vision and a common goal: creating positive societal impact through venture philanthropy. Its mission is to enable venture philanthropists and social investors to maximise societal impact through increased resources, collaboration and expertise.
	Executive Corporate Learning Forum (ECLF)	The ECLF is a community of senior executives from major global corporations. The community has the strategic responsibility to foster large-scale learning and transformation processes.
	FinTech Innovation - ABILab	This observatory is dedicated to all main Italian and international fintech innovations.
	International Integrated Reporting Council (IIRC) - Business Network	The IIRC is a global coalition of regulators, investors, companies, standard setters, NGOs and accounting professionals that works to establish integrated reporting and thinking in mainstream business practices.
	Istituto Affari Internazionali (IAI)	IAI is an independent, private and non-profit think tank. It promotes knowledge of international politics and contributes towards the advancement of European integration and multilateral cooperation.
	Nemetria	Nemetria is a non-profit association founded by companies, banks, organisations and universities. Its activities include seminars, workshops, conferences on the topics of economics, finance, ethics, corporate culture and culture in general.

Legal entities	Organisation	Description
<b>UniCredit SpA</b>	Parks - Liberi e Uguali	Parks - Liberi e Uguali, a non-profit organisation whose members are exclusively employers, was created with the aim of helping partner companies to understand and attain maximum business opportunities deriving from the development of strategies and good practices that respect diversity.
	Research Centre on Technologies, Innovation and Financial Services (CeTIF) - Università Cattolica del Sacro Cuore	The CeTIF has been carrying out studies and promoting research on the dynamics of strategic and organisational change in the financial, banking and insurance sectors since 1990.
	Social Impact Agenda per l'Italia	The mission of Social Impact Agenda per l'Italia is to monitor and contribute to the implementation of the recommendations contained in the finance report. These include the aim to strengthen the ecosystem for social impact investments in Italy to promote social entrepreneurship.
	Society of Corporate Compliance and Ethics (SCCE)	SCCE is a member-based association for compliance and ethics professionals worldwide and across all industries. The vision of SCCE is to be the pre-eminent compliance and ethics association promoting the lasting success and integrity of organisations worldwide.
	Transparency International Italia	Transparency International is the largest global organisation that deals with preventing and combating corruption by collaborating with governments, companies and citizens to end the scourge of corruption. Its mission is to encourage and support victims and witnesses to safely report corruption.
	UN Global Compact - Global Compact Network Italy	The United Nations Global Compact is a strategic policy initiative promoted at national level via local networks and aimed at businesses committed to aligning their operations and strategies with 10 universally accepted principles related to human rights, labour, anti-corruption practices and the environment.
	United Nations Environment Programme Finance Initiative (UNEP FI)	UNEP FI is an initiative promoted by the United Nations that addresses pressing, current issues in sustainable finance.
	Utenti Pubblicità Associati (UPA)	UPA is owned and operated by companies with a common interest in resolving concerns related to advertising. UPA is aligned with the Istituto dell'Autodisciplina Pubblicitaria (IAP) in its efforts to defend and promote responsible advertising as a vehicle for consumer information, market competition and social welfare.
<b>UniCredit Bank AG</b>	Valore D	Valore D is an Italian association of more than 150 national and multinational companies. Its mission is to increase and support female representation in top positions at major Italian companies.
	Joblinge	Joblinge is a collaboration between the private, public, and volunteer sectors to better prepare disadvantaged young people in Germany for the job market.
	Klimaschutz-Selbstverpflichtung des Finanzsektors	The climate crisis is a challenge not only for individual sub-segments but for the entire German financial sector. This climate protection commitment is therefore open to all segments of the German financial sector, each of which is required to adhere to specific framework conditions and to ensure that procedures are in line with the specific evolving legislation.
	Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten eV (VfU)	VfU is an industry-specific body for environmental management at financial institutions.

<b>Legal entities</b>	<b>Organisation</b>	<b>Description</b>
<b>UniCredit Bank Austria</b>	Austrian Society for Environment and Technology (ÖGUT)	ÖGUT is a non-profit organisation aimed at stimulating discussion and innovation on environmental issues through the involvement of NGOs, businesses and the government.
	klima:aktiv Pakt 2020	The climate protection initiative of the Federal Ministry for Sustainability and Tourism (BMNT) is climate active. Thanks to the development and provision of quality standards, to the training and further education of professionals and to the advice and information offered to its large partner network, klima:aktiv supplements climate protection funding and regulations.
	Ostasiatischer Verein eV (OAV)	This German Asia-Pacific Business Association offers its members a platform for exchanging knowledge and experience across different industries, providing practical and comprehensive services to them whether they have experience or not in operating or co-operating with Asia.
	Pride Biz	Pride Biz Austria is committed to lesbian, gay, bisexual, transgender and intersex people in business and the world of work and acts as Austria's first point of contact for companies that wish to develop in the area.
<b>UniCredit Bulbank AD</b>	Bulgarian Association for People Management (BAPM)	The BAPM is a non-governmental organisation established to develop best professional practices in the field of human capital management and development; in doing so, it aims to increase added value for organisations and contribute to the enrichment of people's potential and professional performance.
	Bulgarian Business Leaders Forum (BBLF)	The BBLF is the country's top business community comprising successful local and international companies across sectors.
	Bulgarian Donors' Forum (BDF)	The Bulgarian Donors' Forum (BDF) aims at developing philanthropy in the country as a sustainable mechanism for participating in and supporting important causes in our society. BDF initiates and participates in processes for building a supportive environment for donors, promotes quality donor investments with long-term impact and purposefully works to form a positive attitude of society towards donations.
	Council of Women in Business in Bulgaria	The Council of Women in Business in Bulgaria organises the Global Women Leaders Forum which unites female leaders from the business, politics, social and cultural worlds. The Forum gives the participants a platform where the current trends in women empowerment and equality can be discussed.
<b>Zagrebačka Banka DD</b>	Hellenic Business Council in Bulgaria	The Hellenic Business Council in Bulgaria is a private, non-governmental, non-profit organisation founded in 2005 which offers its own network of contacts, mutual assistance and information exchange. It represents the interests of its members and works to accelerate trade and investment between Bulgaria and Greece.
	Croatia Green Building Council	The GBC is a non-profit organisation and countrywide platform for the promotion of sustainable construction practices
	Croatian Business Council for Sustainable Development (BCSD)	HR BCSD was founded in 1997 by leading Croatian businesses to promote sustainable development in the private sector and represent business on the issue of sustainable development.

Legal entities	Organisation	Description
<b>UniCredit Bank Hungary Zrt</b>	Bizniscool	Bridge Budapest, the organisation which aims to link the educational and entrepreneurial sectors in Hungary, says it has reached a landmark this year with an expanded team of seven - all women.
	Budapest Business School	The aim of the Budapest Business School is to widen practical financial and banking knowledge for university students through a dedicated classroom course held by UniCredit executives.
	Joint Venture Association (JVSZ)	JVSZ assimilates the views of its members and supports them in facing challenges related to business conduct and organisational decision-making.
<b>UniCredit Bank SA</b>	Association of Business Service Leaders in Romania (ABSL)	The ABSL is a leading organisation representing the business services sector whose members are high-profile companies which conduct business in the areas of Shared Services Centres, Business Process Outsourcing, Information Technology Outsourcing, and Research and Development.
	Romanian Banking Employers Board (CPBR)	CPBR promotes communication, co-operation and social dialogue with Romanian authorities and contributes to the initiation, preparation and promotion of new laws or other legislative or regulatory initiatives.
	Romanian Banking Institute (RBI)	RBI's primary objective is to improve the professional training and specialisation of staff from the financial/banking sector, in line with the strategy determined by the National Bank of Romania and in cooperation with the Romanian Banking Association and with the programmes approved by the Board of Directors.
<b>AO UniCredit Bank</b>	Russian Union of Industrialists and Entrepreneurs (RSPP)	RSPP is an independent non-governmental organisation that maintains regular contact with government authorities to keep them informed on the effectiveness of current laws and to protect the interests of industry and entrepreneurship.
<b>UniCredit Bank Serbia</b>	NALED	NALED is an association of businesses, local governments and civil society organisations working together on creating better conditions for living and working in Serbia. Members are committed to promoting a more efficient state by eliminating bureaucracy, reducing the para-fiscal burden to businesses and encouraging fair competition.
	Responsible Business Forum (RBF)	RBF is Serbia's first network of socially responsible companies. It inspires, supports and encourages companies to continually improve their impact on society by carrying out a series of activities which aim to promote the concept of corporate social responsibility both in the business sector and for the wider general public.
<b>UniCredit Banka Slovenija dd</b>	Network for Social Responsibility of Slovenia	The Network for Social Responsibility of Slovenia is the meeting point of companies and other organisations whose common purpose is to promote social responsibility, both within their companies and organisations and in society in general.

# Governance

UniCredit SpA is an Italian company with shares listed on the Milan, Frankfurt and Warsaw regulated markets adopting the traditional management and control system and, as a bank, parent company of the UniCredit banking Group, it carries out, pursuant to the provisions of Section 61 of the Italian Consolidated Banking Act, in addition to banking activities, governance and coordination ones, as well as control functions vis-à-vis the subsidiary banking, financial and instrumental companies within the banking Group itself.

The overall corporate governance framework of UniCredit<sup>1</sup> has been defined in compliance with current Italian and European provisions, as well as the recommendations of the Italian Corporate Governance Code for listed companies.<sup>2</sup>

UniCredit is also subject to the provisions contained in the Supervisory Regulations issued by the Bank of Italy and, in detail, to the regulations on banks' corporate governance.

UniCredit, as issuer of shares also listed on the Frankfurt and Warsaw regulated markets, also fulfils the legal and regulatory obligations related to listings on said markets as well as the provisions on corporate governance contained in the Polish Corporate Governance Code issued by the Warsaw Stock Exchange.

## Governance framework

UniCredit's corporate governance adheres to current rules and regulations as well as to the recommendations laid out in the Italian Corporate Governance Code. The governance system is regularly verified and updated to ensure that UniCredit complies with the evolving regulatory framework, as well as with the relevant operating and market practices which are constantly monitored in order to verify their implementation.

UniCredit governance components include:

- the Articles of Association which set forth corporate governance provisions aimed at ensuring the correct execution of corporate activities
- the Regulations for the Shareholders' Meeting, governing the conduct of ordinary and extraordinary meetings
- the Corporate Bodies and Committees Regulation, governing the function and competencies of the corporate bodies and Board Committees, in compliance with relevant legal and regulatory provisions, and the UniCredit Articles of Association, also incorporating the principles and criteria set out in the Italian Corporate Governance Code
- the Group Compensation Policy, establishing an approach consistent with sustainable remuneration, and its standardised implementation across UniCredit
- the Group Managerial Golden Rules (GMGR), a set of guidelines defining the Group managerial coordination mechanisms, assigning to the Heads of the Holding Company functions specific responsibilities and powers vis-à-vis the corresponding functions within the controlled Legal Entities. Based on such system, ad-hoc structures/functions work across UniCredit and the Group Legal Entities, to ensure the coordination of the activities and the control of risks across the Group as a whole, by interacting with the structures within each Legal Entity, in order to ensure coherence, uniformity and coordination of the Group governance setup.

In accordance with the GMGR guidelines, UniCredit issues Global Rules defining principles, guidelines, behavioural rules and the general framework of responsibilities of the Holding Company functions and of the Legal Entities, as well as the related coordination mechanisms, to regulate, inter alia, relevant activities for compliance with law and/or risk management purposes, to foster Group stability and ensure one single approach to corporate planning and overall efficiency.

<sup>1</sup> Refer to the annual Report on corporate governance and ownership structure and the 2022 Group Remuneration Policy and Report available in the Governance section of the Company's website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)) for more information.

<sup>2</sup> Since 2001, UniCredit has adopted the Italian corporate governance code for listed companies. In line with the experience of major international markets, the code identifies the corporate standards and best practices for companies listed in Italy recommended by the Italian Corporate Governance Committee - inspired by transparency, accountability and a long-term perspective - to be applied according to the comply or explain principle that requires the explanation in the report on corporate governance of the reasons for failure to comply with one or more of the best practices recommended. In January 2020, a new version of the corporate governance code was approved, with information on its implementation to be included in corporate governance reports published during 2022. The key areas of improvement deemed to be functional to better implementing the new code are, among others, focused on the integration of sustainability into the definition of strategies, the internal control system and remunerations.

In particular:

- the Global Rules are classified into three different document types:
  - Global Policies (GP) which contain behavioural and methodological principles, guidelines and rules issued by the Holding Company, as well as the general framework of responsibilities between the Holding Company and the recipient legal entities
  - Global Process Regulation (GPR) which describes the key elements for the discipline of processes classified by the parent company as Global due to relations between activities, responsibilities and supporting tools
  - Global Operational Regulation (GOR) which provides detailed technical, operational or methodological instructions issued by the parent company.

## Governance structures

UniCredit has adopted the so-called Italian traditional management and control system based on the existence of two corporate bodies whose members are appointed by the Shareholders' Meeting: the Board of Directors, in charge of the strategic supervision and the management of the Company, and the Board of Statutory Auditors, responsible for supervising the management. Legal accounting supervision is entrusted by the Shareholders' Meeting to an external audit firm, upon proposal of the Board of Statutory Auditors, in compliance with relevant current laws.

Members of the Board of Directors and Board of Statutory Auditors are appointed by the Shareholders' Meeting on the basis of a proportional representation mechanism (voto di lista). This voting system features lists of competing candidates to ensure the election of minority shareholders' representatives.

The appointing process of the above-mentioned corporate bodies guarantees that they are gender-balanced in compliance with current regulations and provisions.

In compliance with the current provisions applicable on such topics, both the Board of Directors and the Board of Statutory Auditors establish their qualitative-quantitative composition deemed to be optimal for the effective fulfilment of the duties entrusted to them by law, by the Supervisory Provisions and by the UniCredit Articles of Association. The Board of Directors and the Board of Statutory Auditors also establish the requirements that their members shall meet, in addition to those envisaged under current provisions.

Prior to the appointment of its members, each corporate body informs shareholders on the composition deemed to be optimal in order that the expertise required may be taken into consideration in the choice of candidates. However, shareholders may carry out their own assessment on the best composition of the above-mentioned bodies and file candidacies consistent with that assessment, providing reasons for any difference vis-à-vis the analyses carried out by the corporate bodies.

With regard to the following:

- the qualitative and quantitative composition of the Board of Directors and the Board of Statutory Auditors as well as the profile of candidates for the position of Director or Auditor
- the time commitment recommended for an effective attendance of meetings
- the limits regarding the maximum number of offices established by the current provisions
- the gender composition criteria for corporate bodies,

reference can be found in the documents ruling the qualitative and quantitative composition of the Board of Directors and the Board of Statutory Auditors of UniCredit published on the Company's website, Governance section.

The composition resulting from the appointing process of both the Board of Directors and the Board of Statutory Auditors qualitatively and quantitatively corresponds to the relevant theoretical profiles and meets the suitable requirements established by current provisions.

The Directors' and Auditors' personal qualities and gender diversity comply with the principles of the theoretical profiles. In particular, also in light of the information given by the persons concerned, the requirements regarding, among others, experience, integrity and independence,<sup>3</sup> as well as the time commitment and the limits regarding the maximum number of offices that Directors and Auditors may hold, were accounted for.

<sup>3</sup> At the approval date of this Integrated Report, the number of independent Directors in office is above the minimum required by current regulatory and statutory provisions (11 out of 13 under the Italian Corporate Governance Code and Legislative Decree no. 385/1993 ("TUB"), 12 out of 13 under Legislative Decree No. 58/1998 ("TUF"), 12 are non-executive)

Furthermore, with reference to professional expertise gained in the areas of competence envisaged by the relevant profiles, all core areas of competence are represented in the corporate bodies and the experience possessed by all the Directors and Statutory Auditors are in line with the requirements of the relevant profiles.

In order to support the Board of Directors, also pursuant to the provisions of the Italian Corporate Governance Code, there are five established Committees,<sup>4</sup> vested with research, advisory and proposal-making powers and diversified by sector of competence:

- > the Internal Controls & Risks Committee
- > the Corporate Governance & Nomination Committee
- > the ESG Committee
- > the Remuneration Committee
- > the Related Parties Committee.

The first four Committees were set up in compliance with the provisions of the Bank of Italy Supervisory Regulations on banks' corporate governance. The Related Parties Committee was established for overseeing issues concerning transactions with related and associated parties, in compliance with the relevant Italian Companies and Exchange Commission (CONSOB) regulatory provisions and the Bank of Italy Supervisory Regulations, carrying out the specific role attributed to independent Directors in the afore-mentioned provisions. The Committees' duties are undertaken in accordance with the terms of reference and procedures set forth by the Board.

## BOARD SELF-EVALUATION<sup>5</sup>

In compliance with the provisions of the Bank of Italy Supervisory Regulations on banks' corporate governance, and in line with the recommendations of the Italian Corporate Governance Code for listed companies, the Board of Directors undertakes a regular self-evaluation process at least once a year. It is focused on the adequacy of the Board itself and Board Committees in terms of composition and functioning, tangibly measured in specific theme-based areas, particularly those relevant to sound and prudent management.

The self-assessment process is undertaken with the assistance of an external consultant chosen on the basis of competence and expertise in the field of corporate governance and the need for neutral, objective and independent judgement which are the hallmarks of the self-assessment process.

## INDUCTION INITIATIVES AND RECURRENT TRAINING<sup>5</sup>

In UniCredit a permanent induction program is active for the Board members, and also for the benefit of the Board of Statutory Auditors members, based on three-year cycles connected to the Board's mandate, with the aim of ensuring ad hoc training on a continuous basis by taking into account both individual and collective needs.

The induction program and the recurring training, which are put in place with the support of an external consultant, respectively include sessions aimed at fostering the integration of new Directors and training to preserve over time the expertise needed for the proper fulfilment of their duties.

In addition, individual training plans will be activated, should they be deemed necessary, to strengthen specific individuals' technical knowledge and expertise and to increase the level of diversity and the collective experience of the Board of Directors.

<sup>4</sup> Refer to the annual Report on corporate governance and ownership structure and the 2022 Group Remuneration Policy and Report, available in the Governance section of the Company website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)), for more information.

<sup>5</sup> Refer to the annual Report on corporate governance and ownership structure, available in the Governance section of the Company website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)), for more information.

## Board and Senior Management Compensation<sup>6</sup>

The CEO is the only Executive Director who sits on the Board of Directors. With regard to his remuneration, in order to foster the alignment of interests between the CEO and shareholders from the start, and to manage a transition year, for 2021 the Board of Directors approved a one-off share-based award as a sign-on cost of recruiting.

The proposed remuneration structure for 2021 is strictly linked to the first year of the mandate. From 2022 onwards a mix of performance based long-term and short-term incentives will be applied to the CEO. All other Board members are non-executive Directors and are not beneficiaries of incentive plans utilising stock options or, more generally, of any incentive plan that makes use of financial instruments.

The remuneration for members of the administrative and auditing bodies of UniCredit is represented only by a fixed component, determined on the basis of the importance of the position held and the time required for the performance of the assigned tasks. This policy applies to non-executive Directors as well as Statutory Auditors.

The approach to compensation for UniCredit's top managers, as detailed in the Group Remuneration Policy, is connected to performance, market awareness and is aligned with UniCredit's business strategy and shareholders' interests. More details on the compensation for top management leaders and for members of the administrative and auditing bodies of UniCredit are reported in the Group Remuneration Policy.

To ensure competitiveness and effectiveness of remuneration, as well as transparency and internal equity, the principles of sustainable conduct and performance define the key pillars of the Group Remuneration Policy. The Remuneration Policy framework is designed to ensure the consistency of the remuneration elements and systems while also conforming to our Group's long-term strategies and principles of sound risk management.

The Group Remuneration Policy, as proposed by the Remuneration Committee, is submitted for approval to the Board of Directors and, subsequently, to shareholders at the Annual General Meeting.

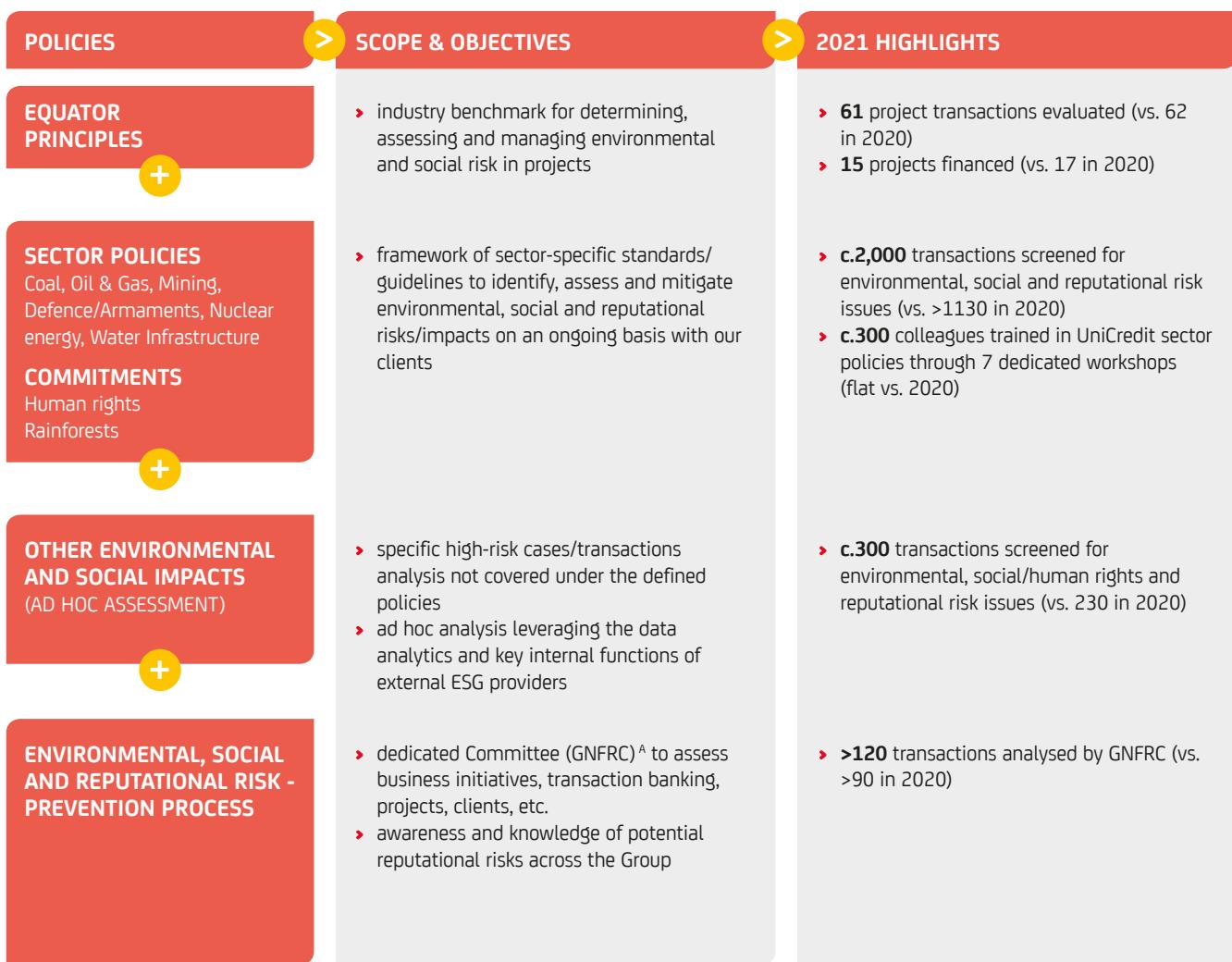
<sup>6</sup> The information relates to the 2022 Group Remuneration Policy and Report. Refer to the Company website (<https://www.unicreditgroup.eu/en/governance/compensation.html>) for more information.

# Risk Management and Compliance

## Managing environmental and social risks

Sound risk management requires a deep understanding of many types of risk, including environmental and social risks, and their subsequent impact on financial results and statements. Environmental and social risk assessments are guided by our environmental, social, operational and reputational risk sector policies as well as by our human rights commitment and, when applicable, by the Equator Principles (EP).

### HOW WE MITIGATE ENVIRONMENTAL, SOCIAL AND REPUTATIONAL RISKS



<sup>A</sup> The GNFRC or delegated competent bodies. More information is available in the Governance Chapter.

# Implementation of the Equator Principles

In 2003, UniCredit adopted the EP<sup>7</sup>, a financial industry benchmark for determining, assessing and managing environmental and social risk in projects. The EP provide a minimum standard for due diligence to support responsible risk-related decisions and are based on the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability and the World Bank Group Environmental, Health and Safety (EHS) Guidelines.

UniCredit was one of the first adopters of the ten principles that constitute the EP. The tasks and responsibilities of the EP Advisory team are integrated in the Sustainable Finance Advisory team which oversees and supports implementation of the EP across the Group and represents UniCredit in the EP Association.

From the outset, our Group has actively contributed to the framework's development, and in 2021 we confirmed our engagement in the promotion of the EP and the reinforcement of our internal and external commitment. In particular, we actively participated in reviewing the optimal legal and management structure of the association as well as its governance rules.

## EQUATOR PRINCIPLES - PROJECTS EVALUATED AND FINANCED 2021

Projects evaluated	Projects financed <sup>A</sup>
61	15

<sup>A</sup> Includes 15 Project Finance transactions.

Risk category <sup>A</sup>	2021 <sup>B</sup>	2020 <sup>B</sup>	2019 <sup>B</sup>
Category A	1	4	1
Category B	8	6	6
Category C	6	7	7
<b>Total</b>	<b>15</b>	<b>17</b>	<b>14</b>

<sup>A</sup> Category A: projects with potential, significant, adverse, social or environmental risks and/or impacts that are diverse, irreversible or unprecedented.

Category B: projects with potential, limited, adverse, social or environmental risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

Category C: projects with minimal or no social or environmental risks and/or impacts.

<sup>B</sup> Projects financed by UniCredit Bank AG, UniCredit SpA and UniCredit Bank Austria AG.

## EQUATOR PRINCIPLES - NUMBER OF PROJECTS FINANCED BY RISK CATEGORY AND SECTOR 2021

Sector	Category A	Category B	Category C
Resources <sup>A</sup>	0	0	0
Energy	0	6	6
Infrastructure	1	2	0
<b>Total</b>	<b>1</b>	<b>8</b>	<b>6</b>

<sup>A</sup> Including Oil & Gas, Mining and Metals.

<sup>7</sup> Refer to the EP framework at <http://www.equator-principles.com> for more information.

## EQUATOR PRINCIPLES - NUMBER OF PROJECTS FINANCED BY RISK CATEGORY AND REGION 2021

Region	Category A	Category B	Category C
Europe: EU	0	8	6
Extra EU	0	0	0
North America and Mexico	0	0	0
Africa	1	0	0
Asia and Australia	0	0	0
<b>Total</b>	<b>1</b>	<b>8</b>	<b>6</b>

## EQUATOR PRINCIPLES - NUMBER OF PROJECTS FINANCED IN DESIGNATED COUNTRIES<sup>A</sup> AND PROJECTS SUBJECTED TO INDEPENDENT REVIEWS<sup>B</sup> 2021

	Category A	Category B	Category C
Designated Country	0	8	6
Independent Review	1	8	6

<sup>A</sup> Designated Countries are countries deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment. The list of Designated Countries may be found on the EP Association website.

<sup>B</sup> An Independent Review is a review of the assessment documentation, including the ESMPs, ESMS and stakeholder engagement process documentation carried out by an independent, environmental and social consultant.

## EP in facts

### COURSEULLES SUR MER OFFSHORE WIND FARM, FRANCE

In line with its sustainability strategy, UniCredit successfully closed as Senior MLA, along with other banks in the club, the project financing of a landmark transaction for the construction and operation of a 448 MW offshore wind project in France with a total cost of approximately €2 bn sponsored by EDF SA (France), wpd AG (Germany), Enbridge Inc and the Canada Pension Plan Investment Board (Canada).

The project will be located in the central part of the English Channel across an area of 50 square km, 15 km off the coast of Basse-Normandie in the Baie de Seine. The distance between each turbine will be over 1 km in order to permit navigation and maritime activities.

The project comprises 64 Siemens Gamesa SGRE 154-7.0 MW Wind Turbine Generators, resulting in an expected installed capacity of 448 MW. The project is expected to generate sufficient electricity to meet the domestic requirements of approximately 630,000 people, over 90% of the people living in Calvados. The logistic hub at Le Havre and the offshore installation will provide work for around 200 people. Additionally, during its 25-year service life, approximately 100 full-time jobs based at the port of Caen-Ouistreham will be created to maintain the wind farm.

This project has been guided by extensive consultation carried out for over 10 years with local stakeholders (state services, elected officials from the region, the department, coastal municipalities and NGOs) and is supported by in-depth environmental studies and due diligence carried out respectively by local environmental associations and a reputable international consultancy. Specific work was also conducted in close collaboration with the fishing industry to ensure the co-existence of various maritime activities on the site.

## **SZOLNOK I. AND II. SOLAR POWER PLANT PROJECT, HUNGARY**

UniCredit has been financing a final take and hold of up to 100% of the senior debt, approximately €78 m in HUF currency (plus supporting facilities, e.g. pre-settlement and letter of credit -L/C- credit lines), with a 16.5 year tenor for the borrowers to support the construction and operation of two Greenfield 48 MW photovoltaic plants in Hungary (with a total in-built capacity of 138 MWp) near the city of Szolnok.

Being one of the biggest photovoltaic projects in Hungary, the project is a landmark transaction with a remarkable importance for the energy strategy of the country. Moreover, the environmental effect of the investment is significant as the expected annual CO<sub>2</sub> emissions reduction resulting from the planned power plants is equal to the annual carbon sequestration of 561,500 oak trees - about 375 hectares of forest.

Hungary-based SolServices Ltd. - investor and developer of Lumen Park Szolnok - has significant expertise in the Hungarian photovoltaic sector, having permitted and designed more than 700 MW of solar parks in the country over the last 4 years. For the first time in history in this sector, the developer also launched a white paper on a dedicated sustainability programme with a unique toolbox to increase the biodiversity of the solar parks.

UniCredit acted as a sole lender in the transaction and secured all available side roles and cross-selling.

The project is designed with state-of-the-art, solar photovoltaic technology components, to be supplied by Tier 1 manufacturers with adequate warranties. The initial lifetime of the project is 25 years and might be prolonged.

The project is being developed in compliance with the strict laws and regulations of Hungary as an EP-designated country, and with applicable international, environmental and social standards, including the IFC Performance Standards and the EP. As part of the technical due diligence, a reputable external consultant conducted an Environmental and Social Impact Assessment (ESIA) based on the review of a set of documents as well as on-site visit observations and discussions with the relevant stakeholders.

In consultation with the lender's advisor and in accordance with the EP, the project has been placed in EP Category B for projects with potentially limited environmental and social impacts which can be avoided or mitigated by adhering to nationally adopted and enforced standards of the Hungarian national environmental permitting process, as well as by defining and implementing an Environmental and Social Action Plan (ESAP).

The regular monitoring, by an independent advisor, of the implementation of mitigation actions and of the environmental and social state of the project has been agreed for the construction and operation phases.

# Compliance

## How compliance is managed at UniCredit

The constant evolution of the international scenario and an increasingly demanding regulatory framework makes the Compliance function even more crucial and central for our Group. Compliance with the existing regulatory framework is an essential requirement for the effectiveness of the overall corporate governance within the Group. The Compliance function has responsibility for areas which most impact external clients and have a high risk of reputational damage (e.g. Anti-money Laundering, Transparency, Privacy, Market Abuse, Financial instruments and products issued by Banks). Its mission, under the responsibility of the Group Compliance Officer, is to monitor and enhance the management of compliance risk in terms of ensuring both the correct application of the regulatory framework and its consistent interpretation at group level, also in accordance with strategic the plan UniCredit Unlocked.

It is also responsible for the identification, evaluation, prevention and monitoring of overall compliance risks and assists the Group, its management, the corporate bodies and employees, in carrying out their activities in compliance with mandatory rules, internal procedures and best practices.

In order to accomplish such goals, the Compliance function defines, develops and monitors both the implementation of and adherence to compliance rules, procedures, methodologies, training and, in particular, the minimum compliance standards within the Group. Inherent in its mission is also the goal of being a valuable partner to the Business by ensuring the necessary advice to deal promptly both with new regulations and emerging risks which have an impact on the Bank's strategic interests, and by enhancing awareness on conducting business in an ethical way.

The Compliance function is embedded in the internal control system as a second line of defence and aims at preventing and managing the risk of regulatory non-compliance and conflict of interest with a view to preserving the Bank's reputation and client confidence as well as contributing to the Group sustainability (corporate value creation/consolidation). It does this through: strategic guidance (policies and opinions) and support and monitoring (compliance risk mapping, preventive evaluation) of all compliance activities.

### KEY POLICIES ON THE MAIN COMPLIANCE TOPICS<sup>A</sup>

Topic	Global policies	Definition	Updates 2021
Governance	Group Compliance Framework	This rule defines the mission of the Compliance function within the Group, its organisational and operational requirements, as well as its scope and main related tasks to be performed accordingly	No
	ICT Compliance Framework	This rule aims to set up guidelines and principles to ensure compliance with laws and regulations in force regarding ICT and to define the organisational framework of responsibilities and main activities to be performed by Compliance functions	No
	Compliance Culture	This rule defines the principles and guidelines to establish, promote and sustain a culture of Compliance. The document integrates UniCredit's Compliance culture framework, its components and defines the stakeholders involved	No
	Code of Conduct	This rule lists the principles which all employees and third parties of UniCredit must comply with in order to ensure high standards of professional conduct related to their activity in or on behalf of UniCredit	No
	The operating model aimed at protecting against risk of usury	This policy governs the methods by which the Bank must operate to comply with the provisions on usury in order to prevent the risk of criminal and/or administrative sanctions deriving from their violations	No
	Organisation and Management Model of UniCredit SpA pursuant to Italian Legislative Decree 231/01	This document illustrates the scope, aims and contents of the UniCredit SpA Organisation and Management Model, providing indications on: the reference regulatory framework, the methodology adopted for monitoring risks, the composition and role of the Supervisory Body and on the internal disciplinary system	Renewal
Data Protection (GDPR)	Privacy	This Policy implements the provisions introduced by the EU GDPR n. 2016/679, in order to define minimum requirements on data protection-related topics. This rule is aimed at uniform enforcement of the GDPR requirements and principles at Group Level	No

<sup>A</sup> The list of Global Policies is not exhaustive and it includes the ones considered relevant for the Integrated Report.  
It is a consolidated practice (not a rule) that GORs are issued, if necessary, to regulate the technical/operational/methodological implementation of specific topics included in the Policies.

Topic	Global policies	Definition	Updates 2021
Client protection	Provision of investment services and activities under MiFID II	This rule provides UniCredit SpA and Group Companies with common standards and minimum requirements when providing investment services and activities falling within the scope of MiFID II, with the exclusion of ancillary services	No
	Single Antitrust Rulebook	This document aims at defining all the Group principles, rules and standards concerning Antitrust in a single Antitrust Rulebook	Renewal
	Compliance Client Protection on Banking Products	This document defines the principles and standards for managing the obligations associated with the regulatory requirements relating to the offer of banking products and services according to Group standards	New
Conflicts of interest	Conflicts of interest	This Policy sets out rules and standards to be implemented by the UniCredit Group for properly detecting, managing and recording conflicts of interest, with particular regard to: ➢ conflicts in the provision of investment services and activities ➢ conflicts in the provision of insurance products distribution services ➢ conflicts related to the issuance of financial instruments ➢ conflicts arising from the administration and/or contribution to financial benchmarks ➢ conflicts arising from the provision of investment recommendations ➢ conflicts in the provision of banking services and activities ➢ conflicts arising from employees' personal interests ➢ organisational conflicts ➢ conflicts arising from assignment of services and/or activities to external providers	No
		This Policy aims to: ➢ clearly articulate UniCredit's commitment to prohibiting bribery and corruption ➢ define principles for identifying and preventing potential bribery and corruption ➢ clearly communicate anti-bribery and anti-corruption principles both to internal and external stakeholders ➢ provide a framework for a Group-wide Anti-Corruption Programme	
Anti-Bribery and Anti-Corruption	Anti-Bribery and Anti-Corruption	The purpose of this rule is to foster a corporate environment where employees and third parties feel free to report any unacceptable conduct within the Group. These reports are considered to significantly contribute towards self-correction and excellence. The Rule defines: ➢ unacceptable conduct subject to reports by employees ➢ the process for the management of reports, identifying the persons in charge of the relevant receipt and analysis ➢ the measures provided by the Group for the protection of whistle-blowers and their identity as well as measures related to the filing of the documentation connected to reports	No
	Whistleblowing		
Anti-money Laundering (AML), Counter-Terrorist Financing and Financial Sanctions	Anti-money Laundering and Countering of Terrorist Financing	This rule provides a high-level framework for employees to identify potential money laundering and terrorist financing risks and to assist them in determining how to manage those risks. It also provides general information on the measures taken by Group Companies to identify, mitigate and manage money laundering and the terrorist financing risk	Renewal
	Financial Sanctions	This Policy defines the principles and rules for setting out the framework by which the Group manages its risks in respect of Financial Sanctions and establishes minimum standards for the controls which should be implemented throughout the Group	
Market Integrity	Financial Benchmarks	This rule is aimed at defining Group internal principles and rules to regulate the contribution to, the provision of and the use of financial benchmarks, according to Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds	No
	Passports and Licenses	This rule aims at defining general principles and rules to ensure that Group Companies are aware of the issues which can arise when they perform cross border Regulated Business Activities with Foreign Clients or in Foreign Jurisdiction and of the applicable laws, along with potential issues connected to the request of relevant authorisations to the relevant Authorities in the respective jurisdictions	Renewal
	Sustainability-related disclosures in the financial services sector	This rule sets out the requirements established by Regulation (EU) 2019/2088 concerning the sustainability-related disclosures in the financial services sector for investment products. As the Union is increasingly faced with the catastrophic and unpredictable consequences of climate change, resource depletion and other sustainability-related issues, urgent action was needed to mobilise capital not only through public policies but also by the financial services sector. In this context, Regulation (EU) 2019/2088 (hereinafter SFDR) aims to provide end investors with specific information on the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics and sustainable investments	New
	Dodd-Frank Act Compliance Group Governance	This Policy affects the Group as a whole and defines the principles and rules ensuring that the Group complies with certain key provisions set forth in the regularly amended (also by the Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018) Dodd-Frank Act. Such a groupwide approach is necessary in defining a Dodd-Frank governance model at Group level; it provides instructions for Group and local-level processes; it introduces first, second and third level controls for all Group Companies; it envisages periodic risk assessment activities; it sets forth periodic reporting activities	Renewal
	Market Abuse	The document aims at defining the principles, rules and Group standards in order to ensure that the Group complies with the provisions set forth by the Market Abuse Regulation. Market and technological development has resulted in changes to the financial landscape which requires a uniformity of rules, clarification of concepts and a single approach to ensuring an integrated, efficient and transparent market place. The Market Abuse Regulation establishes a common regulatory framework to protect the integrity of the financial markets and enhance investor confidence	No
	Unfair Commercial Practices	This policy sets out rules and standards concerning the management of Unfair Commercial Practices related topics and it applies to all Group companies actually or potentially dealing with consumers	No

# Policies

## ANTI-MONEY LAUNDERING

As a financial institution with banking operations around the world, UniCredit is a responsible member of the international community. We have no tolerance for knowingly allowing our products or services to be used for financial crime anywhere in the world. Our processes are designed to deter criminals from accessing the bank's capabilities and to detect and swiftly exit bad actors. Our strong risk culture is based on our corporate values and supports timely identification and rectification of control weaknesses. We monitor industry trends to ensure our controls benefit from the experience of other financial services institutions. We work with law enforcement agencies in the jurisdictions in which we operate to support effective law-enforcement outcomes.

The Global Policy on Anti-Money Laundering and Countering of Terrorist Financing (hereinafter the AML Policy), builds on the Group Compliance Framework Global Policy and sets out more detailed policy statements on AML requirements and regulation.

The AML Policy sets out the framework by which the Group manages its money laundering and terrorist financing risk and establishes minimum standards for the Legal Entities' Anti-Money Laundering programmes. Official documents related to the Global AML/CTF Policy that further build on the AML/CTF framework and provide more details include:

1. Global Operational Regulation - AML Due Diligence Requirements for Clients
2. Global Operational Regulation - AML Standards for Correspondent Banking
3. Global Operational Regulation - Leasing AML Standards
4. Global Operational Regulation - AML/CTF Transaction Monitoring
5. Global Operational Regulation - Anti-Financial Crime - Requirements for Performing and Reporting of Second Level Controls.

### KEY ACHIEVEMENTS 2021

- › AML risk assessment executed; investigations carried out; testing of screening tools completed
- › 2021 Quality Assurance Plan executed
- › testing of transaction monitoring tools started in 2021 (e.g. correspondent banking); reprioritisation for other tools due to Strategic Project.

### PRIORITIES 2022

- › enhance current Transaction Monitoring process, Customer Risk Rating methodology and Due Diligence process.

## ANTI-CORRUPTION

UniCredit has zero tolerance towards acts of corruption. Our approach to anti-corruption and anti-bribery is set out in the Group Compliance Policy on Anti-corruption and associated Group Operational Rule. The policy is published on the UniCredit Group website and sets minimum standards of anti-corruption compliance throughout the Group.

Whenever local rules in a country of operation are stricter than Group Policy, stricter local rules apply. Each local entity is responsible for the development and implementation of an effective local anti-corruption programme. Group Policy and Operational Rule are periodically reviewed.

Moreover, Italian Group Legal Entities have also implemented the Organisational and Management Model pursuant to Italian Legislative Decree 231/01 (Administrative liability of legal entities, companies and associations). This Model foresees specific Protocols aimed at eradicating bribery and corruption issues.

In the Code of Conduct (CoC) recipients are prohibited any acts of bribery and corruption, irrespective of whether the receiver is a public official or a private individual who acts for a company or in a function of trust. Section 2.4 covers Offers of employment, Gifts & Business Hospitality, Charity sponsorships and donations (political donations are forbidden), and relationship with third parties. The CoC is published on the UniCredit Group website for all clients, suppliers and third parties.

In 2021 an Audit activity was completed. The Audit aimed at assessing the adequacy of the Anti-Bribery and Corruption (ABC) risk management framework defined in UniCredit SpA

Audit results did not find out any specific improper behaviors. Nevertheless, Internal Audit recommended to improve the ABC first level controls in the Engagement of Third Parties and Offers of Employment areas and to strengthen the execution of the Compliance Risk Assessment and second level controls

## KEY ACHIEVEMENTS 2021

- › update of the Global Rules on Anti-bribery and Corruption, including the ABC framework
- › review of the Gift&Business Hospitalities process.

## PRIORITIES 2022

- › update of the ABC Global Rules
- › annual review of Second Level Controls Catalogue
- › update of the Gift&Business Hospitalities tool.

## ORGANISATIONAL AND MANAGEMENT MODEL PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/2001

UniCredit SpA has adopted an organisational and management model (hereinafter the Model) pursuant to Italian Legislative Decree 231/01 (administrative liability of legal entities, companies and associations, hereby L.D. 231/01). The Model is integrated within the rules, procedures and control systems already in place and applied in UniCredit SpA

In drawing up the Model, the Bank particularly considered the Italian Banking Association (ABI) Guidelines.

In particular, the bank's organisational framework consists of a set of rules, structures and procedures that ensure the proper functioning of the Model; it is a structured, comprehensive system with the aim of guaranteeing the prevention of unlawful conduct, including conduct regulated by specific legislation on the administrative liability of entities. In order to plan and implement business decisions and carry out relevant checks, the Bank has specifically defined the rules of Corporate Governance, the Internal Controls System, the system of authorities and delegation and the Code of Conduct.

Furthermore, the Bank has formalised the Special Section containing specific decision protocols listing all at-risk activities and relative potential offences, as well as the principles of conduct and control rules aimed at preventing these offences. As an integrated part of the Model, UniCredit SpA established additional rules of conduct in the Code of Ethics pursuant to the decree.

The Organisation and Management Model 231/2001 of UniCredit SpA was updated in July 2021.

The Model has been updated with the provision relating to cyber security offences and Decision Protocol no. 5 Strategic planning and banking book management has been integrated with the following offences: "Fraud to the detriment of the state or other public body", "Aggravated fraud for obtaining public grants", "Undue receipt of funds to the detriment of the State" and "Computer fraud".

## KEY ACHIEVEMENTS 2021

- › roll-out of the updated Model post-project - UniCredit 231 Model and enforcement of the Group 231 Framework.

## PRIORITIES 2022

- › update the Model to include the new offences introduced by the decree during the year and the new organisational set-up of the Bank.

## ANTITRUST

UniCredit has always been highly committed to compliance with Antitrust rules. In this framework, in 2016 UniCredit defined the Compliance-Antitrust Program at Group level (hereinafter CAP) aimed at:

- increasing the governance of Antitrust matters at both company and Group level
- strengthening compliance culture and enhancing the Group's reputation on the markets
- managing the risk of both Antitrust breaches and penalties more effectively.

The CAP is subject to monitoring and periodic review to ensure its continued effectiveness.

Following the deployment of the CAP in the main banks of the Group in 2016 (and subsequent extension to further Group Companies and foreign branches in 2017 and 2018), in 2019 UniCredit started to refresh of the Compliance Antitrust Program throughout the Group. According to that, in 2019 the CAP was refreshed and updated in 15 banks of the Group.

As regards the other Group Companies, in 2020 the format of the CAP was fine-tuned to identify two alternative forms of CAP (with different features) based on the Antitrust sensitivity of the relevant Group Companies, namely:

**1. CAP Standard, performed through:**

- a dedicated mapping of any sensitive company functions (i.e. those exposed to potential Antitrust risks, including but not limited to Business ones)
- targeted interviews of key people of the impacted functions to identify specific Antitrust risks
- a dedicated assessment of the Antitrust risks and subsequent roll-out of internal processes and controls where needed
- tailor-made training sessions assigned to selected employees within the functions affected by antitrust risks.

**2. CAP Simplified, executed through:**

- the local implementation of the GP Single Antitrust Rulebook (unless already in force)
- commitment of senior management on Antitrust rules
- tailor-made training sessions designed for employees.

In 2020 the CAP Standard was cascaded in 16 Group Companies (in Austria, Czech Republic, Germany, Italy, Slovakia, Poland, Romania and Russia) and 6 Foreign Branches of UniCredit SpA. The CAP Simplified was cascaded in 14 Group Companies (Austria, Bulgaria, Croatia, Czech Republic, Italy, Hungary, Serbia, Slovakia and the USA) while 21 Group Companies (in Austria, Bulgaria, Croatia, Czech Republic, Germany, Hungary, Italy, Luxembourg, Romania, Serbia, Slovakia and Slovenia) were required to perform the calculation of the Antitrust inherent risk in order to determine whether implementation of either the CAP Standard or CAP Simplified was considered necessary for 2021.

Following the activities performed in 2020, in 2021 the CAP Standard was cascaded in 3 Group Companies (in Austria, Croatia and Serbia) while CAP Simplified was cascaded in 17 Group Companies (in Austria, Bulgaria, Croatia, Czech Republic, Hungary, Luxembourg, Romania, Slovakia and Slovenia). Furthermore, CAP Simplified was cascaded to one additional Group Company in Hungary.

### KEY ACHIEVEMENTS 2021

- implementation of CAP Standard in 4 Group Companies and CAP Simplified in 18 Group Companies.
- delivery of the Group Workshop on Second Level Controls on Antitrust in the main Group Companies and Foreign Branches.

### PRIORITIES 2022

- refreshment of the Compliance Antitrust Program in the main Banks of the Group in 2022.

## MAIN LEGAL ACTIONS REGARDING ANTI-COMPETITIVE BEHAVIOUR, ANTITRUST AND MONOPOLY PRACTICES<sup>A</sup>

Number of new legal actions/disputes commenced in 2021 and concluded in 2021	1
Number of legal actions/disputes already existing and concluded in 2021	1
Number of legal actions already existing but not yet completed	4

### DESCRIPTION OF THE NEW LEGAL ACTIONS/DISPUTES LISTED AS ONGOING IN 2021 AND CONCLUDED IN 2021

Country	Description
Czech Republic	On 21 January 2021, UniCredit Bank Czech Republic and Slovakia was fined € 3,117.63 by the Slovak Antitrust Authority (AOSR) for alleged breach of the Slovak laws on notification of state aids. According to Slovak laws on state aids, financial institutions such as banks are required to report in the central registry of de minimis state aids held by AOSR (i.e. non-material state aids which do not need the prior approval of the European Commission) any clients receiving said state aids via the bank within 5 working days. In particular, AOSR identified several delays in this reporting by UCB CZ&SK in the period 6 July 2016 to 16 October 2020 (308 cases). The sanction was paid on time and the proceedings closed.

### COUNTRY UPDATE ON LEGAL ACTIONS LISTED AS ONGOING IN THE 2020 INTEGRATED REPORT

Country	Description
Germany and Italy	<p>On 31 January 2019 UniCredit SpA and UniCredit Bank AG received a Statement of Objections from the European Commission referring to its investigation of a suspected violation of antitrust rules in relation to European government bonds. The subject matter of the investigation extended to certain periods from 2007 to 2011 and included activities by HVB between September and November 2011. On 20 May 2021, the European Commission concluded its investigation and issued a decision imposing a fine of €69.4 m on the parent company UniCredit SpA and UniCredit Bank AG, both of which maintain that the findings do not demonstrate any wrongdoing on the part of the group.</p> <p><b>Update:</b> UniCredit SpA and UniCredit Bank AG contest the European Commission's findings and brought an action for the annulment of its decision before the General Court of the European Union on 30 July 2021.</p>
Italy	<p>In April 2016, the AGCM notified UniCredit and 10 other banks of the extension of proceedings I/794 ABI/SEDA opened in January vis-à-vis the Italian Banking Association (ABI). The proceedings are aimed at ascertaining the existence of alleged concerted practices with reference to the Sepa Compliant Electronic Database Alignment system (SEDA).</p> <p><b>Update:</b> On 29 October 2021, the AGCM appealed the decision of the TAR before the Consiglio di Stato. The second instance appeal is still pending.</p>
Hungary	<p>The Hungarian Competition Authority (GVH) began a cartel investigation of 7 Hungarian banks, including UniCredit Bank Hungary Zrt, in connection with foreign currency mortgage loan repayments (early repayments). In 2013, the GVH fined UniCredit Bank Hungary Zrt. HUF306,300,000 (approximately €1 m). Following this decision, several judicial appeals (in first instance and second instance) occurred.</p> <p><b>Update:</b> In 2021 the Supreme Court finally upheld the Banks' appeal and ordered GVH to initiate a new administrative procedure to re-calculate the fine. The procedure is still ongoing.</p>
Romania	<p>On 27 November 2017, the Competition Council carried out dawn raids of the headquarters of several banks (including UniCredit Bank SA), financial non-banking institutions, leasing companies (including UniCredit Leasing Corporation IFN SA and UniCredit Leasing Fleet Management), professional associations and employer associations working in the financial services market. No further action was taken vis-à-vis the Bank following the raids, but two separate antitrust proceedings started vis-à-vis UniCredit Leasing Corporation IFN SA and Leasing Fleet Management respectively.</p> <p><b>Update:</b> Leasing Corporation IFN SA (UCLC) - On 8 April 2021, UCLC was served with a fully motivated decision of the Competition Council to close its investigation and sanctioned UCLC for an alleged exchange of sensitive commercial information which took place for a limited period of time during 2014 within the local industry professional association. The sanction applied to UCLC amounted to approximately €1.8 m and was paid in April 2021 within the deadline. UCLC appealed the Authority's decision to seek its annulment, on both procedural and substantive grounds. The appeal is pending.</p> <p>Leasing Fleet management - On 28 July 2021, the Competition Council issued its decision in which the commitments submitted by the parties were accepted. Finding no evidence of infringement, the proceeding was closed and consequently no sanction applied.</p>

<sup>A</sup> The cases reported refer to administrative procedures. For further information related to pending legal actions please refer to the Consolidated Report and Accounts 2021 of UniCredit Group - Notes to the consolidated accounts - Part E: Information on risks and hedging policies; Paragraph B. Legal risks.

## CONFLICTS OF INTEREST

As the Group provides a wide range of products and services to a diversified client base, the different kinds of relations and stakeholders consequently exposes it to a number of potential conflicts of interest (COI).

The types of conflict of interest identified are the following:

- > conflicts in the provision of investment services and activities
- > conflicts in the provision of insurance product distribution services
- > conflicts related to the issuance of financial instruments
- > conflicts arising from the administration and/or contribution to financial benchmarks
- > conflicts arising from the provision of investment recommendations
- > conflicts in the provision of banking services and activities
- > conflicts arising from employees' personal interests
- > organisational conflicts
- > conflicts arising from the assignment of services and/or activities to external providers.

UniCredit has implemented a Global Policy on COI which sets forth principles and rules to assist employees in the identification and management of conflicts of interest. It provides general information on the measures the Group has taken to detect, manage and record such conflicts. In addition to the Global Policy, there is also a Global Process Regulation on how to implement the Group standard in the management of Conflicts of Interest, as defined in the Global Policy - Conflicts of Interest.

At Group and/or Legal Entity level, the process for a proper management of COI consists of:

- > definition and maintenance of COI Management Model
- > identification of events that can result in COI
- > identification both of the organisational measures suitable to mitigate/neutralise the relevant COI and of the behaviour to be implemented (e.g. disclosure and/or management)
- > record keeping of COI
- > controls, in accordance with Global Policy
- > compliance Risk Assessment Methodology.

### KEY ACHIEVEMENTS 2021

- > start of the review and update of the Global Policy Conflicts of Interest and related matrix.

### PRIORITIES 2022

- > conclusion of the review and update of the Global Policy on Conflicts of Interest and the related matrix.

## PRIVACY MANAGEMENT

UniCredit ensures its compliance with data protection rules set forth both in the GDPR (EU Regulation 2016/670) and in Italian Legislative Decree no. 196/2003 updated by the Italian Legislative Decree no. 101/2018, and in particular in the Global Policy on Privacy (which replaced the previous version of the Global Compliance Guidelines on Privacy) last updated in March 2020 and to be reviewed in 2022.

Within the scope of data protection activities, the Compliance Risk Assessment (CRA) and Second Level Controls are the main mechanisms for monitoring, assessing and checking the effectiveness of compliance with Data Protection rules. A groupwide data protection risk assessment was performed by the third quarter of 2021; the second level controls catalogue is constantly fine-tuned and improved in order to enhance the coverage of specific GDPR risk scenarios (e.g. Third Party Risk Management, Transfer Impact Assessment, Automated Decision-making Processes) and/or new processes.

Furthermore, the Data Protection Office works with the Security Governance function to incorporate certain flows/results of security controls related to data processing within the overall GDPR Risk Assessment.

At Group level UniCredit has developed a Data Protection Officer (DPO) Community which ensures that the DPOs of the various Legal Entities share their opinions on different issues, experiences, lessons learnt and local/European regulatory evolutions.

### KEY ACHIEVEMENTS 2021

- › residual activities on "Right to be forgotten" implementation on IT applications
- › adoption of a new version of Group GDPR 2 Level Controls catalogue
- › issuing of a new Group Rule related to Transfer Impact Assessment methodology
- › periodical meetings of DPO Community to share experiences, best practices and evolutions
- › new Group GDPR training released to all Group legal entities.

### PRIORITIES 2022

Enhancements in the following areas:

- › GDPR Risk Assessment methodology and Second Level Controls
- › privacy by design
- › data discovery
- › Consent Management Platform
- › oversight
- › awareness on Transfer impact assessment outside EEA.

# Whistleblowing

The Group's approach to whistleblowing is set out in a specific global policy. In order to promote a corporate culture based on ethical behaviour and good corporate governance, the policy governs reports of unacceptable conduct by employees within the Group.

The policy is intended to:

- grant a corporate environment where employees feel free to report any unacceptable conduct
- define adequate communication channels for the receipt, analysis and use of the reports.

Since 2019, the whistleblowing channels, available in all Group legal entities, have been open to third parties.

The management of this process is designed to ensure the greatest possible protection and confidentiality of the identity of the whistle-blower and of the accused individual and to prevent any possible retaliatory or discriminatory behaviour in response to the report.

At local level, as in Italy, UniCredit SpA has identified the Head of Compliance Conduct Risk as the person responsible for internal whistleblowing systems and for ensuring that the procedure is followed correctly. If the people referred to above are hierarchically and functionally subordinate to the person to whom the whistleblowing report relates or if they themselves are accused of violation or if they have a potential interest in the report that would compromise their impartiality and independence of judgement, then they may contact Internal Audit directly as the reserve function.

UniCredit SpA provides the following channels (some of which are available 24 hours a day also during the pandemic) for employees to make whistleblowing reports, anonymously if desired:

- by phone. The UniCredit SpeakUp line allows the employee to leave a voice message report with the option of remaining anonymous
- on the website, where the UniCredit SpeakUp web service allows the employee to submit a written report with the option of remaining anonymous
- by e-mail to the UniCredit Italy Whistleblowing e-mail address
- by letter to the dedicated UniCredit Italy Whistleblowing postal address
- by physical meeting.

Vulnerability and penetration tests on the SpeakUp platform are carried out periodically. At Group level, the Whistleblower's Champion of every legal entity annually edits a Report on the Internal Whistleblowing system, with aggregated information on the actions taken and results achieved, on the observance of confidentiality and non-retaliation principles. The Whistleblowing Annual Report is approved by the Corporate Bodies and the main information is made available to the staff of each legal entity.

With the purpose of assessing any possible offence against regulations, the UniCredit SpA Supervisory Body, in accordance with Legislative Decree 231/01, requested a monthly report session to the Compliance structure in charge of receiving Whistleblowing reports. The same structure also regularly provides the Board of Statutory Auditors with an update on any whistleblowing cases not considered relevant under Legislative Decree 231/01.

Specific training is essential to the implementation and enforcement of this policy. In this regard, the Group undertakes to provide all employees with mandatory, up-to-date training on whistleblowing, outlining the relevant procedures to follow and potential consequences should misconduct occur.

The Group is committed to promoting the regular global communication, implementation and enforcement of this policy across the Group worldwide and including third parties (e.g. when entering into a relationship, a written agreement with a third party has also to include a whistleblowing clause).

Moreover, in the section dedicated to Whistleblowing on the Group's intranet, all Group employees have access to correct and up to date information, including the SpeakUp access codes for the LEs which use the IT platform, on how to report unlawful conduct in the workplace to the relevant departments. SpeakUp access codes are also inserted within Internal Regulation/Compliance Manuals.

## KEY ACHIEVEMENTS 2021

- ▶ a new communication campaign entitled Courageous Voices was launched with the aim of promoting a culture of responsibility, dialogue and listening at all Group levels.

## PRIORITIES 2022

- ▶ analysis of the transposition of the European Directive on Whistleblowing; analysis and evaluation of the ISO 37002 Standard requirements, entirely dedicated to Whistleblowing management.

## NUMBER OF CASES BY CATEGORY, 2021<sup>A</sup>

		Categories of closed cases													
Total reported cases	Reports received which resulted in real policy or requirement breaches	Closed reported cases as at 31/12/2021	Pending reported cases as at 31/12/2021	Anti-Bribery and Corruption	Financial Sanctions	Anti-money Laundering	Fraud	MiFID	Conflict of Interest	Banking Transparency & Consumer Protection	Privacy & Banking Secrecy	Anti-trust	Failure to comply with HR regulations	Failure to comply with internal regulations (and other inappropriate behaviour)	Other
199	109	130	69	11	0	3	13	0	11	12	5	1	55	69	19

<sup>A</sup>-This data is drawn from the following subset of Group legal entities: UniCredit SpA (Milan - included branches in Abu Dhabi, London, Madrid, Munich, New York, Paris, Shanghai), UniCredit Bank AG (included branches in Athens, Hong Kong, London, Luxemburg, Milan, New York, Paris, Singapore, Tokyo, Vienna, Zurich); UniCredit Bank Austria AG, UniCredit Bank Ireland, UniCredit International Luxemburg Sa, Schoellerbank AG, Schoellerbank Invest AG, UniCredit Bank ad Banja Luka, UniCredit Bank DD Mostar, UniCredit Bulbank AD, Zagrebačka Banka DD, UniCredit Bank Czech Republic and Slovakia as, UniCredit Bank Hungary Zrt, UniCredit Bank SA, AO UniCredit Bank, UniCredit Bank Serbia Jsc, UniCredit Bank Slovenija DD, UniCredit Leasing SpA, Cordusio Società Fiduciaria per Azioni, Cordusio SIM SpA, UniCredit Factoring SpA, UniCredit Leasing (Austria) GmbH, UniCredit Leasing EAD, UniCredit Leasing Croatia doo za Leasing, UniCredit Leasing CZ as, UniCredit Leasing Hungary Zrt, UniCredit Operativ Lizing Kft, UniCredit Bítosításközvetítő Kft, OOO UniCredit Leasing Russia, UniCredit Leasing Corporation IFN Romania, UniCredit Leasing Srbija doo, UniCredit Leasing, leasing, doo, SIA UniCredit Leasing, UniCredit Subito Casa SpA, Zb Invest DDO Za Upravljanje Investicijskim Fondovima, UniCredit Consumer Financing IFN SA, Factorbank Aktiengesellschaft,Ooo UniCredit Garant, UniCredit Factoring Czech Republic And Slovakia, AS, UniCredit Consumer Financing EAD, UniCredit Factoring EAD, Bank Austria Real Invest Immobilien-Management GmbH, DC Bank AG, UniCredit Services (Austria) Gmbh, Card Complete Service Bank AG, Bank Austria Finanzservice GmbH, Wealthcap Kapitalverwaltungsgesellschaft GmbH, UniCredit Leasing Gmbh, UniCredit Jelzalobank Zrt, UniCredit Services ScpA (included branches in Czech Republic, Germany, Great Britain, Hungary, Poland, Romania, Singapore, Slovakia, United States).

# Stakeholder Engagement

## Clusters

Innovation for clients	Systemic trends	Lean and solid banking	People development	Ethics	Positive impact on society
With the main goal of offering our clients a top-quality service, we are fully engaged in the digital revolution that is transforming the banking business. Whilst remaining strongly committed to achieving sustainable results and meeting our clients' demands, we are equipping our organisation to meet the challenges of the future	The activities in which we are involved expose our bank to a number of new and changing trends which are not easily quantifiable and which have a significant impact on society and industry. UniCredit analysed not only the risks but also the opportunities deriving from such activities	The decisive actions taken over the course of our strategic plan have contributed to strengthening the Group's capital position, thus enabling us to focus on expanding our business and increasing client activities in the medium to long-term	We are well aware that employees feel the need to be motivated by and engaged in the success of the bank. We therefore support our colleagues through training and development plans, by promoting diversity and inclusion, by listening to their needs and valuing their skills, and by generally improving the work-life balance	In our Group integrity and consistency in our values and behaviour are the foundations on which to build sustainability. Our Code of Conduct outlines our approach to managing compliance risks and sets the legal and ethical standards necessary to the successful running of our business and creation of long-term value	As one of Europe's largest banks, we wish to set the example of building a fairer and more inclusive society by identifying, financing and promoting people and enterprises that have a beneficial impact on society. Our aim is to provide assistance both to people at risk of financial exclusion and to organisations dedicated to social problem-solving

## Material topics

Clusters	Main stakeholder involved <sup>a</sup>	Material topic	Definition	Boundaries for material topics <sup>b</sup>	Type of involvement	Main reference chapter of the Integrated Report
Innovation for clients	Clients Communities Colleagues	Digitalisation and innovation	Being proactive, acting promptly and promoting innovation: contributing to social and economic progress and innovation as well as the wellbeing of countries, developing products and services to support research and innovation intensive industries, by leveraging analytics, as they increasingly becoming significant, with positive and negative implications	> Group > Clients > Regulators > Communities	Contributed	> Our Strategy > Intellectual Capital > Social and relationship Capital
Innovation for clients	Clients	Value to client	Being close to Clients, understanding their needs and promptly developing products and services for families and companies that support their prosperity and growth (e.g., innovation, internationalisation, research and development) and are good value for money	> Group > Clients	Caused	> Our Strategy > Social and relationship Capital
Systemic trends	All <sup>c</sup>	Cyber security	Building and maintaining an environment in which all data and information confidentiality, integrity and availability are protected from relevant cyber threats	> Group > Clients > Regulators	Contributed	> Intellectual Capital > Risk management and Compliance
Systemic trends	All	Climate change	Develop a climate change strategy to manage transition risks and physical risks arising from a changing climate and seizing related opportunities in order to mitigate the impacts on global temperature and to enhance climate resilience	> Group > Clients > Regulators > Investors	Caused by the Group and directly linked to its business relationships	> Natural Capital > Risk Management and Compliance

<sup>a</sup> Main stakeholder groups that raised and/or is affected by the material topic.

<sup>b</sup> Reporting of data and information for topics that are material outside the organisation is limited to the Group activities. The geographical location where the topic is material refers mainly to the 14 countries where the Group has significant operations (refer to the Report Structure of the Integrated Report for more information). Boundaries for material topic refer to where the impact occurs for a material topic.

<sup>c</sup> Includes Colleagues, Clients, Communities, Investors/Shareholders and Regulators.

Cluster	Main stakeholder involved <sup>A</sup>	Material topic	Definition	Boundaries for material topics <sup>B</sup>	Type of involvement	Main reference chapter of the Integrated Report
Systemic trends	Clients Colleagues	Demographic change	Bearing in mind the impacts of demographic changes on all our banking business activities both in terms of demand and supply of products and services and wellbeing for Clients and colleagues	► Group ► Clients ► Communities	Contributed	► Social and relationship Capital
Lean and solid bank	All	Bank solidity	Being a stable and solid reference point for all stakeholders: building a long-term foundation for financial stability while supporting all stakeholders (Clients, employees, etc.) in an uncertain environment; providing tangible support for regulatory discussions to create a stronger financial system bearing in mind different interconnections	► Group ► Clients ► Investors ► Regulators ► Communities	Caused	► Governance ► Our Strategy ► Financial Capital ► Risk Management and Compliance ► Social and relationship Capital
Lean and solid bank	Clients Investors	Lean and transparent organisation	Being a simple and lean organisation and base all our interactions with stakeholders on transparency; guaranteeing lean and efficient bank procedures and processes, proposing and offering simple and easy to understand products/services, using effective and clear communications also with financial markets by disclosing relevant information to investors to understand our competitive positioning and business trends	► Group ► Clients ► Investors	Caused	► Our Strategy ► Social and relationship Capital
People development	Colleagues	Employee empowerment	A commitment to enhancing colleagues' professional skills and accelerating their professional development through transparent and fair mechanisms to ensure all employees are capable of performing to the best of their abilities; valuing employees' wellbeing and the balance between their professional and personal lives; creating a work environment where everyone feels at ease and is motivated to build positive relationships with employees' representatives and all the stakeholders	► Group	Caused	► Human Capital
People development	Colleagues	Diversity and inclusion	Fostering and improving a culture of inclusion, fairness and respect by promoting equal opportunities in the workplace so all colleagues can maximise their potential	► Group ► Regulators	Caused	► Human Capital
Ethics	All	Fair business behaviour	Recognising the importance of environmental, social and governance issues and embedding them into specific business strategies, maintaining high standards for fair business practices and expecting senior management and employees to treat all stakeholders with fairness and respect	► Group ► Clients ► Investors	Caused	► Risk Management and Compliance ► Natural Capital ► Social and relationship Capital
Ethics	All	Business ethics	Basing our business practices on strong ethics fundamentals: respecting and supporting human rights within our sphere of influence; reinforcing a culture of compliance and attention to colleagues' health and safety at all levels of our organisation	► Group ► Clients ► Investors ► Regulators	Caused by the Group and directly linked to its business relationships	► Risk Management and Compliance
Positive impact on society	Communities	Positive impact on society	Understanding the priorities of communities, supporting sectors and enterprises which can create social and economic positive impacts (infrastructure, employment, social wellbeing and financial education)	► Group ► Clients ► Communities	Caused	► Social and relationship Capital

# Human Capital

## Portrait in numbers<sup>8</sup>

The data in this part of the Supplement applies to UniCredit employees (headcount) as at 31 December 2021, excluding external staff (e.g. interns or consultants). Numbers reflect all employees of fully consolidated entities and represent 100 percent of the population unless otherwise noted.

### PERCENTAGE AND NUMBER OF EMPLOYEES BY COUNTRY AND GENDER 2021-2020

Country	Female 2021	Male 2021	Headcount 2021	Headcount 2020
Italy	48.12%	51.88%	35,367	37,032
Germany	53.15%	46.85%	14,457	15,328
Austria	55.73%	44.27%	6,907	7,351
Bosnia and Herzegovina	74.23%	25.77%	1,622	1,641
Bulgaria	77.55%	22.45%	4,508	4,618
Croatia	74.29%	25.71%	3,711	3,984
Czech Republic	63.76%	36.24%	3,631	3,825
Hungary	66.79%	33.21%	2,132	2,175
Romania	72.31%	27.69%	5,634	5,723
Russia	64.92%	35.08%	4,550	4,432
Serbia	66.01%	33.99%	1,368	1,349
Slovenia	65.49%	34.51%	565	575
Other <sup>a</sup>	60.43%	39.57%	1,223	1,422
<b>Total</b>	<b>56.95%</b>	<b>43.05%</b>	<b>85,675</b>	<b>89,455</b>

<sup>a</sup> Other includes: Luxembourg, Poland, Singapore, Slovakia, UK, USA.

### PERCENTAGE OF EMPLOYEES BY EMPLOYMENT TIER 2021-2020

Employment tier	2021	2020
Senior Leadership	0.15%	0.13%
Senior Executive	0.48%	0.44%
Middle Management	11.64%	11.04%
Staff	87.73%	88.38%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

<sup>8</sup> Our employee data does not include external staff (e.g. interns or consultants). Numbers reflect all employees of fully and proportionately consolidated entities. The data represents 100% of the population unless otherwise noted.  
Numbers may not add up due to rounding.

## PERCENTAGE OF EMPLOYEES BY EMPLOYMENT TIER AND GENDER 2021-2020

Employment tier and gender	2021	2020
<b>Senior Leadership</b>		
Female	27.13%	15.38%
Male	72.87%	84.62%
<b>Senior Executive</b>		
Female	21.81%	19.60%
Male	78.19%	80.40%
<b>Middle Management</b>		
Female	33.75%	32.46%
Male	66.25%	67.54%
<b>Staff</b>		
Female	60.27%	59.78%
Male	39.73%	40.22%

## PERCENTAGE OF EMPLOYEES BY GENDER AND CONTRACT TYPE 2021-2020

Gender	2021		2020	
	Fixed term	Permanent	Fixed term	Permanent
Female	2.31%	54.64%	2.54%	53.99%
Male	1.20%	41.85%	1.33%	42.15%
<b>Total</b>	<b>3.52%</b>	<b>96.48%</b>	<b>3.87%</b>	<b>96.13%</b>

## PERCENTAGE OF EMPLOYEES BY CONTRACT TYPE AND COUNTRY 2021-2020

Country	2021		2020	
	Fixed term	Permanent	Fixed term	Permanent
Italy	0.01%	99.99%	0.02%	99.98%
Germany	4.30%	95.70%	5.69%	94.31%
Austria	7.14%	92.86%	7.22%	92.78%
Bosnia and Herzegovina	5.06%	94.94%	5.36%	94.64%
Bulgaria	6.72%	93.28%	7.19%	92.81%
Croatia	2.61%	97.39%	2.16%	97.84%
Czech Republic	9.17%	90.83%	9.75%	90.25%
Hungary	0.23%	99.77%	0.28%	99.72%
Romania	5.66%	94.34%	6.10%	93.90%
Russia	5.54%	94.46%	6.02%	93.98%
Serbia	8.19%	91.81%	8.82%	91.18%
Slovenia	17.35%	82.65%	17.04%	82.96%
Other <sup>A</sup>	24.04%	75.96%	23.28%	76.72%
<b>Total</b>	<b>3.52%</b>	<b>96.48%</b>	<b>3.87%</b>	<b>96.13%</b>

<sup>A</sup> Other includes: Luxembourg, Poland, Singapore, Slovakia, UK, USA.

## PERCENTAGE OF EMPLOYEES BY EMPLOYMENT TIER AND AGE 2021-2020

Employment tier	2021			2020		
	under 30	age 31-50	over 50	under 30	age 31-50	over 50
Senior Leader	0.00%	0.12%	0.24%	0.00%	0.10%	0.22%
Senior Executive	0.01%	0.47%	0.64%	0.00%	0.45%	0.58%
Middle Management	0.88%	12.52%	13.73%	0.76%	11.79%	13.23%
Staff	99.11%	86.89%	85.38%	99.24%	87.65%	85.97%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## TURNOVER FOR INCOMING EMPLOYEES BY COUNTRY 2021-2020<sup>A</sup>

Country	2021		2020	
	Number	Percentage	Number	Percentage
Italy	1,200	3.24%	1,072	2.77%
Germany	395	2.58%	621	3.96%
Austria	333	4.53%	585	6.86%
Bosnia and Herzegovina	116	7.07%	74	4.39%
Bulgaria	391	8.47%	545	11.92%
Croatia	240	6.02%	146	3.59%
Czech Republic	310	8.10%	417	10.82%
Hungary	307	14.11%	300	13.82%
Romania	862	15.06%	876	15.35%
Russia	1,210	27.30%	672	14.41%
Serbia	216	16.01%	146	10.94%
Slovenia	64	11.13%	52	9.08%
Other <sup>B</sup>	156	10.97%	98	6.72%
<b>Total</b>	<b>5,800</b>	<b>6.48%</b>	<b>5,604</b>	<b>6.02%</b>

<sup>A</sup> Turnover rates are calculated as follows: for incoming employees (employees hired) / (total employees at the end of the previous year)\*100.

<sup>B</sup> Other includes: Luxembourg, Poland, Singapore, Slovakia, UK, USA.

## TURNOVER FOR OUTGOING EMPLOYEES BY COUNTRY 2021-2020<sup>A</sup>

Country	2021		2020	
	Number	Percentage	Number	Percentage
Italy	2,771	7.48%	2,664	6.87%
Germany	1,199	7.82%	822	5.24%
Austria	561	7.63%	610	7.16%
Bosnia and Herzegovina	132	8.04%	114	6.76%
Bulgaria	497	10.76%	496	10.85%
Croatia	438	10.99%	265	6.51%
Czech Republic	499	13.05%	439	11.39%
Hungary	341	15.68%	265	12.21%
Romania	945	16.51%	810	14.20%
Russia	1,079	24.35%	874	18.74%
Serbia	195	14.46%	132	9.89%
Slovenia	75	13.04%	50	8.73%
Other <sup>B</sup>	135	9.49%	129	8.84%
<b>Total</b>	<b>8,867</b>	<b>9.91%</b>	<b>7,670</b>	<b>8.24%</b>

<sup>A</sup> Turnover rates are calculated as follows: for outgoing employees (employees who left the Group) / (employees at the end of the previous year)\*100.

<sup>B</sup> Other includes: Luxembourg, Poland, Singapore, Slovakia, UK, USA.

## TURNOVER FOR INCOMING EMPLOYEES BY GENDER<sup>A</sup> AND AGE<sup>B</sup> 2021-2020

Gender	2021		2020	
	Number	Percentage	Number	Percentage
Female	3,344	6.61%	3,086	5.89%
Male	2,456	6.32%	2,518	6.18%

Age	2021		2020	
	Number	Percentage	Number	Percentage
Under 30	3,156	31.71%	3,109	30.32%
Age 31 - 50	2,374	4.77%	2,199	4.22%
Over 50	270	0.91%	296	0.97%

<sup>A</sup> Turnover rates are calculated as follows: for incoming employees (employees hired) by gender / (total employees by gender at the end of the previous year)\*100.

<sup>B</sup> Turnover rates are calculated as follows: for incoming employees (employees hired) by age / (total employees by age at the end of the previous year)\*100.

## TURNOVER FOR OUTGOING EMPLOYEES BY GENDER<sup>A</sup> AND AGE<sup>B</sup> 2021-2020

Gender	2021		2020	
	Number	Percentage	Number	Percentage
Female	4,735	9.36%	4,104	7.84%
Male	4,132	10.63%	3,566	8.76%
Age		2021		2020
		Number	Percentage	Number
Under 30	1,973	19.82%	1,868	18.22%
Age 31 - 50	3,196	6.42%	2,570	4.93%
Over 50	3,698	12.46%	3,232	10.54%

<sup>A</sup> Turnover rates are calculated as follows: for outgoing employees (employees who left the Group) by gender / (employees by gender at the end of the previous year)\*100.

<sup>B</sup> Turnover rates are calculated as follows: for outgoing employees (employees who left the Group) by age / (employees by age at the end of the previous year)\*100.

## PERCENTAGE OF EMPLOYEES BY GENDER AND EMPLOYMENT STATUS 2021-2020

Gender	2021		2020	
	Part-time	Full-time	Part-time	Full-time
Female	12.99%	43.96%	13.27%	43.25%
Male	1.69%	41.36%	1.79%	41.68%
Total	<b>14.68%</b>	<b>85.32%</b>	<b>15.06%</b>	<b>84.94%</b>

## DIFFERENTIAL<sup>A</sup> BETWEEN FEMALE AND MALE EMPLOYEES GROSS SALARIES<sup>B</sup> BY COUNTRY AND EMPLOYMENT TIER 2021-2020<sup>C</sup>

The percentage represents the weight of women's average gross salary compared to men's.

	2021			2020		
	Senior Executive	Middle Management	Staff	Senior Executive	Middle Management	Staff
Italy	93.03%	88.48%	90.42%	91.27%	87.19%	89.80%
Germany	82.89%	87.02%	87.46%	92.30%	87.21%	87.25%
Austria	100.99%	90.91%	81.26%	94.34%	91.47%	80.39%
Bosnia and Herzegovina	126.42%	100.07%	88.55%	169.15%	94.10%	87.56%
Bulgaria	Not applicable	90.25%	73.74%	Not applicable	89.99%	75.87%
Croatia	81.93%	103.84%	90.64%	Not applicable	98.84%	92.64%
Czech Republic	Not applicable	86.83%	80.23%	124.84%	87.63%	74.93%
Hungary	86.12%	94.30%	81.02%	83.69%	98.30%	81.17%
Romania	104.33%	102.19%	80.48%	108.53%	97.80%	79.25%
Russia	Not applicable	97.86%	73.47%	Not applicable	93.12%	72.52%
Serbia	Not applicable	93.74%	74.64%	Not applicable	85.61%	75.08%
Slovenia	Not applicable	91.95%	90.83%	Not applicable	104.16%	92.01%

<sup>A</sup> The ratios were calculated as follows: Average gross salary of female employees/Average gross salary of male employees.

<sup>B</sup> Gross salary: the full year fixed amount paid to an employee for performing his/her duties. It includes allowances provided according to specific positions.

<sup>C</sup> Data represents 87.4% of the population.

## DIFFERENTIAL<sup>A</sup> BETWEEN FEMALE AND MALE EMPLOYEE TOTAL REMUNERATION<sup>B</sup> BY COUNTRY AND EMPLOYMENT TIER 2021-2020<sup>C</sup>

The percentage represents the weight of women's average total remuneration compared to men's.

	2021			2020		
	Senior Executive	Middle Management	Staff	Senior Executive	Middle Management	Staff
Italy	90.54%	87.51%	90.73%	90.47%	85.96%	89.83%
Germany	74.87%	82.12%	86.02%	76.22%	81.82%	85.30%
Austria	91.24%	89.57%	80.39%	84.73%	88.58%	79.14%
Bosnia and Herzegovina	87.75%	98.63%	87.61%	133.98%	94.76%	86.14%
Bulgaria	Not applicable	88.62%	74.72%	Not applicable	89.08%	75.27%
Croatia	66.95%	101.72%	91.56%	Not applicable	97.00%	92.97%
Czech Republic	Not applicable	83.62%	79.15%	107.80%	83.00%	72.30%
Hungary	82.27%	93.38%	80.25%	95.50%	96.72%	80.57%
Romania	103.61%	100.70%	81.19%	95.93%	96.34%	79.98%
Russia	Not applicable	95.66%	73.93%	Not applicable	90.49%	73.11%
Serbia	Not applicable	94.60%	73.41%	Not applicable	78.76%	74.17%
Slovenia	Not applicable	94.87%	91.69%	Not applicable	105.76%	93.41%

<sup>A</sup> The ratios were calculated as follows: Average total remuneration of female employees/Average total remuneration of male employees.

<sup>B</sup> Total remuneration: gross salary plus additional amounts such as bonuses including cash and/or available equity shares to reward individual performance and Company's results and any other amounts which are not one-off payments.

<sup>C</sup> Data represents 87.40% of the population.

## TRAINING HOURS PER CAPITA BY EMPLOYMENT TIER AND GENDER 2021-2020

	2021			2020		
	Female	Male	Total	Female	Male	Total
Senior Leadership	14.71	15.12	<b>15.00</b>	19.11	13.65	<b>14.49</b>
Senior Management	20.34	17.92	<b>18.45</b>	17.92	16.30	<b>16.62</b>
Middle Management	23.29	21.70	<b>22.24</b>	22.49	21.56	<b>21.86</b>
Staff	31.33	32.41	<b>31.76</b>	26.91	28.77	<b>27.66</b>
<b>Total</b>	<b>30.74</b>	<b>30.32</b>	<b>30.56</b>	<b>26.60</b>	<b>27.38</b>	<b>26.94</b>

This data was drawn from a population that represented 98.84% percent of the reporting perimeter for 2021. Training hours include e-learning and classroom instruction.

# Industrial Relations

We believe that social dialogue contributes to value creation over time by strengthening our capability of collaboration, of listening to and understanding both national and international labour needs.

Social dialogue at UniCredit has reached a high standard over the years thanks to our consistent group-wide approach. It has served as a strong foundation for efficiently dealing with the multiple challenges arising from the market environment and, more recently, with those related to the pandemic.

The Group fully respects local laws and the terms and conditions of collective agreements supporting employees' rights to exercise freedom of association and/or collective bargaining. This is also accomplished through consistent group-wide monitoring. We are continuously moving forwards in our commitment to implement and disseminate best practices designed to strengthen social dialogue in all Group countries.

At national level, employees' interests may be represented by trade unions, works councils or other representatives in line with the applicable labour laws and local industrial relations systems.

At international level, employees are represented by the European Works Council (EWC) which, since its foundation in 2007, ensures the right to information and consultation on transnational Group topics that could significantly affect workers' interests.

## PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS 2021-2020<sup>A</sup>

Country	2021	2020
<b>Italy</b>	100%	100%
<b>Germany</b>		
UniCredit Bank AG	40.19%	38.37%
Wealthcap Kapitalverwaltungsgesellschaft GmbH		
UniCredit Leasing GmbH	Not applicable	Not applicable
UniCredit Direct Services GmbH		
UniCredit Services SCpA	41.16%	44.41%
<b>Austria</b>		
UniCredit Bank Austria AG		
Schoellerbank Aktiengesellschaft		
Card Complete Service Bank AG	100%	100%
UniCredit Services GmbH Austria		
UniCredit Leasing (Austria) GmbH		
<b>Bosnia and Herzegovina</b>	Not applicable	Not applicable
<b>Bulgaria</b>		
UniCredit Bulbank AD	57%	57%
UniCredit Consumer Financing AD	Not applicable	Not applicable
UniCredit Leasing AD		
<b>Croatia</b>		
Zagrebačka Banka DD	100%	100%
UniCredit Leasing Croatia doo za Leasing	Not applicable	Not applicable
<b>Czech Republic</b>		
UniCredit Bank Czech Republic and Slovakia as	95%	95%
UniCredit Leasing CZ as	Not applicable	Not applicable
UniCredit Services SCpA	100%	100%
<b>Hungary</b>	Not applicable	Not applicable
<b>Romania</b>		
UniCredit Bank SA		
UniCredit Services GmbH	100%	100%
UniCredit Services SCpA		
UniCredit Consumer Financing IFN SA		
UniCredit Leasing Corporation IFN SA	Not applicable	Not applicable
UniCredit Leasing Fleet Management Srl		
<b>Russia</b>	100%	100%
<b>Serbia</b>	Not applicable	Not applicable
<b>Slovenia</b>	100%	100%
<b>Slovakia</b>		
UniCredit Bank Czech Republic and Slovakia as	96%	96%
UniCredit Leasing Slovakia as	Not applicable	Not applicable
UniCredit Services SCpA	100%	100%

<sup>A</sup>The collective bargaining agreement refers to national, sector and company level.

**NOTICE PERIOD TYPICALLY PROVIDED TO EMPLOYEES AND THEIR ELECTED REPRESENTATIVES PRIOR TO IMPLEMENTING SIGNIFICANT OPERATIONAL CHANGES THAT COULD SUBSTANTIALLY AFFECT THEM 2021**

Country	Notice period	Legal number of days notice	Notice period specified in collective bargaining agreements
<b>Italy</b>	Yes	25	Yes
<b>Germany</b>	No	Not applicable	No
<b>Austria</b>	No	Not applicable	No
<b>Bosnia and Herzegovina</b>			
UniCredit Bank DD	Yes	30 (15 days if less than 5 years of service)	No
UniCredit Bank and Banja Luka	Yes	Minimum 30 days (eventually more depending on length of service)	No
<b>Bulgaria</b>			
UniCredit Bulbank AD	Yes	45	Yes
UniCredit Consumer Financing AD	Yes	45	No
UniCredit Leasing AD			
<b>Croatia</b>			
Zagrebačka Banka DD	Yes	14	Yes
UniCredit Leasing Croatia doo za Leasing			
<b>Czech Republic</b>			
UniCredit Bank Czech Republic and Slovakia as	Yes	60	No
UniCredit Leasing CZ as	Yes	60	Yes
UniCredit Services SCpA			
<b>Hungary</b>			
<b>Romania</b>			
UniCredit Bank SA	Yes	20	Yes
UniCredit Consumer Financing IFN SA			
UniCredit Leasing Corporation IFN SA			
UniCredit Leasing Fleet Management Srl	Yes	20	No
UniCredit Services SCpA			
UniCredit Services GmbH			
<b>Russia</b>	Yes	60	No
<b>Serbia</b>	No	Not applicable	No
<b>Slovenia</b>	Yes	8	Yes
<b>Slovakia</b>			
UniCredit Bank Czech Republic and Slovakia, as	Yes	One month	No
UniCredit Leasing Slovakia as			
UniCredit Services SCpA	Yes	30	Yes

# Welfare and People Care

UniCredit has adopted a global welfare approach in line with its mission to maintain a positive work environment in which employees are motivated to give their best performance.

Welfare programmes are carried out in all Group countries to improve our employees' quality of life and support them in the most important moments of their lives. Our commitment is based on 3 main pillars:

- FLEXIBILITY: flexible working hours, remote working, part-time, paid leave for family and personal needs, etc.
- WELL-BEING: healthy lifestyle programmes (nutrition, fitness, relationship-building, cognitive-emotional well-being), seminars with experts, sporting activities, etc.
- PEOPLE CARING: employee assistance programme, disability management programmes, etc.

In order to provide the best solution to the needs of colleagues and countries, welfare initiatives are developed locally with a central coordination to guarantee consistency and respect of the Group welfare principles and guidelines.

With regard to flexibility, a minimum standard for parental leave (16 weeks of paid leave to mothers and 4 weeks to fathers on a voluntary basis) was introduced in March 2021 to further increase inclusion in the workplace by strengthening equal opportunities for engagement in childcare for both parents while ensuring job security and continued career prospects.

To reinforce the well-being pillar, in October 2021 a global survey on emotional and professional well-being was carried out in order to gather valuable insights, enabling the company to take specific actions and implement new solutions to support employees and better meet their requirements.

In addition, with regard to physical, emotional and mental health, a global Ask for Help campaign was launched offering psychological support and consultancy for colleagues and family members on topics such as resilience and personal awareness, relationship building, family issues, personal and professional goals, stress management and any others specifically requested.

Our welfare approach has been greatly enhanced following the Covid-19 pandemic. Our Family Board, established in 2020 at the onset of the pandemic, has stood by employees and their families by taking specific actions such as providing support during home-schooling and home-working, flu vaccine reimbursement and sustainable mobility.

## RETIREMENT PLANS OFFERED TO EMPLOYEES 2021

Country	Principal retirement plans	Contribution from employer	Contribution from employees
<b>Italy<sup>A</sup></b>	Defined contribution plan	2% or 3% <sup>B</sup>	Minimum 0.5%
<b>Germany</b>			
UniCredit Bank AG		Before 2003: 1.75% of gross income up to a gross yearly income of €63,084	Before 2003: 1.75% of gross income up to a gross yearly income of €63,084
Wealthcap Kapitalverwaltungsgesellschaft GmbH	Defined contribution plan	After 2003: 2.5% of gross income up to a gross yearly income of €63,084	After 2003: 2.5% of gross income up to a gross yearly income of €63,084
UniCredit Leasing GmbH	Defined contribution plan	4.36% of the agreed annual income	2.14% of the agreed annual income
UniCredit Direct Services GmbH	No plans	Not applicable	Not applicable
UniCredit Services SCpA	Defined contribution plan	2.5% of gross income up to gross yearly income of €63,084	2.5% of gross income up to gross yearly income of €63,084
<b>Austria</b>			
UniCredit Bank Austria AG		2.9% or more	
Schoellerbank Aktiengesellschaft			Arrangement between the pension fund and employees are made on an individual basis
Card Complete Service Bank AG	Defined contribution plan	Depending on length of service	
UniCredit Leasing (Austria) GmbH		2.5% of the yearly gross salary	
UniCredit Services GmbH			
<b>Bosnia and Herzegovina</b>	No plans	Not applicable	Not applicable
<b>Bulgaria</b>	No plans	Not applicable	Not applicable
<b>Croatia</b>	No plans	Not applicable	Not applicable
<b>Czech Republic</b>			
UniCredit Bank Czech Republic and Slovakia as	Defined contribution plan	up to 50,000 CZK per year (c.€1,900) not applicable to all employees It depends on length of service	Arrangements between the pension fund and employee are made on an individual basis
UniCredit Leasing CZ as		15,000 CZK (approximately €570)	
UniCredit Services SCpA	No plans	Not applicable	Not applicable
<b>Hungary</b>	No plans	Not applicable	Not applicable
<b>Romania</b>			
UniCredit Bank SA			
UniCredit Consumer Financing IFN SA	No plans	Not applicable	Not applicable
UniCredit Leasing Corporation IFN SA			
UniCredit Leasing Fleet Management Srl			
UniCredit Services SCpA			National insurance for retirement is mandatory to be paid by all employees, who should pay 25% from their gross salary. Regarding private insurance, the employees decide the amount they would like to pay
UniCredit Services GmbH	Defined contribution plan	100 Ron (approximately 20€) after 6 months from the employment date	
<b>Russia</b>	Defined contribution plan	7% of the monthly base salary	
<b>Serbia</b>	No plans	Not applicable	Not applicable
<b>Slovenia</b>	Defined contribution plan	45%	55%
<b>Slovakia</b>			
UniCredit Bank Czech Republic and Slovakia, as		20/30€ per employee per month to third pillar of pension insurance	min 10€ per employee per month to third pillar of pension insurance
UniCredit Leasing Slovakia as	Defined contribution plan	23€ per employee per month for third pillar of pension insurance	20€ per employee per month for third pillar of pension insurance
UniCredit Services SCpA	No plans	Not applicable	Not applicable

<sup>A</sup> The reported contribution percentages refer to the Defined contribution section of the Fondo Pensione per il Personale delle Aziende del Gruppo UniCredit. This Pension Fund is the unique fund open to new participants.

<sup>B</sup> For newly hired employees with apprenticeship contracts (pursuant to art. 33 - National Collective Bargaining Agreement of ABI, 3 March 2015) as amended by the Renewal Agreement of 19 December 2019, the Group in the Team 23 Agreement of 2 April 2020 in art 14 (Supplementary pension), has provided for a total contribution of 4% for the first 3 years following recruitment.

## TRANSITION ASSISTANCE PROGRAMMES TO SUPPORT EMPLOYEES<sup>A</sup> 2021

Country	The programme includes:				
	Pre-retirement planning for intended retirees	Retraining for those intending to continue working	Severance pay	Job placement services	Assistance in transitioning to non-working life (training, counselling)
<b>Italy</b>	Yes	Yes	Yes	Yes	No
<b>Germany</b>	Yes	No	Yes	Yes	No
<b>Austria</b>					
UniCredit Bank Austria AG					
Schoellerbank Aktiengesellschaft	Yes	Yes	Yes	Yes	No
Card Complete Service Bank AG					
UniCredit Leasing (Austria) GmbH	Yes	No	Yes	Yes	No
UniCredit Services GmbH	Yes	No	Yes	Yes	No
<b>Bosnia and Herzegovina</b>	No	No	Yes	No	No
<b>Bulgaria</b>	Yes	No	Yes	No	No
<b>Croatia</b>	Yes	No	Yes	No	No
<b>Czech Republic</b>					
UniCredit Bank Czech Republic and Slovakia as	Yes	Yes	Yes	Yes	Yes
UniCredit Leasing CZ as	No	Yes	Yes	Yes	No
UniCredit Services SCpA	No	Yes	Yes	Yes	No
<b>Hungary</b>					
UniCredit Bank Hungary Zrt	No	No	Yes	Yes	Yes
UniCredit Leasing Hungary Zrt					
UniCredit Services SCpA	No	No	Yes	No	No
<b>Romania</b>					
UniCredit Bank SA					
UniCredit Consumer Financing IFN SA	No	No	Yes	No	No
UniCredit Leasing Romania IFN SA					
UniCredit Leasing Fleet Management Srl					
UniCredit Services SCpA	Yes	No	Yes	No	No
UniCredit Services GmbH					
<b>Russia</b>	No	No	Yes	Yes	No
<b>Serbia</b>	No	No	Yes	No	No
<b>Slovenia</b>	Yes	No	Yes	No	No
<b>Slovakia</b>					
UniCredit Bank Czech Republic and Slovakia, as	No	Yes	Yes	Yes	Yes
UniCredit Leasing Slovakia as	No	Yes	Yes	Yes	No
UniCredit Services SCpA	No	Yes	Yes	Yes	No

<sup>A</sup> In some cases programmes are provided only in the case of company restructuring/reorganisation.

# Health and safety management

Health and safety at work must be considered a fundamental value of which the ultimate goal is a true sense of well-being achieved by a series of actions and tools. To reach and maintain this goal, the entire UniCredit Group has adopted policies, procedures and safeguards in compliance with EU directives, local laws, regulations and signed agreements guaranteeing an adequate working environment and respect for the individual dignity of all employees.

The Group has adopted an organisational and management framework which ensures the protection of personnel in all workplaces. It has put in place an effective company system of identification, assessment, prevention, protection from and prompt elimination of risks and dangers, monitored and analysed as follows:

- compliance with the technical-structural regulations relating to equipment, workplaces, chemical, physical and biological agents
- risk assessment activities and preparation of any necessary prevention and protection measures
- organisational activities regarding the management of emergencies, first aid, procurement contracts, periodic meetings on safety, consultations with the workers' safety representatives (RLS) and the formal joint management-worker committees of the Group
- health surveillance activities, carried out by UniCredit's occupational physicians, and drafting of the related protocols
- information and training activities for all Group employees through specific training and refresher modules on health and safety, emergency management, first aid and work-related stress
- supervisory activity on employees' compliance with procedures and instructions for working safely
- periodic checks on the application and effectiveness of the procedures adopted.

Various channels are available to all employees (e.g. e-mail, ticket remedy tool) to report any dangers/malfunctions at work. Reports are then managed by the competent function.

The UniCredit Group welfare comprises multiple services aimed at promoting employees' wellbeing, including health care, health prevention programmes and medical services related to Covid-19.

In 2021, we were able to respond promptly to the emergency still represented by the pandemic. Measures aimed at the health and safety of our employees and clients included:

- support provided to all colleagues by company doctors through activation of a specific channel
- health assessment of employees performed by the company doctors through the completion of a voluntary questionnaire
- distribution to colleagues of personal, protective equipment for maximum protection and prevention
- installation of additional protective screens for workstations in contact with the public.

In compliance with the regulations issued locally and with the support of specialised consultants, the Group has updated the specific protocols containing all the prevention and protection measures necessary for the containment of the Covid-19 infection.

In addition to the adoption of appropriate behaviour and personal protective equipment, remote working continued to be encouraged in flexible ways, wherever possible, by supplying the necessary hardware and software and consequently updating the IT infrastructure.

## FORMAL JOINT MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEES AND WORKERS HEALTH AND SAFETY REPRESENTATIVES<sup>a</sup> 2021

Country	Formal joint management-worker health and safety committee
<b>Italy</b>	Yes
<b>Germany</b>	
UniCredit Bank AG	
UniCredit Leasing GMBH	Yes
Wealthcap Management GMBH	
UniCredit Direct Services GmbH	No
UniCredit Services SCpA Branch Germany	Yes
<b>Austria</b>	
UniCredit Bank Austria AG	
Schoellerbank Aktiengesellschaft	Yes
Card Complete Service Bank AG	
UniCredit Leasing (Austria) GmbH	No
UniCredit Services GmbH Austria	Yes
<b>Bosnia and Herzegovina</b>	No
<b>Bulgaria</b>	
UniCredit Bulbank AD	Yes
UniCredit Consumer Financing AD	
UniCredit Leasing AD	No
<b>Croatia</b>	Yes
<b>Czech Republic</b>	
UniCredit Bank Czech Republic and Slovakia as	Yes
UniCredit Leasing CZ as	No
UniCredit Services SCpA	
<b>Hungary</b>	
<b>Romania</b>	No
UniCredit Bank SA	
UniCredit Consumer Financing IFN SA	
UniCredit Leasing Corporation IFN SA	Yes
UniCredit Services SCpA	
UniCredit Services GmbH	
UniCredit Leasing Fleet Management Srl	No
<b>Russia</b>	
<b>Serbia</b>	No
<b>Slovenia</b>	No
<b>Slovakia</b>	No
UniCredit Bank Czech Republic and Slovakia, as	
UniCredit Leasing Slovakia as	Yes
UniCredit Services SCpA	No

<sup>a</sup> The information concerning the presence of workers' health and safety representatives (RLS) refers only to Italy. The information on formal joint management-worker health and safety committees refers to the other countries indicated in the above table.

## RATES OF INJURY 2021-2020<sup>A</sup>

Numbers of injuries	2021	2020
Number of fatalities as a result of work-related injuries <sup>B</sup>	0	0
The number of high-consequence work-related injuries (excluding fatalities) <sup>C</sup>	1	5
The number of recordable work-related injuries <sup>D</sup>	124	145
Rates		
Rate of fatalities as a result of work-related injuries <sup>E</sup>	0	0
Rate of high-consequence work-related injuries (excluding fatalities) <sup>F</sup>	0.01	0.03
Rate of recordable work-related injuries <sup>G</sup>	0.86	0.96
<b>Hours worked<sup>H</sup></b>	<b>144,747,481</b>	<b>150,598,432</b>

<sup>A</sup> This data was drawn from a population that represented 100 percent of the reporting perimeter. Injuries are recorded as per applicable local law.

<sup>B</sup> A death resulting from a work-related injury.

<sup>C</sup> A work-related injury from which the worker cannot, does not, or is not expected to fully recover to pre-injury health status within 6 months.

<sup>D</sup> A work-related injury or ill health resulting in any of the following:

➢ death, days off work, restricted work or transfer to another job, medical treatment beyond first aid, loss of consciousness;

➢ significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if not resulting in death, days away from work, restricted work or job transfer, medical treatment beyond first aid or loss of consciousness. This includes injuries resulting from commuting accidents only when transport is organised by UniCredit Group.

<sup>E</sup> Calculated as follows: (total no. of fatalities as a result of work-related injuries / total hours worked)\*1,000,000.

<sup>F</sup> Calculated as follows: (total no. of high-consequence work-related injuries (excluding fatalities) / total hours worked)\*1,000,000.

<sup>G</sup> Calculated as follows: (total no. of recordable work-related injuries / total hours worked)\*1,000,000.

<sup>H</sup> The reported hours worked are the result of an estimation method based on the hours prescribed by local agreements.

# Social and relationship Capital

## Client distribution

### NUMBER OF CLIENTS BY DIVISION AND COUNTRY AS AT 31 DECEMBER 2021

Division and Country	Number
<b>Italy</b>	
Retail	7,591,370
Corporate	53,507
<b>Germany</b>	
Retail	1,468,477
Corporate	47,701
<b>Central Europe - Retail</b>	
Austria	1,108,677
Czech Republic and Slovakia	606,801
Hungary	300,547
Slovenia	63,591
<b>Eastern Europe - Retail</b>	
Bosnia and Herzegovina	640,213
Bulgaria	1,050,009
Croatia	1,006,890
Romania	844,631
Russia	604,270
Serbia	331,180
<b>Central Europe - Corporate</b>	
Austria	15,982
Czech Republic and Slovakia	24,637
Hungary	9,065
Slovenia	2,519
<b>Eastern Europe - Corporate</b>	
Bosnia and Herzegovina	3,819
Bulgaria	12,119
Croatia	8,008
Romania	9,244
Russia	6,461
Serbia	4,682

# Client Experience

After years of experience and knowledge acquired through gathering insights from clients and prospects, in 2017 UniCredit defined an integrated approach based on a benchmarking study providing us with a view of clients' and prospects' perception of Client Experience, Brand Reputation and Business Indicators in local markets. It enables:

- a fair comparison between UniCredit and its competitors thanks to a random selection of clients by the research provider (no client lists provided by the bank) and no mention of UniCredit as survey commissioner (double blind approach); mixed interviews of main and secondary bank clients
- a unique and comparable cross-country and segment view of the perception of the bank.

The main KPI on which the study is focused is the Net Promoter Score (NPS), a metric used across industries to measure client experience. It is based on the sole question - How likely are you to recommend our Bank to ..., on a scale of 0 to 10? In the numeric scale, 0 corresponds to not at all likely and 10 to extremely likely. The score is calculated as the difference in percentage between promoters (clients who gave a 9 to 10 score) and detractors (clients who gave a 0 to 6 score). Within the benchmarking study, the KPI is more specifically referred to as the Strategic Net Promoter Score in order to clarify the goal in assessing the overall positioning on high-level topics/areas.

The tables below show the results of the NPS for UniCredit and its competitors. In 2021, UniCredit is ahead of the competition in 8 markets out of 13 for both Individual and Corporate clients (with a clear improvement in the positioning of corporate, where UniCredit was ahead in only 5 markets during 2020).

## STRATEGIC NET PROMOTER SCORE RESULTS - RETAIL (INDIVIDUAL CLIENTS INCLUDING ONLY MASS AND AFFLUENT) 2021-2020

Country	2021	2020	Competitors 2021
Italy	33	28	27
Germany <sup>A</sup>	17	5	15
Austria	-5	-8	14
Bosnia and Herzegovina			
UniCredit Bank ad Banja Luka	60	61	52
UniCredit Bank dd	61	58	53
Bulgaria	28	30	27
Croatia	14	21	23
Czech Republic and Slovakia	57	56	21
Hungary	19	15	21
Romania	58	59	46
Russia	62	61	0
Serbia	52	45	55
Slovenia	56	57	-1

<sup>A</sup> Only Affluent clients.

## STRATEGIC NET PROMOTER SCORE RESULTS - CORPORATE 2021-2020

Country	2021	2020	Competitors 2021
Italy	16	9	11
Germany <sup>A</sup>	8	7	-4
Austria	-10	-11	8
Bosnia and Herzegovina			
UniCredit Bank ad Banja Luka	35	41	44
UniCredit Bank dd	39	53	49
Bulgaria	34	25	9
Croatia	34	23	36
Czech Republic and Slovakia	15	9	11
Hungary	55	45	37
Romania	55	59	32
Russia	62	59	52
Serbia	62	48	63
Slovenia	20	6	-4

<sup>A</sup> Germany and Croatia results are not comparable vs previous year due to a change in the Corporate segment thresholds.

# Handling complaints

UniCredit's approach to complaint management is driven by the belief that continuous dialogue and rapid responses are fundamental to addressing and improving the quality of our service and client satisfaction.

Clients can submit their complaints through a number of channels including e-mail, written letter or in person at one of our branches. Complaints are then managed locally or centrally depending on the subject and nature of the complaint.

It is also possible to forward a verbal complaint at the Branch. We aim to improve the efficiency of our responses to operational events (errors, delays, malfunctions and churn rate) as we believe that rapid resolutions increase client satisfaction and strengthen confidence in the bank.

The adequate management of complaints is fundamental to achieving operational excellence and reducing risks. Complaints may highlight areas where service quality (also perceived) can be improved, with positive effects on risk mitigation and client experience. In addition, effectively and efficiently managing complaints represents an opportunity to re-establish a satisfactory relationship with clients.

In line with our Global Compliance Guidelines - Complaint Management, a complaint is any form of dissatisfaction expressed by current, potential or former clients, which can be clearly identified regarding the manner in which the Group has managed a banking, finance or insurance transaction or service. Each UniCredit legal entity develops and regulates its own complaint management processes and defines the methods and timing applied to settling complaints according to the type of complaint, the means of communication chosen by the client and to any external legislation provisions in force.

## RETAIL DIVISION: NUMBER OF RECORDED COMPLAINTS<sup>A</sup> 2021-2020

Country	2021		2020	
	Recorded (written and verbal)	Written	Recorded (written and verbal)	Written
Italy <sup>B</sup>	227,346	50,592	242,786	58,772
Germany	36,684	14,517	21,443	6,011
Austria	39,881	5,405	40,687	4,730
Bosnia and Herzegovina	2,076	1,558	2,324	1,635
Bulgaria	2,758	2,748	3,374	3,315
Croatia	39,772	12,464	34,028	10,279
Czech Republic and Slovakia	20,666	17,477	23,260	8,570
Hungary	10,182	5,502	12,472	7,434
Romania	4,655	3,276	6,472	6,472
Russia	21,044	15,020	26,293	19,214
Serbia <sup>C</sup>	1,689	1,689	1,916	1,916
Slovenia	1,495	955	1,764	1,186

<sup>A</sup> In Italy and Austria the complaints refer to Individual clients and Small Businesses while in Germany only to Individual clients. In the remaining CE and EE countries the complaints refer to the Retail division. Totals are not provided because definitions and recording methods have not been completely aligned across all countries.

<sup>B</sup> Besides UniCredit SpA, 2020 data also includes 16 written complaints from Cordusio SIM SpA. UniCredit SpA data does not include the complaints related to the Intermarket Diamond Business SpA case for which a dedicated client care campaign was established. Refer to <https://www.unicredit.it/chi-siamo.html> for more information.

<sup>C</sup> From 2016 all complaints are considered as written in accordance with local law.

## Financial inclusion

### PERCENTAGE OF TOTAL BRANCHES IN SPARSELY SETTLED OR ECONOMICALLY DISADVANTAGED AREAS AS AT 31 DECEMBER 2021<sup>A</sup>

Country <sup>B</sup>	Percentage
Italy	23.3%
Bosnia and Herzegovina	100%
Bulgaria	100%
Croatia	100%
Czech Republic	22.1%
Hungary	100%
Romania	100%
Russia	100%
Serbia	100%
Slovakia	86.9%
Slovenia	66.7%

<sup>A</sup> The NUTS classification (Nomenclature of Territorial Units for Statistics: a hierarchical system for dividing up the economic territory of the EU) was used to identify disadvantaged areas in EU countries. In particular, regions with a GDP (Gross Domestic Product) per inhabitant of less than 75 percent of the community average were considered at level 2 of the NUTS classification ([https://ec.europa.eu/eurostat/statistics-explained/index.php/GDP\\_atRegional\\_Level](https://ec.europa.eu/eurostat/statistics-explained/index.php/GDP_atRegional_Level)). Based on this classification, there are no sparsely settled or economically disadvantaged areas in Austria and Germany.

<sup>B</sup> The entire territories of Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Romania, Russia and Serbia were considered to be disadvantaged areas in accordance with an IMF study published in October 2020 which considered these countries emerging markets and developing economies (<https://www.imf.org/en/Publications/WEO/Issues/2020/09/30/world-economic-outlook-october-2020>).

## Adherence to legal standards and voluntary codes relating to marketing and communications

UniCredit follows the Code of Marketing Communication Self-Regulation ([www.iap.it](http://www.iap.it)) disseminated by the Istituto dell'Autodisciplina Pubblicitaria (IAP), which commits its subscribers to transparent and honest advertising practices.

UniCredit is also a member of the Utenti Pubblicità Associati (UPA) which supports the IAP. All UniCredit entities follow the regulations disseminated by these bodies, particularly when local codes do not provide guidance on topics covered by the UPA.

All advertising and communication activities at UniCredit are internally ruled by our Group Identity & Communications department, responsible for assuring the effective application of the IAP code, as well as overseeing the UniCredit Supervisory Body.

In advertising related to investment products, all texts are submitted to the Commissione Nazionale per le Società e la Borsa (CONSOB) in Italy so they can be evaluated for regulatory compliance and consistency with the principles of truth and transparency.

### MAIN LEGAL STANDARDS AND VOLUNTARY CODES RELATING TO MARKETING AND COMMUNICATIONS ADOPTED BY THE GROUP LEGAL ENTITIES

Country	Description
Austria	Advertising Industry Ethics Code of the Austrian Society for Self-Regulation in Advertising (Werberat)
Bulgaria	Code of Ethics of the Association of Banks in Bulgaria
Croatia	Code of Advertising issued by the Croatian Association of Advertising Agencies
Hungary	Banking Association's Code of Conduct

## Sustainable finance disclosure regulation (SFDR)

In compliance with the United Nations 2030 Agenda (an action programme for sustainable development signed by the governments of the 193 UN member countries in September 2015) and with the Paris Agreement on climate change (signed on 22 April 2016 and ratified by the European Union on 5 October 2016), in March 2018 the European Commission presented an action plan for financing sustainable growth with the aim of placing Europe in a position of global leadership in the transition towards sustainable development.

One of the actions envisaged by the plan led to the issue of Regulation (EU) 2019/2088 of 27 November 2019 (the Sustainable Finance Disclosure Regulation - SFDR) relating to information on sustainability in the financial services sector.

The SFDR Regulation aims, among other things, to provide information to final investors regarding the integration of risks for sustainability and the consideration of adverse impacts on sustainability factors in the decision-making processes for financial market participants and in the investment advice or insurance advice for financial advisors.

UniCredit, both as financial market participant for the provision of portfolio management services and as advisor for the provision of investment advice services, has identified several criteria for selecting the products subject to these services in order to consider, among others, environmental, social and governance aspects.

In taking into account the potential adverse impacts on sustainability factors and integrating the sustainability risks, we have decided to exclude investments with significant exposure in companies that have violated the principles set out in the United Nations Global Compact which was created to promote a sustainable global economy. Also excluded are investments with significant exposure in companies operating in business areas we consider to have negative environmental and social impacts, such as any direct production, maintenance and distribution of controversial weapons (such as anti-personnel mines or cluster bombs as well as biological and chemical weapons of mass destruction), direct production, maintenance and distribution of nuclear weapons and the direct production of thermal coal and electricity using thermal coal.

Lastly, exclusion also includes any investments with significant exposure in government bonds issued by countries with strategic gaps in the systems for preventing and combating money laundering and terrorist financing, as well as countries that have not signed the Paris agreement adopted in the context of the United Nations Framework Conventions on Climate Change approved by the European Union on 5 October 2016.

### INVESTMENT PRODUCTS COMPLIANT WITH ART. 8 AND 9 EU SFDR AS AT 31 DECEMBER 2021 (€M)

Italy	Germany	Central and Eastern Europe
51,418.7	11,800.0	6,446.4



# Natural Capital

## Environmental performance indicators<sup>9</sup>

### SCOPE 1: DIRECT GHG EMISSIONS<sup>A</sup> (TONS CO<sub>2</sub>e) 2021-2020<sup>B</sup>

Country	2021	2020
Italy	20,817	20,813
Germany	12,399	10,757
Central Europe	4,648	3,751
Eastern Europe	6,152	5,953
<b>Total</b>	<b>44,016</b>	<b>41,274</b>

<sup>A</sup> 2020 figures recast from those published in the previous Integrated Report due to the periodical updates of GHG emission factors aimed at improving comparability and not as a consequence of restatement. For historical data published in the past, please refer to the 2020 Integrated Report.

<sup>B</sup> GHG emissions from sources owned or controlled by our Group, which includes direct energy consumption, road business travel and refrigerant gas leakages.

### SCOPE 2: INDIRECT GHG EMISSIONS,<sup>A</sup> LOCATION AND MARKET-BASED (TONS CO<sub>2</sub>e) 2021-2020<sup>B,C</sup>

Country	Location-based		Market-based	
	2021	2020	2021	2020
Italy	56,870	59,417	268	288
Germany	40,593	43,809	9,681	8,860
Central Europe	10,757	10,856	7,960	9,139
Eastern Europe	30,277	30,263	32,991	33,403
<b>Total</b>	<b>138,496</b>	<b>144,345</b>	<b>50,899</b>	<b>51,691</b>

<sup>A</sup> 2020 figures recast from those published in the previous Integrated Report due to the periodical updates of GHG emission factors aimed at improving comparability and not as a consequence of restatement. For historical data published in the past, please refer to the 2020 Integrated Report.

<sup>B</sup> GHG emissions from purchased electricity, steam and heating/cooling consumed by equipment or systems owned or controlled by our Group.

<sup>C</sup> The sum of Country figures may not coincide with the total figures due to rounding.

### SCOPE 3: OTHER INDIRECT GHG EMISSIONS<sup>A</sup> (TONS CO<sub>2</sub>e) 2021-2020<sup>B</sup>

Country	2021	2020
Italy	618	1,147
Germany	201	513
Central Europe	168	257
Eastern Europe	484	571
<b>Total</b>	<b>1,471</b>	<b>2,488</b>

<sup>A</sup> 2020 figures recast from those published in the previous Integrated Report due to the periodical updates of GHG emission factors aimed at improving comparability and not as a consequence of restatement. For historical data published in the past, please refer to the 2020 Integrated Report.

<sup>B</sup> GHG emissions from air and rail business travel, from copy paper consumption, and from glass, paper and plastic disposal.

<sup>9</sup> Data includes the full set of legal entities considered in the respective 2021 Integrated Report perimeter (corresponding to a full-time equivalent of more than 78,000) and 2020 Integrated Report perimeter (corresponding to a full-time equivalent of more than 80,000), unless otherwise stated. Country-to-country comparisons may be misleading as different tracking systems should be taken into account. Central Europe includes Poland.

## ENERGY CONSUMPTION PER EMPLOYEE (GJ/CAPITA) 2021-2020

Country	2021	2020
Italy	30	30
Germany	48	47
Central Europe	20	20
Eastern Europe	21	21

## COPY PAPER CONSUMPTION PER EMPLOYEE (KG/CAPITA) 2021-2020

Country	2021	2020
Italy	30	46
Germany	10	17
Central Europe	19	21
Eastern Europe	34	37

Approximately 94 percent of copy paper used Groupwide holds an environmental label, such as Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), Elemental Chlorine Free (ECF), Totally Chlorine Free (TCF), Blue Angel.

## WATER USAGE PER EMPLOYEE (M<sup>3</sup>/CAPITA) 2021-2020

Country	2021	2020
Italy <sup>A</sup>	21	24
Germany	25	21
Central Europe	8	9
Eastern Europe	8	10

<sup>A</sup> The figure for 2020 consumption has been restated following the further consolidation of data.

## WASTE PRODUCTION PER EMPLOYEE (KG/CAPITA) 2021-2020

Country	2021	2020
Italy	69	68
Germany	224	316
Central Europe	89	83
Eastern Europe	134	137
<b>Group</b>	<b>113</b>	<b>128</b>
of which hazardous <sup>A</sup>	0	1

<sup>A</sup> The 2021 value is a consequence of rounding (the real value is 0.14).

## WASTE BY DISPOSAL METHOD 2021-2020

Country	Separation and recycling of valuable materials		Incineration		Disposal in landfill		Other treatment	
	2021	2020	2021	2020	2021	2020	2021	2020
Italy	98.02%	92.48%	1.97%	3.97%	0.01%	3.55%	0.00%	0.00%
Germany	67.56%	71.92%	32.42%	28.04%	0.00%	0.00%	0.02%	0.04%
Central Europe	60.54%	55.62%	22.53%	21.47%	15.34%	18.20%	1.59%	4.71%
Eastern Europe	19.73%	13.36%	0.98%	1.01%	76.65%	82.75%	2.64%	2.88%
<b>Group</b>	<b>60.67%</b>	<b>59.96%</b>	<b>13.89%</b>	<b>14.71%</b>	<b>24.47%</b>	<b>24.11%</b>	<b>0.97%</b>	<b>1.22%</b>
Total hazardous by disposal method	73.82%	93.04%	2.40%	0.00%	0.00%	0.00%	23.78%	6.96%



**UniCredit SpA**

A joint stock company

**Registered Office and Head Office in Milan:** Piazza Gae Aulenti 3 - Tower A - 20154 Milano

Share capital Euro € 21,133,469,082.48 fully paid in, Fiscal Code, VAT number and Registration number  
with the Company Register of Milan-Monza-Brianza-Lodi:00348170101

Registered in the Register of Banking Groups and Parent Company of the UniCredit Banking Group,  
with. cod. 02008.1; Cod. ABI 02008.1

Member of the National Interbank Deposit Guarantee Fund and of the National Compensation Fund

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