

# Unlocking...

A better bank

**A better world**

A better future

2022  
Integrated  
Report

Empowering  
Communities to Progress.





# Unlocking...

A better bank

**A better world**

A better future

**2022**  
Integrated  
Report

Empowering  
Communities to Progress. |  **UniCredit**

# 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 February 24th, 2023 and has been produced by Group Strategy & ESG, 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", included in this document) 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 connection 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 quantitative data.

The sustainability information included in the 2022 Integrated Report, including its Supplement, are reported in accordance with the GRI Standards for the full year 2022, and the "Financial Services Sector Disclosures," both issued by the GRI - Global Reporting Initiative. The GRI 1 used is GRI 1: Foundation 2021. 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 2022 relating to the issues expressly referred to by Legislative Decree 254/16 (environmental, social, personnel-related, respect for human rights, fight against active and prioritizes reporting on those topics that 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 topics that were identified as material and their associated indicators, which represents its most significant impacts, both positive and negative, on the economy, environment, and people, including impacts on their human rights, or could have a substantial influence on the views and decisions of its stakeholders. The materiality analysis, updated in 2022, 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 2022 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 2021 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 2022, 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 2022 consolidated financial statements, unless otherwise indicated. In accordance with GRI 207 (Tax: 2019), taxation data are related to the fiscal year 2021. 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 NFS 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.

In December 2021 UniCredit presented the new strategic plan 2022-2024 ("UniCredit Unlocked"), of which sustainability represents a fundamental lever. This year, the disclosure on UniCredit Unlocked Strategy is fully depicted in the Annual Report, in a dedicated section, while the ESG Strategy is described in this Report, in "Our ESG Strategy" paragraph.

UniCredit signed the UNEP FI Principles for Responsible Banking (PRB) starting from 2019. The Group is working on target setting related to the Financial Inclusion and Financial Health Commitment, which is due in June 2023. As such, the full PRB Report disclosing the progress made in implementing the principles will be published in line with this deadline. The disclosure aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations related to 2021 was issued in October 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.

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 in the first 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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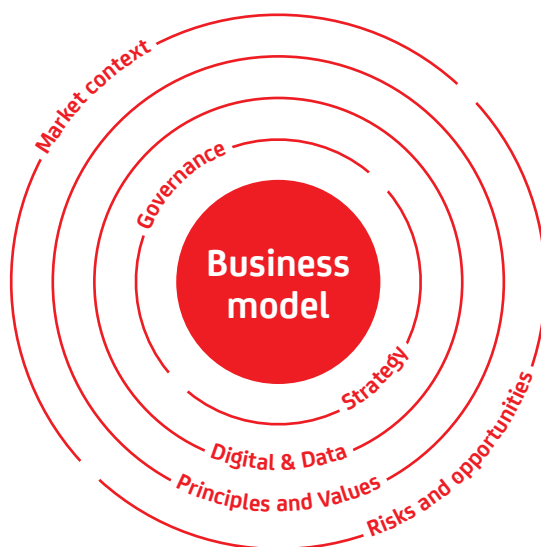


# Our commitment



# How we contribute to a more sustainable world

-  Financial Capital
-  Human Capital
-  Social and Relationship Capital
-  Intellectual Capital
-  Natural Capital



- Economic value
- Social value
- Environmental value



# Letter from the Chief Executive Officer

“

As a bank, we are committed to shaping a future for our clients and communities that is fairer, greener and more sustainable.

This is by providing them with the tools, support and knowledge they need no matter where they are on their journey.

## Dear Stakeholders,

At UniCredit, we believe banks represent more than just finances and numbers. They represent people and communities.

With the enduring energy crisis in Europe, the war in Ukraine and the global climate emergency, supporting the regions we operate in has never been more important.

As a bank, we are committed to shaping a future for our clients and communities that is fairer, greener and more sustainable. This is by providing them with the tools, support and knowledge they need

no matter where they are on their journey.

It is all too easy for institutions to say the right things without delivering real actions. That is why we've embedded the principles of ESG in our business model, our processes and our UniCredit Unlocked strategy. It is always at the forefront of our minds; in everything we do.

The 'Social' of ESG, which in its essence is the needs and rights of our people, is our primary compass as a bank. With the economic

challenges facing the continent, our role has been to empower the individuals, families and business owners who are struggling to make ends meet.

At UniCredit, with the depth of our expertise, resources, and financial plumbing in 13 countries, this is where we can make a tangible difference.

We are not only investing in their future but Europe's future as a whole. Starting from the positive experience of the Social Impact Banking, in 2022 the social component of the ESG pillars has been further enhanced, embedding it in our overall ESG strategy. Our social ambition is to increase the social impact we generate for the clients and communities, both widening the perimeter of social lending from €1bn to €10bn and increasing our own social contribution, because we spend today to collect tomorrow in term of tangible and measurable impacts on the society.

Our commitment is so strong that in 2022 we disbursed about €4.8bn in social lending (of which €0.6bn of

Inclusive finance lending, c.€0.5bn of Impact Financing and Social Housing and €3.8bn of Lending that can be classified as High Impact on Society) across the Group almost reaching 50% of the 22-24 target. Since 2017 until the end of 2022, we disbursed more than 7,800 loans of microcredit and more than 290 loans of impact financing, supporting projects that are going to reach more than 5m people (our indirect beneficiaries) in the first 5 years

However, it is important to consider the three pillars of Environmental, Social, and Governance in balance. As we support our economies through this period of economic uncertainty and confront the intensifying impacts of climate change, the need to deliver sustainable, long-term benefits for all our stakeholders has never been more important.

Sustainable finance for me has always been about putting the people and planet at the heart of every decision, but one should not be to the detriment of the other. That is why our commitment to

social impact and the communities we serve is matched by the progress we've made to support the green transition in Europe.

The threat posed by climate change is one we must be conscious of, but it also pushes businesses to change for the better. I'm proud of the significant progress we've made against the strategic ESG business targets we've set, and the steps we've taken to achieve Net Zero on own emissions by 2030.

When it comes to ESG, we hold ourselves to the highest standards. Otherwise, we cannot expect clients to join us in shaping a greener, better world. As we work to be the bank of Europe's future, leading by example has been our priority.

We have set ambitious targets for ourselves and even raised the bar higher for ourselves in order to finance a better future for our clients and Europe as a whole. For instance, last year we reiterated our stance on thermal coal, with our pledge to stop financing its mining or burning entirely by 2028.

We all know that meaningful and

lasting change cannot be achieved overnight, but I can promise you we as a bank are committed to supporting you on this journey.

After undergoing a significant transformation, it is clear our bank is different, but our commitment to ESG is unchanged.

Looking forward, we will continue to set a new benchmark for banking, deliver for all stakeholders and act as an engine of European growth.

Our fundamentals are strong, our team is determined and our ambitions have never been higher. We have taken incredible steps so far, but this is just a benchmark to push for a more ambitious strategy going forward.

And I have no doubt we will do this and continue to deliver for our shareholders and Europe as a whole.

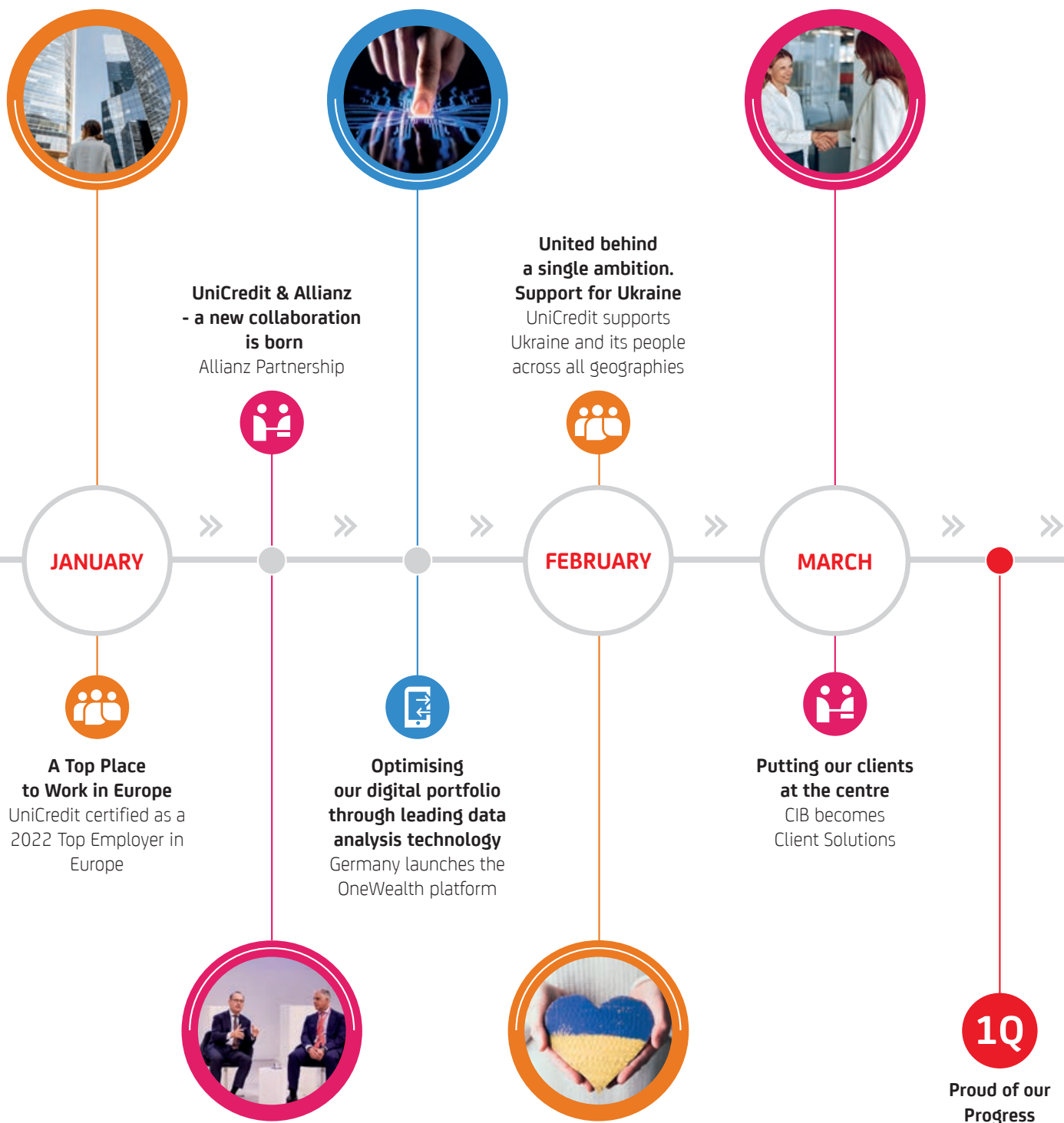
Yours,



**Andrea Orcel**

Chief Executive Officer UniCredit S.p.A.

# Our key 2022 milestones - while delivering record results





**Keeping our digital communities connected**  
 UniCredit expands its social media footprint



**Austria's first inaugural Green Covered Bond to support green projects**



**Delivering for our shareholders**  
 Share Buyback Programme launch - Financial capital for ESG strategy



**A new training offering for all our people**  
 The official launch of UniCredit University



Integrated Report  
 Human Capital



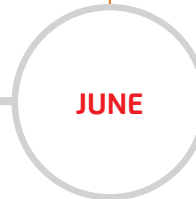
**The official launch of our Culture and Values**  
 Culture Day

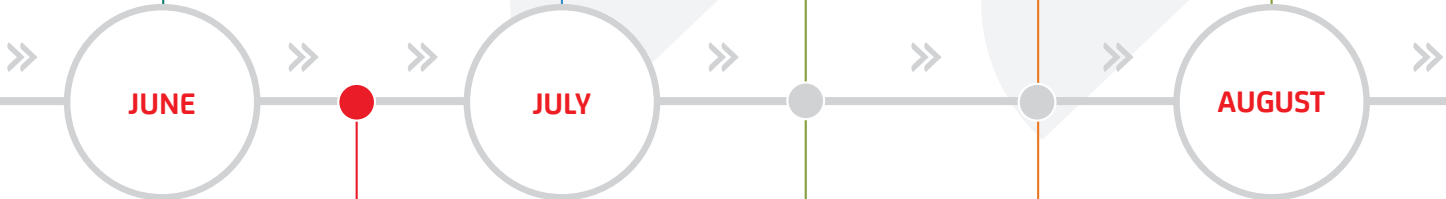


Integrated Report  
 Human Capital



**Simplify to help our clients succeed**  
 Embedding simplification best practices as we build our bank for the future





**JUNE**

**JULY**

**AUGUST**



**3 Financial levers:  
Net Revenues,  
Cost and Capital**



**A new offering  
for Digital-first  
corporate services**  
Investing in new  
online solutions



**Introducing  
our new Code  
of Conduct**  
2022 Code of Conduct

**2Q**

**Excellent  
performance and  
strong positioning**



**Our Sustainability  
commitment**  
First Sustainability  
Bond Allocation report



Integrated Report  
Financial Capital



**Leading solar energy  
financing in Hungary**  
Sustainable  
solar energy  
developments







**Empowering our employees with collaboration tools**  
 A Group-wide Digital transformation through cloud technology



SEPTEMBER



**Investing in our future generations**  
 Announcing a Partnership with Teach For All



Integrated Report  
 Social and Relationship Capital



**Reducing our carbon footprint: one ESG commitment at a time**  
 UniCredit signs up to Sustainable STEEL Principles to promote greener steelmaking



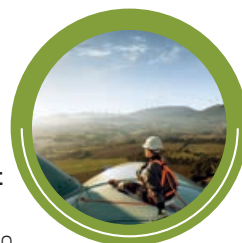
Integrated Report  
 ESG Strategy



**Our commitment to individuals and SMEs**  
 UniCredit per l'Italia



Integrated Report  
 Social and Relationship Capital



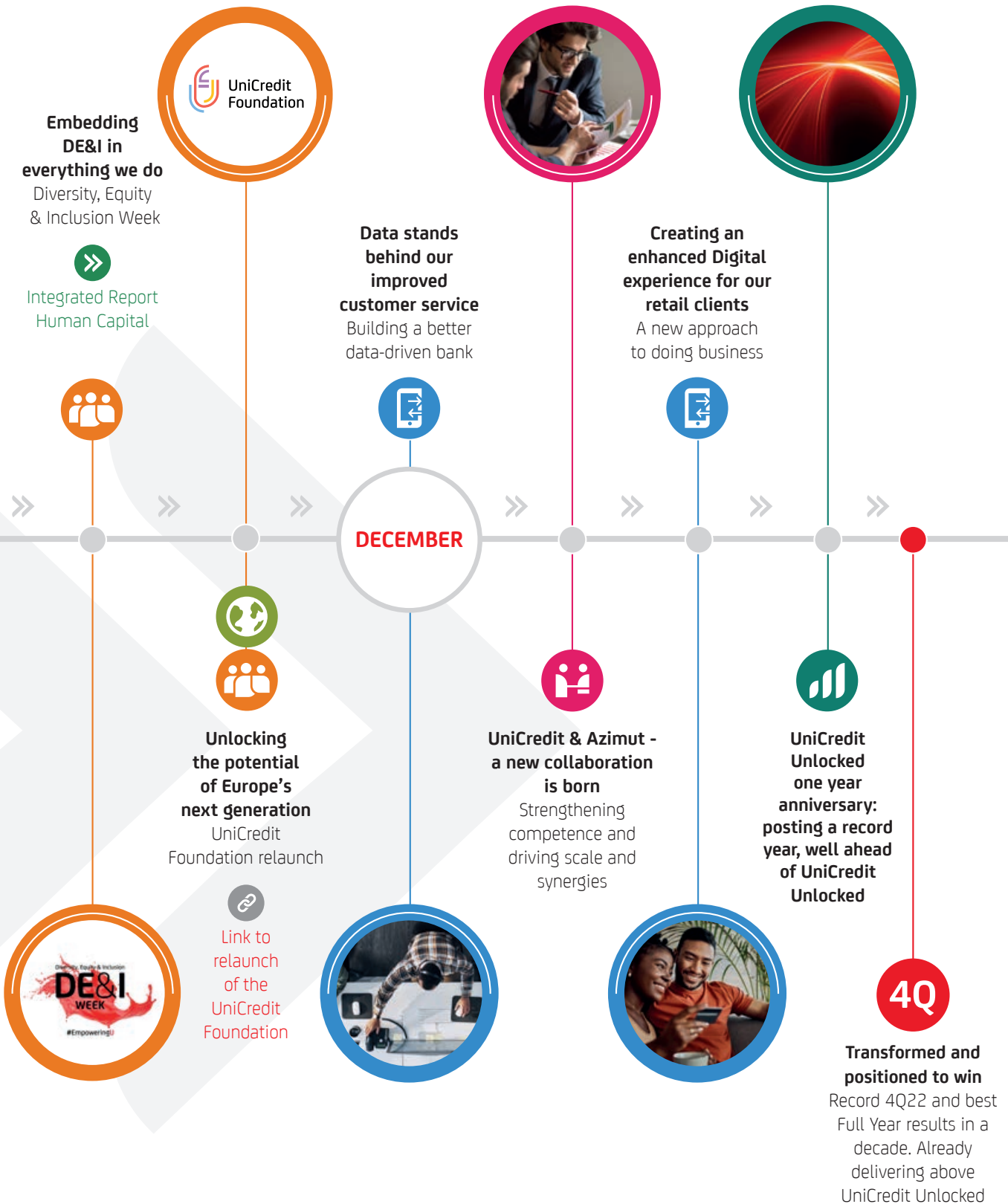
**A market leader in financing for renewables**  
 UniCredit Serbia leads renewable project financing



3Q

Proof of a transformed UniCredit







# Letter from Head of Group Strategy & ESG



What we ask of ourselves, we also expect 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 for a just and fair transition.

At UniCredit we believe that leading by example is the right thing to do: **ESG is embedded** in everything we do, and one of the five strategic imperatives of **UniCredit Unlocked**. 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 and 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.

We know that fulfilling our uniting and common Purpose of **empowering communities to progress** would not be possible without the highest standards of ESG across our bank.

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 a **just and fair transition** for all, we work consistently towards having a **positive social impact** in line with our role and responsibilities as a social actor.

With a clear multi-stakeholder approach, we have been making strides to integrate all ESG factors into the bank's governance, business, risk and credit management, metrics and operations.

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.

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

cumulative ESG volume goal of €150bn over 2022-2024.)

We are committed to reach the Net Zero goal on financed emissions by 2050.

We recently published our targets on the first carbon intensive sectors, as Oil & Gas, Power Generation and Automotive, calculated according the International Energy Agency (IEA) Net Zero 2050 pathway as the benchmark scenario. We will ensure tangible progress with dedicated initiatives focusing on:

- Strengthening of advisory services for corporates in high emitting sectors
- Significantly boosting our sustainable lending (green loans and sustainability linked loans) to support our clients in their journey to decarbonise their operations and diversify away from carbon intensive sectors
- Support to clients in the development and scaling up of innovative climate solutions
- Targeted partnerships with companies specialised in sustainability for specific sectors.

All the above actions are complemented by our sector policies, including for Oil & Gas and Coal.

As a further demonstration of how ESG topics are embedded in everything we do, we are also part of the **Principles for Responsible Banking (including the PRB's commitment on Financial Health and Inclusion)**, the **Ellen MacArthur Foundation** network committed to **Circular Economy** and have signed up to the **Steel principles** and **Finance for Biodiversity Pledge** as the first bank from Italy at COP15. Lastly, UniCredit is the only bank in the CEO Alliance Action Tank focused on accelerating Europe's decarbonisation and digitalisation

We are likely to 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.

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.

To this extent, the social component of the ESG pillars has been further enhanced, given its importance. Also at governance level the social component has been spread across the relevant ESG functions to make sure it was treated with the same engagement.

Therefore in 2022 our **Social Strategy** has been further defined with enriching the initiatives and pursuing five strategic goals addressed to specific beneficiaries, in line with EU direction:

1. Foster financial inclusion and health of vulnerable people and enterprises
2. Support corporates to become more socially-oriented
3. Ensure communities sustainable progress, with focus on Youth and Education
4. Protect categories at higher risk of being negatively affected by the transition
5. Ensure positive work conditions for employees.

Moreover, in November the **UniCredit Foundation** launched its

new strategy, actively engaging in projects aimed at combating school dropouts, enhancing employability, encouraging university attainment and promoting study and research of our youth to empower Europe's next generation so they can unlock their full potential.

Our sustainability governance has been significantly strengthened in recent years at both steering and execution levels, underpinning the drive to further integrate ESG criteria into the Group's overall business strategy.

Furthermore, ESG matters are increasingly embedded across our Group through dedicated teams and experts in several Group functions which manage specific ESG aspects according to the area of competency.

**Education and training** are fundamental to the Culture of our bank and to our Values of **Integrity, Ownership and Caring**. It is a core area we continue to work on both, internally and externally. As an example, in 2022, we reached more than 289k beneficiaries, such as the young, women and vulnerable individuals, through Financial Education and Financial and ESG Awareness initiatives, externally.

Internally, we launched our **ESG University** last year, which has dedicated learning resources and training programmes for

all colleagues across the Group, including online courses on ESG available to all staff aimed at stepping up general ESG awareness and knowledge across the Group, as well as more targeted courses for specific roles that are increasingly engaged on ESG topics in their daily work. The latter have been developed together with experts from universities. We're also providing dedicated ESG programmes for our Group Executives, including in-person workshops, webinars and online resources.

**ESG education and training** is also a key area where we support **Teach For All** across seven of our markets in Europe (Austria, Bulgaria, Germany, Italy, Romania, Slovakia and Serbia) - sharing our expertise to train their teacher who teach in disadvantaged areas to ensure equal access to quality education for all.

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 Europe's future.

### **Fiona Melrose**

Head of Group Strategy & ESG



## How we unlock our potential



### Financial Capital

We delivered a full year net profit of €5.2 billion, our best results in over a decade. Our growth focus, cost discipline and capital efficiency have lifted RoTE to 10.7%, surpassing above the UniCredit Unlocked target. This includes substantial provisions taken as well as other proactive measures to enhance the existing lines of defence, reinforcing our rock-solid balance sheet and ability to weather ongoing uncertainty. We have now grown for eight consecutive quarters, clear evidence of a transformed UniCredit which has proven resilience and strength. Double digit net revenue growth year on year was underpinned by positive commercial momentum, a supportive interest rate environment, cost reduction while investing for the future and despite unprecedented inflation, and an ongoing low cost of risk. We ended the year with a strong CET1 Ratio fully loaded of 16% boosted by our best-in-class organic capital generation.



#### 2022 RESULTS

**€5.2bn**

Net Profit <sup>A</sup>

**10.7%**

RoTE <sup>B</sup>

**€5.25bn**

shareholder distribution <sup>C</sup>

**16%**

CET1 Ratio fully loaded



#### TARGETS

**>€4.5bn**

Net profit by 2024

**c.10%**

RoTE (by 2024)

**≥€16bn**

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

**12.5%-13%**

CET1 Ratio by 2024

<sup>A</sup> Stated net profit adjusted for AT1 and CASHES coupons and impacts from DTAs 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.

<sup>C</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.



### Human Capital

We launched a profound Culture transformation that puts our Values (Integrity, Ownership, Caring) at the heart of everything we do. We are committed to developing a positive work environment focused on productivity, personal and professional well-being, and the continuous engagement of our people.

We empower them to progress by valuing their skills, designing development plans, promoting diversity, equity and inclusion.



#### 2022 RESULTS

**c.€80m**

of one-off monetary investment to support employees against inflation growth

**c.€30m**

invested to ensure equal pay for equal work

**43%**

(+3p.p vs 2021)

women in Group Executive Committee

**36%**

(+3p.p vs 2021)

women in Leadership Team



#### TARGETS

**Ambition to ensure equal pay for equal work**

investing €100m by 2024

**Ambition to achieve gender parity**

across all organisational levels



## 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 a 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.



### 2022 RESULTS

**>442,000**

feedback provided by stakeholders

**€36.5m**

contribution to communities

**€4.8bn**

production of Social Lending



### TARGETS

**€10bn**

new production (2022-2024) Social Lending



## Intellectual Capital

In a context of growing demand for instant access to data and digitalized processes and services, coupled with the increasing complexity of cyber threats, we have progressed with the implementation of our Digital & Data strategy, a key component of our Group industrial plan, UniCredit Unlocked, announced in 2021.

In 2022 our activities were focused on our four priorities: to optimise our investment model, bring core competencies in-house, increase efficiency through a new way of working and, ultimately, to ensure a client approach focused on value creation. At the same time, we kept a high level of focus on cyber security risk, with continued investment in our detection and defense mechanisms in accordance with our Digital Security Strategy.



### 2022 RESULTS

**c.545**

hires in Digital & Data, mainly tech specialists

**-35%**

major cyber-security incidents

**18**

initiatives running in Agile



### TARGETS

**c.5,000**

colleagues participating in digital & data upskilling in 2022-2024

**99.95%**

availability of direct digital channels in 2024



## 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.

UniCredit's strategy is built on the so called double materiality approach, taking into account both an inside-out perspective and an outside-in perspective. We acknowledge the impacts that our operations and lending have on the environment and prepare to measure the business consequences of ecological stress and the associated socio-economic transition. Sustainable finance is a means to lead this transition: we play a strategic role in supporting our clients in their journey.

We are on track to achieve our target on ESG volumes. While we recently set our Net Zero sectoral targets on Oil&Gas, Power Generation and Automotive for 2030, we are defining a Group roadmap to achieve Net Zero on own emissions by 2030, leveraging on space optimization, energy efficiency, electricity from renewable sources and heating systems transformation. Finally, we achieved our plastic-free target, progressively removing single-use plastic items from all canteens, cafeterias and coffee and vending machines.

### 2022 RESULTS

**€28.7bn**

Assets under Management conversion towards ESG investments

**€11.4bn**

new environmental lending

**€12.8bn**

total ESG Debt Capital Market origination

**100%  
single-use  
plastic free**

target achievement

**14%**

reduction of GHG emissions vs last year

### TARGETS

**€65bn**

Assets under Management conversion towards ESG investments

**€25bn**

new environmental lending

**€50bn**

total ESG Debt Capital Market origination

**Net Zero**

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

### 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

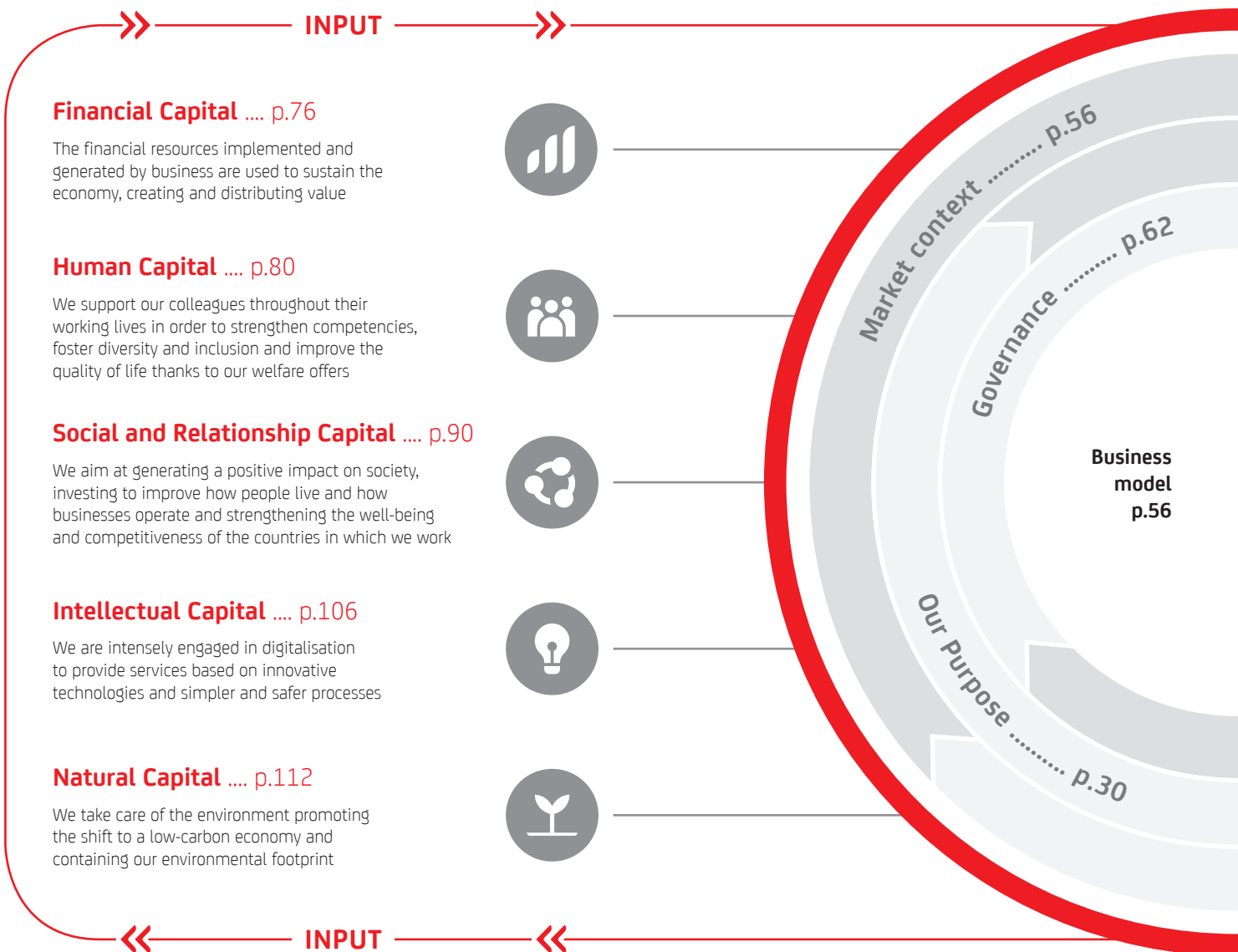
With our uniquely pan-European footprint and heritage, UniCredit is the bank for Europe's future. We are creating something that is built to last, that is beneficial to all our stakeholders and that is greater than the sum of its parts.

## OPTIMISE TODAY: DELIVER OUR SUCCESSFUL TRANSFORMATION

We are building the bank for Europe's future, putting our clients at the heart of all that we do, inspiring our people and ensuring sustainable returns



## ADOPTING A COMMON VISION AND THE RIGHT STRATEGY



**A CLEAR VISION FOR ALL OUR STAKEHOLDERS**



**People**

Win.  
The Right Way.  
Together.



**Investors**

Quality Growth.  
Operational and Capital Excellence.  
Best-in-class Sustainable Returns  
and Capital Generations.



**Communities**

Empowering communities  
to progress.

Understanding the challenges of current and future environment and the evolving needs of our stakeholders



**BUILD FOR TOMORROW**

We are placing clients at the centre, being a stronger bank uniquely positioned to navigate macro challenges, with sustainability embedded throughout our strategy

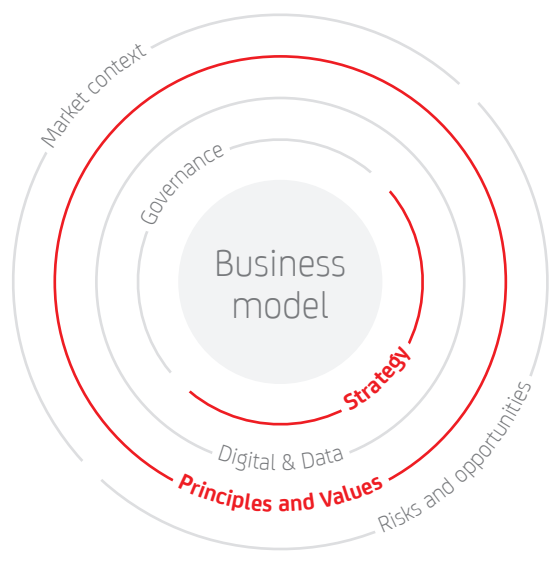




# Purpose & Strategy

# Building on strong fundamentals to be the bank for Europe's future

-  Financial Capital
-  Human Capital
-  Social and Relationship Capital
-  Intellectual Capital
-  Natural Capital



- Economic value
- Social value
- Environmental value

# Our Purpose: empowering communities to progress

When making decisions, taking actions, and communicating with colleagues, clients and people around us, our Purpose should always be top of mind.

Working every single day towards the delivery of our Purpose will give us the **financial strength** to achieve our **Ambition** to be the bank for Europe's future.

By acting as the engine of social progress, we remain committed to building a **Culture** that puts **our Values** at the heart of our decision-making and everything we do.

## OUR VALUES DETERMINE HOW WE ACT AND SHAPE THE DECISIONS THAT WE MAKE EVERY DAY



## Defining a new Culture, a journey towards what we want to become

Defining and spreading a new Culture is not something that happens overnight. We have embarked on a journey with a clear understanding of what we want to become, how we want to serve our clients and the role we want our

bank to play in the communities in which we operate. In 2022, we launched a profound Culture transformation led by our Group Executive Committee members and to be extended to all our stakeholders.

## A PROFOUND CULTURE TRANSFORMATION: 2022 MAIN INITIATIVES





# Our Strategy: one year into UniCredit Unlocked



“

UniCredit is a transformed bank, with a clear vision and winning strategy: moving at an unprecedented pace, ready to face and take advantage of the future.

**Andrea Orcel**

Chief Executive Officer UniCredit S.p.A.

A year ago we set our Purpose of empowering communities to progress and set out our **UniCredit Unlocked strategic plan**. The goal of our strategy is to unlock the value inherent in UniCredit via an industrial transformation combined with three financial levers of net revenue growth, operational efficiency and capital efficiency.



This year, the disclosure on UniCredit Unlocked Strategy is fully depicted in the Annual Report, in a dedicated section.

# Our ESG Strategy

In line with our Ambition to be the bank for Europe's future, **Environmental, Social and Governance (ESG) considerations** are a core part of our Culture and mindset.

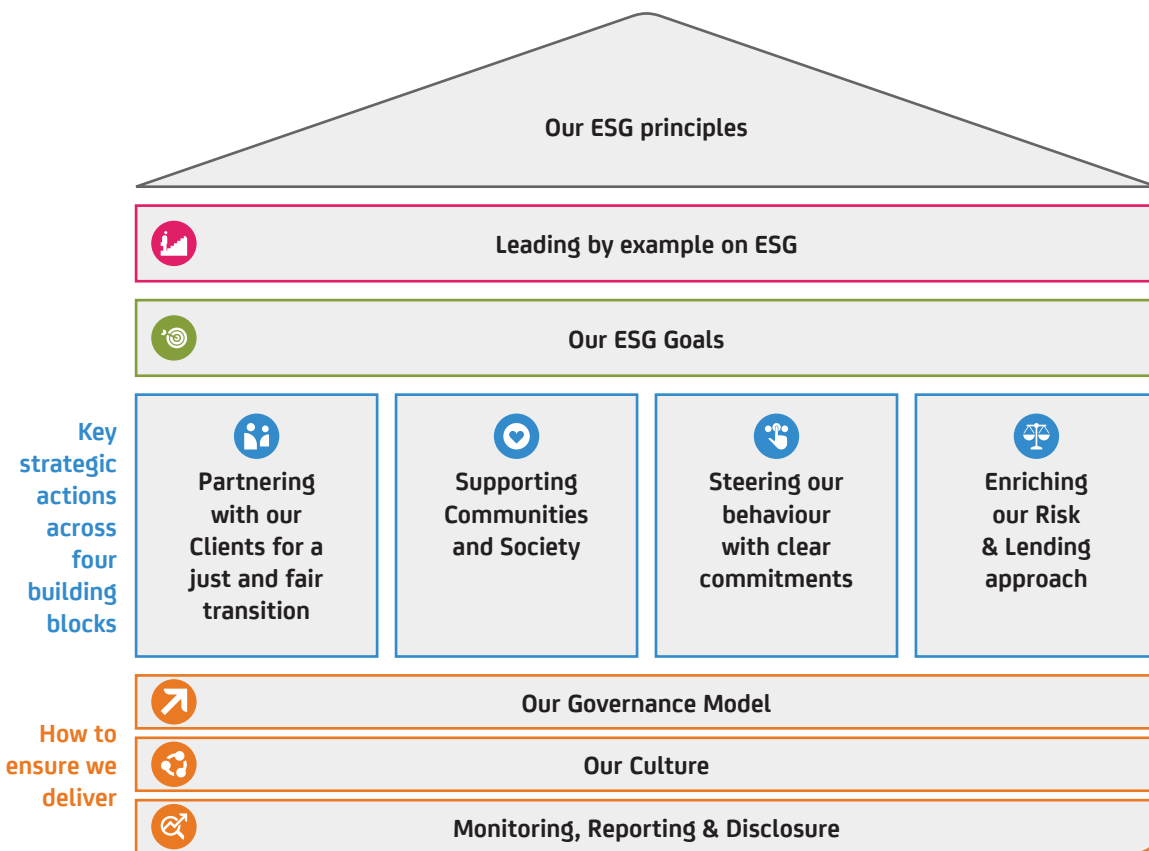
Sustainability guides and informs every decision we make and all actions we take.

We also know that fulfilling our Purpose of **empowering communities to progress** would not be possible without the highest ESG standards across our bank, driving sustainable growth.

Our ESG strategy is built around interrelated elements (from the top):

- **ESG principles**, representing our important milestones woven through UniCredit Unlocked
- **Leading by example**, striving for the same high standards that we seek from those we do business with
- setting **ambitious ESG goals** to support a just and fair transition for our clients
- equipping ourselves with tools to assist clients and communities in navigating the **environmental and social transition through strategic sustainable actions** across our building blocks
- **embracing and investing the resources** needed to deliver and reach our ambitious targets and long-term commitments, through a strong Governance Model, embracing our Culture and delivering quality Monitoring, Reporting and Disclosure.

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



In 2022, we reshaped our targeted country approach, embedding it into our four strategic actions. Countries have indeed defined their priorities for 2023 and prepared country ESG plans detailing their local strategic actions:

- **Italy:** we will focus on further developing the ESG country plan working on enhancing the service model, developing new solutions, strengthening internal competences through specific training programs and enlarging our sustainable value proposition
- **Germany:** we will continue to increase our transition

finance capabilities, develop our sustainable product and service offerings, use cross divisional synergies, leverage on Group-wide knowledge and build new cooperation models /partnerships

- **CE&EE:** we will continue to focus on supporting our clients in transition towards a more sustainable society to become a benchmark in CE & EE markets for ESG products and deals.

Moreover, most Countries will focus on Social Contribution projects mainly aiming to support young or to develop educational programs for fragile categories.<sup>1</sup>

<sup>1</sup> Refer to deep-dive on UniCredit Social Strategy in this chapter for more information.



## OUR ESG PRINCIPLES

OUR 3 ESG PRINCIPLES HAVE INSPIRED THE DEVELOPMENT OF NUMEROUS INITIATIVES RELATED TO THE E, S AND G DIMENSIONS IN 2022



Our 3 ESG principles are important milestones not only for our Culture and our way to do business, but also for the vision we are building together with all the stakeholders to support a just and fair transition broadly.

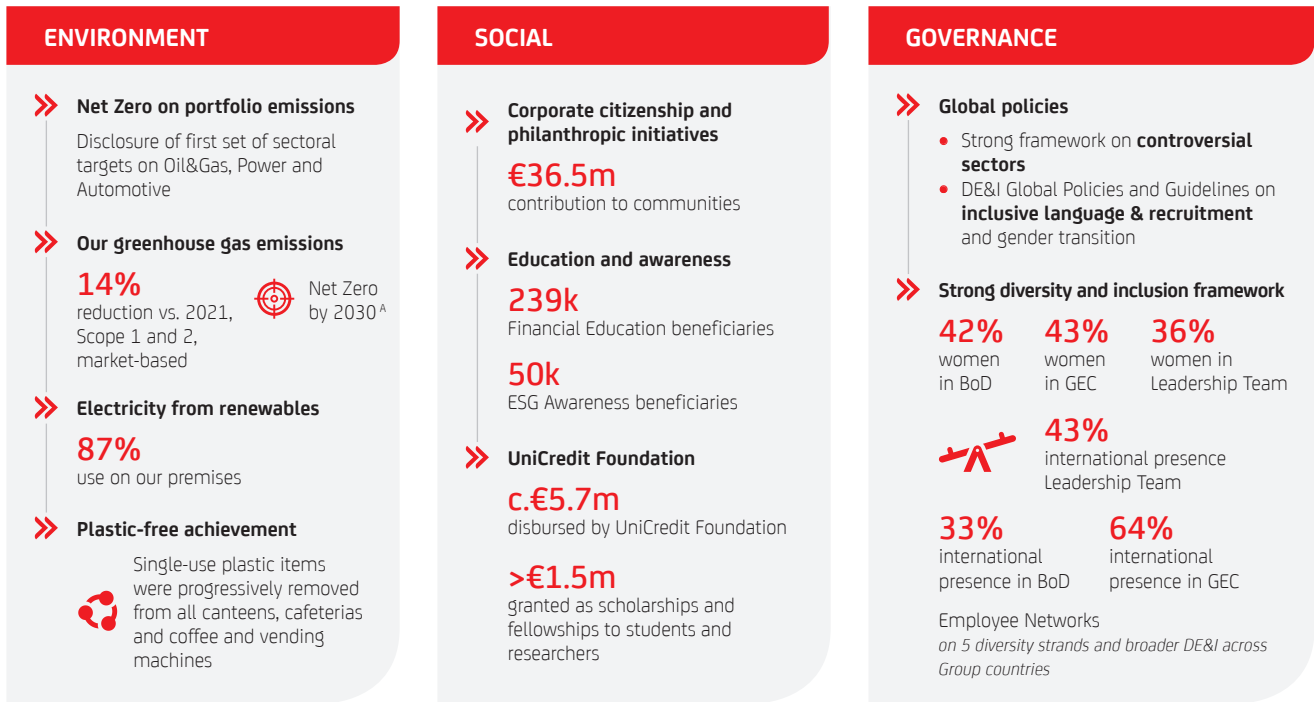
They have inspired the development of numerous initiatives, partnerships and commitments related to the E, S and G dimensions in 2022, becoming the optic which we drive our

approach with. They also represent the way we build our network in order to decline them effectively in favor of the communities. We cannot achieve our goals, without relevant partners who accompany us in this journey to the transition, defining and implementing our initiatives, and multiplying the influence we can enhance on the importance of ESG in the business and in the communities.



## LEADING BY EXAMPLE ON ESG

Reflecting the key principle that, as an organisation, we should lead by example in the green and social transition, we wish to maintain our leadership position on the ESG global landscape.



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

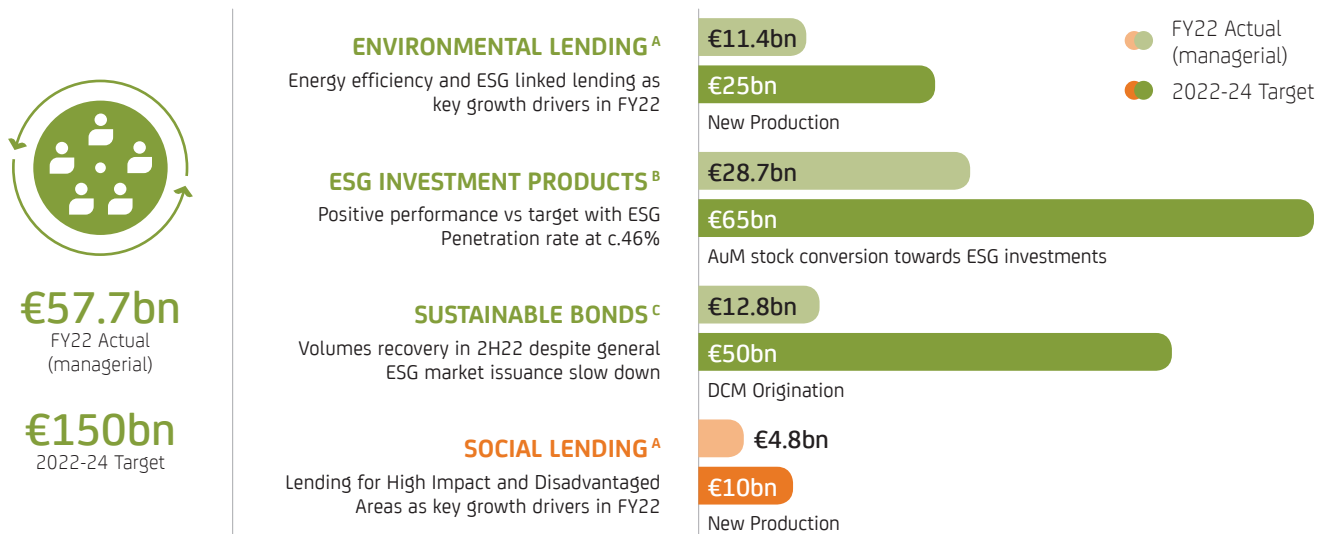


## OUR ESG GOALS

We have set ambitious ESG targets for all areas of our business as part of our strategic plan, including a strong commitment to constantly increase our social impact and support for the transformation of communities. Our

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

## OUR ESG GOALS AND TARGETS



<sup>A</sup> Including ESG-linked lending.

<sup>B</sup> Based on Art. 8 and 9 SFDR regulation.

<sup>C</sup> All regions, including sustainability linked bonds.



## KEY STRATEGIC ACTIONS ACROSS 4 BUILDING BLOCKS



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

Partnering with our Clients for a just and fair transition is implemented in three main strategic actions:

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

In order to even better focus our actions we are developing strong partnerships both at global and local level and we are constantly looking into innovation within the ESG area

### DEEP-DIVE

#### PRODUCTS & SERVICES FOR TRANSITION: SUSTAINABLE FUTURE FINANCING

In 2022 UniCredit launched an innovative loan programme called **Finanziamento Futuro Sostenibile** (Sustainable Future Financing) in Italy. It is designed to **support companies engaged in improving their sustainability profile**, in line with the action plan launched by the bank in support of PNRR (Italy's Recovery and Resilience Plan) promoting the country's recovery by leveraging a return to consumption and an acceleration of digital and ecological transformation.

At the time of disbursement, the bank directly recognises a reduction in the rate compared to the standard conditions for these operations, with subsequent verification of the achievement of at least **two ESG improvement objectives**, set at the time the loan is agreed.

UniCredit establishes **three categories of objectives related to Sustainable Future Financing**:

- environmental protection
- improvement of social responsibilities in the community
- ethical business management.

The bank monitors the performance of the results achieved by the company, which are disclosed through self-certification or dedicated statement in the notes to the client company's financial statements.

As of December 2022, 273 transactions have been carried out amounting to €553m. Among the many operations, it is worth highlighting €50m loan to support **Unoenergy S.p.A.**, an Italian energy and gas generator and distributor. The loan will support the company in a broader business development plan, aimed at increasing alternative energy sources through the installation of photovoltaic systems and the creation and management of energy communities, involving the use of low-cost shared energy.



UniCredit supports our ongoing commitment to putting quality and service at the heart of all that we do, and, even and especially in these trying times, this allows us to continue to create value for our customers, people and communities.

**Fabio De Martini**  
Unoenergy S.p.A.'s CEO



## 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, implemented in our Social Strategy: **Deep-dive**

- **social finance**
- **social contribution**<sup>A</sup>
- **support to our employees**<sup>B</sup>

## DEEP-DIVE

### UNICREDIT SOCIAL STRATEGY

#### THE CONTEXT: THE SOCIAL CHALLENGES

We are aware that our countries face different social challenges, with their social priorities reflected in EU programmes.

**EU social taxonomy represents** a first attempt to define a full framework which we may take into account to build our social offer

#### OUR ROLE: EMPOWERING COMMUNITIES TO PROGRESS

**Empowering communities to progress** entails the enhancement of our approach to social factors by leveraging the solid position and strong synergies already built with Social Impact Banking and UniCredit Foundation. Our PRB<sup>B</sup> financial inclusion and health commitment is proof of our wish to invest in our social approach

#### WHERE DO WE WANT TO GET TO: OUR FIVE STRATEGIC GOALS



##### CUSTOMERS



Foster financial inclusion and health of **vulnerable people**



Support **corporates** to become more socially-oriented and inclusive organizations



Ensure communities sustainable progress, with focus on **Youth and Education**



Protect categories at higher risk of being **negatively affected by the transition**



Ensure positive work conditions for **employees**

#### HOW WE DO IT: THE THREE LEVERS OF OUR SOCIAL ACTION



#### SOCIAL FINANCE:

- Support **our countries** to better focus on **own challenges** and adapt offer considering local specificities
- **Enhance dedicated funding** (e.g. Sustainable Bonds) to better target vulnerable categories
- Progressively incorporate social elements in **our risk management framework**
- Enlarge our product offer with **innovative solutions** (e.g. investments, insurance, cooperation with fintechs)
- Approach more structurally **public-private partnerships**

#### SOCIAL CONTRIBUTION:

- Increase our contribution, focusing more on specific projects related to **youth, education and just transition**
- Reinforce key role of the **UniCredit Foundation** to build our distinctiveness in support to Youth and Education

#### SUPPORT TO OUR EMPLOYEES:<sup>C</sup>

- Grant flexibility, well-being and focus people caring
- Enhance our commitment to Diversity, Equity and Inclusion

<sup>A</sup> Refer to the Social and Relationship Capital chapter for more information.

<sup>B</sup> Principles for Responsible Banking.

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



## 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 at 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 relevant to UniCredit that are susceptible to special environmental and social risks.

The policies are regularly reviewed in order to keep the framework up-to-date: the Free-Tobacco Finance Pledge was signed at the beginning of 2022. We are assessing all the levers we can implement to reach the Net Zero goal on our own emissions and financed emissions<sup>A</sup>

## DEEP-DIVE

### OUR COMMITMENT TO BIODIVERSITY AND CIRCULAR ECONOMY



UniCredit is the first Italian bank among 15 financial institutions to sign up to the **Finance for Biodiversity Pledge**.

The Pledge members jointly call for and commit to **taking ambitious action on biodiversity to reverse nature loss in this decade**.

UniCredit is joining the FfB Foundation as a collaborating member with the aim to facilitate collective action needed to accomplish the Foundation's mission of supporting a call to action.



UniCredit has also become a **Member of the Ellen MacArthur Foundation international charity network** in support of our efforts to **accelerate the circular economy transition across our countries**.

The Foundation is committed to creating a global circular economy driven by design to eliminate waste and pollution, circulate products and materials and regenerate nature.

These **new commitments** are fully in **line with our Net Zero pledge** and **overall ESG strategy** and with **our Purpose of empowering communities to progress** as we actively engage to ensure a more sustainable and equitable future for all.



## KEY STRATEGIC ACTION ACROSS 4 BUILDING BLOCKS



### Enriching our Risk & Lending approach<sup>A</sup>

We are **expanding our monitoring of environmental risks**, looking also at the outcomes of the 2022 European Central Bank Thematic Review on climate-related and environmental risks.

Moreover, we are setting up the basis for progressively incorporating **social elements into the risk management framework**

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



## OUR THREE UNDERLYING DRIVERS



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

Our strong corporate governance supports the integration of ESG factors in the bank's strategy, core business and operations.

In this respect, it is important to define internally what exactly is considered ESG in order to prevent the related risks of greenwashing and social washing and to be aligned with **new disclosure requirements, metrics and standards** (i.e. EU Taxonomy).

We have shared internally our **ESG Product Guidelines** which apply to all Group countries and aim to define a comprehensive **methodology for the classification and reporting of UniCredit's ESG offer**.

The document will be **regularly reviewed** to amend or include additional qualifying activities and/or criteria based on market trends or business needs and to comply with upcoming regulatory requirements.



### Our Culture<sup>B</sup>

Our Culture is the blueprint of how our bank will operate, with our Values, Purpose and Ambition working in synergy to deliver to all stakeholders.

**Our DE&I framework and ambitions** are designed to fuel change, innovation and sustainable growth by building a more diverse, inclusive and equitable working environment.

Moreover, we continue to invest in the **professional development of our people<sup>B</sup>** through upskilling and reskilling programmes and to foster employee engagement in order to create a positive working environment.



### Monitoring, Reporting & Disclosure

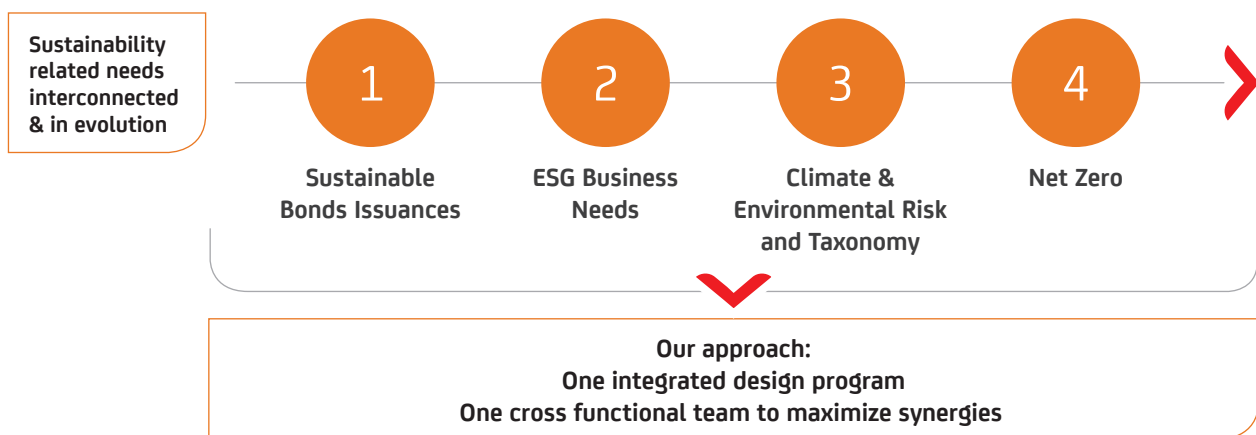
#### DIGITAL AS KEY ENABLER FOR OUR ESG STRATEGIC PRIORITIES

We are working to develop an ESG Global Architecture that will allow us to automate data collection to fulfill different needs:<sup>C</sup>

- flag **Sustainable assets eligible** for Bond issuance, according to our Sustainable Bond Framework's criteria
- monitor **commercial volumes** for the entire perimeter of **our ESG business targets** and develop **ESG advisory solutions** for our clients
- **integrate ESG data by counterparty** in the credit and risk strategies and assess economic activities' **ESG taxonomy alignment**
- define **baseline for the high GHG emitting sectors, set targets and action plans to reach Net Zero**.

Data not available in the bank's systems will be collected following a data strategy that leverages both external data providers and a client survey.<sup>D</sup>

This cross-functional approach involves several functions within our organization and allow us to analyse needs in an integrated manner in order to maximize synergies.



<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 Intellectual capital chapter for more information.

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

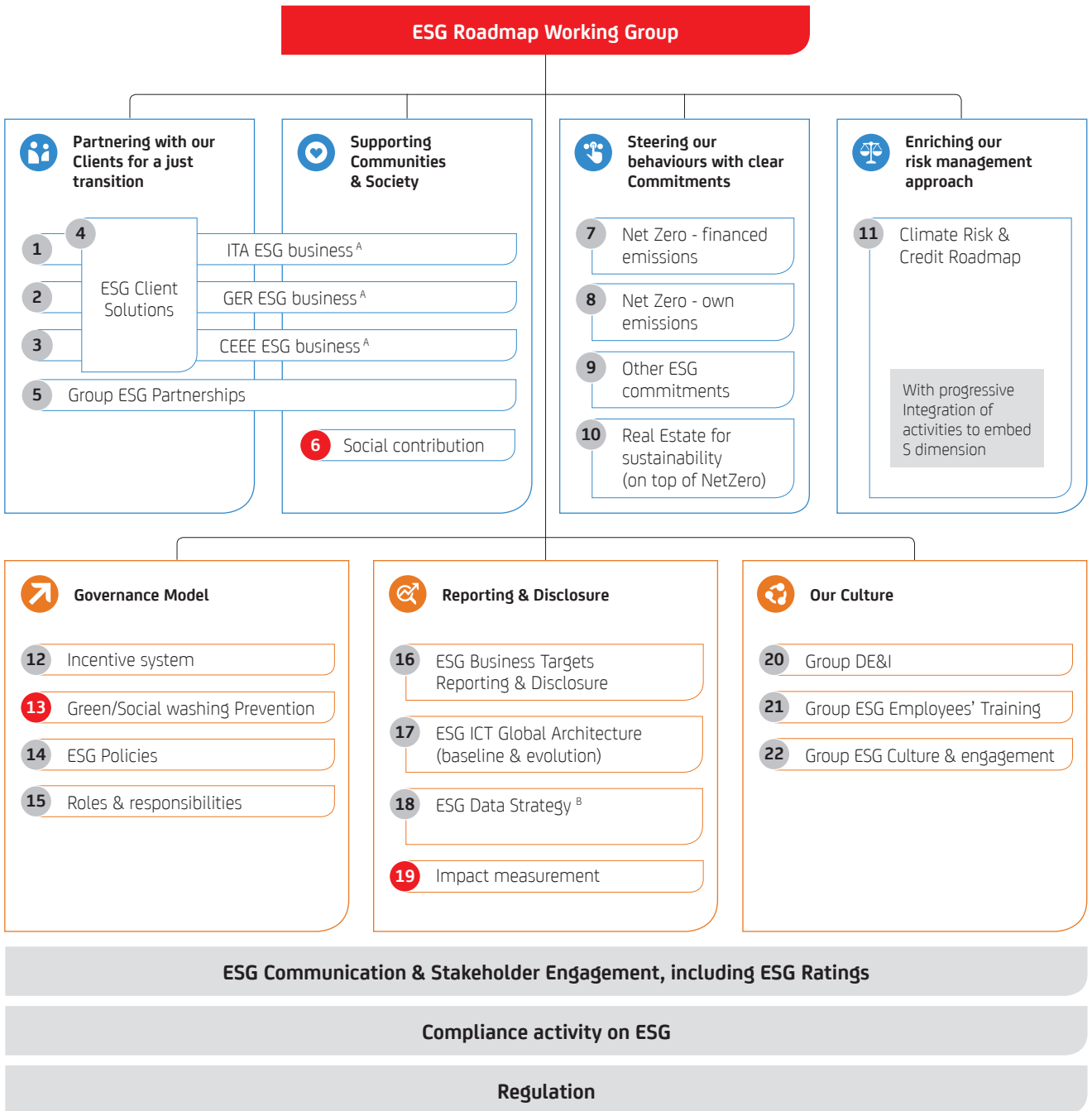


# Group ESG Roadmap

UniCredit's ESG Strategy is embodied in the ESG Roadmap which is our operative tool to work on ESG priorities across the organisation, with several workstreams reflecting the key strategic actions described above.

For 2023, we have reviewed the Group ESG Roadmap key streams to reflect our progress and ESG priorities.

## THE NEW GROUP ESG ROADMAP 2023



● New streams

<sup>A</sup> Business streams: Including E, S products, advisory model, partnerships, Innovation;




<sup>B</sup> Current focus specifically on Credit Risk, also part of Climate Risk & Credit Roadmap.

# Our Net Zero journey

## DISCLOSING FIRST SET OF SECTORAL TARGETS<sup>2</sup>

In October 2021 we joined the Net-Zero Banking Alliance targeting Net Zero emissions on our financing portfolio by 2050.

A working group was set-up to define and disclose targets on the priority sectors by April 2023 and monitor our decarbonization trajectory.<sup>3</sup>

Sector	Scope	Value Chain	Metric	2021 Baseline	2030 Target	Scenario Benchmark <sup>4</sup>
 OIL & GAS	Scope 3 Category 11	Upstream, Midstream, Downstream	Financed Emissions	21.4 MtCO <sub>2</sub> e	-29% reduction (15.2 MtCO <sub>2</sub> e)	IEA NZ 2050 (World) <sup>5</sup>
 POWER GENERATION	Scope 1	Power Generation	Emission Intensity	208 gCO <sub>2</sub> e/kWh	111 gCO <sub>2</sub> e/kWh	IEA NZ 2050 (Europe)
 AUTOMOTIVE	Scope 3 Category 11 Tank-to-wheel	Automotive manufacturers (Light-duty Vehicles)	Emission Intensity	161 gCO <sub>2</sub> /vkm	95 gCO <sub>2</sub> /vkm	IEA NZ 2050 (World)

### HOW WE SET OUR TARGETS?

As recommended by the NZBA, PCAF,<sup>6</sup> and other relevant industry guidance, the baseline was estimated, and targets were set based on the emissions profile of the bank's lending portfolio (drawn amount), focusing on SME and Large Corporates.

**The baseline was calculated on the on balance sheet lending drawn exposure at 31/12/2021 for all three priority sectors.**

For each sector we selected the value chain segments where emissions are most material and where data is available.

Clients have been segmented based on the Nomenclature of Economic Activities (NAE).

For each sector client's direct emissions (scope 1) and indirect emissions (scope 2 and 3) have been analysed.

The decision to ultimately include them in the final metric was based on the materiality of emissions, data, methodology and scenario benchmark availability. As advised by PCAF, the company value was measured using **the EVIC (Enterprise Value including Cash) with the dynamic approach**. If unavailable (e.g., in the case of an unlisted company) we used the Book Value of Debt and Equity or Total Assets as a last resort. We selected the **International Energy Agency (IEA) Net Zero 2050 Scenario as reference scenario for all three priority sectors and 2030 has been selected as the reference year for intermediate targets**.

The **data** has been evaluated with the **PCAF scoring** with the aim to improve data quality over time.

<sup>2</sup> The three priority sectors selected represent carbon-intensive sectors for which data and net-zero climate scenario benchmarks are more widely available, guidance and methodology are well-established. Moreover, these three sectors present high materiality within the bank's portfolio. Targets for the remaining identified high-emitting sectors will be disclosed in the future within the timeline set forth by the NZBA.

<sup>3</sup> Refer to TCFD Report 2021 for more information.

<sup>4</sup> Based on IEA World Energy Outlook 2022.

<sup>5</sup> With reference to fossil fuels (oil, gas) and alternative fuels.

<sup>6</sup> <https://carbonaccountingfinancials.com/standard>.



### OVERVIEW OF KEY DESIGN CHOICES

Key Design Choices	
Activities	Upstream, midstream, & downstream, and integrated companies <sup>A</sup>
Emission Scope	Scope 3 Category 11 (leveraging on production and emission factors)
Metric	Financed Emissions
Financing Activities	Corporate lending book: drawn exposure
PCAF Score	3.2
Scenario	IEA NZ 2050 (World) oil and gas

To ensure comprehensive emissions coverage, the end-to-end value chain was considered, including the upstream, midstream, and downstream segments of the Oil & Gas sector.

The assessment of sector emissions is focused on Scope 3 emissions, based on materiality, as well as on existing scenario benchmark. Scope 3 emissions account for approximately 90% of emissions in the sector for UniCredit's portfolio. Commodity traders and diversified companies were considered only above a materiality threshold of more than 2% of total portfolio financed production, and 1% of total counterparty financed production.

To calculate the baseline and target, the absolute financed emissions metric was used.

## 7.8bn

in-scope portfolio drawn exposure as of 31/12/2021

### BASELINE ESTIMATION

Input	Data Source
Financials (incl. exposure, revenue, company value)	Internal
T0 Emissions	Scope 3 - Computed using production and emission factors
Production (by tech type)	External data providers
Emission factors (baseline estimation)	IEA
Baseline financed emissions	21.4Mt CO <sub>2</sub> e.
On balance sheet lending (drawn exposure)	EUR 7.8bn

To calculate scope 3 financed emissions, the following data inputs were used:

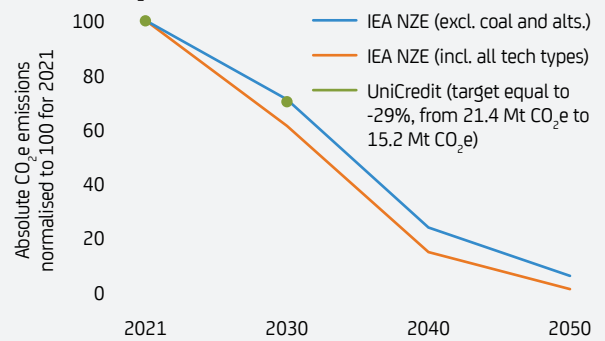
- Counterparty-level emissions data: Scope 3 Category 11 emissions for each company are computed leveraging production data, as well as emission factors for each technology type (Coal, Oil, Gas, Renewables)<sup>B</sup>
- Counterparty-level financial data: Company value and drawn exposure of the lending book is used to calculate the bank attribution factor (Exposure / Company Value).

The 2021 baseline Scope 3 financed emissions for the Oil & Gas portfolio has been estimated at 21.4Mt CO<sub>2</sub>e.

### TARGET-SETTING

We decided to align our 2030 target with the IEA Net Zero Emissions (NZE) scenario including oil and gas.

#### Absolute CO<sub>2</sub>e Emissions IEA NZ Reduction Pathway



IEA NZE scenario including coal implies a 39% reduction in absolute emissions between 2021 and 2030. The bank elected to align to the benchmark excluding coal, bioenergy and waste in order to remain congruent with the bank's internal policies (e.g., coal exclusion policy<sup>C</sup>). Considering these fuel types, the IEA NZE implies a 29% reduction rate in absolute emissions between 2021 and 2030 which was adopted as target applying this to the initial baseline of 21.4Mt CO<sub>2</sub>e.

## 15.2Mt CO<sub>2</sub>e

2030 scope 3 financed emissions target

On Coal, phase out by 2028 strategy and related policy are already in place.<sup>D</sup>

<sup>A</sup> Considering NACE codes 06.10, 06.20, 09.10, 19.20, 35.21, 46.71, 47.30, 49.50 (some of which included due to original DQ checks / DB allocations, further refined through data quality checks). Excluded trade and distribution companies, consistent with market practice.

<sup>B</sup> Scope 3 emissions are computed for upstream, integrated and downstream companies. They are not computed for midstream companies, in line with current literature.

<sup>C</sup> A minimal amount of residual coal is present in the baseline portfolio (lower than 1%).

<sup>D</sup> Green financing is allowed beyond 2028 only for no coal developer (no increase in coal business since Sep. 2020) and if they have a phase out plan in line with their National Energy & Climate Plan.



## POWER GENERATION

### OVERVIEW OF KEY DESIGN CHOICES

Key Design Choices	
Activities	Power Generation <sup>A</sup>
Emission Scope	Scope 1 (leveraging on production and emission factors)
Metric	Physical Intensity
Financing Activities	Corporate lending book: drawn exposure
PCAF Score	3.6
Scenario	IEA NZ 2050 (Europe)

Carbon emissions from power generation were considered, since they account for more than 90% of total emissions in the power value chain.

The focus was on Scope 1 emissions, the most material for the sector. Scope 2 and 3 emissions were not considered, given their small impact in the overall power value chain and because of limited data availability.

Portfolio-weighted physical intensity of carbon emissions per unit of energy was used as key metric to calculate the baseline and set a target.

## 8.9bn

in-scope portfolio drawn exposure as of 31/12/2021

### BASELINE ESTIMATION

Input	Data Source
Financials (Exposure)	Internal
T0 Emissions	Scope 1 - Computed using production and emission factors
Production (by tech type)	External data provider
Emission factors	IEA
Emission factors (baseline estimation)	IEA NZ2050
Baseline financed intensity	208 gCO <sub>2</sub> e/kWh
On balance sheet lending (drawn exposure)	EUR 8.9bn

The following key inputs were used to calculate the emissions intensity: counterparty-level production data and counterparty-level emissions data sourced from an external data provider.

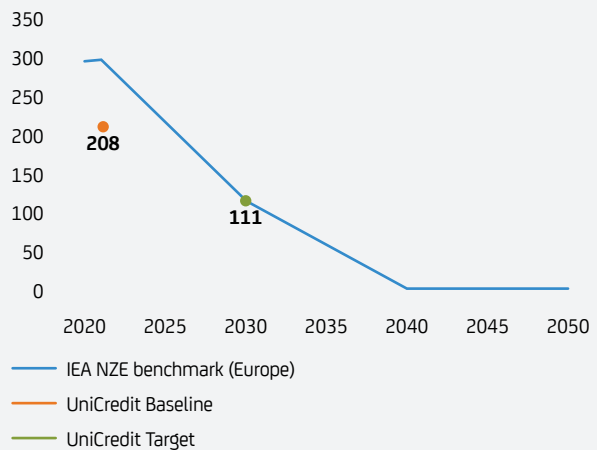
Scope 1 emissions were calculated by applying an emissions factor to the power generated by technology type. The emissions factor was computed from the IEA dataset, using total emissions and generation per technology type.

**The 2021 baseline Scope 1 physical intensity of the Power sector has been estimated at 208 gCO<sub>2</sub>e/kWh.**

### TARGET-SETTING

2030 targets are aligned with the IEA Net Zero Emissions (NZE) scenario. The share of Europe for production and emissions data were used because the majority of the bank's portfolio is based in Europe.

NZE Power Generation Emission Intensity (gCO<sub>2</sub>/kWh)



According to the IEA NZE scenario focused on Europe, physical intensity was at 295 gCO<sub>2</sub>/kWh in 2021. The bank's physical intensity for 2021 was 208 gCO<sub>2</sub>e/kWh, which is lower than the benchmark, reflecting the ongoing effort to finance cleaner projects and counterparties.

## 111gCO<sub>2</sub>e/kWh

**2030 convergence target in line with the benchmark and market practices for the Power Generation sector**

<sup>A</sup> Identified through NACE 35.11.



## AUTOMOTIVE

### OVERVIEW OF KEY DESIGN CHOICES

Key Design Choices	
Activities	Automotive Manufacturers <sup>A</sup>
Emission Scope	Scope 3 Category 11 Tank-to-Wheel (leveraging on production and emission factors)
Metric	Physical Intensity
Financing Activities	Corporate lending book: drawn exposure
PCAF Score	3.0
Scenario	IEA NZ 2050 (World)

The analysis was focused on producers of Light Duty Vehicles, which include passenger cars and light trucks, in line with market best practices and guidance, and with current data availability.

The assessment of the portfolio's emission profile focused on Scope 3 category 11 Tank-to-Wheel (TTW) emissions, on which auto manufacturers have more levers for decarbonization, like the shift to electric vehicles and improved fuel efficiency.

The primary metric for the Automotive sector was an exposure weighted, physical intensity metric (gCO<sub>2</sub>/vkm), measuring Scope 3 Category 11 TTW emission intensity of new Light Duty Vehicles produced.

The in-scope portfolio drawn exposure amounted to 1.8bn EUR as of 31/12/2021.

## 1.8bn

in-scope portfolio drawn exposure as of 31/12/2021

### BASELINE ESTIMATION

Input	Data Source
Financials (Exposure)	Internal
TO Emissions	Scope 3 Category 11 TTW - Computed using production and emission factors
Production (by tech type)	External data providers
Emission factors (baseline estimation)	Environmental Protection Agency (EPA)
Baseline financed intensity	161 gCO <sub>2</sub> /vkm
On balance sheet lending (drawn exposure)	EUR 1.8BN

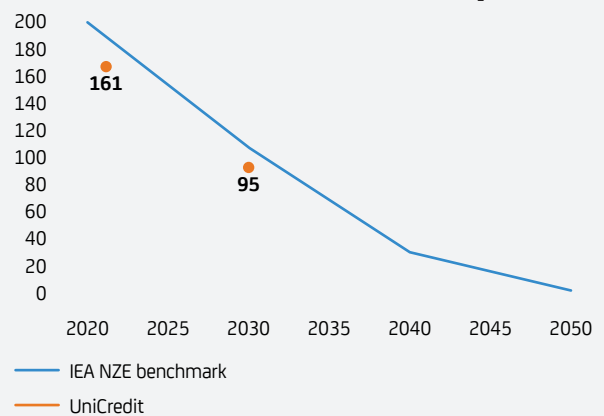
<sup>A</sup> Identified through NACE 29.10.  
<sup>B</sup> From IEA GFEI 2021 initiative.

The following data inputs were used to calculate the emissions intensity: counterparty-level production data (number of vehicles produced, per technology type) and counterparty-level Scope 3 Cat. 11 TTW emissions of new vehicles sold, calculated by applying an emissions factor (CO<sub>2</sub>) to the production data, by technology type and manufacturer. The emissions factor is sourced from the EPA and it is adjusted to geographies through regional multipliers.<sup>B</sup>

### TARGET-SETTING

The IEA NZE 2050 scenario was selected as the benchmark to measure portfolio alignment due to the availability of a dedicated pathway for the automotive sector, its credibility, and alignment with NZBA guidelines.

#### NZE Automotive Emission Intensity TTW (gCO<sub>2</sub>/vkm)



The scenario estimates physical intensity to be 184 gCO<sub>2</sub>/vkm in 2021. IEA NZE 2050 Scenario reflects an emission intensity target inclusive of the entire existing fleet, while the bank's baseline is calculated based on physical intensity associated with manufactures' new vehicles sales only, based on external data availability and market practice.

The bank's 2021 161 gCO<sub>2</sub>/vkm baseline physical intensity is already below the 2021 physical intensity implied by the IEA NZE 2050 Scenario (184 gCO<sub>2</sub>/vkm).

## 95gCO<sub>2</sub>/vkm




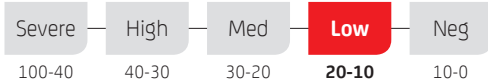



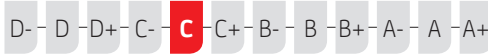
















2030 interim convergence target implying a reduction of 41% compared to the baseline value

# ESG ratings and indices

The Group Investor Relations team, with the support of the ESG team, proactively and reactively interacts with the ESG rating agencies with the aim of communicating and monitoring the Group sustainability strategy and improving


our positioning and disclosure.

Our sustainable performance is reflected in the key external ratings.

		<ul style="list-style-type: none"> <li>• Robust integration of ESG practices in lending</li> <li>• Included in the Bloomberg MSCI Green Bond Index</li> </ul>
		<ul style="list-style-type: none"> <li>• ESG Risk Rating improved at "18.30" from "22.0"</li> <li>• Low exposure to and strong management of material ESG issues</li> </ul>
		<ul style="list-style-type: none"> <li>• Positioned within the Management band with "B" score</li> <li>• Avg. rating for Financial services is "B-", for Europe is "B" and the Global Average is "B-"</li> </ul>
		<ul style="list-style-type: none"> <li>• Ranked among the 10% of companies within the sector with the highest relative ESG performance</li> <li>• Prime companies are sustainability leaders in their industry</li> </ul>
		<ul style="list-style-type: none"> <li>• Sustainability score improved to 65 from 64 (percentile at 75)</li> <li>• Included in the Dow Jones sustainability diversified indices</li> <li>• Included in the S&amp;P Global Sustainability Yearbook 2022</li> </ul>
		<ul style="list-style-type: none"> <li>• ESG scores: 64 Advanced (Environment); 60 Advanced (Social), 59 Robust (Governance)</li> <li>• Included in the Euronext MIB ESG index</li> </ul>
		<ul style="list-style-type: none"> <li>• Top rated Italian bank, with an EE+ rating. Example of EU excellence in sustainability</li> <li>• Included in the following Standard Ethics indices: European Best in Class, European 100, European Banks, Italian, Italian Banks</li> </ul>
		<ul style="list-style-type: none"> <li>• First bank in the Top 10 ranking, 8<sup>th</sup> out of 86</li> <li>• Included in the Top performer level and in the Top 3 in the financial sector</li> </ul>
		<ul style="list-style-type: none"> <li>• Ranked in the 82<sup>nd</sup> percentile of banks</li> <li>• Ratings: 3.0 (Environmental); 3.7 (Social); 5.0 (Governance), higher than sector avg.</li> <li>• Included in the FTSE4Good Index Series and the FTSE ESG Index Series</li> </ul>
		<ul style="list-style-type: none"> <li>• ESG Score improved to 87 from 86 with ranking at 18/1095 from 19/1088</li> <li>• ESG scores: 94 (Environment); 86 (Social); 86 (Governance)</li> <li>• Score &gt;75 indicates excellent ESG performance and high degree of transparency</li> </ul>
		<ul style="list-style-type: none"> <li>• 2021 ESG disclosure score: 61.07 (Environmental); 42.08 (Social); 96.81 (Governance)</li> </ul>
		<ul style="list-style-type: none"> <li>• 2023 GEI score improved to 85.56%, + 2.61 p.p. Y/Y</li> <li>• Score higher than average score in financials sector (74.11%) and in Italian market (78.27%)</li> </ul>

## International and institutional initiatives

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

	<b>Task Force on Climate-Related Financial Disclosures (TCFD)</b>	<ul style="list-style-type: none"> <li>• <b>2019</b> Endorsement of Task Force on Climate-Related Financial Disclosures (TCFD)</li> <li>• <b>2020</b> First stand-alone report with disclosure aligned with TCFD recommendations</li> </ul>
	<b>Paris Agreement Capital Transition Assessment (PACTA)</b>	<ul style="list-style-type: none"> <li>• <b>2019</b> We joined the Paris Agreement Capital Transition Assessment (PACTA) methodology developed by 2<sup>nd</sup> Investing Initiative (2<sup>ii</sup>)</li> <li>• <b>2020</b> Completion of PACTA road-testing</li> </ul>
	<b>UNEP FI Principles for Responsible Banking (PRB)</b>	<ul style="list-style-type: none"> <li>• <b>2019</b> We signed the UNEP FI Principles for Responsible Banking (PRB) aimed at supporting banks in aligning their business strategy with society's goals</li> <li>• <b>2020</b> We joined several working groups organised by UNEP FI in support of PRB implementation. UNEP FI PRB reporting was disclosed</li> <li>• <b>2021</b> We signed UNEP-FI commitment to Financial Health and Inclusion</li> </ul>
	<b>UN Sustainable Development Goals (SDGs)</b>	<ul style="list-style-type: none"> <li>• <b>2015</b> The UN Sustainable Development Goals (SDGs) were published. We have contributed since then by their achievement by monitoring our progress via measurable KPIs, resulting from the management of material topics and related risks and opportunities</li> </ul>
	<b>European Banking Authority (EBA)</b>	<ul style="list-style-type: none"> <li>• <b>2020</b> 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</li> </ul>
	<b>European Hydrogen Forum</b>	<ul style="list-style-type: none"> <li>• <b>2021</b> We became a member of the European Clean Hydrogen Alliance. The Alliance aims at the deployment of hydrogen technologies by 2030</li> </ul>
	<b>Net-Zero Banking Alliance</b>	<ul style="list-style-type: none"> <li>• <b>2021</b> We joined the Net-Zero Banking Alliance, the banking element of the Glasgow Financial Alliance for Net-Zero (GFANZ)</li> <li>• <b>2023</b> We disclosed first-round targets on Oil&amp;Gas, Power and Automotive sector within our path towards Net-Zero</li> </ul>
	<b>Women's Forum</b>	<ul style="list-style-type: none"> <li>• <b>2021</b> Our CEO signed the CEO Champion Commitment Towards the Zero Gender Gap</li> </ul>
	<b>Sustainable Steel Principles</b>	<ul style="list-style-type: none"> <li>• <b>2021</b> 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</li> <li>• <b>2022</b> We signed the Sustainable STEEL Principles, a climate-aligned finance agreement for the steel sector</li> </ul>
	<b>Finance for Biodiversity Pledge</b>	<ul style="list-style-type: none"> <li>• <b>2022</b> We signed up to the Finance for Biodiversity, the only international Pledge fully dedicated to financial institutions and committed to call on global leaders and to protect and restore biodiversity through their finance activities</li> </ul>
	<b>Ellen MacArthur Foundation</b>	<ul style="list-style-type: none"> <li>• <b>2022</b> We became Member of the Ellen MacArthur Foundation's international charity Network to support our approach to accelerating the circular economy transition across our countries</li> </ul>
	<b>CEO Alliance</b>	<ul style="list-style-type: none"> <li>• <b>2022</b> We are part of the CEO Alliance for Europe, a cross-sector Action Tank, working towards a more prosperous, sustainable and resilient Europe. Focusing on decarbonization and digitalization, with a collective effort by all EU member states and partnership between the public sector and industry</li> </ul>

# Our Story, Your Story



**Category:** Clients



**Country:** Hungary



**Values:** Caring, Ownership

## UTB Envirotech Zrt. puts sustainability at the forefront

UniCredit client **UTB Envirotech Zrt.** is a company well versed and fully engaged in wastewater purification and treatment. They design, construct and develop the technologies to achieve this, with their main patents in wastewater treatment and “**cyclator**” technology. A total

of **50 patents** are already operating in **Hungary** and the surrounding countries, as well as a related decanter product line, of which **more than 100** are already operating worldwide, including New Zealand and Australia.

Out of all UTB Envirotech Zrt.’s developments, their most important sustainability-related developments is **Cycle**. Cycle is a range of cleaning products based on a unique technology that allows them to recover useful raw materials from the sewage sludge and turn it into the desired detergent range.

As a company that is heavily invested in **Sustainability and ESG** as a whole, it’s our top priority to ensure our clients have the same focus and drive to better the world around us. Identifying clients who make concrete sustainable efforts and embed this in their work is always something UniCredit wants to be part of. For this reason, UniCredit has been their **exclusive partner for 15 years**, providing the client with financial sustainability. In those 15 years, the Group has seen its turnover quintuple and the number of employees triple.







**Category:** Digital & Data



**Country:** Italy



**Values:** Ownership

## Together4Digital: A partnership with Microsoft Italia to help 100,000 businesses go digital

To build the bank of the future, it is essential that we lean on the market leaders of digital and data know-how so we can continue to evolve as a bank, and as a Group. The collaboration between UniCredit and **Microsoft** aimed to further intensify our commitment to digitalisation by promoting both the **modernisation** of production and distribution processes, and the consolidation of digital skills, in line with the **National Recovery and Resilience Plan (NRRP)**. The collaboration, launched at the end of 2021 and further strengthened in 2022, aimed to generate a positive impact for all levels of the value chain and for all production chains in the country through a series of structured interventions.

Microsoft offered specialised advice, technology and digital solutions through their partner, **Var Group**, on the platform. Starting from May 2022, companies willing to launch their transformation could freely be recipient of a **Solution Assessment** driven by experts who assessed their digital skills and suggested tailored action plans with a focus on the proper cyber security posture. In addition, e-skills training were made available according to specific needs.

UniCredit offers financial support for digital investment, personalised assistance and education on financing tools through its **Banking Academy**. All companies were also granted access to **Warrant Hub's** tailored advice on subsidised finance and tax issues, to verify if companies are eligible and have the necessary requirements to access NRRP funds.

Together, Microsoft and UniCredit provide SMEs with **quick and simple services** and solutions to assess their degree of digitalisation. By continuing our digital evolution with key players like Microsoft, we can build a better bank for our people and provide them with the tools they need for the future.



[Watch the video](#)

# Stakeholder Engagement

**At UniCredit, we place a high value on actively listening to our stakeholders. This has always been a fundamental principle for us and is the reason why we make a consistent effort to invest in mutual feedback opportunities with all our stakeholders.**




Taking a strategic approach, we carefully gather and analyse the views and concerns shared by our stakeholders and promptly address their observations.

Indeed, the creation of long-lasting value depends not only on an awareness of our own business impact but also on a

clear insight into our stakeholders' needs. This provides us with the necessary support to successfully manage risks and opportunities and achieve long-term sustainability.

During the year we continued to leverage our usual stakeholder engagement tools:

## DIALOGUE TOOLS WITH STAKEHOLDERS

 <b>CLIENTS</b>  <b>CHANNELS</b> <ul style="list-style-type: none"><li>• Customer satisfaction assessment</li><li>• Brand reputation assessment</li><li>• Mystery shopping</li><li>• Instant feedback</li><li>• Focus group, workshops, seminars</li></ul>	<b>KEY FACTS</b>  <b>&gt;442,000</b> clients and prospects interviewed	<b>A UNICREDIT STORY</b> <p>In Hungary we launched a new Customer Experience Framework with a customer-centric thinking and knowledge of customer and employee needs and expectations</p> <p>» More information in the Social and Relationship Capital chapter</p>
 <b>COLLEAGUES</b>  <b>CHANNELS</b> <ul style="list-style-type: none"><li>• People Survey of professional engagement</li><li>• Internal clients' perceptions of headquarters' services</li><li>• Group Intranet Portal</li><li>• Departmental online communities</li></ul>	<b>KEY FACTS</b>  <b>&gt;17,000</b> colleagues participating in the Culture Day across the Group	<b>A UNICREDIT STORY</b> <p>With the purpose of raising awareness and adhesion to our Values, we simultaneously celebrated our first-ever Culture Day throughout the entire Group.</p> <p>This was the biggest event organised in 2022: with a high involvement of our Top Management, all countries live and online had the chance to celebrate our Culture and Values</p> <p>» More information in the Human Capital chapter</p>



## INVESTORS/ SHAREHOLDERS

### CHANNELS

- Quarterly webcasts and conference calls to present results
- One-on-one and group meetings, calls
- Shareholders' meeting

### KEY FACTS



>320 meetings  
and 41  
roadshows with  
**institutional, retail** and  
**socially responsible**  
investors

### A UNICREDIT STORY

In order to monitor our sustainability performance, the Group ESG unit and Investor Relations team interact continuously with ESG raters whose assessments allow us to identify opportunities for improvement

[More information in the Social and Relationship Capital chapter](#)



## REGULATORS

### CHANNELS

- One-on-one and group meetings, calls

### KEY FACTS



**Proactive engagement**  
and  
**contribution to the debate**  
on the **regulatory framework**

### A UNICREDIT STORY

In order to facilitate the transition to a low-carbon economy, in 2022 we continued to proactively communicate and engage with regulators at national, European and international levels regarding the enhancement of the EU sustainable finance framework

[More information in the Social and Relationship Capital chapter](#)



## COMMUNITIES

### CHANNELS

- Surveys
- Social Media

### KEY FACTS



>691,000  
followers on **social media**

### A UNICREDIT STORY

Social media and virtual communities are a key source for intra-company inclusion, building a strong foundation for social relations among our people and with the outside community both in our industry and beyond.

This year we stepped up the investments in building strong social media relationships that evolve, grow and resist the test of time.

After our positive experience with Twitter and LinkedIn, in 2022 we opened our global account on Instagram and launched our first global Facebook profile

## MATERIALITY ANALYSIS

The **materiality analysis** remains a **fundamental tool** for listening to our stakeholders, supporting our business strategy and helping the value creation over the long term.

It takes a **dynamic and forward-looking view of ESG topics**, allowing us to take regular action on emerging risks and relevant issues. What may be immaterial to a company or industry today could become material tomorrow.

Every year, we carry out our materiality analysis by taking into consideration a variety of sources to ensure that we are encompassing all the material topics in the banking industry for our stakeholders.

We apply **information sourced both externally**, by the Datamaran tool, and **internally**, by listening to our stakeholders.

External sources allow us to investigate the main laws and directives, to analyse the latest news on our sector on online media and social networks and to benchmark

against our peers.

Internal sources consider all the listening tools used in our Group to strategically map and measure stakeholders' interests, such as customer satisfaction surveys, investor roadshows, people surveys and raters' assessments.

Compared to last year, this year's analysis has led us to make some changes to material topics.

Two material topics have been renamed with a broader scope: Climate change has evolved into **Climate and environmental impacts** to include all environmental risks and not only climate-related ones; Demographic change has been renamed **Political and social changes** to highlight a more comprehensive view on external context.

Moreover, two new topics have been added to our mapping: **Future of work**, highlighting the increasing relevance that global trends such as digitalisation, demographic changes and pandemics have on jobs, and **Responsible tax practices**, taking into consideration the transparent management of taxation matters.

The 2022 materiality analysis confirms the significant increasing attention in **Positive impact on society** topic

over the last years, linking them both to stakeholder relevance and the UniCredit approach. This is reflected in our strong commitment to support communities and society and empower them to progress, as stated by our Purpose. Moreover, with our Social Strategy, we are committed to having a social role which goes far beyond lending, assisting our clients and communities in making meaningful progress towards a more sustainable, inclusive and equitable society in the long term.

The **Climate and environmental impacts** topic maintains its high position and the several commitments undertaken by our Group towards the green transition are our answers to this trend. Net Zero, Biodiversity and Circular economy pledges demonstrate our journey towards a more sustainable UniCredit.

The relative importance of both **Lean and transparent organisation** and **Employee empowerment** has risen in relation to stakeholder relevance and we know that our approach requires further development. In 2022 many initiatives were launched with the aims of simplifying and layering our organisation, streamlining our processes and defining our new Culture and Values. While we have started on this path, further initiatives to strengthen our approach will follow in 2023.

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

This year we continue to focus on the double materiality analysis, highlighting the **financial perspective** which encompasses all the sustainability risks and opportunities that can have an impact on our

company's growth, performance and position over the short, medium or long term. This concept also covers any intangible factors that can affect a company's core business value such as growth, profitability, capital efficiency and risk exposure. This is referred to as the **outside-in** perspective, as opposed to the **inside-out** perspective, and displays a company's actual and potential impact on sustainability issues.

## SOURCES AND OUTCOMES OF THE FINANCIAL MATERIALITY ASSESSMENT

To develop financial materiality, we applied information sourced by the Datamaran tool. This leverages annual financial reports from industry peers, mandatory regulations, voluntary initiatives from financial markets and SASB standards regarding capital.

In order to have a more comprehensive view of the financial materiality analysis, we also asked the Top Management to express the most important material topics that could influence our financial structure. Based on these sources, as we report in the matrix chart, the most important material topics that could have an impact on our ability to create financial value are:

- **Digitalisation and innovation**
- **Bank solidity**
- **Cyber security.**

Regarding **Digitalisation and innovation**, we recognise that being the bank for Europe's future means becoming a truly digital bank. Embedding Digital & Data across our bank is also crucial to implementing our new lean operating model. In 2022 we invested in **545 digital hires** (mainly tech specialists) and in cyber-security, with a major security incidents **reduction of 35%**.

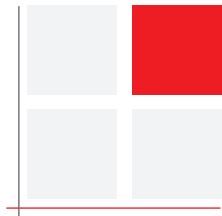
Considering **Bank solidity**, our last outstanding Group results showed that we have become a transformed and structurally improved bank with a clear vision and strategy and quality growth underpinned by capital and operational excellence.

In relation to **Cyber security**, we have put in place our Digital Security Strategy to mitigate the risk of cyber threats. It encompasses a Digital Security Global Policy and detection processes to ensure a suitable level of oversight and protection of digital assets, data and information.

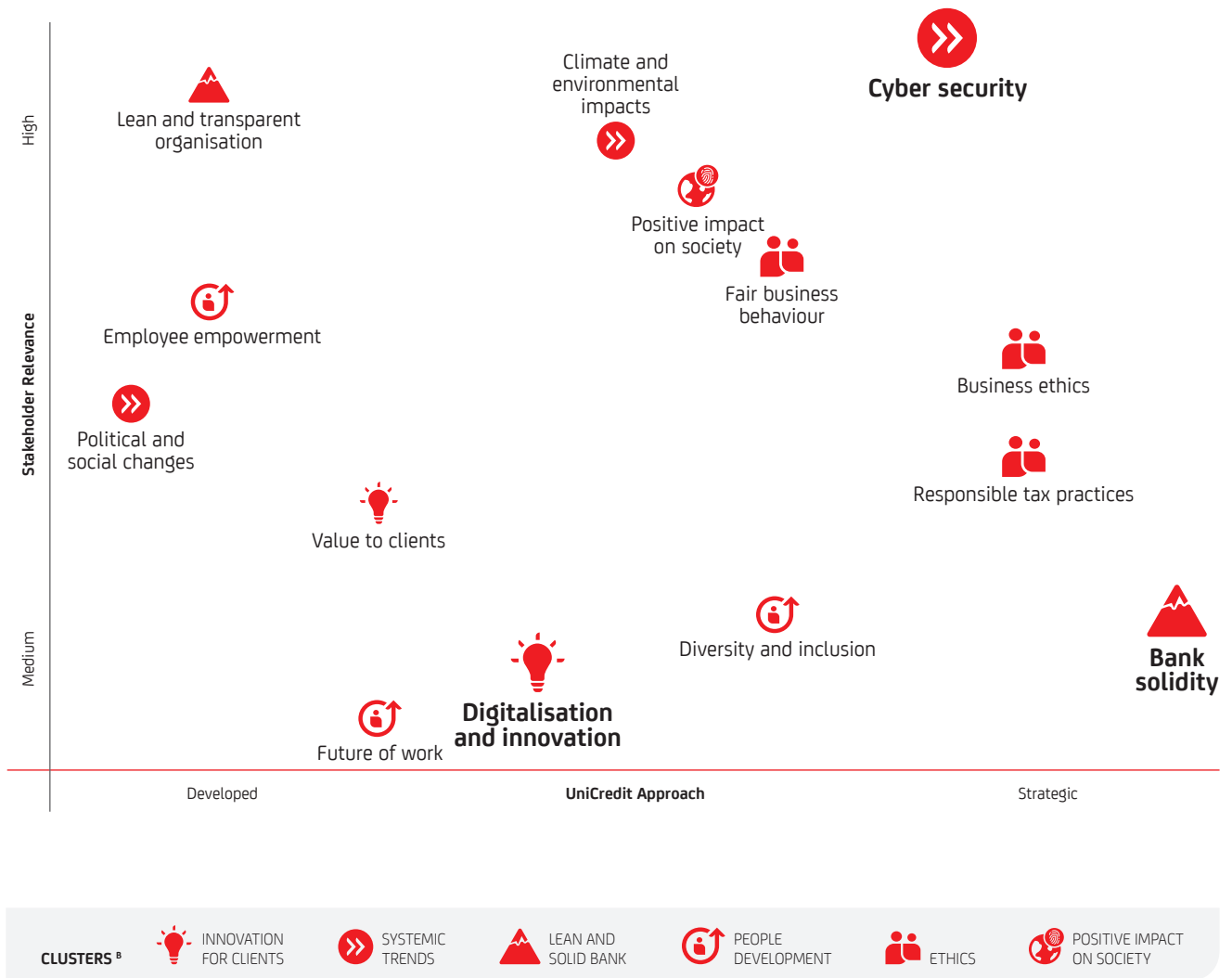
## MATERIALITY MATRIX

For several years we have been carrying out the materiality analysis which is aimed at identifying the economic and ESG elements with a significant impact on our business results and their impact on our ability to create value

over the long term. It is also aimed 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 our stakeholders.



The materiality matrix below represents the upper-right quadrant of the overall matrix, used to consolidate and assess concerns from all of the bank's stakeholders: it not only takes into account their needs and expectations (y axis), but also monitors our investments and ability to address the issues stakeholders care about (x axis).  
As per our 2021 analysis, also this year we considered outside-in perspectives (financial materiality) in the data taken into account.<sup>A</sup> This point of view is highlighted by bigger icons.



<sup>A</sup> See focus in the previous pages for further information.  
<sup>B</sup> Refer to Supplement - Stakeholder Engagement for more information.

### CLUSTERS<sup>B</sup>



INNOVATION FOR CLIENTS



SYSTEMIC TRENDS



LEAN AND SOLID BANK



PEOPLE DEVELOPMENT



ETHICS



POSITIVE IMPACT ON SOCIETY

## THE SCOPE OF OUR FOOTPRINT

Clusters and material topics <sup>A</sup>	Relevance for our stakeholders					OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS
<p> <b>INNOVATION FOR CLIENTS</b></p> <ul style="list-style-type: none"> <li>Digitalisation and innovation</li> <li>Value to clients</li> </ul>						  
<p> <b>SYSTEMIC TRENDS</b></p> <ul style="list-style-type: none"> <li>Cyber security</li> <li>Climate and environmental impacts</li> <li>Political and social changes</li> </ul>						      
<p> <b>LEAN AND SOLID BANK</b></p> <ul style="list-style-type: none"> <li>Bank solidity</li> <li>Lean and transparent organisation</li> </ul>						 
<p> <b>PEOPLE DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>Employee empowerment</li> <li>Diversity and inclusion</li> <li>Future of work</li> </ul>						  
<p> <b>ETHICS</b></p> <ul style="list-style-type: none"> <li>Fair business behaviour</li> <li>Business ethics</li> <li>Responsible tax practices</li> </ul>						  
<p> <b>POSITIVE IMPACT ON SOCIETY</b></p> <ul style="list-style-type: none"> <li>Positive impact on society</li> </ul>						     

 STAKEHOLDERS
  CLIENTS
  COLLEAGUES
  INVESTORS
  REGULATORS
  COMMUNITIES

## OUR MATERIAL CONTRIBUTION TO ECONOMIC, SOCIAL AND ENVIRONMENTAL VALUE IN 2022

<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.



Data-driven organisation: **+20p.p. Group banking processes** under unified data governance, improving data quality



**€1.08bn** granted in 2022 to clients for 110% bonus on **energy-efficient refurbishment** in Italy



**+6%** in digital active users and **+11%** in mobile banking active users vs. 2021



Resilient cyber-security: **-35% Major security incidents**



**€57.7bn** of ESG volumes during FY22



Update of **Defence** and **Mining** policies and new commitments on **Biodiversity** and **Circular Economy**



**>118k hours** of training dedicated to Cyber Security



Delaying the organisation: **-28% structures**, moving closer to clients



Revenues (€ bn): ITA **9**, GER **5**, CE **3.5**, EE **2**



3 training sessions on ESG for **Board** and 4 for **ESG Committee** members during 2022



More than **50 partnerships** within the Group with external players



**€6,251m** of economic value distributed to employees and supervised workers<sup>B</sup>



**Global ESG learning offer** developed to cover basic to specialist needs targeting different employees



**c.€30m** invested to ensure equal pay for equal work



Within our company-welfare, **c.€80m of one-off monetary investment** to support employees across the Group against inflation growth



**c.1,500** transactions screened for environmental, social and reputational risk issues



Disclosure of **Net Zero** sectoral targets on priority sectors: Oil&Gas, Power and Automotive



Over **10,000** people trained in human rights with over **6,400** hours provided



**c.295 impact financing projects** for a total amount of **€456m** disbursed loans



**7,800** disbursed **microcredit loans** for a total amount of **c.€151m**



**-14%** in **CO<sub>2</sub>** emissions (Scope 1 and 2, market-based) in 2022 vs 2021



**>239,400** beneficiaries of financial education initiatives

VALUE



ECONOMIC VALUE



ENVIRONMENTAL VALUE



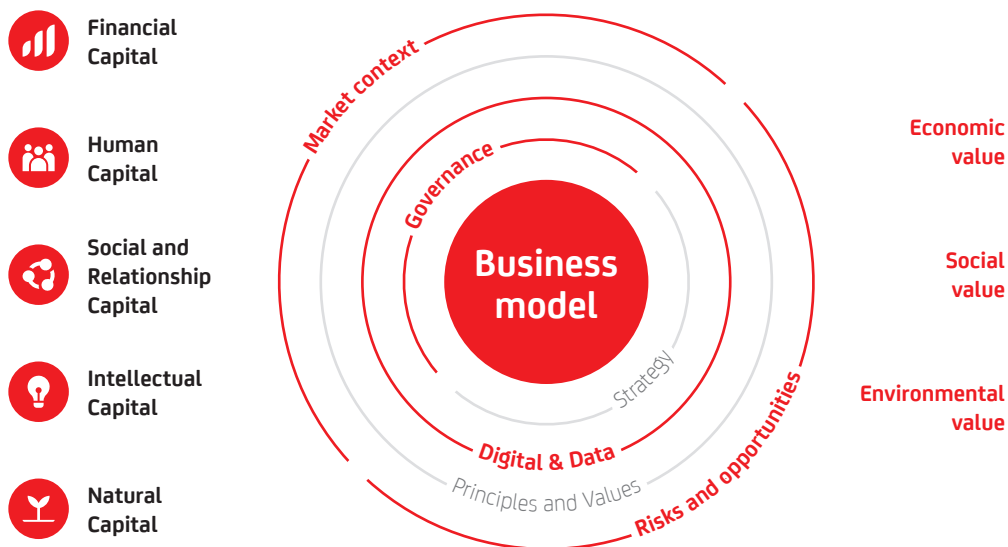
SOCIAL VALUE



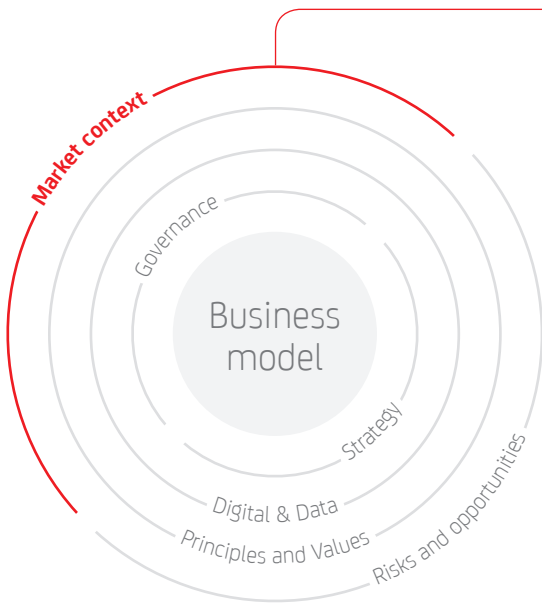
# How we build value



# Living and acting sustainably. Our way to lead



# Our Sustainable Business Model



In light of the unprecedented circumstances in Europe today with the ongoing war in Ukraine and the **energy and cost-of-living crisis**, it is more important than ever that we continue to play our part in supporting communities and empowering them to progress.

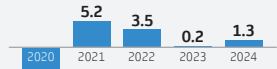
To fulfil our Purpose, we must ensure that **sustainability is at the heart of all we do**. Creating a more sustainable and equitable future will inform all our choices: who we partner with, how we mobilise capital and the projects we operate to support the individuals and communities we serve.



## Macroeconomic context

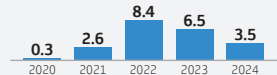
**2022 GDP** has been impacted by the energy crisis (linked to the conflict between Russia and Ukraine) as well as by a supply chain disruption and a tight monetary policy.

**Euro Area Growth<sup>A</sup>** (Real GDP growth y/y, %)



**Inflation in the Eurozone in 2022** reflects the higher energy prices and related spillover effects

**HICP Eurozone (%)**



<sup>A</sup> UniCredit Scenario (Dec.22); 2022 preliminary data.



## 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

**Global digital snapshot<sup>B</sup>**  
% of world population



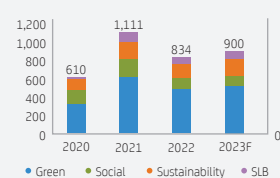
<sup>B</sup> Source: Digital around the world 2022 report, by We Are Social.



## Investors

ESG investing is becoming mainstream. Asset managers are questioning about how they can differentiate themselves through increasingly **sophisticated ESG investment approaches**. The global ESG bond market predicts growth to resume in 2023 although below record pace

**Global ESG-bond issuance<sup>C</sup>** (USD bn)



<sup>C</sup> Source: Climate Bonds Initiative, Bloomberg, UniCredit Research.



## Regulators

The **banking regulatory framework** is rapidly **evolving**. Regulators' attention to sustainability trends has significantly increased owing to the introduction of regulation on sustainable finance and incorporation of ESG factors into risk management. Disclosure requirements for companies are also growing, with a view to incorporating financial and non-financial information in the same documents



## Industry Trends

Currently, the **energy transition** is certainly the most significant driver of change for all business sectors. In recent years, other factors have been: the **impact of Covid-19** on the working world, **digitalisation** and the growing need to integrate **ESG commitments** with central business functions. Today the industrial sector must be aware of all these developments in order to remain competitive in opening up new paths

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

### SNAPSHOT OF ENERGY CRISIS <sup>A</sup>

With the conflict between Russia and Ukraine in the background, the European Union (EU) is looking at quickly developing alternatives to fossil energies without jeopardising supply on the one hand and undermining climate goals on the other

<sup>A</sup> UniCredit Monthly Outlook, November 2022.



**REPowerEU plan:** Thanks to investments amounting to **€300bn**, by 2030 a total of **45%** of energy in the EU will come from **renewable sources** and the installed **solar capacity** is to quadruple to **600 gigawatts**



**The energy crisis costs thousands of EU jobs according to Eurofound:** job cuts in energy-intensive manufacturing and hotel closures are just two examples of widespread damage caused by the energy market disruption

### EMERGING ESG STAKEHOLDER TRENDS

#### Consumers



**71%** of **global consumers** are making changes to the way they live and the products they buy in an effort to live more sustainably <sup>B</sup>

<sup>B</sup> Source: Simon Kucher & Partners, 2022 Global Sustainability Study: The Growth Potential of Environmental Change.

<sup>C</sup> Source: McKinsey & Company, Defining CXO roles in achieving ESG impact.

<sup>D</sup> Source: Morningstar, Sustainalytics survey 2022.



#### Companies

For **94%** of **respondent corporate leaders**, **ESG-related responsibilities have increased in recent years:** approximately **85%** spend at least one day per month on ESG topics <sup>C</sup>



Corporate sustainability teams are now at the heart of key business decisions: **90% of companies are developing an ESG Strategy** <sup>D</sup>

### INVESTORS SEEING SUSTAINABILITY AS A PRIORITY FOR COMPANIES <sup>E</sup>



Data security and privacy, effective corporate governance and reduction of greenhouse gas emissions emerged as investors' priorities for businesses

<sup>E</sup> Source: PwC's Global Investor Survey 2022.



For **87%** of investors surveyed, corporate reporting contains **unsupported sustainability claims**



**78%** of investors say that **managing regulatory risks** is an important factor in their sustainable investing decisions

### EU FRAMEWORK FOR SUSTAINABLE GROWTH



### EMERGING ESG INDUSTRY TRENDS

#### Biodiversity



**Almost half** of CDP respondent companies are considering **biodiversity in their strategies** and making commitments and putting governance mechanisms in place <sup>F</sup>

<sup>F</sup> Source: CDP, Climate change questionnaire 2022.

<sup>G</sup> Ellen MacArthur Foundation, Circular business models: redefining growth for a thriving fashion industry (2021).



#### Circular economy

**Rental, resale, repair** and remaking have the potential to grow from 3.5% of the global fashion market today to **23%** by 2030: represents a **\$700bn** opportunity helping to put the fashion industry on a 1.5-degree pathway <sup>G</sup>

## ESG Products



### LENDING

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



### CAPITAL MARKETS

- Green bonds
- Social/Sustainable/Transition bonds



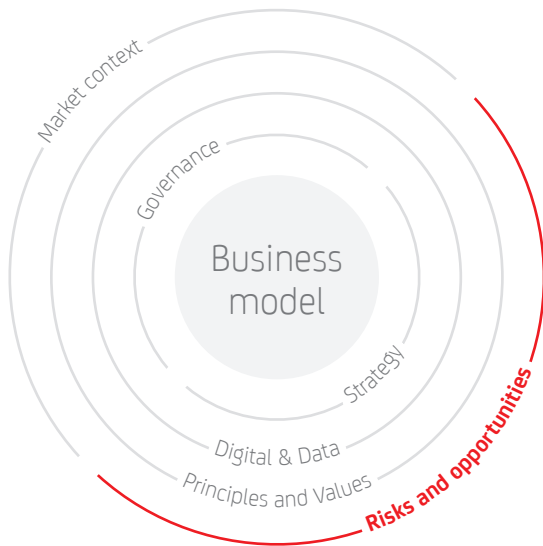
### INSURANCE

- Carbon neutral home/auto insurance
- Ad hoc for renewable projects



### ASSET MGMT

- SRI funds
- ESG ETFs and Indexes



## 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
- Underestimate environmental risks may threaten our capacity to deliver value
- 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 environmental risk 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, anticipating future trends

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 which encompass new flexible approach



## ETHICS

### Risks

Compliance and sanctions risk, e.g. related to tax practices, 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, by avoiding non-compliance sanctions and contributing to communities well-being

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 & Data**, all inspired by our **Principles and Values**.

With our **Social Strategy**, we are committed to having a social role which goes far beyond lending, assisting our clients and communities in making meaningful progress towards a

more sustainable, inclusive and equitable society in the long term. We contribute to foster financial inclusion and health of vulnerable people and enterprises, to support companies in becoming more socially oriented, to protect categories at higher risk of being negatively affected by the transition and to ensure positive work conditions for employees. Moreover, in 2022 the **UniCredit Foundation** relaunched its new Purpose: to **unlock the potential of Europe's next generation by providing it with equal education opportunities**.<sup>7</sup>

## OUR DISTINCTIVE ASSETS



**Embedded in the fabric of Europe**

- 13 Banks<sup>A</sup>
- #1 Eastern Europe
- #2 Central Europe
- #2 Italy
- #3 Germany



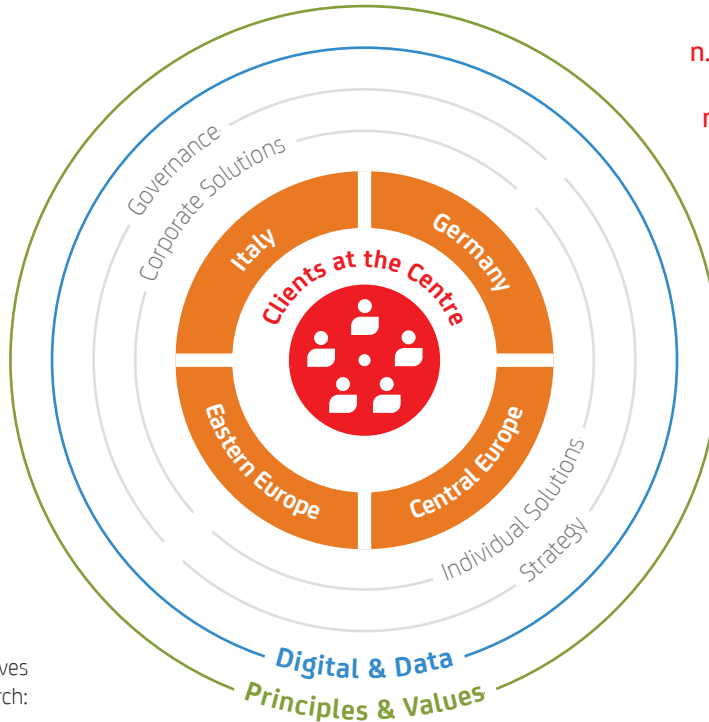
**Empower communities**

#3 corporate lender in Europe<sup>B</sup>



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

- n.1 in All Bonds in EUR in Italy,
- n.2 in Austria and n.3 in Germany<sup>C</sup>
- n.3 for number of transactions in EMEA Bonds in EUR<sup>C</sup>
- n.3 in EMEA Green & ESG-linked Loans<sup>C</sup> and
- n.6 in EMEA combined Green & ESG-Linked Loans and ESG-related Bonds in EUR<sup>D</sup>



**Italy**  
Revenues: €9bn

**Eastern Europe<sup>E</sup>**  
Revenues: €2bn

**Germany**  
Revenues: €5bn

**Central Europe**  
Revenues: €3.5bn



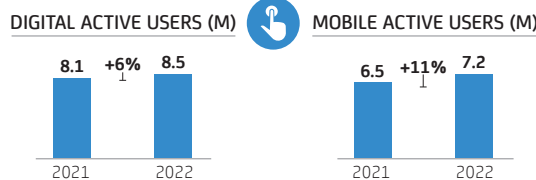
### UniCredit Foundation

Social and humanitarian initiatives and support to study and research:

**c.€5.7m** disbursed by UniCredit Foundation during 2022

**c.€1m** donated by colleagues and UniCredit Foundation

**>€1.5m** granted as scholarships and fellowships to students and researchers in 2022



### Corporate citizenship

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

**€36.5m** to communities in 2022

<sup>7</sup> Refer to the Social and Relationship Capital chapter for more information.

<sup>A</sup> Ranking by total assets. Germany only Private Banks. Italian and German Peers latest available figures (4Q22 when available, 3Q22 otherwise); CE and EE positioning as of 3Q22.

<sup>B</sup> Data as of 4Q22 (otherwise latest available) for Peers and as of 4Q22 for UniCredit, based on publicly available data; Peers including: BNP Paribas, Deutsche Bank, Santander, HSBC, Intesa SanPaolo, Société Générale. FX exchange rate at 30 September 2022.

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

<sup>D</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. Source: League Tables of Dealogic, as of 7 January 2023. Period: 1 January - 31 December 2022; rankings by volume, unless otherwise stated.

<sup>E</sup> Excluding Russia.

While client coverage is assigned to local banks, comprehensive offering meeting clients' needs is created by our **two Product Factories** - Corporate Solutions and Individual Solutions.

Both factories are delivering best possible solutions available in the market to our customers, developed internally or through a dynamic ecosystem of partners which also give us reach to an increased client base.

During 2022, we have further focused on **reinforcing factories organically** enhancing them with an ecosystem of partners to best serve all clients.

## Corporate Solutions

Our winning and distinguishing factors are a **pan-European footprint** and a **unique cross-border positioning** allowing us to support clients in their trade, transaction and growth ambitions.

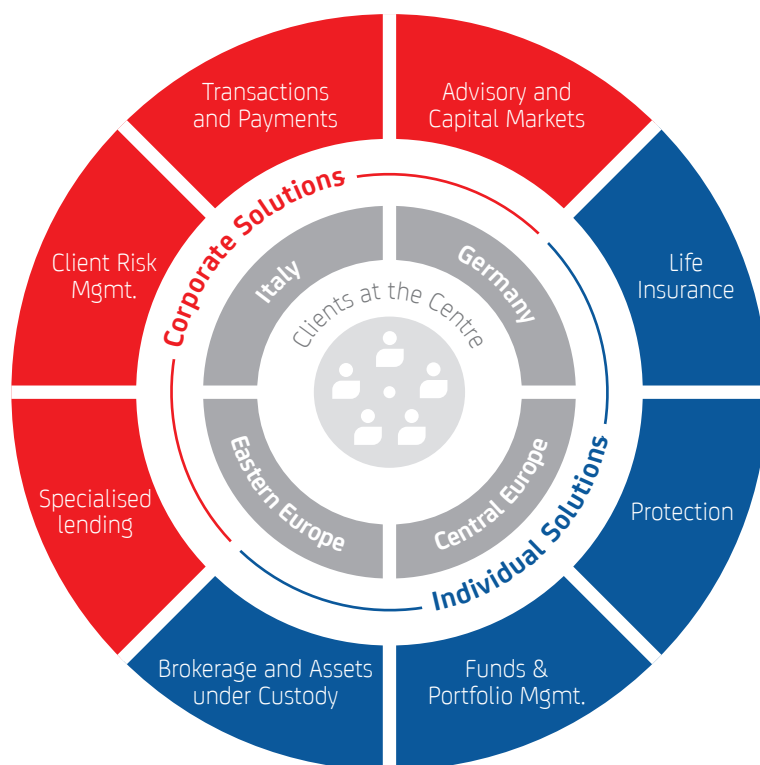
With geo-political and macro volatility, we have accelerated delivery of UniCredit's digital products offering to sustain our corporate clients' foreign exchange and hedging needs and enhance digital experience.

Our solutions are of global nature hence allowing significant synergies across the Group.

## Individual Solutions

The inherent advantage of UniCredit is **large network** with significant **potential for global solutions distribution**. Our offering is composed of both in-house solutions and of those our partner, top industry leaders.

During 2022, we've started gradual reinstalment of internal asset management factory in order to **improve value chain retention** and offer more choice to our clients. We have set-up internal **onemarkets Fund** combining best internal know-how on selection with best external products and skills.



### Italy

**Best Bank**  
2022 in Italy **Euromoney**

**Market Leader Bank**  
Corporate Banking, Corporate Social Responsibility, Digital Solutions **Euromoney**

<sup>A</sup> In governmental programs.

### Germany

**Retail transformation program**  
Launch of "Smart Banking" a scalable multi-channel operating model for 1.3m mass market clients

**Porsche AG IPO**  
Joint Bookrunner largest ever non-government IPO in Germany

### Central Europe

**Retail digitalisation program**  
GoGreenAccount awarded with the Austrian Environmental Certificate

Small business lending process redesigned in Hungary, 5 days time to decision <sup>A</sup>

New fully digital cash loan product in Slovenia

### Eastern Europe

**Digital excellence**  
Mobile cash loans in in Bulgaria, Croatia and Romania

**Best Bank**  
in Transaction Services, Advisory and Cash Management in CEE **Euromoney**

**Best Trade Finance Bank and Best Supply Chain Finance Bank**  
in CEE **Global Finance**

# Governance

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

## Governance model

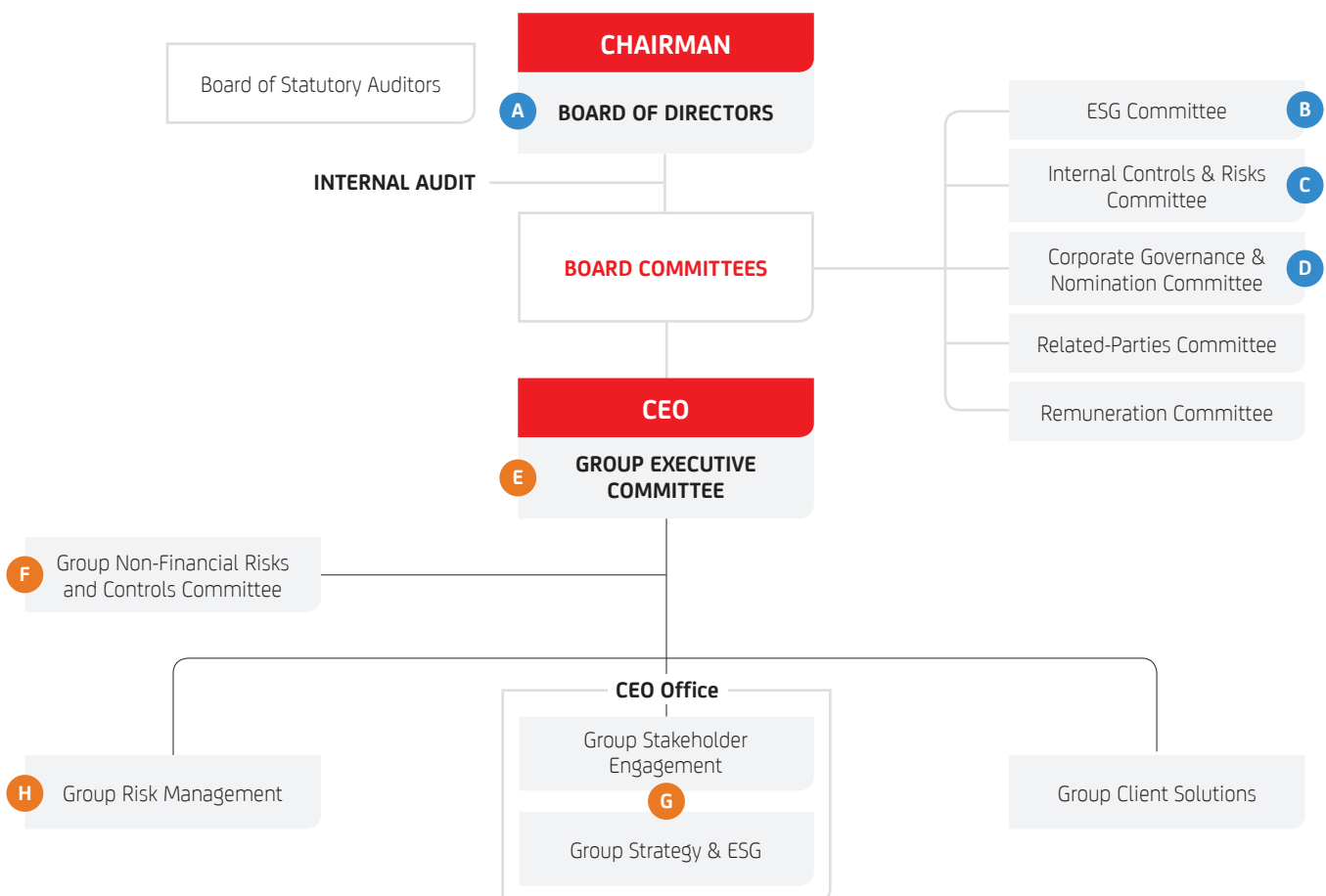
UniCredit is an Italian listed company, with a traditional management and control system, which assigns specific responsibilities to the Shareholders' Meeting and allows for a clear exchange of views between shareholders and management on key decisions relating to governance. These include appointing 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>8</sup>

## ORGANISATIONAL AND GOVERNANCE STRUCTURE, FOCUS ON ESG COMPONENTS

(AS AT THE APPROVAL DATE OF THIS REPORT)



<sup>8</sup> For more information refer to the annual Report on corporate governance and ownership structure and the 2023 Group Remuneration Policy and Report available in the Governance section of our website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)).



## ESG governance and management

Our sustainability governance has been significantly strengthened in recent years at both steering and execution levels, underpinning the drive to further integrate ESG criteria into the Group's overall business strategy.<sup>9</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 **ESG Committee (ESGC)** supports the Board of Directors in fulfilling its responsibilities with respect to the ESG components integral to the Group's business strategy and sustainability over time. See Focus for further details.

**C** The **Internal Controls & Risks Committee (IC&RC)** 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.

**D** The **Corporate Governance & Nomination Committee (CG&NC)** provides support to the Board on topics regarding the UniCredit corporate governance system, the Board of Directors composition and top management.

The **Board of Statutory Auditors** exercises oversight of ESG governance and related topics. On the occasion of the renewal of the Board of Statutory Auditors in 2022, the areas of Sustainability (ESG) and Digital technology were specifically added as desirable competencies of the qualitative profile of its members.

### STEERING AND COORDINATION

**E** The **Group Executive Committee (GEC)** is the Group's most senior executive committee and is chaired by the CEO. Within its mission it defines the overall ESG strategy. It also ensures the effective steering, coordination and control of the Group business as well as the alignment of the parent company with the different businesses and geographies regarding strategic topics such as ESG issues. Moreover, in dedicated Risk sessions, the GEC supports the CEO in coordinating and monitoring all categories of risks and approves strategic risk topics including ESG-related matters.

**F** The **Group Non-Financial Risks and Controls Committee (GNFRCC)** supports the CEO in steering and monitoring non-financial risks. For example, it approves governance policies and guidelines for the management of reputational risk regarding sensitive sectors.

**G** The **Group Strategy & ESG** and **Group Stakeholder Engagement** functions together serve as a **CEO Office**. 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.

The **Group ESG** function, part of Group Strategy & ESG, steers the definition and implementation of the Group's ESG

strategy. It ensures the ESG framework is consistent with the Group's principles and Purpose and with relevant international standards and practices. Moreover, the function is tasked with, inter alia, monitoring and disclosing the Group's ESG impacts and results and with overseeing the adoption of relevant policies and standards.<sup>10</sup> The function's activities are divided into three offices - **ESG Strategy and Implementation; ESG Service Excellence; ESG Metrics, Policies and Disclosure**.

**H** The **Group Risk Management** function supports the CEO in defining the Group Risk Appetite proposal which is to be shared with the GEC, the IC&RC and the Board. It also interacts with the IC&RC and the ESGC on ESG risk matters.

Within Group Risk Management, the **Group Climate Risk and Risk Governance** function oversees climate-related and environmental risks. It has a central steering and coordination role aimed at ensuring alignment with ECB guidelines on climate-related risk and related plans, promoting the definition of a strategic view on climate risk and supporting climate risk-related methodologies. Furthermore, the newly established **Climate & Environmental Credit Analysis** function manages the integration of climate and environmental factors in the various phases of the credit risk cycle.

### IMPLEMENTATION AND EXECUTION

**Dedicated ESG teams and experts.** ESG matters are increasingly embedded across our Group through dedicated teams and experts in several Group functions which manage specific ESG aspects according to the area of competency. Examples include the Sustainable Finance Advisory Team, ESG offices supporting business divisions in the main Group geographies, and the recently established ESG Digital and Group Real Estate ESG, Innovation Projects & Monitoring functions. The Compliance and Regulatory Affairs functions

also have resources dedicated to ESG-related issues.

Additionally, an important role is played by **UniCredit Foundation**, the corporate foundation of UniCredit Group. Its new Purpose is to unlock the potential of Europe's next generation. The Foundation's mission is to empower young people across Europe by providing equal opportunities in education and supporting their personal and professional development.<sup>11</sup>

<sup>9</sup> For more information on functions involved in the governance and management of climate-related issues, see our 2021 TCFD Report, pages 10 - 14, available at [https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2021/UC\\_TCFD\\_2021\\_ENG.pdf](https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2021/UC_TCFD_2021_ENG.pdf).

<sup>10</sup> This includes the coordination and publication of the Group Integrated Report, UniCredit's TCFD Report, and the implementation of the Principles for Responsible Banking-UNEP FI and related reporting.

<sup>11</sup> For more information refer to the Human Capital chapter and to the web site of the Foundation <https://www.unicreditgroup.eu/en/unicreditfoundation.html>.

## ESG COMMITTEE: FURTHER ADVANCEMENT OF ITS WORK


The **ESG Committee** (ESGC) supports the Board of Directors in fulfilling its responsibilities with respect to the ESG components integral to the Group's business strategy and sustainability. It also provides opinions and support to the other Board Committees so as to ensure the alignment of Group policies with UniCredit's ESG principles and objectives.

In 2022, cooperation with other Board Committees was further consolidated. For example, ESG topics which are strictly related to risk matters, such as climate and environmental risks, were addressed jointly with the Internal Controls and Risks Committee (IC&RC).

The ESGC also continued to strengthen discussion with

Heads of Functions in charge of specific ESG-related areas such as Group Strategy & ESG, Group Stakeholder Engagement and Group Risk Management. According to the items on the agenda, managers were invited to share information with and support the Committee in its considerations. At the same time, the Committee provided guidance and suggestions to managers.

As part of its information-gathering, consultative and proposition-making actions, in 2022 the Committee supported the Board of Directors in its appraisal of a broad spectrum of ESG topics, from strategy and targets, reporting and disclosure, policies on controversial sectors, to risk and compliance matters.

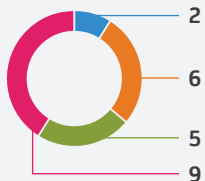
 **2 ESGC and IC&RC joint meetings**  
on the ECB Climate Stress Test and Thematic Review

**Composition<sup>A</sup>**  
 ● Chair  
 ● Other members

## 2022 ACTIVITIES

**10**

Meetings held



**4**

Main thematic areas of work

- **Regulatory and Voluntary ESG Disclosures**
- **Policies on controversial sectors and ESG Commitments**
- **ESG Risk & Compliance**
- **ESG Strategy & Targets**

**22**

Items reviewed<sup>B</sup>

- Task Force on Climate-Related Financial Disclosure Report
- Integrated Report
- Update on Policies on controversial sectors
- Controversial sectors policy review and approach towards the geopolitical crisis
- ECB Climate Stress Test and Thematic Review on climate and environmental risks
- Risk Appetite Framework: climate-related KPIs
- Net Zero commitment: approach and plan
- Group Social Strategy

<sup>A</sup> The Chair of the Board of Directors and the Chair of the Board of Statutory Auditors and, on a rotating basis, another Statutory Auditor, attend ESGC meetings.

<sup>B</sup> Some items were discussed in multiple meetings.

## DEDICATED ESG TRAINING FOR CORPORATE BODIES

Training on sustainability related topics plays an important role in ensuring the effectiveness of our strategy and oversight of ESG matters.

Dedicated sessions were held throughout the year for the Board of Directors and the ESG Committee, in some instances including the contribution of external experts.<sup>A</sup>

### 3 sessions for the Board<sup>B</sup>

- UniCredit's approach to ESG risks and opportunities
- Overview of the main ESG regulatory initiatives and latest developments
- UniCredit's response to climate risk and credit implications.

### 4 sessions for the ESG Committee

- Data as a foundation for sustainable finance in a context of increasing disclosure requirements
- ESG risk strategy: capital allocation with a proper ESG adjusted risk-return profile
- Mobilising climate capital to finance the transition required to meet the Paris Agreement goals
- Deep dive on Net Zero perimeter definition, methodology, and scenario benchmark.

<sup>A</sup> For more information on training at other levels of ESG governance, refer to the Human Capital chapter.

<sup>B</sup> For more information refer to the Governance section of the Supplement.

## 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>12</sup>

## BOARD IN NUMBERS

(AS AT THE APPROVAL DATE OF THIS REPORT)

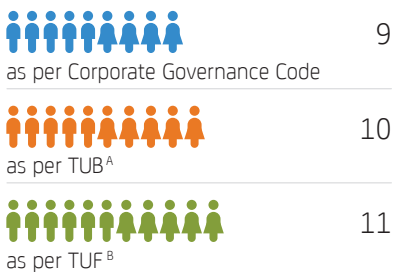
### BALANCE OF EXECUTIVE AND NON-EXECUTIVE DIRECTORS



### BOARD GENDER BALANCE



### BOARD INDEPENDENCE

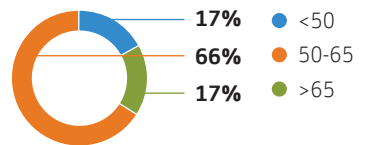


### 2022 AVERAGE TENURE LENGTH<sup>D</sup>

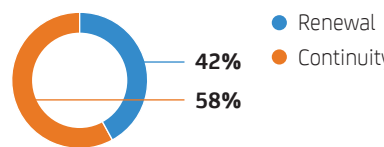


<sup>A</sup> Legislative Decree No. 385 dated September 1, 1993.  
<sup>B</sup> Legislative Decree No. 58 dated February 24, 1998.  
<sup>C</sup> Austria, Germany, Spain, United States of America.  
<sup>D</sup> Refers to the Board members in office as at December 31, 2022.

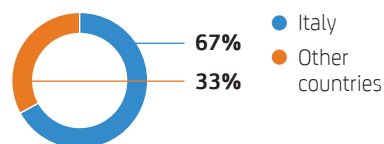
### AGE GROUP



### RENEWAL RATE



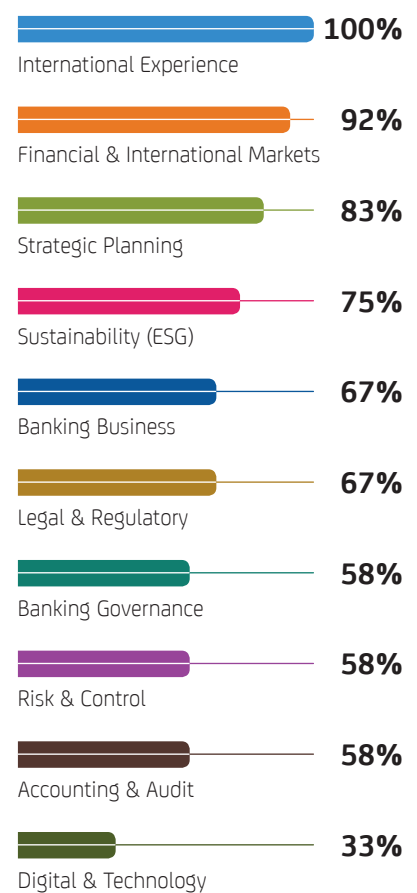
### GEOGRAPHICAL MIX



### 2022 BOARD ATTENDANCE RATE<sup>D</sup>



### DIRECTORS' COMPETENCIES



## NEW REMUNERATION POLICY SUSTAINS OUR ESG STRATEGY

Our new Remuneration Policy 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 long term performance objectives 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

<sup>A</sup> Refer to the Strategy chapter for more information.  
<sup>B</sup> For further details on the 2023 CEO scorecard please refer to the 2023 Group Remuneration Policy and Report.

- Gender parity across our organization, in accordance with 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 climate risk related goals (e.g. our Net Zero commitments)<sup>A</sup> have a weighting of 20% in the CEO's overall long term performance evaluation.<sup>B</sup>

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>12</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.

# Risk Management and Compliance

**Risk Management and Compliance are fundamental processes of our business model: we aim to mitigate risk by adhering to a Risk Appetite Framework which balances sustainable future objectives with the healthy long-term growth of our business.**

The Group Risk Management function supports the CEO in defining the Group Risk Appetite proposal, to be shared with the Group Executive Committee and Internal Controls & Risks Committee. It is 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 structures.

In 2022 we continued to embed ESG factors in our risk framework and improve transparency while further reinforcing our risk management approach with a specific focus on climate-related risks and cyber risk protection.

## Climate & Environmental Risk

In the Group Risk Management Department, a dedicated **Climate Risk and Risk Governance** global unit reporting to Group Enterprise Risk Management has been created to oversee climate-related and environmental risks and climate-related topics.

### THE CLIMATE RISK AND RISK GOVERNANCE UNIT: WHAT IS IT AND WHAT IS ITS MISSION?

#### Climate Risk and Risk Governance unit

##### WHAT IS IT?

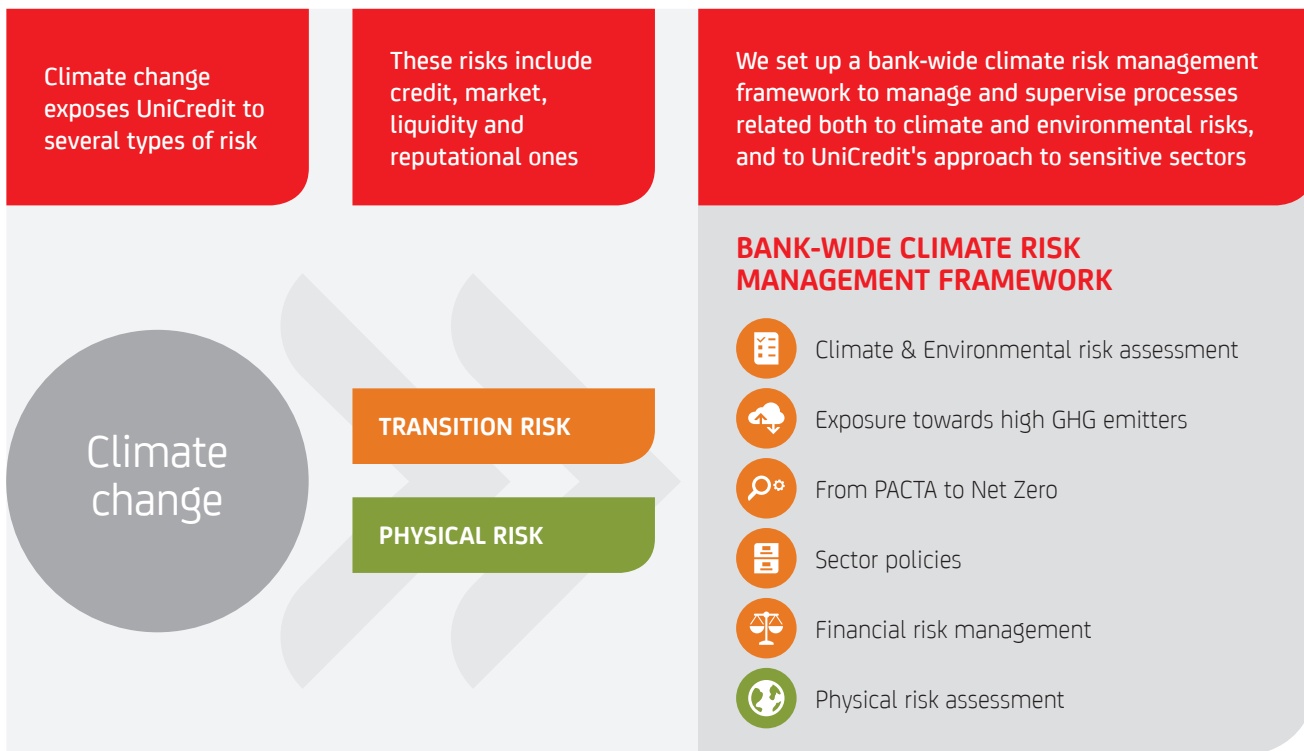
A global unit created to oversee climate-related and environmental risks and climate-related topics.

##### WHAT IS ITS ROLE?

It reports to **Group Enterprise Risk Management** and promotes both the definition of a strategic evolution of the competence line, with emphasis on climate-related topics, and a common risk culture throughout the Group.

##### WHAT DOES IT DO?

- It has a **central steering and coordination role ensuring alignment with ECB guidelines on climate-related implementation plans**
- It promotes the definition of a **strategic view on climate risk**, exploring market trends and competitors' practices, challenging methodologies applied both in the competence line and outside with regard to climate practices and providing expert input where appropriate
- It participates in **working groups at Italian and international level** and co-operates with supervisory authorities and relevant associations (e.g. ABI, European Banking Federations/EBF), consulting the thematic tables of organisations (e.g. GFMA, CFO e CRO Group)
- It supports key **local and central projects that require global steering**.



## 2022 MAIN ACTIONS TO FIGHT CLIMATE-RELATED AND ENVIRONMENTAL RISKS

### TRANSITION RISK

In the transition process we work alongside industries that need large investments to combat climate change and achieve the objectives set by the EU Green Deal roadmap.

The integration of climate and environmental risks and opportunities in our credit risk management is a necessary step of the journey in this direction. A specific methodology and process have thereupon been developed to identify scope, collect data, carry out assessments and validate results.

### CLIMATE AND ENVIRONMENTAL RISK ASSESSMENT

In order to integrate such risks in our business strategy, correctly take them into account through all stages of the credit-granting process and monitor this kind of risk in our credit portfolio, we have designed a **Climate and Environmental Risk Assessment Questionnaire** to determine our clients' position on the **transition pathway**. The questionnaire has been designed to assess transition risk exposure along **three key dimensions**:

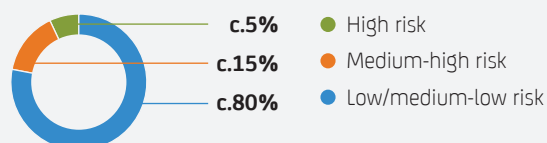
- level of current exposure
- level of future vulnerability
- economic impact.

The results of the climate and environmental assessments integrate the files submitted to Credit Committees, enabling them to correctly consider climate and environmental factors when granting decisions during the underwriting phase. In addition, transition risk scores (retrieved by external providers) are translated into ad hoc steering signals and are fully embedded in the Industry Credit Strategies framework.

### OUR CLIMATE AND ENVIRONMENTAL RISK ASSESSMENT QUESTIONNAIRE

**c.1,000 Counterparts** were assessed during the year, representing **40%** of our Corporate EAD

#### RISK OF OUR CLIENTS



## EXPOSURE TOWARDS HIGH GHG EMITTERS

Exposure towards NACE sectors of TOP 5 Countries selected for the ECB Climate Stress Test as having the highest GHG Intensity (>1000tCO<sub>2</sub>e/m€).

**15%**  
of Top 5 Countries Corporate portfolio

Exposures are well differentiated among industries with relatively higher concentration in Electricity & Gas supply and manufacturing of basic metals.

Our ESG strategy is to evaluate and support the climate transition of counterparties with reliable plans.

NACE Code	NACE Description	% on Non Financial Corporate FY22 <sup>A</sup>	% on Non Financial Corporate FY21 <sup>A</sup>
A01	Crop and animal production, hunting and related service activities	1%	1%
B05-B09	Mining and quarrying	<1%	<1%
C19	Manufacture of coke and refined petroleum products	2%	2%
C20	Manufacture of chemicals and chemical products	2%	2%
C23	Manufacture of other non-metallic mineral products	1%	1%
C24-C25	Manufacture of basic metals; Manufacture of fabricated metal products, except machinery and equipment	3%	4%
D35	Electricity, gas, steam and air-conditioning supply	6%	6%
H50	Water transport	<1%	<1%
<b>Total</b>		<b>15%</b>	<b>16%</b>

<sup>A</sup> Exposure equal to €231.7bn as at 31 December 2022. Exposure equal to €228.4bn as at 31 December 2021. Exposure referred to top 5 countries (Italy, Germany, Austria, Czech Republic, Russia) as reported to ECB in the Climate Stress Test exercise.

## FROM PACTA TO NET ZERO

Since 2020, with the **road-test PACTA for banks methodology** developed by 2DII, we have been measuring the alignment of our lending portfolio with a set of climate scenarios considering several levels of ambition measured in relation to the increase in global temperature.

After joining the **Net-Zero Banking Alliance**, we set up a working group to disclose targets on our priority sectors and monitor our **decarbonisation trajectory**. In this context, we considered the most updated and reliable methodology available for each sector, moving beyond PACTA.

» More information in the Strategy chapter

## SECTOR POLICIES

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. When possible, the Equator Principles (EP) also apply. The following policies/commitments are in place:

» More information about Biodiversity and Circular Economy are available in the Strategy chapter

### Mining sector **UPDATED**

#### POLICIES IN PLACE

**Coal sector**  
**Nuclear energy**  
**Oil & Gas sector**  
**Water infrastructure**

### Defence/Armaments **UPDATED**

**Human rights commitment**  
**Deforestation commitment**  
**Tobacco commitment**

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 and based on our principle of doing the right thing and finding a good social and environmental balance.

## EXPLORING REPUTATIONAL RISK

Every client in UniCredit must meet minimum requirements from an environmental and social point of view. Furthermore all transactions related to the sensitive sectors regulated by our environmental and social policies are subject to a specific decisional process.



## FINANCIAL RISK MANAGEMENT

Several concrete initiatives have been launched to integrate Climate and Environmental (C&E) risk into the financial risk management framework. Find below the key pillars of the approach followed:

1. an **overall methodological approach** has been defined
2. C&E KRIs have been included within **Market Risk Strategy** and dedicated limits and warning levels will be applied in 2023 for both the trading and banking book with respect to transition and physical risk; additionally also stress test warning levels will be applied. All market risk limits could be either set at Group level only or following the usual cascading process for GMLs based on materiality
3. The assessment of C&E drivers is included in the **process for evaluating of new financial products** for which the Legal Entities have also to verify if any C&E risk is embedded in the payoff/structure of the product and ensure the consistency with Group ESG strategy by involving the local competent function if needed
4. Enhancement of **monthly reporting and monitoring framework** (Physical and Transition Risks), and **Climate Stress Tests for Market and Counterparty Credit Risk** (suggesting limited materiality)
5. **Extension of Sectoral Policies** (Coal and Oil&Gas) for Financial Risk.

## PHYSICAL RISK

### CREDIT RISK

UniCredit has developed a methodology to estimate the **potential actual annual deterioration of the fair value (FV) of the collateral behind the mortgage portfolio**. The approach envisages:

1. **Identification** of key acute physical risks impacting the bank's geographies at postal code/municipality level
2. **Quantification** of the potential damage of the collaterals located in critical sites (i.e. high physical risk areas)
3. **Evaluation** of the percentage of fair value potentially damaged by the event.

<sup>12</sup> Data as at 31 December 2022.

<sup>13</sup> Portion of Fair Value in high risk zones over total Fair Value.



c.0.1%

estimate of the impact of the fair value<sup>12</sup>

- **River floods** (acute events): a warming at the end of the 21st century of more than 2°C relative to the pre-industrial period (1850-1900) would at most affect 13%<sup>13</sup> of the total portfolio fair value compared to the current 9%<sup>13</sup> (assuming the same distribution of collateral)
- **Sea level rise** (chronic events): it would at most affect 2%<sup>13</sup> of the total current portfolio FV, considering a scenario that leads to a warming at the end of the 21st century of probably more than 4°C (assuming the same distribution of collateral).

## OPERATIONAL RISK

We perform regular assessments to evaluate the resilience of our data centres and key buildings as well as to ensure that our business continuity processes are protected from physical change in weather patterns or other acute and/or chronic, climate-related environmental changes.

The Operational Risk framework is evolving to address operational risk linked to climate and environmental risk; the following actions have already been adopted:

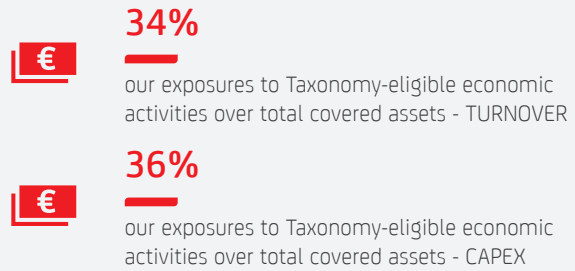
- The Operational Losses dataset has been enriched to identify

loss events related to Climate and Environmental risk that will be subject to periodical monitoring and analysis

- A dedicated scenario analysis (i.e. greenwashing and extreme flood event) was performed by major Legal Entities in 2022. The activity will be further enhanced in 2023, asking all main Legal Entities to perform an additional scenario analysis on “extreme heat wave compromising the servers cooling system”
- The Group Non-Financial Risks Committee is duly informed in cases of critical evidence deriving from assessments, losses trend and scenario analyses.

## ESG INFORMATION FRAMEWORK

We are implementing a **global framework for ESG information** that will be a key enabler for compliance with regulatory disclosure needs as well as for accelerating risk management and business steering. Given the afore-mentioned goals, in 2022 the grounding of Group data strategy was started. With a view to finding a balance between the timely recovery of KPIs and the impact on business, a data strategy that mixes different solutions has been set up, leveraging both external providers and customer surveys.

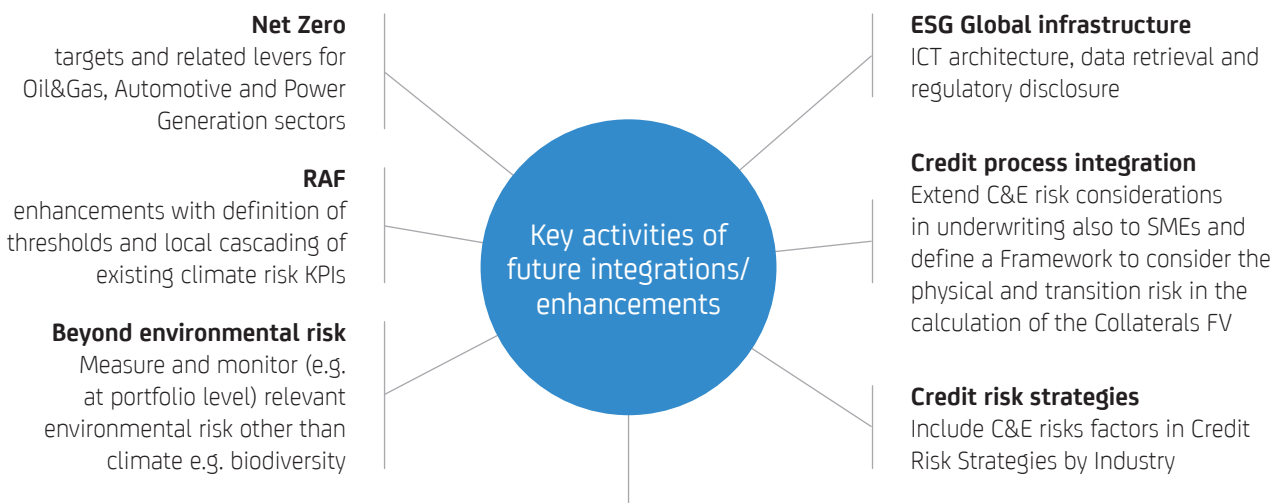


Refer to the Supplement - EU Taxonomy regulation section for more information

## Other initiatives

The **integration of Climate and Environmental factors** in our governance, business strategies and risk management framework is a **journey** along which we are continuing to achieve concrete results. Moreover, we are constantly fine-tuning our roadmap to include recent discussions with the ECB.

## 2023 PRIORITIES IN MANAGING CLIMATE-RELATED AND ENVIRONMENTAL RISKS



### ICAAP/ILAAP & Climate and Environmental Risks

Framework for Climate & Environmental risks materiality assessment within ICAAP and ILAAP, in terms of capital and liquidity adequacy under both normative and economic perspective (short and long-term time horizon) covering all risk Pillars (Credit, Operational and Market / Liquidity)



## INITIATIVE ON HUMAN RIGHTS IN 2022

Continued to support a constructive dialogue with stakeholders by participating in working groups and forums such as the Thun Group

Compliance with section 54 of the United Kingdom's Modern Slavery Act 2015

How we strengthened the Culture of human rights

**over 10,000**

people trained in human rights

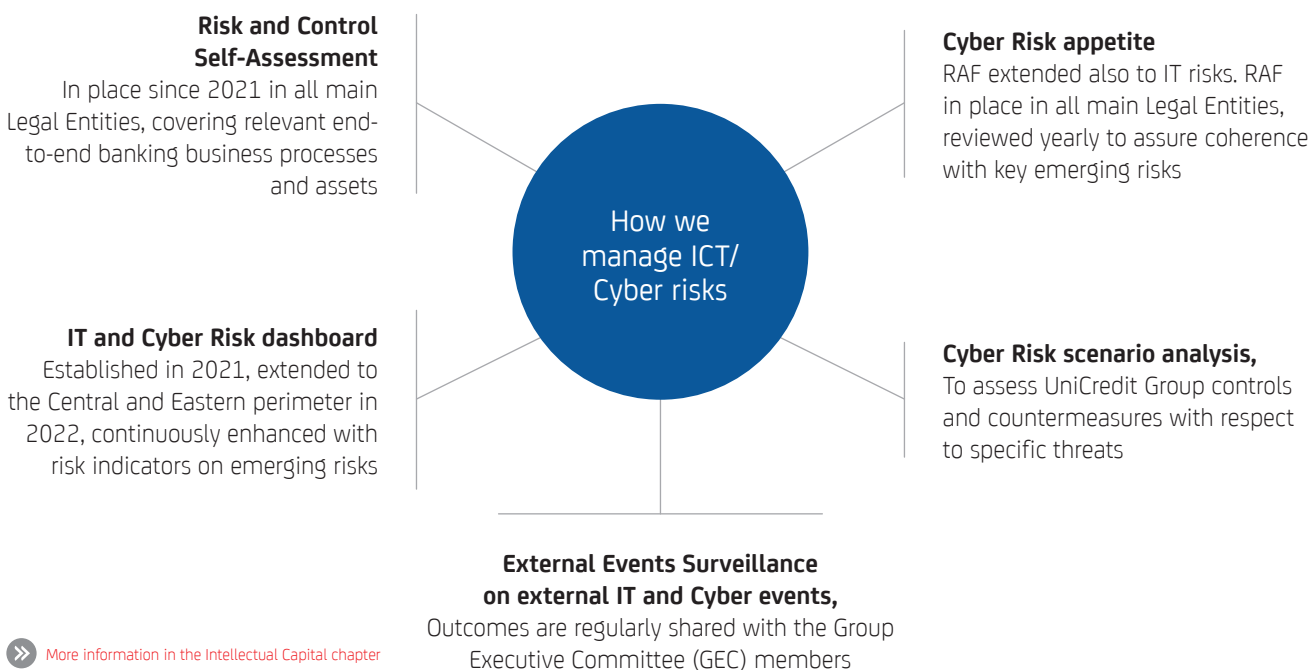
**with over 6,400**

hours provided

## Information and Communication Technology (ICT)/Cyber Risks

During 2022, we continued to work on a number of initiatives to reinforce the Group's ICT & Cyber defences.

### 2022 MAIN ACTIONS TO MANAGE ICT/CYBER RISKS



» More information in the Intellectual Capital chapter

## 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 dimensions.

The mission of the Compliance function in UniCredit Group, under the responsibility of the Group Compliance Officer, is to monitor the management of the non-compliance risk.

The Compliance function is embedded in the second-level internal control system, pursuing the objective of preventing and managing the risk of regulatory non-compliance and conflict of interest, with a view to preserve the bank's reputation, its customers' confidence and to contribute to Group ESG sustainability.

Compliance plays a leading role in promoting a Culture which reflects the Group's fundamental Values and Principles.

### APPROACH

Group Compliance monitors the **management of the non-compliance risk** according to a risk-based approach, that focuses its activities and priorities on the areas, standards, processes and procedures most at risk of non-compliance, based on the ongoing assessment of Group activities and the regulatory framework and corporate environment.

In consistency with this approach, the non-compliance risk monitoring, with respect to all corporate activities (with the exception of laws and regulations falling within the scope of Risk Management) is carried out on most relevant regulations.

#### FOCUS ON CUSTOMERS

- Transparency to customers
- Consumer safeguard regulation
- Risks concerning banking and financial activities.

#### ADVISORY TO BANK FUNCTIONS ON REGULATORY REQUIREMENTS

- New products
- Processes
- Business initiatives
- Commercial campaigns
- Marketing materials.

#### RULES AND REGULATIONS

- Set rules of conducts
- Set guidelines and standards, for perimeter of competence
- Conflicts of interests management.

### CODE OF CONDUCT: ESG PRINCIPLES FUNDAMENTAL TO EVERY DECISION MADE

**Approved** by the Board of Directors **in July 2022**, the **Code of Conduct** has been reviewed according to the new corporate Values of integrity, ownership and caring and new mindset - "Win. The right way. Together". It sets out the principles of acceptable and unacceptable behaviour (linked in particular to financial misreporting and misconduct, economic and financial crime, money laundering and terrorist financing, anti-trust practices, financial sanctions, bribery and corruption, market manipulation, mis-selling, tax offences and other violations of consumer protection laws) with which all employees and partnering third parties of UniCredit must comply in order to ensure high standards of professional conduct and integrity related to their activity or on behalf of UniCredit.

The Code clarifies that employees are expected to behave with honesty and integrity and to perform their duties with due skill, care and diligence; it also ensures that they remain aware of the potential internal and external disciplinary actions, legal actions and sanctions that may follow misconduct and unacceptable behaviour.

**ESG principles** have been introduced as **fundamentals to every decision made and every action taken**, being a central part of how our Group does business - supporting clients in their business transformation and guiding financing in the right direction, building stakeholder trust, supporting social impact initiatives and consistently measuring our results to ensure accountability. Finally, a **new Antitrust chapter** has been added to further promote and safeguard free and fair competition on the market.

ESG considerations are embedded within the three strategic pillars of the Compliance Plan.



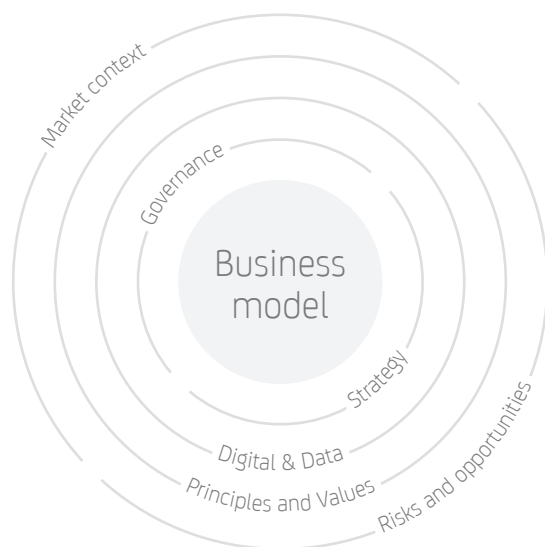
<sup>A</sup> The number of hours was significantly lower than last year due to an update course layout, also including the possibility to skip modules in case of a positive pre assessment test on the specific subject.



# Impact on communities

# Leveraging our 5 Capitals to shape a sustainable future for our clients and communities

-  Financial Capital
-  Human Capital
-  Social and Relationship Capital
-  Intellectual Capital
-  Natural Capital



- Economic value
- Social value
- Environmental value

# 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 2022 Annual Reports and Accounts. When not applicable, management data is used. For additional information on Group results, refer to the 2022 Annual Reports and Accounts and to the Presentation on 2022 preliminary results available on the investors section of the Group website. Refer to Our Strategy chapter in Annual Report for more information.

## MATERIAL CLUSTERS



LEAN AND SOLID BANK



POSITIVE IMPACT ON SOCIETY

## RELATED LINK



Focus on Tax Management in the supplement chapter



## 2022 RESULTS

€5.2bn

Net Profit <sup>A</sup>

10.7%

RoTE

€5.25bn

shareholder distribution <sup>B</sup>

16%

CET1 Ratio fully loaded



## TARGETS

>€4.5bn

Net profit by 2024

c.10%

RoTE (by 2024)

≥€16bn

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

12.5%-13%

CET1 Ratio by 2024

<sup>A</sup> Stated net profit adjusted for AT1 and CASHES coupons and impacts from DTAs tax loss carry forward contribution.

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



“

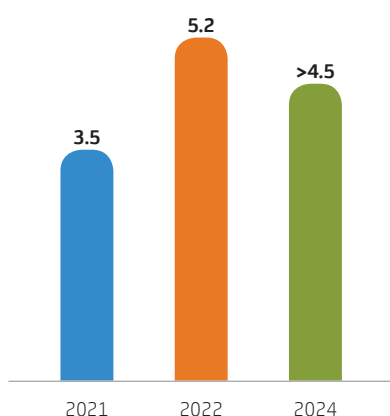
UniCredit is built on solid foundations, which provide the ability to withstand macroeconomic challenges, fulfil our responsibility to our clients and communities and deliver sustainable and attractive returns for our shareholders while preserving capital strength.

**Stefano Porro**  
Chief Financial Officer

## SOLID PERFORMANCE

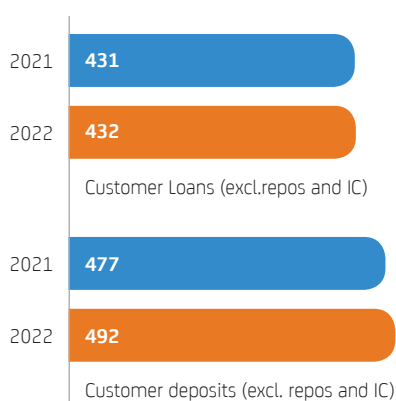
### NET PROFIT<sup>A</sup>

€ bn

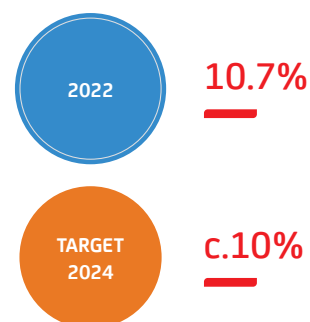


### LOANS AND DEPOSIT

€ bn



### RoTE<sup>B</sup>

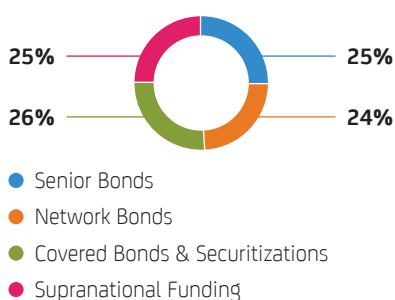


<sup>A</sup> Stated net profit adjusted for AT1 and CASHES coupons and impacts from DTAs tax loss carry forward contribution.

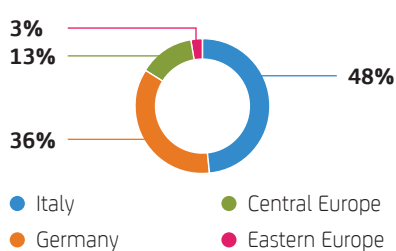
<sup>B</sup> Net profit over average tangible equity excluding AT1, CASHES and DTA from tax loss carry forward contribution.

## SOLID LIQUID POSITION

### FUNDING MIX BY SOURCE 2022



### FUNDING MIX BY COUNTRY 2022



### Liquidity Coverage Ratio

**156%**

### ESG BONDS

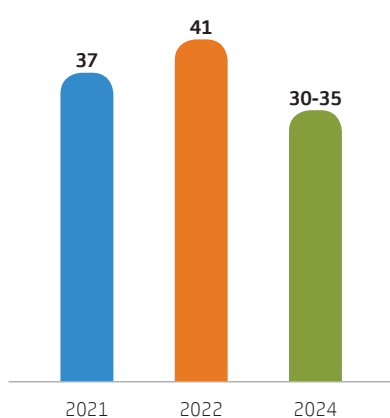
**7** ESG Bonds  
**€3.7bn** of total amount

- 2 Senior Green Bonds for €1bn each  
1 Social Bond for €155m
- 2 Green Mortgage Covered Bonds for €0.5bn each
- 1 Green Mortgage Covered Bond for €0.5bn
- 1 Green Mortgage Covered Bond for €60m

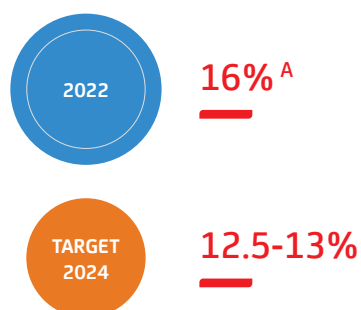
## INVERT LONG TERM FINANCIAL STABILITY WITH BALANCED FUNDING MIX

### COST OF RISK

bps



### CET1 RATIO FULLY LOADED



### RATINGS 2022

	Fitch Ratings	Moody's Investors Service	Standard & Poor's
Short-term debt	F2	P-2	A-2
Medium and Long-term	BBB	Baa1	BBB
Stand Alone Rating	bbb	baa3	bbb

**Fitch Ratings:** on 29 November, Fitch affirmed UniCredit SpA's rating BBB and kept the outlook stable.

**Moody's:** on 9 August 2022, Moody's aligned UniCredit SpA's outlook with the Italian sovereign. The Outlook was changed to "negative" (from "stable").

**S&P:** on 8 November 2022, S&P has affirmed UniCredit's at BBB and kept the outlook stable.

<sup>A</sup> CET1r fully loaded stated. CET1 ratio pro-forma for all distributions at 14.91 percent, also including approximately €3.34 billion via share buyback, whose deduction will be executed in 2023 after the ECB will grant the authorisation.

# Our Story, Your Story



**Category:** Clients



**Country:** Italy



**Values:** Caring, Integrity

## The Social Hub (TSH) social and environmental financing in Rome and Florence

Our bank is committed to empowering our youth - recognising their role as the future leaders and changemakers of our future. This starts with providing them with the resources and tools they need to be successful. In 2022, UniCredit, in collaboration with **SACE**, supported **The Social Hub (formerly The Student Hotel) project** with a **€145 million social and environmental impact financing loan** for the development of two innovation and creativity hubs. These hubs will open in 2024 and aim to connect different communities of people across all walks of life in **Rome** and **Florence**.

The Social Hub (TSH) and UniCredit agreed to include impact financing terms in the form of a discount on the

interest rate, which TSH has committed to reinvest by providing students from disadvantaged socio-economic backgrounds with scholarships in the form of rent reductions. The project will support the regeneration of the **San Lorenzo district** in Rome and the **Belfiore district** in Florence, revamping the areas for the local communities and expanding the availability of student housing in both cities.

The Social Hub is known for its commitment to building its premises in a responsible and impactful way to benefit both the local community and the environment. Backed by UniCredit's financial support, together with SACE, the San Lorenzo district in Rome and the Belfiore district in Florence will benefit from more student housing opportunities which will in turn support the wider positive development of these inner-city areas. The project also increases the availability of quality accommodation, supporting a sector that was harshly hit by the pandemic.

We have long recognised the importance of creating meaningful opportunities in the heart of our local communities. Through partnerships like those with The Social Hub, we are empowering these communities to **unlock their fullest potential**.



[Discover more](#)







**Category:** ESG



**Country:** Germany



**Values:** Ownership

## Supporting wind turbine company Nordex in the largest German Rights Issue of 2022

Our client **Nordex**, a European company headquartered in Germany, that designs, sells and manufactures wind turbines, successfully completed a Rights Issue with gross proceeds of around **€212 million**, making it the largest German Rights Issue of 2022. UniCredit acted as Joint Global Coordinator and Joint Bookrunner on the transaction. With significant support from anchor

shareholder **Acciona** and a high take-up ratio of 96.3%, the transaction was a great success. UniCredit and Nordex have been partners for many years, jointly working on the energy transition in Europe.

The Nordex Group is an important driver of the global transition to renewable energy. Their focus is on making renewable energy as **affordable as possible** by continuously reducing the cost of energy (COE) from newly installed wind turbines and developing highly efficient wind turbine generators. Today, wind energy is already the most economical electricity source in many places and the Nordex Group's product portfolio continues to actively promote the expansion of such alternative energies.

With the **Rights Offer**, the company aims to strengthen its capital structure by increasing its equity ratio in the current volatile environment for the wind industry. Nordex believes the increased cash position will safeguard against risks from the short-term headwinds affecting the industry, and further improve its delivery to customers.



[Discover more](#)

# Human Capital

We empower our people to progress throughout their professional lives by:

- listening to their needs
- investing on a skill-based organisation and designing training and development plans
- promoting diversity, equity, inclusion and welfare offers.

**MATERIAL CLUSTERS**

-  INNOVATION FOR CLIENTS
-  PEOPLE DEVELOPMENT
-  ETHICS

**RELATED LINK**

-  Supplement chapter

## 2022 RESULTS

**c.€80m**  
of one-off monetary investment to support employees against inflation growth

**c.€30m**  
invested to ensure equal pay for equal work

**c.30**  
training hours per capita

**43%**  
women in Group Executive Committee

**36%**  
women in Leadership Team

## TARGETS

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

**Ambition to achieve gender parity**  
across all organisational levels



“ Culture is a marathon. It requires perseverance, discipline, passion, and commitment.

**Siobhan McDonagh**  
Head of Group People & Culture

# Foster engagement

We believe in creating an **engaging and positive working environment** where everyone can actively contribute to our success.

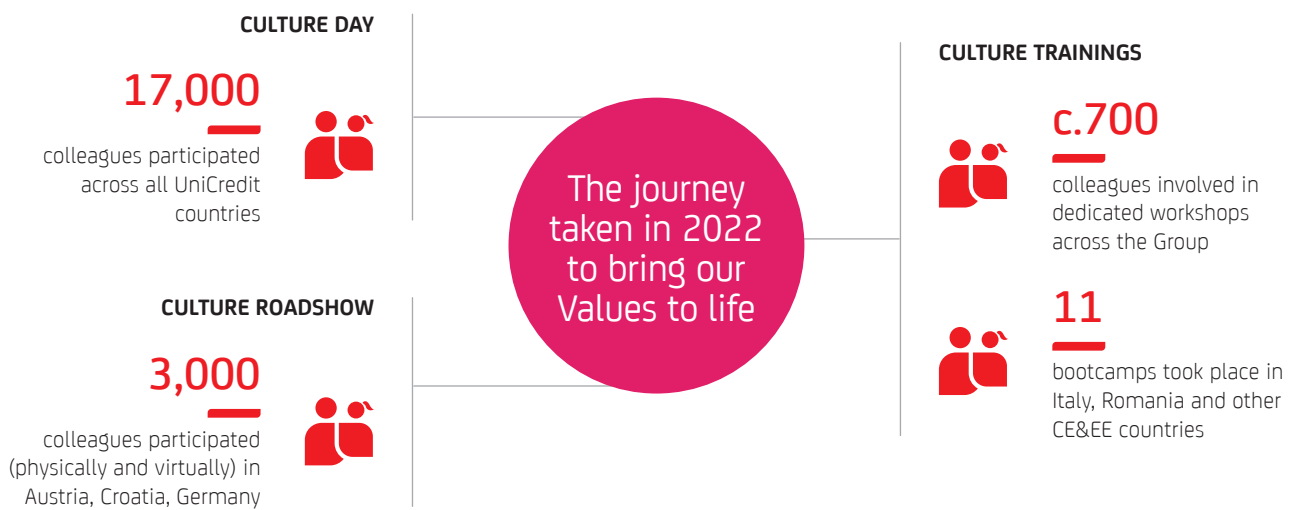
Our powerful Values - **Integrity, Ownership and Caring** - help us deliver on our new Purpose, Ambition and Strategic Plan.

## LISTENING AND INVOLVING

In 2022, we initiated a **significant Culture transformation**, led by members of our Group Executive Committee and encompassing all of our stakeholders. We established a comprehensive **plan to bring our Values to life** and shape our behaviour, thereby enabling

a Culture change. With the aim of increasing awareness and adherence to our Values, we held the first-ever **Culture Day with 17,000 colleagues** across all UniCredit countries. Soon after, we started a **Culture Roadshow** series, featuring the Group Chief Executive Officer and Head of Italy, the Head of Group People & Culture and Head of Group Culture alongside local Top Management, with the objective of embedding our Culture throughout all of our regions.

Moreover, we are running multiple **Culture Trainings**, focused on developing key mindsets and behaviours, and skills necessary to support our desired Culture transformation.



## OUR CULTURE NETWORK: THE KEY DRIVER OF CULTURE CHANGE

A crucial milestone of our Culture transformation is the foundation of our Culture Network. It has the important role of inspiring, connecting, driving and acting as a multiplier of change.



Another initiative called **CEO and GEC Connect** was launched in 2022.

Through active listening sessions between **CEO/Group Executive Committee (GEC) members** and a mixed **group of talented colleagues heterogeneously distributed** in terms of gender, function, roles and seniority, we aim to enable a Culture change based on the


implementation of new ideas flourishing from each corner of the bank.

With the aim of challenging the status quo, making the difference for a better organisation and finding solutions to **build a better bank for tomorrow**, participants are invited to **share their thoughts and ideas** with Top Managers on the topics that matter most to them.

## 2022 CEO AND GEC CONNECT: SHARING IDEAS WITH TOP MANAGERS

 **128**  
meetings


 **1,103**  
colleagues involved (**117 with the CEO,**  
**986 with GEC members**)

 **51%**  
of involved colleagues  
were female

### OUR CARING INITIATIVES FOR UKRAINE

In order to be the bank for Europe's future, UniCredit must live up to its Purpose of empowering communities to progress and show solidarity with the population affected by the war in Ukraine. Among the initiatives launched in 2022, **UniCredit has supported AVSI** (a non-profit humanitarian organisation) **in the launch of the Help Ukraine Hub** in Milan. The hub was set up to respond to the needs of a growing number of Ukrainian refugees arriving to the city, pooling resources to coordinate support.


UniCredit **provided the space for the hub for free** and, in addition, **all employees in Milan** have the opportunity to be **actively involved** in this initiative **by volunteering at the hub for one day**.

 **56**  
colleagues spent a day each at the hub for a total  
of **420** hours of volunteering

### BUILDING A POSITIVE WORK ENVIRONMENT

We **provide our people with a company-welfare that focuses on people caring**, starting from each person, extending to their families and communities. Our offer reconnects people with their concrete needs, improving their working environment, their personal growth and well-being.

Each country where the bank is present adapts our company-welfare to meet local needs.

 **c.€80m of one-off monetary investment to support employees across the Group against inflation growth**

## OUR WELFARE OFFER ACROSS COUNTRIES



## Enhance skills

In our Ambition to be the bank for Europe's future, we are looking for people willing to walk with us in this direction. We **support our employees' growth** by providing a unique and dynamic professional journey.

### TALENT ATTRACTION

UniCredit continued the **Impact Graduate Programme**:<sup>14</sup> in 2022, 25 new young hired graduates participated, coming from 8 nationalities and 50% gender balanced.

Moreover, a **new Group Onboarding Path**<sup>15</sup> has been designed with the goal of creating a single Group-wide approach to onboarding new employees and improving their understanding of the important role UniCredit plays in the communities where we operate.

A **dedicated Onboarding Path for our Group Executives** has been launched, equipping them with the necessary

tools and knowledge to drive the Culture transformation, lead through our Values and deliver on business priorities.

### NEW GROUP ONBOARDING PATH



**c.5,000**

participants at Group and local level, of which 23 Executives

### PERFORMANCE MANAGEMENT

We assess and develop our people through the **UniCredit Performance Management process** which applies to all Group employees on a yearly basis and promotes the creation of a common performance Culture based on our Values and strategic vision.

<sup>14</sup> Our 30-month development programme for newly hired graduates who are given the chance to experience rotations in different areas of the Group.

<sup>15</sup> It is a multi-phased approach that includes a structured pre-boarding phase, engaging new employees from the moment they accept a job offer and continuing until the new employee is fully integrated.

## NEW 360° FEEDBACK

A new tool whereby managers receive upward, lateral and downward feedback from colleagues they deal with most frequently.

A questionnaire focused on soft and leadership skills linked to UniCredit Values



**c.700**

participants involved in 2022



**80%**

response rate

### PARTICIPANTS

- Group Executive Committee (GEC) members
- first reporting line of GEC
- second reporting line of GEC.

### RESPONDENTS

- participants (through self assessment)
- their senior leaders
- all direct reports (first line)
- max 5 peers randomly chosen.

## DEVELOPING SKILLS

UniCredit continued the **Fast Track Programme**, a development path for a selected pool of employees, identified on the basis of outstanding performance and potential.

The Fast Track pool is aimed at feeding cross-functional positions across the Group with all-rounded profiles.



**c.30**

training hours per capita in 2022

In 2022 the **Group Job & Skill Framework** was launched with the aim of defining a simpler competency model for each role within the organization.

This Framework, that feeds several applications,<sup>16</sup> has also supported the launch of **UniCredit University**, a project aimed at delivering development opportunities across the entire Group with a shared and transparent approach. It provides **targeted training to all employees** connecting learning offers to the skills needed for each role.

**c.266**



colleagues involved in a Fast Track Programme<sup>A</sup>

About **50%** of Fast Trackers made an internal move during the 2 years of the Programme

<sup>A</sup> Including also past editions participants.

## HOW UNICREDIT UNIVERSITY IS STRUCTURED

### UniCredit University

UniCredit University is structured to provide training offer according to different **attendees** and **foresees learning paths** for all employees on key **cross contents** (People, Risk, Business and Digital) and **targeted learning by role**.

Within the overall framework, each country or function design its learning offer addressing local needs and priorities.

Multiple channels are used for delivery: **digital** by PLUS (UniCredit Global Learning Platform) and external platforms, **classroom** both **in-person** across UniCredit Training Centers and **virtual** held on digital tools such as Teams, **peer-to-peer** through colleagues teaching other colleagues and on-the-job learning.

In 2022, several countries and global functions launched their Universities (Italy, Digital) with others to follow in 2023.

## ATTENDEES

### EXECUTIVES

- Dedicated individual and group development initiatives ensuring leaders are equipped to achieve strategic objectives

### HIGH POTENTIAL

- Dedicated tailor-made initiatives for selected pool of employees

### ROLES WITH SPECIFIC NEEDS

- Upskilling/Reskilling training paths associated with competencies

### ALL EMPLOYEES

- Learning offer to cover regulatory aspects, fundamentals on basic skills and key competencies

<sup>16</sup>Such as the new Group Skill Based Strategic Workforce Planning aiming at coordinating investments on Upskilling/Reskilling programs.

## PLUS GLOBAL LEARNING PLATFORM

**PLUS** is a new Learning Experience Platform in which is integrated the Learning Management System already in use in the Group, My Learning Platform.<sup>A</sup>

It is designed to create more personalised learning experiences and help users discover new opportunities

by combining content from different sources:

- It aggregates internal and external training resources
- It promotes self-directed learning: user navigates through all the content available and selects the topic of interest.

ACCESS  
TO PLUS

2022



Around 60,000 colleagues



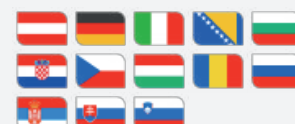
<sup>A</sup> My Learning Platform reaches all colleagues globally and contains mandatory and required by role training.



2023



All the Group's population  
(around 82,000 colleagues)



**To foster our sustainability** Culture, Group ESG and People & Culture teams have designed a **global ESG learning offer** covering basic to specialist needs targeting different employees. Moreover, in many Group countries there are other **specific initiatives** dedicated to commercial and specialized roles.

Selected key ESG training initiatives are represented in the table below.

PERIMETER	NAME OF THE INITIATIVE	TARGET	PARTICIPANTS IN 2022
Group	<b>ESG Programme</b> (in partnership with PoliMi Graduate School of Management)	Group Executives	29
Group	<b>ESG Teach-In</b> (in partnership with Polimi Graduate school of Management)	Colleagues from Group Strategy & ESG, Group Stakeholder Engagement and CEO Staff	c.270 during live streaming sessions
Group	<b>Specialist Track for ESG Experts</b> (in partnership with SDA Bocconi University)	ESG Experts across the Group	34 with final certification
Group	<b>Deep-dive series for ESG Influencers</b>	ESG Influencers	c.40 in Italy, Germany and Austria
Group	<b>ESG Fundamentals</b>	All colleagues	77% of cumulative completion rate
Italy	<b>ESG Corporate Advising Certification</b> (in partnership with Polimi Business School)	Business colleagues	230 with final certification
Italy	<b>Sustainable Finance</b>	Business colleagues	c.500
Austria	<b>ESG The world of sustainable investment</b>	Business colleagues	398
Germany	<b>Sustainable Finance Expert</b> (in partnership with European Business School)	Business colleagues	c.300 with final certification
Germany	<b>Training for Management and Supervisory Board</b> (in partnership with European Business School)	Management Board and Supervisory Board members	20
CE&EE Division	<b>CE&amp;EE ESG Certification Path</b> (in partnership with Sofia University)	ESG Specialists across CE&EE countries	40 with final certification

# Value diversity, equity and inclusion

Diversity, Equity, and Inclusion (DE&I) are key strategic drivers for our business and remain integral to building a strong foundation for our bank Culture. A **dedicated DE&I strategy** ensures a more cohesive approach to developing a positive work environment focused on productivity, personal and professional well-being, and continuous engagement of our people.

We have **strengthened our DE&I Governance, leveraging various networks across the Group** to create synergies, share best practices and cross-pollinate our business.

Our **DE&I Global Policy** supports our Culture transformation and defines expected behaviours by everyone in our Group, increasing transparency and providing direction on the ways we are addressing positive change, regardless of any diversity strands.

## OUR DE&I NETWORK



### 14 DE&I Accountable Executives<sup>17</sup>

#### ROLE MODELS

- Steer and coordinate Group DE&I strategy, policies and practices at perimeter level



### 20 DE&I Local Managers<sup>18</sup>

#### ENABLERS

- Define and implement the DE&I local action plan in line with Group DE&I strategy and ambitions



### Employee Networks<sup>19</sup>

#### PROMOTERS & ALLIES

- Empower and connect employees
- Boost DE&I principles and a Culture of inclusion across the Group
- Promote inclusive initiatives, listening and amplifying employee voices

## 2022 GROUP DE&I WEEK

In November, the 2022 edition of Group DE&I Week took place: **a time of celebration that brings together colleagues from all our countries** to reflect on what we have already achieved and **reaffirm our commitment to DE&I progression** now and in the future. Group DE&I Week represents another key

milestone that will contribute to achieve the Culture transformation we aspire for our bank and our people.

Under this year's theme of **#EmpoweringU**, each day throughout the week focused on unlocking our biases to build a bank that lives and breathes our inclusive Culture and empowers our people to freely be themselves.

### The Monday Kick-off



**8**  
languages



**c.14,000**  
colleagues involved across the Group

Among the topics discussed: a live conversation with our **corporate clients and communities** on DE&I to further empower communities to progress; first-ever **Global DE&I Awards**, identifying 3 best practices implemented across the Group; <sup>^</sup> chats with our **Employee Networks**.

<sup>A</sup> **3 BEST PRACTICES:** Special Risk Excellence Force; Courageous Voices - Accountability & Speak Up; Unconscious Bias Journey - Conscious Caring.

### From Monday to Friday



**1 specific topic a day**  
Gender, Disability, LGBTQIA+, Ethnic & Cultural Diversity, Generations



**13**  
countries actively involved



**>23,000**  
views on Group Intranet news



**>40**  
events across the Group

<sup>17</sup> Nominated under each Group Executive Committee (GEC) member.

<sup>18</sup> Appointed in our Group countries.

<sup>19</sup> On five diversity strands (Gender, Disability, LGBTQIA+, Ethnic & Cultural Diversity, Generations).



**DE&I and Inclusive Culture Programmes** have been put in place to drive inclusive behaviours.

For example, **Unconscious Bias Training** has been launched with the aim of boosting a deeper understanding of biases, developing a more inclusive mindset and breaking down barriers.

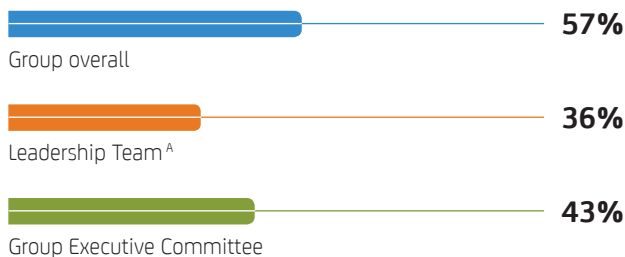
 **c.2,700**

colleagues involved in online and residential workshops, with others to follow in 2023

## PROMOTING GENDER PARITY

We are committed to driving gender balance within our workforce and are actively building a gender-balanced leadership team by increasing the proportion of women in managerial positions, including in our most senior executive roles. Our ambition is to achieve gender parity across all organisational levels.

 **Gender balance**  
Female presence



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

We are also making progress towards our ambition to ensure equal pay for equal work and we have allocated **c.€100m to reach this goal by 2024.**

In this regard, during 2022 **c.€30m** have been invested, leading to a significant **reduction of Non-Demographic Gender Pay Gap to 2.6%** and confirming the commitment.

Several initiatives have been implemented across the Group to address pay differences, such as:

- **Guidelines** for our **compensation process**
- Allocation of **salary budget**
- **Inclusion of DE&I KPIs**,<sup>20</sup> as standalone goal or as part of a broader Sustainability goal among non-financial measures, in the individual scorecards of Senior roles, as one of the elements for their performance evaluation.

<sup>20</sup> Such as: ensure equal pay for equal work, promote gender parity across all organizational levels, increase cultural and ethnic representation in our staff, boost work-life integration, well-being and flexible working model. Refer to the Group Remuneration Policy for more information.

## AWARDS



**EDGE Certification for gender equity and inclusion:** UniCredit banks in Austria, Germany and Italy are currently the only EDGE certified organisations in Europe in the banking industry



Ranked for the first time in 2022 in **Top 100 Globally for Gender Equality by Equileap**



For the 7th year in a row, named **one of the Top Employers in Europe and across several countries** in which we operate by **Top Employers Institute**



**Included in 2023 Bloomberg Gender-Equality**, for the 4th year in a row, showcasing our commitment towards greater gender equality, diversity and inclusion



Included for the first time among the **101 Best Global Companies for women in Leadership Index**

**Financial Times** named **UniCredit** as one of Europe's 2023 Diversity Leaders on general diversity, ethnicity, LGBTQIA+, age and disability.

Moreover, for the first time **Forbes** included **UniCredit in the 2022 World's Best Employers.**

UniCredit Bank Austria won the prestigious **2022 Springboard Disability Matters Award** in two out of three categories for its leading role in mainstreaming disabilities:

- **Marketplace** award for products and services designed specifically for people with disabilities
- **Workforce** award for targeted recruitment and promotion of people with disabilities.

# Our Story, Your Story



**Category:** People



**Country:** Germany



**Values:** Integrity, Caring

## An optimised and digitalised parental leave process

At UniCredit, our bank remains a partner to its people in both their personal and professional life. A well-designed **parental leave process** is indispensable for promoting young talent within the bank. The equal opportunities for parents increase and it contributes to a more balanced gender ratio at all management levels. Our Group knows that our people need to be supported in planning their career breaks, especially in occasions such as maternity leave and parental leave.

This was one of the many outcomes and improvements identified by the **Gender Diversity Programme** of **UniCredit HypoVereinsbank**, which was launched in

2021. As a result, in 2022 the entire parental leave process was further optimised and expanded with a focus on re-entry to the bank and further career development.

One of the key measures was the introduction of the new **Golden Rules** for the process. The Rules focused on part-time leadership, returning to an equivalent position or management positions being kept vacant for six months at the request of the employee, pausing talent programmes, as well as checklists for managers and employees.

Additionally, UniCredit HypoVereinsbank offered the possibility to advance one's career during parental leave, regardless of the current position, with the new "Stay Connected" digital portal. Employees have direct access to the internal job market and can send their applications from the same system accessible to active colleagues. The parenting portal also offers information about day care possibilities and other helpful topics focused on both family and professional life.

A number of colleagues already benefit from the optimisation of the process and were able to return to their management position after their break. This substantial improvement in the parental leave process has been one of the many activities to strengthen DE&I in the German market and **foster our position as one of the Top Employers in Germany.**





**Category:** People



**Country:** Hungary



**Values:** Ownership, Caring

## Relaunching the Up Academy for local talent

At **UniCredit Bank Hungary**, it is essential that we support our people along all steps of their career journey. We want to make sure that the people who will build and craft the future of this bank are well-equipped with the skills of the future and are exposed to an environment that will help them improve their professional skills and

behaviours. This is why the local talent programme, **UP Academy**, was created.






During the **one-year programme**, our top talent was able to enjoy several development opportunities including trainings held by world-renowned professors, access to online development platforms, shadowing, consultation with psychologists, and a career discussion with the **People & Culture** team. At the end of the programme, our talents had the opportunity to work on projects out of their scope.

Together with their mentors, they worked on topics such as exploring the concept of data science and its use at the bank, preparing a peer analysis based on EBA data or investigating AML-related reports and possible simplifications. To give them visibility and networking opportunities, during the conclusion of the event, participants presented the results of their projects in front of the **Board** team. After the successful closing of the programme, our bank is preparing to launch the **new edition** of UP Academy as we move forward into the new year.


# Social and Relationship Capital

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

## MATERIAL CLUSTER

-  INNOVATION FOR CLIENTS
-  POSITIVE IMPACT ON SOCIETY
-  LEAN AND SOLID BANK
-  ETHICS
-  SYSTEMIC TRENDS

## RELATED LINK

-  [Supplement chapter](#)

## 2022 RESULTS

**>442,000**

feedback provided by stakeholders

**€36.5m**

contribution to communities

**€4.8bn**

production of Social Lending

## TARGETS

**€10bn**

new production (2022-2024) Social Lending



“

UniCredit is setting a new benchmark for banking: one that delivers for all stakeholders. Group Stakeholder Engagement exists to ensure we understand and engage with every single one of those stakeholders - internal and external - so that our success is a shared success.

**Joanna Carss**

Head of Group Stakeholder Engagement

“



Sustainability is an evolving topic and we invest to provide our colleagues with state of the art ESG skills and knowledge.

**Remo Taricani**

Deputy Head of Italy

“



Financing transformation is key for society. With our expertise we drive sustainable and fair change with our clients and communities.

**Marion Hoellinger**

Head of Germany

“



In Central Europe we embed sustainability in all that we do. We aim to lead by example and adopt the right tools to support our clients and communities to navigate the just and green transition.

**Gianfranco Bisagni**

Head of Central Europe

“



The three S to successfully implement our UniCredit's ESG Roadmap in Eastern Europe are Structure, Simplicity and Speed. And our timeline is ASAP - as soon, but also as sustainably, as possible.

**Teodora Petkova**

Head of Eastern Europe

As Europe is facing the enduring energy crisis and the conflict in Ukraine, **we have an opportunity to improve our economies and societies.** The financial industry plays a vital role in this process. Banks should be closely tied to their local communities, acting as drivers of growth to enable individuals, groups and countries to reach their potential.

We will contribute to unlocking the potential of people, businesses and communities throughout Europe. Our people will work together with the shared Purpose of **empowering communities to progress**, central to all our actions.

## OUR APPROACH TO SOCIAL AND RELATIONSHIP CAPITAL



### OUR INVESTMENTS

We invest in improving how people live and how businesses operate

### OUR GOALS

We aim at generating a positive impact on society

### OUR COMMITMENT TO SDGs

We strongly support the UN 2030 Agenda for Sustainable Development and the enhancement of well-being and competitiveness in the countries in which we work

## 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 OUR CUSTOMERS

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. Since the beginning of the Covid-19 pandemic the importance of this activity has become even more significant. Our strategic plan relies on the **Net Promoter Score (NPS)** as a 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.

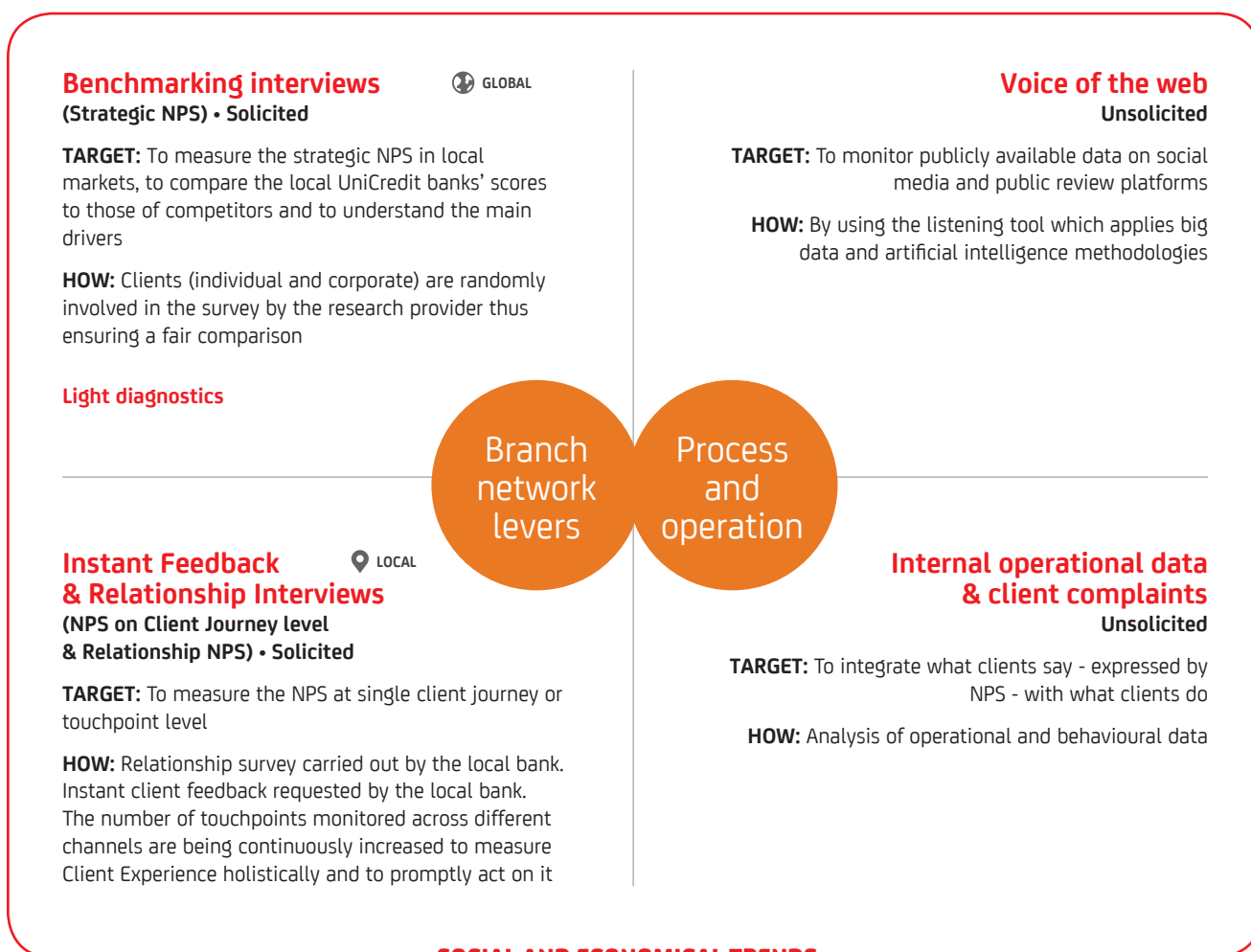
In 2022<sup>21</sup> UniCredit achieved an NPS of 22, +3 ahead of competitors at Group level. The positive result is mainly driven by Italian retail business as well as our banks in Germany and Eastern Europe.



# 22

NPS achieved by UniCredit in 2022  
(+3 vs competitors at Group level)

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



<sup>21</sup> NPS data not comparable with 2021 due to the change in interview method for individuals from telephone to web-based in Central and Eastern Europe, the implementation of core revenue in the overall calculation, and the new threshold definition among corporate clients.



**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.

	 <b>GERMANY</b>	 <b>CENTRAL AND EASTERN EUROPE (CE-EE): HUNGARY</b>	 <b>CENTRAL AND EASTERN EUROPE (CE-EE): ROMANIA</b>
<b>ACTIVITY</b>	Integrate public <b>external feedback</b> platforms in our <b>customer experience approach</b> (e.g. Google ratings or Trustpilot). Combining both internal surveys and public external feedback to build an <b>encompassing picture</b> of customer feedback	Introduction of a <b>new Customer Experience Framework</b> , launched mid-year, that supports the evolution of a <b>customer-centric culture</b> and effective <b>customer experience development</b> in the bank	Several actions developed in order to address one of the <b>main pain points in branches</b> , the <b>waiting time</b> , several actions have been taken to improve the onboarding process enabled through the Genius application (tool used for the management of current accounts)
<b>PROCESS</b>	Feedback on public external platforms is monitored and clustered to identify <b>areas of improvement/beneficial client services</b> . Furthermore, feedback on Trustpilot is responded to in order to provide customers with <b>prompt solutions</b>	Launching programmes/activities which support <b>customer-centric thinking and doing</b> and <b>knowledge of customer</b> and <b>employee needs and expectations</b>	Launch of listening moments through a <b>series of surveys</b> aimed at understanding how <b>colleagues</b> dealing directly with <b>clients are perceived</b> . Reflecting on the results, further focus was placed on Genius, introducing a <b>dedicated Task Force Programme</b> to tackle the <b>application's performance/efficiency</b> , with main challenges on the <b>speed of operation</b> and the <b>stability of the application</b> and its connected sub-systems
<b>2022</b>	Over <b>3,000 feedback</b> items were received on both Google and Trustpilot and analysed for business improvements. A <b>continuous monitoring</b> of the feedback was installed in order to <b>integrate public external platforms</b> into the <b>customer experience</b> approach	<b>&gt;25 solved customer pain points</b> out of 70 in the Action Programme  Operational and relationship metrics were linked and altogether <b>36 KPIs were defined, monitored and communicated monthly</b> on a dashboard  Extended <b>Management Board members visited</b> each of our <b>50 branches and</b> , gathered <b>&gt;200 ideas</b> on 7 specific issues related to the branch experience, together with branch colleagues	The migration of branches on the new Genius infrastructure with a <b>higher processing capacity</b> brings the expected benefits of <b>greater stability and speed</b> in the onboarding of new customers  <b>A recurrent survey</b> was launched (and will continue to be conducted in 2023) in order to measure the <b>success</b> of the <b>actions</b> implemented

Our Group remains committed to **strengthening consumer protection** and improving **awareness**.

## **NOI&UNICREDIT: A LONGSTANDING PARTNERSHIP WITH CONSUMER ASSOCIATIONS IN ITALY**

 <p><b>Partnerships with</b> <b>14</b> different associations since 2005</p>	 <p><b>Information and awareness campaign in 2022 focused on</b></p> <ul style="list-style-type: none"> <li>• sustainability</li> <li>• sustainable consumption</li> <li>• over-indebtdness</li> <li>• cyber security</li> <li>• data protection</li> </ul>
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## INTERACTING WITH STAKEHOLDER GROUPS

In 2022 we were reconfirmed as one of the thirty **Global Systemically Important Banks (G-SIB)** and consequently subject to a tighter regulatory, supervisory and resolution failure regime. At EU level, we are registered in the EU Transparency Register of the European Commission, the Council of the European Union and the European Parliament.

We continue to be committed to managing relations with EU authorities and carry out advocacy based on the highest standards of integrity, transparency, professionalism and cooperation. Political contributions in any tangible or intangible form are forbidden.

In order to facilitate the transition to a low-carbon economy, in 2022 we continued to proactively communicate

and engage with regulators at national, European and international levels regarding the enhancement of the EU sustainable finance framework.

We have actively taken part in discussions with EU institutions (EC, EP, EBA and ECB) and banking trade associations in pursuing the development of a sustainable financial system that will meet the needs of all stakeholders for comprehensive and comparable ESG data to facilitate the capital allocation towards sustainable economic activities.

We have engaged with relevant stakeholders, highlighting the importance of global alignment on the use of prudential tools to address ESG risks and to avoid the risk of fragmentation and maintain the risk-based approach of the capital framework.

## THE KEY REGULATORY DEBATES IN WHICH WE WERE INVOLVED IN 2022



Corporate Sustainable Reporting Directive



ESG amendments included in the Banking Package legislative proposal



Corporate Sustainability Due Diligence Directive



Development of a regulatory framework for an EU Green Bond Standard to stimulate the transition to a fair and green economy

## OUR INVESTOR ENGAGEMENT IN 2022

322 meetings

30 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 relationships with external stakeholders such as 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 on the progress of ESG strategies.

Tangible results on the Group ESG rating are reflected in the key external ratings we received in 2022.

[More information in the Strategy chapter](#)

## OUR RELATIONS WITH NGOs UPDATE

Following our strengthened engagement with NGOs and civil society at large, we have planned dedicated initiatives with the most significant organisations in order to assess any gaps identified by them in our ESG strategic positioning and to highlight the Group's improvements in areas of sustainability, focusing on material topics such as the just and fair transition, Net Zero, Biodiversity and policy updates (e.g. weapons).



## Engagement initiatives:

quarterly or half-yearly calls, one-to-one or collective, depending on topics to be discussed

# Invest in social and economic development

Our goal is to grow by offering development opportunities to communities, clients and the local area. We do this through our work and by **building financial** and **social inclusion** with corporate citizenship and philanthropic initiatives.

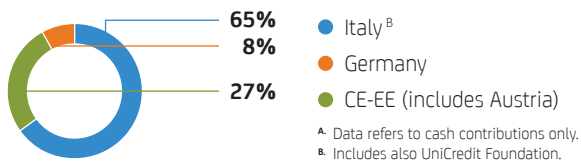
## OUR CONTRIBUTION TO COMMUNITIES IN 2022



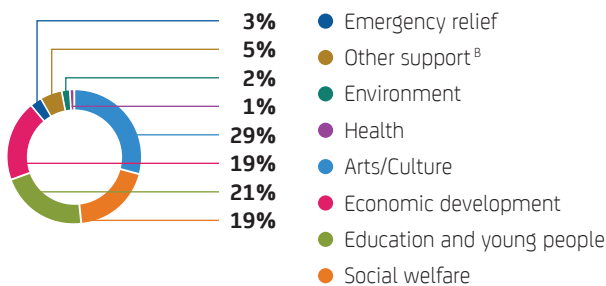
**€36.5m**  
as measured by the former London Benchmarking Group (LBG), now Business for Societal Impact (B4SI) reporting framework

## COMMUNITY CONTRIBUTIONS

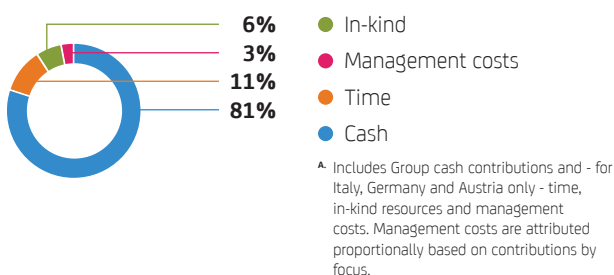
**BY GEOGRAPHY, 2022<sup>A</sup>** 100% = €29.5m



**BY FOCUS, 2022<sup>A</sup>** 100% = €36.5m



**BY TYPE, 2022<sup>A</sup>** 100% = €36.5m



## 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 financial skills, enabling them to make responsible choices.

### COMMITMENT ON FINANCIAL INCLUSION AND HEALTH

In December 2021 we signed the **Commitment on Financial Inclusion and Health** under the Principles for Responsible Banking (PRB).

### BEING A RESPONSIBLE BANK: A NEVERENDING JOURNEY



- April-September 2022** We participated in the UNEP FI working group for setting common indicators to measure financial health and financial inclusion
- During 2022 and 1H 2023** Among the 20 core indicators defined, we will select those relevant to our strategy and involve all countries in which we operate to collect feedback on the respective context and priorities
- June 2023** In June 2023 we will report on baseline and ambitious targets of the selected indicators, focusing on prioritised groups of the most vulnerable beneficiaries at risk of exclusion: unbanked, formerly banked and underbanked individuals, households, micro, small and medium-sized enterprises

## OUR CUSTOMISED SOLUTIONS OFFER

### LOW-INCOME INDIVIDUALS AND FAMILIES

- Discounted accounts with basic functionalities and debit card for people with reduced personal financial management abilities and clients who have basic banking needs (transactional products such as Basiskonto, Libretto One, My Genius Green, My Genius Base)
- Only for citizens coming from Ukraine or clients of Ukrainian nationality - ordinary current account for consumers, with economic benefits for refugees/asylum seekers

**NEW**

Our inclusive offer for specific beneficiaries

### PEOPLE WITH DISABILITIES

- Special credit offer for physically and visually impaired people (ATM accessible without using the standard touch-screen and via wheelchair, debit card with braille, cash delivery home service) and barrier free branches
- Improving digital channels and accessibility also for elderly clients

### YOUNG PEOPLE

- Opening process simplification for single parents, free savings account and student account with cards and student loans

### MICROCREDIT

- Offer with a tailor-made service model supporting individuals at risk of financial exclusion, micro-entrepreneurs and start ups

### MICROCREDIT<sup>A</sup>



**7,800**

disbursed loans for a total amount of **c.€151m**



**c.31%**

beneficiaries are female micro-entrepreneurs (Italy only)



**>49%**

beneficiaries are 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.

<sup>A</sup> Cumulated data, from 2017 until the end of 2022.

### FINANCIAL EDUCATION

In 2022 we continued to carry out several financial education and awareness initiatives across our countries, focusing on priority target beneficiaries such as the young, women and fragile individuals, also using new communication channels such as social networks and web platforms.

#### AT GROUP LEVEL



**>239,400**

beneficiaries of financial education initiatives (of which more than 143,900 are young people and 85,800 are women)



**>49,700**

beneficiaries of financial and ESG awareness initiatives (of which more than 34,700 are young people and students)

<sup>A</sup> Key financial literacy topics.

#### IMPACT OF SAVE4YOUNG PROGRAMME INVOLVING OVER 62,000 UNIVERSITY STUDENTS IN ITALY



**+86%**

knowledge level improvement in % (pre vs post intervention assessment) on the topic of **Diversification of financial instruments<sup>A</sup>**



**+92%**

knowledge level improvement in % (pre vs post intervention assessment) on the topic of **Interest rates<sup>A</sup>**



**+77%**

knowledge level improvement in % (pre vs post intervention assessment) on the topic of **Risk/Reward<sup>A</sup>**

## EMPOWERING WOMEN: BANKING ACADEMY INITIATIVES IN ITALY

1. **Con Me al centro**: entrepreneurial education programme offered to women who have decided to start an economic activity by placing themselves at the centre of their work and paying close attention to the social and environmental impacts generated by their business
2. **Save4You Social Workers**: educational programme for **female social workers** to enhance their skills in recognising the relationship that exists between financial skills and social inclusion of citizens and between financial skills and female empowerment

3. **Save4Women** - update on second edition: financial education programme that makes use of the contribution of opinion leaders such as lawyers, psychologists and economists with the aim of helping women understand the impact that financial skills have on careers, couple relationships, children's education and on female empowerment, explaining in a simple way the main concepts underlying the management of savings and investments.



> 85,700

women beneficiaries

## TEACH FOR ALL

A new partnership empowering communities in **seven core markets**, designing an **innovative, global**

**initiative to re-imagine education systems post-COVID**, engaging UniCredit employees across Europe.

## Encouraging social inclusion

We continuously endeavour 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 FROM UNICREDIT FOUNDATION

In 2022, the UniCredit Foundation relaunched its **Purpose: to unlock the potential of Europe's next generation by providing it with equal education opportunities.**

With the aim of creating equal opportunities in education, the UniCredit Foundation leverages its extensive educational network, partnerships and in-depth knowledge of our geographies to help build a better future for our young people and their communities across Europe.

### THE GOALS OF UNICREDIT FOUNDATION



Combating school dropout



Enhancing employability




Encouraging university attainment



Supporting university study and research

The UniCredit Foundation is not just a funding organisation. It plays an active role in the communities in which we operate and is a reliable partner along the entire development journey of the individual.

**c.€1.9m**  
 to counteract educational poverty across Europe focusing on School, Job and University

**c.€1.5m**  
 for scholarships and fellowships

## UNICREDIT FOUNDATION FOR EMERGENCIES

Supporting the post Covid-19 effect



€5.1m

donated to 69 non-profit organisations across Italy (the equivalent of 3.8 million meals)

Charitable initiatives for Ukraine



c.€846,000

final contribution (donated by more than 4,300 employees and doubled by UniCredit Foundation) to three non-profit-organisations

c.5,000  
donations by  
colleagues, matched  
by UniCredit  
Foundation

c.€1m donated

## The 20th edition of the Gift Matching Program

supporting non-profit  
organisations' activities  
for young people<sup>A</sup>, with  
a particular focus on  
education

<sup>A</sup> Up to the age of twenty-four.

## PROMOTING CULTURAL INITIATIVES

The Group initiated new partnerships, such as with the **Teatro San Carlo in Italy**, as well as renewing its support to national examples of excellence including the **Filarmonica della Scala and Arena Foundation in Italy, Bavarian State Opera and Kunsthalle Munich in Germany and Kunstforum Vienna in Austria**. In addition to these, long-standing collaborations continue, such as the ten-year collaboration with the **Osservatorio Permanente Giovani-Editori**. UniCredit Foundation also confirmed its commitment to **'Prove Aperte della Filarmonica della Scala'**.

Bring the art collection to  
a wider audience through  
**digital innovation**

Increasing  
access to our  
art collection

Develop **educational programmes** on art for  
children and adults

**Increase access** to the art  
collection through an ongoing  
programme of short and long-term  
loans across Europe **Deep-dive**

### DEEP-DIVE

#### UNICREDIT AND CARIVERONA FOUNDATION ARRANGED THE EXHIBITION FUORI, NELLA TERRA DELL'UOMO

For the **17th edition of the ArtVerona** modern  
and contemporary art fair, UniCredit and Cariverona  
Foundation, with the cooperation of **Urbs Picta**,

launched an exhibition on the themes of the  
environment: where we live and what we feel, the  
natural environment rebelling against excessive human  
interference. This engaging experience for international  
guests **promoted Italian art in the name of  
innovation, sustainability and accessibility.**

## Supporting competitiveness and contributing to community growth

A continuous interaction with stakeholders is fundamental  
for community growth.

As partner in the Italian Alliance for Sustainable  
Development (Alleanza Italiana per lo Sviluppo Sostenibile  
Or AsviS), we contributed to organising the **Sustainable  
Development Festival** in Italy to help raise awareness on  
ESG topics. This initiative constitutes a single, widespread

and inclusive campaign comprising hundreds of events  
organised online and with hybrid formats throughout the  
country.

An ongoing interaction is necessary if we are to understand  
the urgent needs of our corporate clients and address them  
with appropriate initiatives.

## 360° ESG ADVISORY APPROACH

In **Germany** we have developed a **360° ESG advisory** approach for our corporate clients.

This means that we have built up our ESG competence internally, e.g. by training employees to become **Sustainable Finance Experts**, and that we can also offer our clients the competence of other industry-specific experts such as the hydrogen expert team or the Real Estate Competence Centre.

Moreover, we have different banking products in the financing and investment area for each client segment that support the client's transformation. This 360° consulting approach is completed by a **holistic ecosystem of external advisory companies**.

The ESG positioning of a company goes far beyond purely financial and regulatory aspects. It starts with the analysis of the carbon footprint of companies and their products, the design and implementation of measures in the supply chain in their own production, in the social area and, where appropriate, in the implementation of compensation projects where no suitable means are available.

>2,400

ESG pitches

>360

Sustainable Finance Experts

## SUSTAINABILITY BAROMETER

This year the **ESG Barometer**, an advisory tool for an effective and structured customer conversation on sustainability, was also launched in the **Czech Republic and Slovakia** after its successful implementation in Germany and Austria. The tool will provide the Relationship Manager with a **transparent orientation in the client's field of business** and facilitate a **structured dialogue with the client**.

It contains specific issues related to Environmental, Social and Governance for 19 industries and **evaluates the client's position in a specific sustainability category**, expressing the result with a graphic based on a colour coded scale.

Developed in collaboration with an ESG rating provider as a light version of an ESG rating for medium and small companies that do not achieve an ESG rating, the tool is able to identify areas of development, provide recommendations or measures and also detect opportunities for **clients to develop their ESG positioning**.

Out of **22 available industries**

**40 companies**

have been assessed

## PARTNERSHIP FOR SOCIAL IMPACT

In **Croatia** we developed a business cooperation agreement in **social impact business** with Feelsgood Capital Partners (Fund Manager of Feelsgood Social Impact Investment Fund).

Feelsgood Social Impact Investment Fund is designed to invest in Croatian and Slovenian ventures that have typical private equity/venture capital for-profit-aims like commercial business models, led by strong management teams and ready to scale, but in addition can and will **deliver measurable social impact**.

The partnership includes financial courses related to projects and cooperation in tenders as well as the promotion of **responsible entrepreneurship** and **business with**

**a positive social impact** for students of primary and secondary schools, faculties, entrepreneurs, professional and similar associations, and the general public.

The partnership has also been extended to a cooperation in **financing projects** that are able to **make a measurable impact** and which demonstrate a purposeful **sustainable strategy** in their business model.

9

companies involved, of which 3 financed for a total of

**c.€0.4m**

## 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.

In 2022 UniCredit became a **Member of the Ellen McArthur Foundation** international charity network with the aim of **accelerating the circular economy transition** across our countries.<sup>A</sup>

In Italy, since 2009, we supported highly **innovative start ups and SME's** through **UniCredit Start Lab**, a business platform operating in Italy, with the aim of identifying and supporting the business growth of the **best innovative Italian businesses**.<sup>B</sup>

Of the newly supported companies, we have identified **those linked to the main categories of circular economy** in the Categorisation System for the Circular Economy of the European Commission.<sup>C</sup>

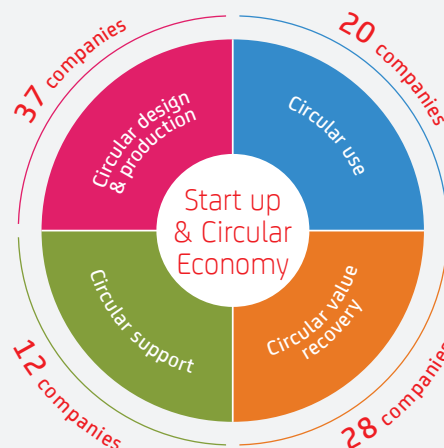
<sup>A</sup> Refer to Strategy chapter for more information.

<sup>B</sup> Refer to 2021 Integrated Report for more information.

<sup>C</sup> <https://op.europa.eu/en/publication-detail/-/publication/ca9846a8-6289-11ea-b735-01aa75ed71a1>.

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

**70** Start ups supported - of which **20** onboarded in 2022<sup>D</sup>



**25**

Start ups are now UniCredit clients  
o/w **7 new clients in 2022**

**c.€91m**

as investments raised by the start ups in the innovation ecosystem  
o/w **c.€58m in 2022**

## UNICREDIT PER L'ITALIA

In **Italy**, to alleviate the negative impact that the increase in energy and raw material costs, the surge in inflation and lower GDP growth has on local communities, and so as to continue to foster the country's growth, UniCredit has developed a **set of targeted initiatives aimed at supporting the disposable income of households and the liquidity of Italian companies**.

More in detail, the concrete actions taken by the bank are:

### FINANCIAL SUPPORT

**€5bn of new finance**, disbursed through the dedicated **CreditPiù facility, with maturities from 3 to 36 months and a grace period of up to 6 months**, made available to businesses to support their liquidity needs in the face of rising commodity and energy costs.

### PAYMENT FLEXIBILITY

Plan for purchases and utilities: **possibility to defer/ pay in installments using Carta Flexia** for individual purchases, or for the expenditure of an entire month, for up to 6 months with zero rates and fees.

### BUSINESS MORTGAGE MORATORIUM

A **dedicated moratorium of up to 12 months** launched for companies who have not already benefited from government guarantees, upon evaluation of the bank.

### MORTGAGES FOR FAMILIES AND INDIVIDUALS

UniCredit has offered the **400,000 Italian families** who are clients and mortgage holders **an up to 12-month suspension of payment of the principal amount**, the option to reconfigure monthly instalments by reviewing the repayment plan or the postponement of the instalment payments for up to 3 instalments. This will be done via the flexibility module of family/individual mortgages.

## MAIN INITIATIVES TO SUPPORT COMPANIES THROUGH PUBLIC FUNDS

### ITALY

Fondo Garanzia PMI and Garanzia Italia SACE  
 € €8.8bn  
 31,079

Beni Strumentali - Nuova Sabatini supporting new investments and Resto al Sud initiative and funds for systemic events (e.g. earthquakes)  
 € €500.6m  
 2,816

European Investment Bank (EIB) funds support the material and immaterial investment projects and finance the working capital of SMEs and MID-CAP companies and EIB risk sharing  
 € €1.1bn  
 309

### GERMANY

Pro-active advisory and granting of all relevant lending programmes  
 € €2.1bn  
 17,829

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

InnovFin SME Guarantee Facility for the financing of innovative companies  
 € €54.6m  
 23

COSME, programme for the competitiveness of enterprises  
 € €131.5m  
 1,299

SME Initiative-EaSi Umbrella-European Guarantee Fund  
 € €745.3m  
 2,582

Cooperation with Austrian Promotion Agency, European Investment Fund, Austrian Export Credit Agency (OeKB)  
 € €710.0m  
 155

LEGEND



COMPANIES



DISBURSEMENT

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 LAB)

670 participating companies  
 € >€80m contributed by stakeholders  
 61 supported companies  
 € >€125m since 2015

#### GERMANY

1,551  
 € €142.9m

#### CE-EE (HR-HU-RO-RS)

255  
 € €13.2m

### TRAVEL AND TOURISM

#### ITALY

3,435  
 € €407.4m

#### CE-EE (BG-HR)

69  
 € €9.4m

### INFRASTRUCTURE

#### ITALY

13  
 € €1.2bn

#### GERMANY

13  
 € €1.1bn

### AGRICULTURE

#### ITALY

5,133  
 € €750m

#### CE-EE (BG-CZ-HR-RO-RU)

2,792  
 € €929.1m

### REAL ESTATE

#### SOCIAL HOUSING CE-EE (AT)

17  
 € €243m

### THIRD SECTOR

#### ITALY

1,660 new clients  
 € €139.5m

LEGEND



COMPANIES



DISBURSEMENT



PROJECTS

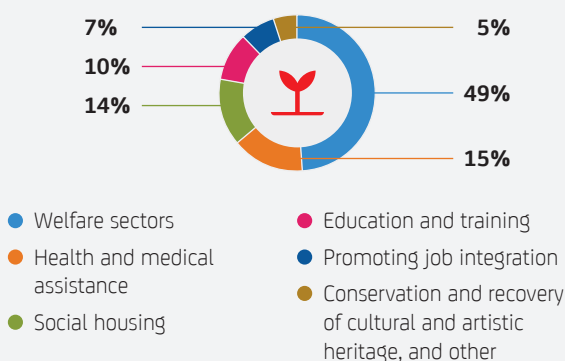


## IMPACT FINANCING

Our support to enterprises and organisations that are committed to achieving a positive social impact that address the main social needs of our community.

### HIGHLIGHTS ON MAIN OUTPUTS

**c.295 projects**  
for a total amount of  
**c.€456m**  
of cumulated disbursed loans focused on  
the following sectors:



### PROJECTS WITH PAY FOR SUCCESS<sup>A</sup> (PFS) IN ITALY

**61%**  
of projects matched with  
PFS mechanism

**c.€1,624m**  
of allocated amount for  
PFS since the launch of  
Impact Financing in 2017

### ANNUAL RESULTS ACHIEVED

#### DIRECT IMPACTS<sup>B</sup>

**96%**

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

**92%**

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

**86%**

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

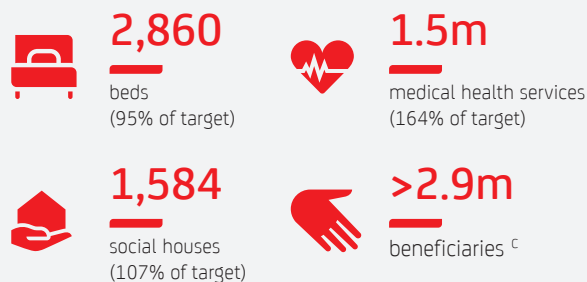
<sup>A</sup> The recognition of further economic benefits, in terms of donations or repayment of interest, to clients who demonstrate they have achieved a clear, shared and measurable social impact.

<sup>B</sup> Data refers to 132 initiatives that during 2022 provided the social reporting related to 2021 results.

<sup>C</sup> Were reached in the following sectors: 53% health, 44% welfare, 3% education and training.

### INDIRECT IMPACTS<sup>B</sup>

All financed projects have almost reached, reached or exceeded their output targets:



**83%**

of beneficiaries reached in welfare are  
**vulnerable people**  
at risk of exclusion, with disabilities, in fragile conditions or poverty<sup>C</sup>

**95%**

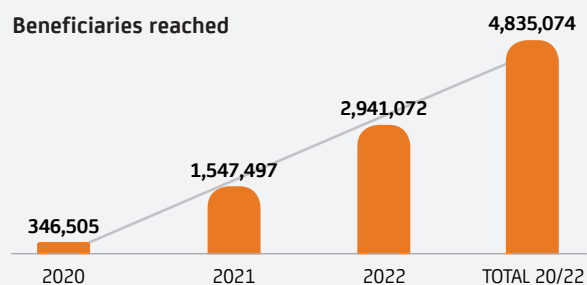
of beneficiaries have  
**experienced some positive change**  
regarding one or more social dimensions (vs a target of 88%)<sup>C</sup>

**85%**

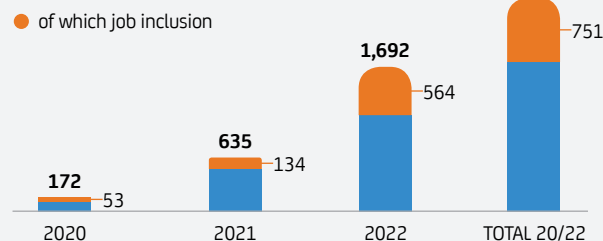
**1,692 jobs created**  
(representing 85% of final target at the end of the project),  
of which **564 job inclusions** of disadvantaged people

### CUMULATIVE RESULTS ACHIEVED

#### Beneficiaries reached



#### Jobs created



# Our Story, Your Story



Category: Clients



Country: Serbia



Values: Integrity, Caring

## A dedicated credit line for vulnerable groups

Going beyond our duty as a financial institution only means we have a commitment to providing tools and resources to those who need it most. In 2022, **UniCredit Bank in Serbia** and the **European Investment Bank (EIB)** launched a dedicated credit line totaling **€30 million**, aimed at supporting the employment, professional training, and long-term retention of people from vulnerable social groups.

These funds have enabled UniCredit to on-lend to Serbian companies that are committed to improving the social impact of their businesses and creating long-term leadership and employment opportunities for women, youths and segments of the population that face higher entry barriers in the labour market. As a bank, it is essential that we look to supporting companies who **empower their people**, in-line with our bank's commitment to empowering our communities.

In addition to funding, Serbian companies will receive a performance-based financial reward if they meet specific targets. This is with the aim to foster leadership, employment and professional development opportunities for women, youths and groups who currently tackle these barriers head-on in the current market, such as people with disabilities, refugees and more. The financial reward is provided as a grant under the **EIB's Economic Resilience Initiative (ERI)**, aimed at boosting job creation and sustainable private sector growth. This was the first EIB private sector loan in the **Western Balkans under ERI**, which contributed to the most important goals of promoting sustainable development.





**Category:** ESG



**Country:** Germany



**Values:** Caring

## UniCredit HypoVereinsbank grants social loan to GESOBAU for new affordable and intergenerational housing in Berlin Pankow

UniCredit HypoVereinsbank has granted a social loan to our client **GESOBAU** for the construction of a new square in **Berlin Pankow**, with the aim to make intergenerational living a tangible experience for the general population. On the Idunastraße/Neukirchstraße site, GESOBAU is building

**425 flats** spread across a total of **14 buildings**, 50% of which are for tenants with a housing entitlement certificate. A total of 317 flats are barrier-free, including four wheelchair-accessible units. Furthermore, shared flats for senior citizens and residents in need of care as well as a day-care centre are being built.

Founded in 1900, GESOBAU AG is one of the six major municipal real estate service providers in Berlin. GESOBAU plans to increase its housing stock from the current 46,000 to approximately **52,000 flats** by 2026. In doing so, it is making an active contribution to meeting the growing demand for affordable housing in Berlin in the long term, as well as supporting the different housing needs of the population. Housing offers for special needs groups are fully integrated into the company's development plans. In addition, GESOBAU actively focuses on climate protection, implementing targeted measures on energy-efficient construction and energy modernisation in their projects while always taking social compatibility and economic efficiency into account.



[Watch the video](#)

# 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.

## MATERIAL CLUSTERS

-  INNOVATION FOR CLIENTS
-  SYSTEMIC TRENDS
-  LEAN AND SOLID BANK
-  PEOPLE DEVELOPMENT
-  POSITIVE IMPACT ON SOCIETY

## 2022 RESULTS

**c.545**

hires in Digital & Data, mainly tech specialists

**-35%**

major cyber-security incidents

**18**

initiatives running in Agile

## TARGETS

**c.5,000**

colleagues participating in digital & data upskilling in 2022-2024

**99.95%**

availability of direct digital channels in 2024



“

We are consolidating our core competencies, setting the ground for a new way of working, reshaping our platforms and their architecture, and paving the way towards a fully digital experience for our people and our clients.

**Jingle Pang**  
Group Digital & Information Officer

In a context of growing demand for instant access to data and digitalized processes and services, coupled with the increasing complexity of cyber threats, we have progressed with the implementation of our **Digital & Data strategy**, a key component of our Group industrial plan **UniCredit Unlocked** announced in 2021.

In 2022 we placed particular emphasis on our ultimate objective to ensure a client approach focused on value creation. At the same time, we maintained a high level of focus on cyber security risk, with continued investment in our detection and defense mechanisms in accordance with our Digital Security Strategy.

## DIGITAL & DATA PRIORITIES

	<p><b>OPTIMISED INVESTMENT MODEL</b></p> <p>We are working towards reducing complexity and implementing a leaner governance, while also pursuing the simplification of our digital and operational services. These actions will support a more efficient development of new applications and strengthen our customer proximity</p>	<p><b>2022 PROGRESS</b></p> <ul style="list-style-type: none"> <li>The first step in rationalizing our investment model to facilitate our digital transformation process is the <b>merger of UniCredit Services</b>, our Digital, Operations and Procurement factory, into <b>UniCredit SpA</b> in 2022</li> </ul>
	<p><b>CORE COMPETENCIES IN-HOUSE</b></p> <p>The digital transformation process goes hand in hand with prioritising an upskilled workforce and bringing core competencies in-house through dedicated training and new hires</p>	<p><b>2022 PROGRESS</b></p> <ul style="list-style-type: none"> <li><b>Simplification of roles and competencies within the Digital perimeter</b>, reduced from 73 to 39 and from 400 to 200 respectively</li> <li><b>c.545 new hires</b>, of which <b>87% in technical roles</b> such as Software &amp; Platform Engineer, Architecture &amp; Infrastructure Engineer, Cyber Engineer, Data &amp; Analytics Engineer</li> </ul>
	<p><b>NEW WAY OF WORKING</b></p> <p>Our way of working is enabling us to increase efficiency in terms of both shorter development times and costs. Furthermore, it facilitates the maximisation of reusable components, creating economies of scale in the development process of digital services and products</p>	<p><b>2022 PROGRESS</b></p> <ul style="list-style-type: none"> <li><b>18 initiatives have been developed with the Agile methodology</b>, a key component of our new way of working</li> </ul>
	<p><b>CLIENT APPROACH FOCUSED ON VALUE CREATION</b></p> <p>We are structuring our services around products and functions which work together to deliver quality at speed and value for our clients</p>	<p><b>2022 PROGRESS</b></p> <ul style="list-style-type: none"> <li><b>Further advancement of our UniCredit Customer Experience (UCX)</b>, a strategic pillar of our digital transformation, which provides a unique and consistent digital experience across channels and devices for all client segments</li> </ul>

The table on the following page provides a selection of initiatives launched or consolidated in 2022 in key areas of our Digital & Data strategy.

Initiative	Output
  <p><b>UCX CONSUMER FINANCE ITALY</b> An optimised credit origination process developed under our UniCredit Customer Experience (UCX) programme aimed at providing a unique and seamless digital experience across all devices and channels for our retail clients. Deployed on our new cloud digital platform, its modular components are scalable to other e-banking segments thus optimising investments, while process automation features ensure efficiencies.</p>	<ul style="list-style-type: none"> <li>• Faster approval and disbursement of credit</li> <li>• Clients can autonomously: <ul style="list-style-type: none"> <li>• view the status of their requests and loan approvals</li> <li>• request banking products and services</li> </ul> </li> </ul>
   <p><b>UC HEDGE</b> An online platform facilitating SME and corporate clients in the end-to-end management of foreign exchange (FX) risk, alleviating their operational needs. Currently available in Italy and Germany, the service was developed using an Agile methodology, while the code was produced entirely in-house. Deployed on our new cloud digital platform, its universal, modular components are scalable to any country and e-banking segment.</p>	<ul style="list-style-type: none"> <li>• The service offers clients: <ul style="list-style-type: none"> <li>• FX Risk Transparency based on exposure</li> <li>• FX Risk Analysis, simulating hedging strategies</li> <li>• FX Risk Hedging, executing trades directly through UC Hedge</li> </ul> </li> </ul>
 <p><b>UNICREDIT UNIVERSITY DIGITAL</b> A platform to enhance our in-house digital capabilities, offering on the one hand general courses related to cutting edge technology for all employees to increase their digital awareness, and on the other, providing professional and technical development paths for colleagues working in the Digital &amp; Data perimeter.</p>	<ul style="list-style-type: none"> <li>• 39 development paths, one for each digital role</li> <li>• 3 proficiency levels for each development path</li> <li>• 268 colleagues reskilled</li> <li>• c.2,000 colleagues upskilled</li> </ul>
 <p><b>LIVING DIGITAL DAYS</b> Colleagues from across the Group took part in a 3-day expo conference where our digital and business technology experts shared the details on the transformative initiatives being implemented to build an integrated, fast, and digital bank to the benefit of our clients and employees.</p>	<ul style="list-style-type: none"> <li>• &gt;13,000 colleagues participated in person or online</li> <li>• c.25 exhibition stands in 7 cities Group-wide</li> <li>• c.40 speakers</li> </ul>
  <p><b>DIGITAL ACCESSIBILITY EDUCATION</b> A specialised training programme dedicated to designers and developers on the topic of digital accessibility, with the purpose of supporting the further development of digital products and services which are fully accessible to all users.</p>	<ul style="list-style-type: none"> <li>• 6 training sessions</li> <li>• c.80 participants</li> </ul>
  <p><b>MYONE UCX/UI</b> An initiative in Italy which, thanks to a unique omnichannel process, offers both clients and employees a simpler interface (UI) and a more intuitive user experience (UCX) in the management of debit cards. Based on cloud and micro frontend with the creation from scratch of a digital asset and an end-to-end development team for modification and maintenance activities.</p>	<ul style="list-style-type: none"> <li>• &gt;100k MyOne debit cards issued as of April 2022 rollout</li> <li>• Available 24h/7</li> </ul>
  <p><b>DIGITAL HUB</b> A dedicated space in one of our headquarters in Milan was redesigned to allow colleagues from different teams and business lines to work together, breaking the traditional 'silos' structure, and encouraging cross collaboration on digital workstreams.</p>	<ul style="list-style-type: none"> <li>• &gt;900 colleagues from various functions within Group Digital &amp; Information involved</li> </ul>
  <p><b>DESIGN STUDIO</b> Development of innovative, customer-centric digital solutions which provide clients with a seamless interaction with the bank and its partners. Qualities such as empathy, vision, creativity, groundedness and openness are key features of the design process.</p>	<ul style="list-style-type: none"> <li>• Team of 20 colleagues with Design Thinking competencies</li> <li>• c.20 products designed</li> </ul>

**LEGEND**



OPTIMISED INVESTMENT MODEL



CORE COMPETENCIES IN-HOUSE



NEW WAY OF WORKING



CLIENT APPROACH FOCUSED ON VALUE CREATION

## DATA AT THE SERVICE OF OUR SUSTAINABILITY GOALS: ESG GLOBAL INFRASTRUCTURE

In order to support the full embedding of ESG criteria in business and successfully **leverage the power of data**, we have developed the ESG Global Infrastructure. Part of a holistic data architecture, it is capable of collecting, enriching and aggregating granular ESG data, facilitating the integration of sustainability factors in our lending

processes through a single ecosystem from which all ESG data needs can be readily accessed. The ESG Global Infrastructure also supports our Net Zero climate change commitments with regard to target setting, monitoring and analysis.

## ENTRY POINT

### Sustainability Front End (S-FE)

The relationship manager gathers the sustainability KPIs of the loan to be issued via a survey. The S-FE is interlinked to the underwriting system, thus providing them with a seamless user experience

## CORE

### Sustainability Classification Engine (S-CE)

ESG loans and clients' capacity to address climate change risk are assessed in real-time. Classification leverages on both the survey data and on external information, and will accommodate the implications of relevant ESG regulation as it evolves

## OUTPUT

The gathered data is distributed across all relevant processes including green and social bonds issuance, and internal and regulatory reporting

The infrastructure has been developed by a cross-functional team to maximise synergies, while its unique integrated platform foundation means it can be used across all geographies but also account for local context

and requirements.

Currently live in Italy, the ESG Global Infrastructure will be rolled out in Germany and Austria in 2023, with countries in our Central Europe and Eastern Europe regions to follow.

## Cyber Security

During recent years the relevance of cyber threats has increased and new threats have emerged in all industry sectors. Moreover, the first half of 2022 saw a dramatic increase in the risk of cyber threats due to the changing geopolitical context.

In order to meet these challenges, our **Digital Security Strategy** defines a set of steps to identify, remediate and manage risks while staying safe, fostering a homogeneous approach across the Group and proactively ensuring we are ready for the unexpected.

### POLICY FRAMEWORK

Our **Digital Security Global Policy** sets principles and guidelines concerning the definition, implementation and continuous improvement of digital security to ensure a suitable level of oversight and protection of digital assets, data and information. It is part of a wider set of policies addressing specific cyber security topics, which together provide a solid framework to effectively respond to the dynamism of the threat landscape and evolving regulatory requirements.

### GOVERNANCE AND OVERSIGHT

Both the **Digital Security Global Policy** and the **Digital Security Strategy** are approved by UniCredit's Board of Directors, assisted by the Board Committees. The Board also oversees the overall execution of the Digital Security Strategy and the management of major digital security issues. Furthermore, it approves reports from Internal Audit and other functions responsible for assessing security. A selection of dedicated cyber risk KPIs are incorporated in the Group's Risk Appetite Framework (RAF) which is submitted on a quarterly basis to the Board. Moreover, our Digital Security Strategy is monitored periodically, both internally and through a third party assessment on an annual basis.

## THREAT DETECTION AND RESPONSE

### Detection processes and the capabilities of our Security Operation Centre run on a continuous basis to manage cyber security incidents.

ICT security incident management activities aim to ensure prompt detection of, and an adequate response to, ICT security incidents, minimising negative impacts to business operations and ensuring the best possible levels of information confidentiality, integrity and availability. The process is directly linked to crisis management, guaranteeing the activation of appropriate levels of communication and support when necessary.

**Digital security proficiency is key**, with growing cyber threats requiring increasingly stronger skills and specific expertise. Through our **UniCredit University Security** initiative we equip employees to reduce cyber security risks by leveraging an innovative e-learning catalogue. Mandatory courses are distributed group-wide in local languages.

### 2022 HIGHLIGHTS

**8**  
training courses released

**>118k**  
hours of training

**7**  
phishing simulations involving all employees carried out

**-35%**  
major security incidents

➤ [More information about Cyber Risk in the Risk Management Chapter](#)

# Our Story, Your Story



**Category:** Digital & Data



**Country:** Germany



**Values:** Integrity, Caring

## Optimising our digital portfolio through leading data analysis technology

### Germany launches the OneWealth platform

Embedding digital in the way we do business is essential if we want to build our competitive bank for tomorrow. With the launch of **OneWealth** in the beginning of 2022, we offered our **Wealth Management & Private Banking** clients holistic portfolio advice using a portfolio and risk analysis tool. Together with their advisor, our clients can build a portfolio that is tailored to their needs, while our portfolio and risk analysis enables them to understand exactly which interrelationships and decisions affect their overall investment and how.

With OneWealth, consultants no longer only look at individual components of a portfolio but analyse it as a whole. More than **3,000 daily updated risk factors** and a variety of market scenarios are considered - this way,

clients can identify when and why there is a need for action and anticipate future market developments in their investment decisions.

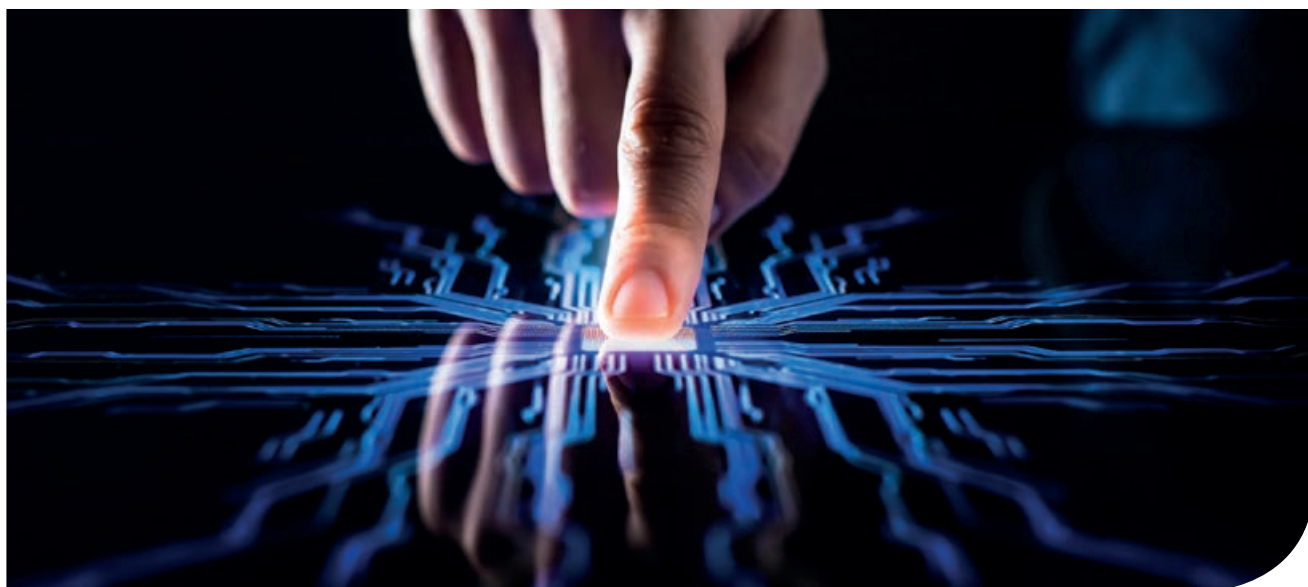
With just a few clicks, advisors can create investment proposals and tailor the investment strategy precisely to the needs and risk range of clients. Contract creation and client communications are carried out on a **consistently digital basis**. Printouts are just as unnecessary as the cumbersome switching between different banking systems. The workflows are thus greatly simplified, leaving more time for the exchange with the clients.

This has revealed additional potential of our clients' assets and has given them more choice and flexibility for their investments - as well as a whole new view into the potential future of their assets. Together with their advisor, our clients can determine how they can fully exploit their risk variant and the performance strength of their assets as well as how they can further **diversify and develop** their portfolio. They can do this through understanding the future scenarios and opportunities of their selected assets, which the new tool supports.

Like our people, our clients are experiencing first-hand what it truly means to "**live digital**". OneWealth made an important contribution to achieving the strategic goals of simplification and client centricity. In this way, OneWealth is helping **UniCredit HypoVereinsbank** achieve its ambitious growth plans in the German wealth management and private banking market.



[Watch the video](#)







**Category:** Digital & Data



**Country:** Romania



**Values:** Integrity, Ownership, Caring

## IOANA - The digital guide for UniCredit Romania

UniCredit puts “**living digital**” at the forefront when it comes to creating a best-in-class experiences for our clients. Ioana, the **vocal guide** introduced as part of the digital transformation strategy, was launched to interact with all private individual customers of UniCredit Bank and UniCredit Consumer Financing. Ioana enables human-like interactions in **Contact Center IVR** using **Natural Language Understanding** capabilities in Romanian, allowing individuals to self-serve and successfully resolve issues, while benefiting from a shorter time to answer and

improved customer experience. Further, it runs reactive and proactive initiatives for customers’ activation and digital acquisition while delivering administrative and commercial outbound campaigns (extending our reach).





Through Ioana, we deliver an intuitive service experience that anticipates the caller’s needs and allows them to interact with the system naturally, and in their own words, through simple voice indications. In terms of the benefits to the Bank, we achieved internal efficiency in our remote servicing model by delivering services with zero waiting time for the clients, addressing increased demands at constant headcount, using efficiencies to cross-sell, and more.

Leveraging on **Mediatek Data Contact Center software** and **Nuance enhanced capabilities**, Ioana’s role and contribution continues to evolve as we add new skills in accordance with the business strategy. The last one was launched in November 2022 and since then, the vocal guide is performing in IVR full caller identification, guiding the customer to log into Mobile Banking before transferring the call to a Contact Center Agent. Through Ioana, we can merge both the **best of digital and human interaction**, complementing one another to result in a streamlined approach to modern-day banking.


# Natural Capital

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

## MATERIAL CLUSTERS

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

## RELATED LINK

-  [Supplement chapter](#)

## 2022 RESULTS

**€28.7bn**

Assets under Management conversion towards ESG investments

**€11.4bn**

new environmental lending

**€12.8bn**

total ESG Debt Capital Market origination

**100% single-use plastic free**

target achieved

**14%**

reduction own GHG emissions vs. 2021

## TARGETS

**€65bn**

Assets under Management conversion towards ESG investments

**€25bn**

new environmental lending

**€50bn**

total ESG Debt Capital Market origination

**Net Zero**

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

“



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

**Bart Schlatmann**  
Group Chief Operating Officer

“



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

**Richard Burton**  
Head of Client Solutions

## Execute an effective environmental strategy

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

### WHY

#### TAKE CARE OF NATURAL CAPITAL?

**Natural Capital** preservation underpins a more equitable and just society.

### WHAT

#### IS THE ROLE OF FINANCE?

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

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

### OUR DOUBLE MATERIALITY APPROACH



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

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

## ESG Service Excellence



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

## Group Real Estate ESG



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

## Our actions to preserve Natural Capital

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

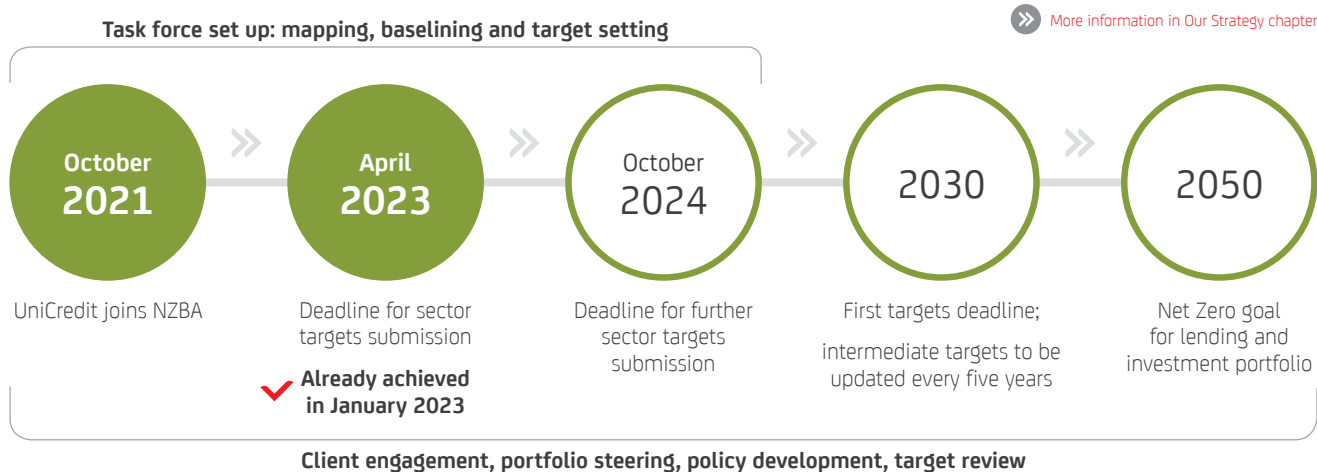
» **Shifting to a low-carbon and climate-resilient economy** includes actions such as the endorsement of Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.<sup>22</sup> We are fully integrating Climate & Environmental risk drivers in monitoring, reporting, stress testing and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

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

Our Coal Sector Policy prohibits lending to new projects in thermal coal mining and coal-fired power generation. Our oil & gas sector policy prohibits Arctic On-Shore Gas and Oil explorations and expansions. In December 2021 we adhered to the Tobacco-Free Finance pledge, with the aim to phase out from relationships with tobacco growers and manufacturers of tobacco products by the end of 2025.<sup>23</sup>

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

## OUR PATH TOWARDS 2050 NET ZERO TARGETS ON PORTFOLIO EMISSIONS



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

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

<sup>22</sup> Refer to the 2021 TCFD Report for more information.

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

<sup>24</sup> Refer to the Risk Management and Strategy chapters for more information.

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

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

Our Net Zero Journey requires a greater engagement of real estate and fleet management staff. We are designing a **roadmap**, shared at Group level, to achieve our target on own emissions by 2030. In 2022 we held two **dedicated workshops on Net-Zero**, involving Group Real Estate and Group Strategy & ESG, where activities plan and common

practices were shared. A bottom up data collection process with all our countries has been organized to build an operative baseline and estimate energy consumption forecasts, leveraging on space optimization, energy efficiency, electricity from renewable sources and heating systems transformation.

### THE FIRST CORPORATE PPA IN ITALY

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

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

### THE GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK (GRESB) SCORING

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

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

### PLASTIC-FREE AND CIRCULAR ECONOMY

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

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

As of 1 January 2023 this means that:

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

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

### A NEW CAR POLICY IN GERMANY

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

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

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

# How did we preserve Natural Capital during 2022?

## Shifting to a low-carbon economy

### 2021:

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

### 2022:

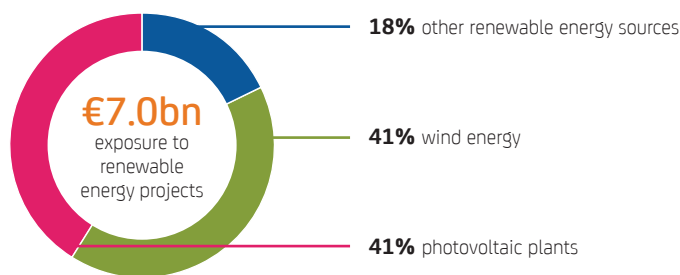
- UniCredit established working Group to define Net Zero strategy

### 2023:

- UniCredit disclosed sectoral targets on priority sectors

## Supporting renewable energy sources

As at December 2022:



## Promoting sustainable financial instruments

**6**  
own Green Bonds issued

**€3.56bn**  
of total amount

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

INDIRECT IMPACTS

PROMOTE BUSINESS THAT SUPPORTS NATURAL CAPITAL

**€52.9bn**  
of cumulative ESG volumes in 2022<sup>A</sup>

## Financing energy efficiency and green solutions

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

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

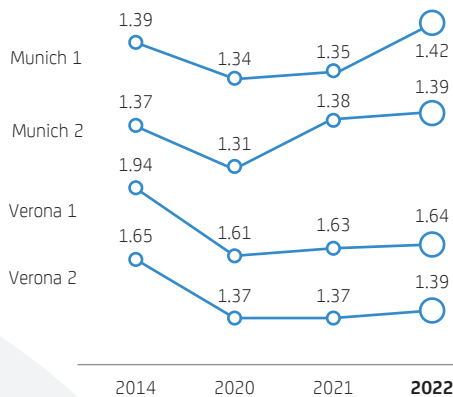
<sup>A</sup> €4.8bn of social lending volumes not included.

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

<sup>C</sup> Data refer only to building for which electricity consumption invoices are in the name of UniCredit.

### UniCredit's premises energy-efficiency

Data Center power usage effectiveness (PUE) ratios



### Raising awareness on environmental impact

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



• Launch of **UniCredit University<sup>B</sup>**

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



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



ESG Academy certification program with 60 hours

### Managing mobility

#### MOBILITY INITIATIVES FOR EMPLOYEES



In 2022 we launched a car-pooling app for employees in Italy and Germany, and are installing re-charging stations in our premises in Austria and in Italy. Furthermore, in Italy bike parking lots have been installed in the main HQs and the installation of stations for maintenance and charging of bikes is ongoing

### Energy management

#### SPECIAL MEASURES TO FACE GLOBAL ENERGY CRISIS

- Reduction of heating temperature across all buildings
- Decrease of the running hours of heating, ventilation and air conditioning systems in our main HQ
- Signs on façades and other unnecessary lightings switched off earlier

#### LOCALLY DRIVEN MEASURES



9 new Photovoltaic systems on our buildings



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



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

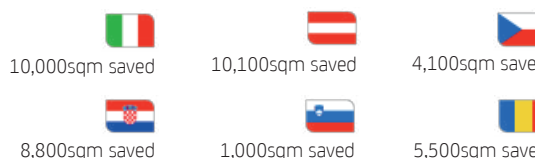
### Electricity procurement and space optimisation

#### ELECTRICITY PROCUREMENT

**87%** of total electricity consumption was from renewable sources<sup>C</sup>



#### HEADQUARTER SPACE OPTIMISATION PROJECTS



### DIRECT IMPACTS

## REDUCE OUR ENVIRONMENTAL IMPACT

**-14%**

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

### Sourcing responsibly

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

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

**28** completed audits of external service providers since 2014

# Our Story, Your Story



**Category:** Clients



**Country:** Bulgaria



**Values:** Integrity, Ownership

## Interior design company using the zero-waste method

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

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

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



[Discover more](#)







**Category:** ESG



**Country:** Austria



**Values:** Caring, Integrity

## Climate Week

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

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

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

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

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



# Annexes



# GRI Content Index

Gri Standard/ other source	Disclosure	Location and Notes	Omissions
<b>GENERAL DISCLOSURES</b>			
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	UniCredit SpA Piazza Gae Aulenti 3 - Tower A - 20154 Milano  Integrated Report: 60  2022 Annual Reports and Accounts  2022 Report on Corporate Governance and Ownership Structure	
	2-2 Entities included in the organization's sustainability reporting	2022 Integrated Report: 2-3 <sup>A</sup>  2022 Annual Reports and Accounts; Notes to the consolidated accounts - Part A - Accounting Policies; A.1 - General, Section 3 - Consolidation scope and methods.	
	2-3 Reporting period, frequency and contact point	2022 Integrated Report: 2-3 The frequency of this publication is set as annual, in accordance with the provisions of Legislative Decree 254/2016.  For any information related to this Report you can write to <a href="mailto:groupsustainability@unicredit.eu">groupsustainability@unicredit.eu</a> . This document is also available on the Sustainability section of UniCredit Group website ( <a href="http://www.unicreditgroup.eu">www.unicreditgroup.eu</a> ).	
	2-4 Restatements of information	2022 Integrated Report: 2-3	
	2-5 External assurance	2022 Integrated Report: 132-135	
	2-6 Activities, value chain and other business relationships	2022 Integrated Report: 31-47; 56-57; 62-63; 96-103; 117; S.38  2022 Annual Reports and Accounts	
	2-7 Employees	2022 Integrated Report: 36; 38; 59; S.38-S.42  The following types of employees do not apply to the Group: non-guaranteed hours employees, workers who are not employees and whose work is controlled by the organization.	
	2-8 Workers who are not employees	This type of employees does not apply to the Group.	
	2-9 Governance structure and composition	2022 Integrated Report: 62-65  2022 Report on Corporate Governance and Ownership Structure	
	2-10 Nomination and selection of the highest governance body	2022 Integrated Report: 62-65; S.18-S.21  2022 Report on Corporate Governance and Ownership Structure	
	2-11 Chair of the highest governance body	2022 Integrated Report: 62-65  2022 Report on Corporate Governance and Ownership Structure	
	2-12 Role of the highest governance body in overseeing the management of impacts	2022 Integrated Report: 48-53; 62-65; 68-69; 92-95; S.18-S.21; S.34-S.37	
	2-13 Delegation of responsibility for managing impacts	2022 Integrated Report: 62-65; S.18-S.21  2022 Report on Corporate Governance and Ownership Structure	
	2-14 Role of the highest governance body in sustainability reporting	2022 Integrated Report: 2-3; 62-65  2022 Report on Corporate Governance and Ownership Structure	
	2-15 Conflicts of interest	2022 Integrated Report: S.26-S.33  2022 Report on Corporate Governance and Ownership Structure	
	2-16 Communication of critical concerns	2022 Integrated Report: 62-65; S.18-S.21; S.32-S.33  2022 Report on Corporate Governance and Ownership Structure	

<sup>A</sup> The following legal entities have been included in the reporting perimeter: UniCredit SpA, UniCredit Factoring SpA, UniCredit Leasing SpA, UniCredit Services SCpA (with its activities in Italy, Germany, Czech Republic, Hungary, Poland, Romania and Slovakia, merged by absorption into UniCredit SpA on 1 October 2022), 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 Services GmbH, 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 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.

Gri Standard/ other source	Disclosure	Location and Notes	Omissions
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	2022 Integrated Report: 62-65	
	2-18 Evaluation of the performance of the highest governance body	2022 Integrated Report: 5.20 2022 Report on Corporate Governance and Ownership Structure	
	2-19 Remuneration policies	2022 Integrated Report: 62-65 2022 Report on Corporate Governance and Ownership Structure 2023 Group Remuneration Policy and Report	
	2-20 Process to determine remuneration	2022 Integrated Report: 5.21 2022 Report on Corporate Governance and Ownership Structure 2023 Group Remuneration Policy and Report	
	2-21 Annual total compensation ratio	The total compensation ratio of the CEO to the average Group employee is 82x as of December 2022. <sup>8</sup> The CEO's total compensation, the highest within the Group, includes fixed, variable non equity compensation plus fair value of compensation. Average Group employee total compensation includes fixed and variable compensation and has been calculated considering annual gross salary for all employees (also for part-time employees). In 2022 the total annual compensation for the organization's highest-paid individual (the CEO) decreased. Therefore a meaningful data point necessary for the calculation of requirement B of GRI disclosure 2-21 (i.e. the percentage increase in annual total compensation of the CEO) is not available.	
	2-22 Statement on sustainable development strategy	2022 Integrated Report: 9-11; 18-22	
	2-23 Policy commitments	2022 Integrated Report: 26-27; 30-34; 58-59; 66-68; 5.22-5.23	
	2-24 Embedding policy commitments	2022 Integrated Report: 62-65; 68-69; 72; 117  The Code of Conduct clarifies that employees are expected to behave with honesty and integrity and to perform their duties with due skill, care and diligence; it also ensures that they remain aware of the potential internal and external disciplinary actions, legal actions and sanctions that may follow misconduct and unacceptable behaviour. In this respect the Internal Audit determines, within audit engagements included in the annual risk based audit plan, whether the Company's risk management, control and governance processes, as designed and implemented by Management, are adequate and functioning properly about, among others: employees' actions in compliance with policies, standards, procedures and applicable laws and regulations as well as about behaviors in line with Company's integrity policies and values contributing to prevent conduct and/or reputational risks, e.g. in 2022 were performed audits on Embargo & Financial Sanctions, AML - Customer Due Diligence and Transaction Monitoring focus on Banks and Financial Institutions, Related Parties transactions management process, Bancassurance not financial products, Employees' Outside Business Interests management process, Remuneration practices with a focus on investment products distribution, ESG Roadmap.	
	2-25 Processes to remediate negative impacts	2022 Integrated Report: 26-27; 31-34; 116-117; 5.22-5.33	
	2-26 Mechanisms for seeking advice and raising concerns	2022 Integrated Report: 80-83; 5.28-5.29; 5.32-5.33	
	2-27 Compliance with laws and regulations	2022 Integrated Report: 5.29; 5.32-5.33 2022 Annual Reports and Accounts No relevant fines were imposed in 2022 for non-compliance with environmental laws or regulations.	
	2-28 Membership associations	2022 Integrated Report: 5.14-5.17	
	2-29 Approach to stakeholder engagement	2022 Integrated Report: 48-50; 52; 80-82; 92-95; 5.34-5.37; 5.49-5.50	
2-30 Collective bargaining agreements	2022 Integrated Report: 5.43		

<sup>8</sup> The total compensation ratio of the CEO's to the median Group employee, excluding Austria, is 103x as of June 2022 (2022 CEO's total compensation as per Consob tables, equity fair value included).

Gri Standard/ other source	Disclosure	Location and Notes	Omissions
<b>MATERIAL TOPICS</b>			
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	2022 Integrated Report: 26-27; 48-53; 58-59; S.34-S.37	
	3-2 List of material topics	2022 Integrated Report: 48-53; S.34-S.37	
	3-3 Management of material topics	Refer to indications for each Material topics below.  With regards to negative impacts, a deeper analysis of our impacts on economy, environment, and people will be run in the context of the full Principles for Responsible Banking Report, which will be published in June 2023.	
<b>Economic performance</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; 82-83; 116-117; S.22-S.23; S.34-S.37 2022 Annual Reports and Accounts	
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	2022 Integrated Report: S.2-S.3	
	201-2 Financial implications and other risks and opportunities due to climate change	2022 Integrated Report: 40-43; 66-68; S.22-S.24 UniCredit Group Disclosure (Pillar III) as at 31 December 2022	
	201-3 Defined benefit plan obligations and other retirement plans	2022 Integrated Report: S.39-S.40 2022 Annual Reports and Accounts	
<b>Indirect economic impacts</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; 92; 96-103; S.34-S.37	
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	2022 Integrated Report: 96-103	
	203-2 Significant indirect economic impacts	2022 Integrated Report: 96-103	
<b>Anti-corruption</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; 72-73; S.22-S.23; S.32-S.37	
<b>GRI 205: Anti- corruption 2016</b>	205-1 Operations assessed for risks related to corruption	2022 Integrated Report: S.26-S.27	
	205-2 Communication and training about anti-corruption policies and procedures	2022 Integrated Report: 73	
<b>Anti-competitive behavior</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; 72-73; S.29; S.34-S.37	
<b>GRI 206: Anti- competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2022 Integrated Report: S.28-S.29 2022 Annual Reports and Accounts	
<b>Tax</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; S.6-S.12; S.34-S.37 2022 Annual Reports and Accounts 2021 Country by Country Reporting	
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	2022 Integrated Report: S.6-S.12	
	207-2 Tax governance, control, and risk management	2022 Integrated Report: S.6-S.12	
	207-3 Stakeholder engagement and management of concerns related to tax	2022 Integrated Report: S.6-S.12	
	207-4 Country-by-country reporting	2022 Integrated Report: S.11	

Gri Standard/ other source	Disclosure	Location and Notes	Omissions
<b>Materials</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; 112-117; S.34-S.37	
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	2022 Integrated Report: S.55 In 2022, the total copy paper consumption amounted to roughly 2,007,669 kg, out of which 76% is recycled.	
<b>Energy</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; 112-117; S.34-S.37	
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	2022 Integrated Report: S.55 In 2022, direct energy consumption amounted to roughly 289,590 GJ. The main fuels used were natural gas (93 percent), followed by diesel (about 5 percent) and crude oil and petroleum products (2 percent). Indirect energy consumption amounted to roughly 1,422,680 GJ of which district heating accounted for 12 percent and electricity for about 88 percent. Electricity consumption included self-produced energy from photovoltaic plants in Austria, Hungary, and Italy. Figures do not include energy consumption at leased assets for which we do not have operational control.	
	302-3 Energy intensity	2022 Integrated Report: S.55	
	302-4 Reduction of energy consumption	2022 Integrated Report: 117; S.55 Reduction of energy consumption (direct and indirect, as indicated above for the GRI 302-1) vs. 2021 amounted to roughly 95,780 GJ. 2021 figures restated from those published in the 2021 Integrated Report. For more information refer to page S.55.	
<b>Water and effluents</b>			
<b>GRI 303: Water and Effluents 2018</b>	303-3 Water withdrawal	Integrated Report 2022: S.55 In 2022, the total water withdrawal from public water mains or other water services providers amounted to roughly 1,569,818 m <sup>3</sup> .	

Gri Standard/ other source	Disclosure	Location and Notes	Omissions
<b>Emissions</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; 112-117; S.34-S.37	
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	2022 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 (2022) <sup>c</sup> , for stationary combustion, business travel and refrigerant gas leakages.	
	305-2 Energy indirect (Scope 2) GHG emissions	2022 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 (2022) <sup>c</sup> , for district heating - IEA (2022), Emission Factors <a href="http://www.iea.org/statistics">www.iea.org/statistics</a> (all rights reserved; as modified by UniCredit SpA), for electricity consumption - Location Based method - Association of Issuing Bodies (AIB), 2021 European Residual Mixes, V.1.0 (2022), 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 tons 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.	
	305-3 Other indirect (Scope 3) GHG emissions	2022 Integrated Report: S.54-S.55 Gases included in the calculation: CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O; Sources of emission factors: - CEPI, CEPI statistics (2021), for copy paper use - DEFRA, UK Government GHG Conversion Factors for Company Reporting (2022) <sup>c</sup> , for business travel and waste disposal; Sources of emission factors for energy consumption at leased assets not within operational control: - DEFRA, UK Government GHG Conversion Factors for Company Reporting (2022) <sup>c</sup> , for stationary combustion and district heating consumption - Association of Issuing Bodies (AIB), 2021 European Residual Mixes, V.1.0 (2022), for electricity consumption - Market Based method. AIB does not report emission factors for gases other than CO <sub>2</sub> ; Market-based emissions are therefore expressed in tons 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 - IEA (2022), Emission Factors <a href="http://www.iea.org/statistics">www.iea.org/statistics</a> (all rights reserved; as modified by UniCredit SpA), for electricity consumption where appropriate.	
	305-4 GHG emissions intensity	2022 Integrated Report: S.54-S.55 In 2022, the Scope 1 emissions intensity amounted to roughly 0.41 tons of CO <sub>2</sub> e per FTE; the Scope 2 emissions intensity (location-based) amounted to roughly 1.44 tons of CO <sub>2</sub> e per FTE; the Scope 2 emissions intensity (market-based) amounted to roughly 0.35 tons of CO <sub>2</sub> e per FTE; the Scope 3 emissions intensity amounted to roughly 0.39 tons of CO <sub>2</sub> e per FTE.	
	305-5 Reduction of GHG emissions	2022 Integrated Report: 112; 117; S.54-S.55	
	305-6 Emissions of ozone-depleting substances (ODS)	GHG emissions resulting from refrigerant gas leakages have been calculated and included in Scope 1 emissions.	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	No other significant air emissions have been identified.	

<sup>c</sup> The document contains public sector information licensed under the Open Government Licence v3.0 <https://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/>.



Gri Standard/ other source	Disclosure	Location and Notes	Omissions
<b>Waste</b>			
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	2022 Integrated Report: 48-53; 58-59; 112-117; S.34-S.37	
	306-2 Management of significant waste-related impacts	2022 Integrated Report: 112-117	
	306-3 Waste generated	2022 Integrated Report: S.55 In 2022, the total amount of waste produced was roughly 8,270,645 kg, out of which: - paper and cardboard: 3,418,459 kg (of which 0 kg of hazardous); - plastic: 118,926 kg (of which 0 kg hazardous); - glass: 19,476 kg (of which 0 kg hazardous); - toner: 38,011 kg (of which 195 kg hazardous); - electrical and electronic appliances: 123,134 kg (of which 32,976 kg hazardous); - batteries: 3,494 kg (of which 3,438 kg hazardous); - oils: 31,580 kg (of which 0 kg hazardous); - filter materials: 1,045 kg (of which 305 kg hazardous); - other waste: 4,516,519 kg (of which 88,661 kg hazardous).	
	306-4 Waste diverted from disposal	2022 Integrated Report: S.55 The 2022 data on waste management complies with the reporting requirements of GRI Disclosures 306-4, articles a, b, c. 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 much of the waste is delivered on the basis of specific reuse agreements (e.g., paper). Furthermore, municipal waste is managed in accordance with local provisions.	
	306-5 Waste directed to disposal	2022 Integrated Report: S.55 The 2022 data on waste management complies with the reporting requirements of GRI Disclosures 306-5, articles a, b, c. 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).	
<b>Supplier environmental assessment</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; 112-117; S.34-S.37	
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	2022 Integrated Report: 117 In UniCredit, 100 percent of centrally selected new suppliers are screened using socio-environmental criteria.	
<b>Employment</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; 80-83; S.34-S.37	
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	2022 Integrated Report: 83; S.40-S.41	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	2022 Integrated Report: 36; 83	
<b>Labor/management relations</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; 116; 117; S.34-S.37	
<b>GRI 402: Labor/ Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	2022 Integrated Report: S.44	

Gri Standard/ other source	Disclosure	Location and Notes	Omissions
<b>Occupational health and safety</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; S.34-S.37; S.46	
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	2022 Integrated Report: S.46-S.47	
	403-2 Hazard identification, risk assessment, and incident investigation	2022 Integrated Report: S.46-S.47	
	403-3 Occupational health services	2022 Integrated Report: S.46	
	403-4 Worker participation, consultation, and communication on occupational health and safety	2022 Integrated Report: S.46	
	403-5 Worker training on occupational health and safety	2022 Integrated Report: S.46	
	403-6 Promotion of worker health	2022 Integrated Report: S.46	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2022 Integrated Report: S.46	
	403-9 Work-related injuries	2022 Integrated Report: S.47 The following type of employees does not apply to the Group: - workers who are not employees and whose work is controlled by the organization.	
<b>Training and education</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; 65; 80-85; S.34-S.37	
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	2022 Integrated Report: S.42	
	404-2 Programs for upgrading employee skills and transition assistance programs	2022 Integrated Report: 83; S.46	
	404-3 Percentage of employees receiving regular performance and career development reviews	2022 Integrated Report: 84	
<b>Diversity and equal opportunity</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; 64; 73; 80; 86-87; S.34-S.37	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	2022 Integrated Report: 65	
	405-2 Ratio of basic salary and remuneration of women to men	2022 Integrated Report: 23; S.40-S.41	
<b>Non-discrimination</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; 86; S.34-S.37	
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	2022 Integrated Report Our global policies allow zero tolerance against harassment, sexual misconduct, bullying and act of retaliation. Under these policies in 2022, across the Group, 21 reports were received and investigated for which 7 disciplinary actions have been committed.	
<b>Local communities</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; 96-103; S.34-S.37	
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	2022 Integrated Report: 49; 96; 103	

Gri Standard/ other source	Disclosure	Location and Notes	Omissions
<b>GRI-G4 Financial Services Sector Disclosures: Local communities</b>	FS13 - Access points in low-populated or economically disadvantaged areas by type	2022 Integrated Report: S.51	
	FS14 - Initiatives to improve access to financial services for disadvantaged people	2022 Integrated Report: 98; 103	
<b>Supplier social assessment</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; 114; 117; S.34-S.37	
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	2022 Integrated Report: 117 In UniCredit 100 percent of centrally selected new suppliers are screened using socio environmental criteria, including compliance with International Labor Organization (ILO) conventions.	
<b>Public policy</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; 95; S.34-S.37	
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	2022 Integrated Report: 95; S.27 Political contributions in any tangible or intangible form are forbidden.	
<b>Customer privacy</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; S.34-S.37	
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2022 Integrated Report: S.33 In 2022 UniCredit Italy received 3 complaints for privacy-related issues reported by the competent authorities; 9 cases of client data exposure were recorded in 2022. Only one was caused by a cyber-attack on a third-party, the remaining were caused by an ICT error /malfunctioning or operational exposure. These did not have a material impact on clients. Nevertheless, in these cases it was deemed appropriate to notify the privacy authority (and, in one case, the supervisory authority Bank of Italy).	
<b>Product portfolio</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 48-53; 58-59; 96-103; S.34-S.37	
<b>GRI-G4 Financial Services Sector Disclosures: Product portfolio</b>	FS6 - Portfolio for business lines	2022 Integrated Report: S.48 2022 Annual Reports and Accounts	
	FS7 - Monetary value of products and/or services designed to deliver a specific social benefit	2022 Integrated Report: 97; 103; S.52	
	FS8 - Monetary value of products and/or services designed to deliver a specific environmental benefit	2022 Integrated Report: 34-35; 112; 116	
<b>Political and social changes</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 49-51; 56-61; 92-103; S.34-S.37	
<b>Digitalisation and innovation</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 49-51; 58-59; 106-109; S.34-S.37	
<b>Lean and transparent organisation</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 49-51; 58-59; 106-109; S.34-S.37	
<b>Value to client</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2022 Integrated Report: 49-51; 58-59; 92-103; S.34-S.37 2022 Annual Reports and Accounts	

# 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	
Labour	Principle 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	2-7; 2-30; 401-1; 401-2; 402-1; 404-1; 404-2; 404-3; 405-1; 405-2; 406-1
	Principle 4 - Businesses should uphold the elimination of all forms of forced and compulsory labour	
	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	2-27; 201-2; 301-1; 302-1; 302-3; 302-4; 303-3; 305-1; 305-2; 305-3; 305-4; 305-5; 305-6; 305-7; 306-3; 306-4; 306-5; 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	2-23; 2-26; 205-1; 205-2

# SASB Indicators Index

## Commercial Banks sector<sup>26</sup>

Topic	Code	References
Data Security	FN-CB-230a.1	2022 Integrated Report - GRI Content Index page 128
	FN-CB-230a.2	2022 Integrated Report - Risk management chapter page 72; Intellectual capital chapter page 109
Financial Inclusion & Capacity Building	FN-CB-240a.1	2022 Integrated Report - Social and Relationship capital chapter pages 96-103
	FN-CB-240a.4	2021 Integrated Report - Social and Relationship capital chapter pages 97-98
	FN-CB-410a.1	Annual Reports and Accounts 2022 - 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 related hedging policies: - Section 2 - Risks of the prudential consolidated perimeter - 2.1 Credit risk - Quantitative information - Table B.1
	FN-CB-410a.2	2022 Integrated Report - Our Strategy: one year into UniCredit Unlocked chapter page 37 2022 Integrated Report - Risk management chapter pages 66-70
Business Ethics	FN-CB-510a.1	2022 Integrated Report - Supplement Compliance chapter page S.29 Annual Reports and Accounts 2022 - Consolidated financial statements - Notes to the consolidated accounts - Part E - Information on risks and related hedging policies - Section 2 - Risks of the prudential consolidated perimeter - 2.5 Operational risks - B. Legal risks
	FN-CB-510a.2	2022 Integrated Report - Supplement Compliance chapter pages S.32-S.33
Systemic Risk Management	FN-CB-550a.1	UniCredit Group website link <a href="https://www.unicreditgroup.eu/en/investors/financial-reporting.html">https://www.unicreditgroup.eu/en/investors/financial-reporting.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 2022 - Consolidated financial statements - Notes to the consolidated accounts - Part E - Information on risks and related 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 testing - <a href="https://www.unicreditgroup.eu/en/investors/financial-reporting.html">https://www.unicreditgroup.eu/en/investors/financial-reporting.html</a>  Description of new methodologies of climate risk management in TCFD report ( <a href="https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2021/UC_TCFD_2021_ENG.pdf">https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2021/UC_TCFD_2021_ENG.pdf</a> )

<sup>26</sup> These indicators were taken into account where applicable. The limited audit did not cover the application of the instructions provided by the Sustainability Accounting Standards Board (SASB).



KPMG S.p.A.  
Revisione e organizzazione contabile  
Via Vittor Pisani, 25  
20124 MILANO MI  
Telefono +39 02 6763.1  
Email [it-fmauditaly@kpmg.it](mailto:it-fmauditaly@kpmg.it)  
PEC [kpmgspa@pec.kpmg.it](mailto:kpmgspa@pec.kpmg.it)

**(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)**

## **Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018**

*To the board of directors of  
UniCredit S.p.A.*

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5 of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2022 consolidated non-financial statement of the UniCredit Group (the "group"), which is included in the integrated report drawn up, also to comply with the requirements of articles 3 and 4 of the decree (the "integrated report"), prepared in accordance with article 4 of the decree and approved by the board of directors on 24 February 2023 (the "NFS").

Our procedures did not cover the information set out in the "*Risk management and compliance*" and "*EU taxonomy regulation*" sections of the supplement to the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

### ***Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of UniCredit S.p.A. (the "parent") for the NFS***

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.

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Euro 10.415.500,00 i.v.  
Registro Imprese Milano Monza Brianza Lodi  
e Codice Fiscale N. 00709600159  
R.E.A. Milano N. 512867  
Partita IVA 00709600159  
VAT number IT00709600159  
Sede legale: Via Vittor Pisani, 25  
20124 Milano MI ITALIA



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*Independent auditors' report*  
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The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the group's policies and the identification and management of the risks generated or borne.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

### **Auditors' independence and quality control**

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards, the IESBA Code) 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 company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Auditors' responsibility**

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does 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 we performed on the NFS are based on our professional judgement and include inquiries, primarily of the bank's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.
3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.



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4. Gaining an understanding of the following:

- the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
- the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
- the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).

5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

Specifically, we held interviews and discussions with the management personnel of the parent, UniCredit S.p.A., and personnel of UniCredit Factoring S.p.A., UniCredit Leasing S.p.A., UniCredit Bank AG, UniCredit Bank Austria AG, UniCredit Bank Czech Republic and Slovakia, A.S., Zagrebacka Banka D.D., UniCredit Bulbank AD, UniCredit Bank Hungary Zrt and UniCredit Bank S.A.. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at group and subsidiaries level:
  - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence,
  - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- we held videoconferences with the management of UniCredit S.p.A., UniCredit Factoring S.p.A., UniCredit Leasing S.p.A., UniCredit Bank AG, UniCredit Bank Austria AG, UniCredit Bank Czech Republic and Slovakia, A.S., Zagrebacka Banka D.D., UniCredit Bulbank AD, UniCredit Bank Hungary Zrt and UniCredit Bank S.A., which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

## **Conclusion**

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2022 consolidated non-financial statement of the UniCredit Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.

Our conclusion does not extend to the information set out in the "*Risk management and compliance*" and "*EU taxonomy regulation*" sections of the supplement to the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.





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### **Other matters**

The NFS presents the corresponding figures included in the 2021 consolidated non-financial statement for comparative purposes, on which other auditors performed a limited assurance engagement and expressed an unqualified conclusion on 11 March 2022.

Milan, 6 March 2023

KPMG S.p.A.

(signed on the original)

Domenico Donato  
Director of Audit



# Supplement



# Determination and distribution of Value Added

(€/m)

Items		2022	2021 <sup>A</sup>
10	Interest income and similar revenues	16,339	12,703
20	Interest expense and similar charges	-5,715	-3,612
40	Fees and commissions income	8,105	7,963
50	Fees and commissions expense (excluded external networks' expense)	-1,375	-1,206
70	Dividend income and similar revenues	437	351
80	Net gains (losses) on trading	859	1,472
90	Net gains (losses) on hedge accounting	367	49
100	Gains (Losses) on disposal and repurchase of:	457	244
	a) financial assets at amortised cost	133	53
	b) financial assets at fair value through other comprehensive income	133	141
	c) financial liabilities	191	50
110	Net gains (losses) on other financial assets/liabilities at fair value through profit or loss:	563	-469
	a) financial assets/liabilities designated at fair value	1,139	-306
	b) other financial assets mandatorily at fair value	-576	-163
130	Net losses/recoveries on credit impairment relating to:	-2,061	-1,648
	a) financial assets at amortised cost	-2,031	-1,630
	b) financial assets at fair value through other comprehensive income	-30	-18
140	Gains/Losses from contractual charges with no cancellations	-3	-5
160	Net premiums	0	0
170	Other net insurance income/expences	0	0
230	Other operating expences/income	601	566
250	Gains (Losses) of equity investments (gains or losses on disposal)	202	-1,597
280	Gains (Losses) on disposal of investments	33	11
320	Profit (Loss) after tax from discontinued operations	3	4
	<b>A. TOTAL ECONOMIC VALUE GENERATED</b>	<b>18,812</b>	<b>14,826</b>

<sup>A</sup> It should be noted that 2021 comparative figures have been recasted, when relevant, in order to reflect the impacts arising from the exit of UniCredit Leasing S.p.A. and its controlled company and of UniCredit Leasing GMBH and its controlled companies out of the non-current assets held for sale.

Items		2022	2021
190	b) other administrative expense (excluded indirect taxes and duties and donations)	-2,492	-2,627
	<b>ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS</b>	<b>-2,492</b>	<b>-2,627</b>
190	a) staff expense (included external networks' expense)	-6,251	-7,099
	<b>ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES AND SUPERVISED WORKERS<sup>B</sup></b>	<b>-6,251</b>	<b>-7,099</b>
340	Minority interests	-15	-30
	<b>ECONOMIC VALUE ATTRIBUTABLE TO MINORITY SHAREHOLDERS</b>	<b>-15</b>	<b>-30</b>
	Net profit attributable to shareholders <sup>C</sup>	0	0
	<b>ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS</b>	<b>0</b>	<b>0</b>
190	b) other administrative expense: indirect taxes and duties	-596	-568
190	b) other administrative expense: contributions to resolution funds and deposit guarantee	-1,005	-1,014
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	-1,079	367
	<b>ECONOMIC VALUE DISTRIBUTED TO PUBLIC BODIES &amp; INSTITUTIONS</b>	<b>-2,680</b>	<b>-1,215</b>
190	b) other administrative expense: donations	-1	-3
	Net profit allocated to the charitable funds	0	0
	<b>ECONOMIC VALUE DISTRIBUTED TO COMMUNITY</b>	<b>-1</b>	<b>-3</b>
	<b>B. TOTAL ECONOMIC VALUE DISTRIBUTED</b>	<b>-11,439</b>	<b>-10,974</b>
	<b>C. TOTAL ECONOMIC VALUE RETAINED</b>	<b>-7,373</b>	<b>-3,852</b>

<sup>B</sup> The economic value distributed to employees and supervised workers excluded expenses for financial advisors.

<sup>C</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

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

- a. exposures to **Taxonomy non-eligible** and **Taxonomy-eligible** economic activities over total covered assets
- b. exposures to **Central Governments, Central Banks and Supranational** issuers over total assets
- c. exposures to **Derivatives** over total assets
- d. exposures to **Undertakings not obliged to publish non-financial information (NFRD)** over total assets
- e. exposures to **Trading portfolio** and **on demand inter-bank loans** over total assets.

This simplified disclosure, elaborated at Group level, leverages a centralised retrieval strategy.

KPIs are FINREP-driven and exposure is expressed in terms of gross carrying amount as at 31 December 2022.

## GROUP DATA - REFERENCE DATE 31 DECEMBER 2022 - MANDATORY DISCLOSURE

Indicators	%	
1) TAXONOMY NON-ELIGIBLE ACTIVITIES/TOTAL COVERED ASSETS	43.5	
2) TAXONOMY-ELIGIBLE ACTIVITIES/TOTAL COVERED ASSETS	TURNOVER 34.3	CAPEX 35.9
3) EXPOSURE TO CENTRAL GOVERNMENTS, CENTRAL BANKS, SUPRANATIONALS/TOTAL ASSETS	15.0	
4) EXPOSURE TO DERIVATIVES/TOTAL ASSETS	0.3	
5) EXPOSURE TO UNDERTAKINGS THAT ARE NOT SUBJECT TO THE NFRD/TOTAL ASSETS	40.6	
6) EXPOSURE TO TRADING BOOK and EXPOSURE TO ON DEMAND INTER-BANK LOANS/TOTAL ASSETS	8.4	

## EXPOSURE TO TAXONOMY-ELIGIBLE/NON-ELIGIBLE ACTIVITIES OVER TOTAL COVERED ASSETS

### MANDATORY DISCLOSURE

The methodology underlying the disclosure also takes into account the Commission's Frequently Asked Questions (FAQs) published on 6 October 2022.

Exposure to taxonomy-eligible activities considers two perimeters:

1. The exposure (other than that held for trading) of all non-financial corporations (excluding SMEs and non-EU counterparts) for which taxonomy-eligible turnover and capex KPIs are available, in accordance with the NFRD, in the annual mandatory report
2. The exposure related to residential and commercial immovable property.

The exposure to non-eligible activities is computed considering exposure, other than that held for trading, of all non-financial corporations excluding SMEs and non-EU counterparts for which taxonomy eligible turnover and capex KPIs are not available.

The total covered assets have been considered at consolidated level.

## EXPOSURE TO CENTRAL GOVERNMENTS, CENTRAL BANKS, SUPRANATIONAL ISSUERS

The central government and central banks have been identified considering the exposures reported in the FINREP balance sheet statement; supranational issuers have been identified as multinational banks with risk weight equal to 0.

The disclosure methodology has been integrated according to the Commission's Frequently Asked Questions (FAQs) published on 6 October 2022. These FAQs provided clarity on the exposure to be considered: every type of exposure, excluding cash balances (both trading and banking book).

The overall total assets have 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). As represented in the above statement, overall total assets, excluding Held for Trading Derivatives, have been considered at consolidated level.

## EXPOSURE TO UNDERTAKINGS THAT ARE NOT SUBJECT TO THE NFRD

The disclosure methodology has been integrated according to the Commission's Frequently Asked Questions (FAQs) published on 6 October 2022, providing clarity on the reporting perimeter. This perimeter has been identified considering all non-financial corporations as undertakings not subject to the NFRD, with the exception of those companies obliged to disclose information under the NFRD.

The overall total assets have been considered, as represented in the FINREP balance sheet statement, at consolidated level.

## EXPOSURE TO THE TRADING BOOK AND ON DEMAND INTER-BANK LOANS

The disclosure methodology has been integrated according to the Commission's Frequently Asked Questions (FAQs) published on 6 October 2022, providing clarity on the exposure to be considered and identified as the trading book and on demand inter-bank loans (only towards credit institutions) in accordance with FINREP requirements.

The overall total assets have been considered, as represented in the FINREP balance sheet statement, at consolidated level.

## Data retrieval strategy

UniCredit is implementing a global framework for ESG information that will be a key enabler for compliance to regulatory disclosure requirements as well as for accelerating risk management and business steering.

Accordingly, in 2022 the Group began to provide grounding in data strategy.

With a view to finding a balance between the timely recovery of KPIs and the impact on business, a data strategy that mixes different solutions has been set up, leveraging both external providers and internal data collection/customer surveys.

The strategy to be applied was chosen according to the various characteristics and drivers of the portfolio, taking into account the different needs: regulatory disclosures, managerial and business requirements and net zero commitments.

The collection of information, through the support of the external provider, will be used in a complementary manner with respect to the data collected in a punctual way through customer surveys. We are already collecting information on counterparties with the C&E questionnaire. For both business purposes and disclosure to the regulator for the GAR calculation, it is also necessary to intercept single green loans regardless of the classification of the counterparty. In accordance with taxonomic criteria, in order to identify green transactions, starting with an analysis of the delegated acts of the EU commission, a survey was designed to be submitted at loan level.

With the aim of implementing a single data platform that can be used for the different purposes, a reporting stream has been developed which will collect all ESG data and integrate them with other risk information. A new ESG ecosystem integrated in the existing architecture is being created in order to have a complete view of the climatic and credit risks associated with a counterparty/transaction, ensuring data uniqueness. The new ESG data architecture will allow a further enhancement of monitoring, reporting and data exploration activities.

# Information on Tax Management

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.

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 from using tax avoidance schemes grounded on the so-called Base Erosion and Profits Shifting (provided for by OECD) as well as on all regulations aimed at countering such phenomena (e.g. regulations pertaining to so-called hybrid entities or structures and, more generally, all the regulations aimed at implementing EU Directives);
- iii. application of a tax strategy that is **consistent with the general rules of the Group** in its approach to risk and the Values on which it is based;
- iv. use of professional **risk management standards for all risks associated with tax** and ensuring that the procedures applied each time to that end are appropriate;
- v. establishment of relations of mutual **trust, co-operation and transparency with 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, also including organisational units not directly working within the tax departments of the Group.

Since the Group is highly sensitive to tax issues and takes an approach intended to mitigate tax risk as much as possible, it has long been encouraging participation in enhanced co-operation initiatives with tax authorities where provided for by the legislation of the countries in which 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 (HRMC) and is unconditionally committed to full compliance with it
- in Italy, since 2016 and 2017 respectively, UniCredit S.p.A and UniCredit Services S.C.p.A<sup>1</sup> have been voluntarily participating in the Italian Tax Co-operative Compliance Scheme, as per articles 3-7 of Italian Legislative Decree no. 128/2015, with the Italian Tax Agency. The above Group companies are therefore included in the list of entities admitted to the 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 potential participation in the local "Horizontal Monitoring" regime is under analysis
- in Germany, UniCredit Bank AG obtained the certification of its Tax Compliance Management System, in accordance with the IDW PS 980 Standard. Said certification, issued by an independent auditor, is not related to a co-operative tax compliance legal regime.

<sup>1</sup> Merged by incorporation into UniCredit S.p.A on 1st October 2022 with retroactive accounting and tax effects on 1st January 2022.



## 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 vested with tax management powers. During 2022, for various Italian subsidiaries, a process of centralisation of tax services was implemented in the parent company aimed at optimising and ensuring full governance of tax management processes (harmonising processes of best practice levels and improving synergies among resources).

The tax function is responsible for defining domestic, international and supranational tax scenarios and 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 S.p.A and issued to all Group companies who transpose and implement them in accordance with applicable local legal and regulatory requirements.

Governance is also exercised through intense reporting by the various legal entities to the parent company on the most relevant aspects of tax compliance.

The tax function in the various Group companies undertakes to ensure that its employees receive continuous training (basic, advanced and specialist).

With a view to spreading knowledge and Culture for the correct management and mitigation of any tax risks, the tax function of the parent company provides or organises tax training courses for the benefit of the other functions of the bank or Group. In 2022, it is worth mentioning a course provided internally on DAC6 Directive - Regulatory Aspects to correctly guide the internal functions of UniCredit S.p.A affected by regulatory changes. This initiative forms a part of other activities, discussed below, and was put in place to ensure compliance of bank and Group operations with various regulations introduced recently and which are constantly evolving.

Committees involving the tax functions of the main Italian and foreign subsidiaries of the Group are also periodically convened to discuss and share information and issues relevant to the Group and establish guidelines.

Considering the complexity of tax legislation, to ensure the achievement of the objectives described above, various Group companies, primarily UniCredit S.p.A, have adopted an **effective internal tax risk control system** (Tax Control Framework - TCF), included in the context of the corporate governance system, which guarantees constant monitoring of any tax risks that could potentially concern them.

Specifically, the TCF of the parent entity, UniCredit S.p.A, 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.

An integral part of the TCF is firstly the mapping of tax risks inherent to all company processes and which is necessarily updated on a continuous basis by virtue of the changes both in the bank organisation and tax legislation. During the update carried out in 2022, corporate risk mapping was also integrated with an indication of the various and main presidia implemented by the bank to mitigate risks. In total transparency, this document was also shared with the Revenue Agency to which, as usual, it was formally sent most recently in September 2022.

In addition to this, transparency towards the Revenue Agency is reflected in formal discussions, numerous also in 2022, sharing positions in which the bank has intercepted risks of a tax nature in its operations.

The system for assessing the effectiveness of tax compliance, as well as the analysis of the outcomes of such assessment and further to the analysis performed by the Revenue Agency, is also implemented through a system of internal controls and assessments by bodies 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**, are informed of and receive a report on the status of the control system, the tax controls carried out and relevant findings, the measures taken to correct any shortcomings and the scheduled activities. The findings and 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 CL 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, operations to be audited, outcomes of controls, 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 rulings held in a final report and compliance letter, both of which contain the Agency's report on the in-depth investigations conducted either at the bank's request or of the Agency's own initiative.

With respect to **whistleblowing** on tax matters, please note that:

- as some tax crimes have been included in UniCredit S.p.A.'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 whistle-blower's anonymity, for reporting violations of internal regulations, mainly 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 are obliged 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. In 2022, the parent company took part in a forum set up - together with the Revenue Agency - by all the Italian companies in the Co-operative compliance regime and which meet periodically to address issues of common interest and find operational solutions aimed at improving the regime.

During the year, the Group further strengthened its compliance with various **international regulations**, including DAC 6, ATAD II, CFC, aiming at a timely application of regulatory provisions and risk governance, supported by continuous regulatory monitoring of future developments (e.g. Pillar 2). The Bank defines an analytical and methodological approach aimed at intercepting the relevant cases, according to the organisational complexity of the Group. These methodological guidelines are generally transposed into the Global Policies and Local Process Regulations to give a common direction within the Group and, in some cases, they are also accompanied by training courses for employees to increase awareness of these issues.

## Regulations related to the automatic exchange of information

The Group has implemented the Foreign Account Tax Compliance Act (**FATCA**) and the Common Reporting Standard (**CRS**) in a consolidated manner.

With specific reference to the DAC 6 regulation (European Directive 2018/822) in place from 25 June 2018, from 1 January 2021 reporting obligations to the Revenue Agency of cross-border mechanisms entered into force, integrating certain potential tax avoidance indices.

For this purpose, the bank has put specific analysis activities in place and set up processes and control systems aimed at detecting the 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 information sessions, including the afore-mentioned mandatory course on the MyLearning platform, were organised for the benefit of the company departments most affected in order to raise awareness on the topic.

Moreover a couple of news have been published on UniCredit S.p.A. portal to provide information for the benefit of the company departments.

## Hybrid mismatch - ATAD II

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 1 January 2020, an undue double tax advantage linked to the so-called hybrid mismatches, to cancel any identified tax advantages, even unintentionally obtained, in the context of the tax return.

For this purpose, the bank defined an operating methodology suitable for identifying and analysing the transactions potentially capable of generating the so-called hybrid mismatches. The results of this analysis were reported in the UniCredit S.p.A income tax return.

## Transfer Pricing - TP

According to transfer pricing legislation, flows deriving from intercompany transactions must be carried out at market value in compliance with the arm's length principle.

In this regard, the UniCredit Group adopted a policy framework on transfer pricing aimed at regulating intragroup cross-border transactions in line with both national legislation and with the OECD guidelines.

The purpose of these policies is to ensure that UniCredit Group Entities comply with the arm's length principle and are able to properly recognise income attributable to cross-border transactions between associated enterprises. In this respect, the TP policies are based on the separate entity approach principle according to which, in defining the contractual terms, the Group legal entities must be considered as independent entities operating on the market without any restrictions deriving from belonging to the same Group. Such is also applied to foreign branches, and therefore the term intercompany is applicable also to transactions involving foreign branches. In light of the above, a specific TP policy is in place in the UniCredit Group, regulating the intercompany transactions to be carried out according to the same conditions and terms as if the same transactions had been carried out between unrelated parties under comparable circumstances.

In relation to transfer pricing matters, in 2022 UniCredit S.p.A signed an **Advance Pricing Agreement** with the Italian tax authorities regarding the pricing methodologies for intercompany financial transactions (i.e. senior loans and financial guarantees).

## Non-co-operative and low-tax jurisdictions

UniCredit group attributes a major importance to the international measures adopted to fight the illegal tax practices deriving from the utilisation of low taxed jurisdiction. In this context, UniCredit is committed to monitoring and mitigating the risks deriving from the activities/transactions that are carried out with the involvement of entities/individuals resident in certain non-co-operative jurisdictions.

In order to manage the tax risk associated with operations with the afore-mentioned jurisdictions, UniCredit Group has adopted a policy that defines rules and principles aimed at maintaining a high assessment and knowledge of the tax risk in the management of critical cases highlighted in the policy itself, that is:

- the acquisition of assets in tax haven jurisdictions
- the offer to the client of business solutions with the involvement of tax haven jurisdictions (so-called active role).

When the afore-mentioned conditions materialise, the transaction at risk is submitted to the scrutiny of the competent tax structures for their appropriate assessment through a non-binding opinion process.

Finally, UniCredit S.p.A monitors the evolution of international tax legislation with the aim of countering the erosion of the tax base and the shifting of profits from high-tax countries to low-tax countries (with an effective tax rate below 15%) with the continuous commitment to adhere to those principles.

## Controlled Foreign Companies - CFC

Legislative Decree 142/2018 implemented in Italy the content of Directive 2016/1164/EU (known as ATAD Directive) and the related amendments regarding Controlled Foreign Companies (CFC).

The Controlled foreign companies regime restated the current domestic law with article 167 of the Italian Income Tax Consolidated Act (known as TUIR) with the aim of taxing the profits made by controlled foreign companies with a privileged tax regime in the state of residence and, at the same time, holders of certain categories of income, without carrying out an actual effective economic activity.

Consequently, an Italian company that controls, directly or indirectly, these companies is required to consolidate the resulting taxable income, in proportion to the percentage of shareholding held, regardless of whether the profits have been distributed or not. In particular, the CFC rules apply to subsidiaries that jointly meet the following conditions:

- a. effective taxation lower than 50% of the effective tax rate that such companies would apply if they were resident in Italy (Effective tax rate)
- b. more than a third of the revenues derive from "passive income" (e.g. dividends, royalties, interest and provision of services and the sale and purchase of goods with low added value).

Exception from CFC rules can be obtained in advance by submitting a specific ruling to the Italian tax authorities, in which it is demonstrated that the subsidiary (or permanent establishment) carries out in its state of residence an effective economic activity through the use of personnel, equipment, assets and premises.<sup>2</sup>

For the year 2021 (last corporate tax return submitted), UniCredit S.p.A has taxed 17 subsidiaries for transparency. The tax due was equal to €246,628.

In the current economic and social environment, tax transparency towards stakeholders regarding the company's contribution to economic growth at national and global level is becoming increasingly more important.

In this context, the UniCredit Group has decided to publish the data of the Country by Country Report (CbCR) prepared pursuant to OECD Action 13 and Italian Revenue Agency guidelines as well as details of the Total Tax Contribution (TTC) in the main countries in which the Group operates. The aim is to provide a comprehensive overview of its overall economic and social impact through the taxes paid in the tax jurisdictions in which it is present.

The CbCR includes a set of accounting (e.g. revenues, profit/loss before tax) and tax information (e.g. income tax paid on a cash basis) aggregated on a jurisdictional basis, while the TTC provides an overview of the taxes (not only corporate income taxes) paid by the Group both as taxes borne and collected as tax agent. Furthermore, it is worth noting that the last available CbCR data relates to all Group entities/branches for Fiscal Year (FY) 2021 as the official deadline to submit the report is 31 December of the following FY (31 December 2022 for FY 2021). Instead, TTC information relates to a limited perimeter of legal entities and to FY 2022.

This model is aligned with GRI 207 1-4 standard.

## Country by Country Report (CbCR)

Starting from FY 2016, the UniCredit Group submits the CbCR to the Italian Revenue Agency (Agenzia delle Entrate) pursuant to Law 208/2015. The Italian Revenue Agency, in turn, exchanges the data with other jurisdictions with which an agreement for exchange of information is in force. The CbCR is based on Action 13 of the BEPS project and is aimed at reacting to aggressive tax planning and profit shifting to low tax jurisdictions.

It is worth noting that, due to the different methodologies, the information reported in the OECD Action 13 CbCR (tax CbCR) is different from the CRD IV CbCR.

<sup>2</sup> Pursuant to article 167, paragraph 5 of the TUIR. This is in line with the ATAD Directive which, in its article 7(2), allows for the exclusion of transparency taxation if the controlled foreign company carries out a substantial economic activity supported by personnel, equipment, assets and premises, as evidenced by the surrounding and pertinent facts.

Below are the main rules according to which the tax CbCR is prepared:

- the figures do not consider the consolidation adjustments for the intercompany transactions
- the foreign branches data are reported in the jurisdiction in which the branch is located and not in the jurisdiction of the head office
- stateless entities are treated separately. In particular, they are legal entities that are not considered resident in any tax jurisdiction (e.g. partnerships) and are taxed at the level of the shareholder and not as a separate entity. Therefore, the amount included in the related line is also distributed in the country in which shareholders have tax residence.

## COUNTRY-BY-COUNTRY REPORTING 2021

(Values in € thousands)

Tax jurisdiction	Revenues			Profit (loss) before income tax	Income tax paid (on cash basis)	Income tax accrued - current year	Stated capital	Accumulated earnings	Number of employees	Tangible assets other than cash and cash equivalents
	Unrelated Party	Related party	Total							
AUSTRIA	2,113,463	358,706	2,472,170	3,499,714	-38,246	-2,463	1,812,597	2,930,193	4,702	645,956
BERMUDA	0	-244	-244	-368	0	0	11	66,248	0	0
BOSNIA AND HERZEGOVINA	170,919	486	171,405	63,697	-4,665	-6,328	110,568	345,162	1,641	51,608
BRITISH VIRGIN ISLANDS	0	0	0	0	0	0	0	0	0	0
BULGARIA	490,112	19,341	509,454	244,606	-14,524	-18,588	149,456	1,337,251	4,759	175,473
CANADA	0	210	210	-19	-5	10	50	56	1	4
CAYMAN ISLANDS	-2	237	234	827	0	0	40	-713	0	0
CHINA	36,609	5,302	41,910	11,542	-204	0	173,739	0	64	1,299
CROATIA	451,768	104,248	556,016	324,028	-30,780	-44,731	863,784	898,289	3,677	286,194
CZECH REPUBLIC	690,406	-146,513	543,893	319,695	37,468	-59,780	404,679	2,889,722	2,521	176,963
ESTONIA	0	0	0	0	0	0	0	0	0	0
FRANCE	3	44,138	44,142	21,197	-6,101	-5,790	40	27	36	93
GERMANY	6,807,709	-2,500,095	4,307,614	226,456	-104,330	-149,500	3,573,501	3,298,249	10,323	2,595,678
GREECE	17,695	16	17,711	13,496	-4,350	-2,604	0	0	10	317
HONG KONG	2,285	5,169	7,454	574	0	0	0	7	75	49
HUNGARY	458,108	-5,461	452,647	148,890	-4,516	-22,732	74,147	900,674	1,991	115,829
IRELAND	-13,108	96,773	83,665	-4	-3,686	-7,860	1,032	36,730	0	0
ITALY	9,269,044	2,301,939	11,570,983	6,305,678	-40,834	925,273	23,478,191	15,265,963	30,340	4,271,671
JAPAN	0	0	0	0	0	0	0	0	0	0
JERSEY	456	1,022	1,478	0	0	0	0	0	0	0
LATVIA	0	0	0	-413	0	0	4,266	-2,544	0	0
LITHUANIA	0	0	0	0	0	0	0	0	0	0
LUXEMBOURG	141,297	105,203	246,500	38,145	-2,178	1,915	119,077	160,276	85	171,622
NETHERLANDS	0	0	0	0	0	0	0	0	0	0
POLAND	1,698	1	1,699	-1,044	6	0	0	1,023	0	0
ROMANIA	545,772	11,021	556,794	208,249	-10,050	-35,198	277,397	775,775	3,657	140,841
RUSSIAN FEDERATION	747,283	323,501	1,070,784	210,958	-14,180	-29,367	492,950	1,759,090	4,383	150,537
SERBIA	256,795	8,190	264,985	97,338	8,121	-12,374	245,192	756,342	1,371	36,164
SINGAPORE	0	-11,449	-11,449	-290	0	0	0	0	50	2,643
SLOVAKIA	298,755	-396	298,360	68,964	-12,162	-13,937	26,578	25,135	1,203	44,068
SLOVENIA	78,362	15,669	94,032	19,807	2,909	-2,773	45,432	130,081	564	13,900
SPAIN	0	7,808	7,808	709	-258	213	0	-13	17	138
SWITZERLAND	118	4,412	4,530	442	-66	-1	0	0	9	35
UNITED ARAB EMIRATES	1,370	-575	796	-2,061	0	0	0	0	12	259
UNITED KINGDOM	147,904	204,426	352,329	140,027	-73,374	-44,435	194	-112	296	5,294
UNITED STATES OF AMERICA	117,268	116,749	234,017	52,352	-4,803	8,192	419	61,265	164	2,441
STATELESS	-10,521	68,294	57,773	1,625	-4,107	-3,412	1,076,558	-628,740	3	2,245,794

## Total Tax Contribution (TTC)

In this section, for the first time we provide an overview of our TTC related to FY 2022. UniCredit believes that the information concerning its contribution to public finances is a step in the right direction towards conveying the company's tangible transparency.

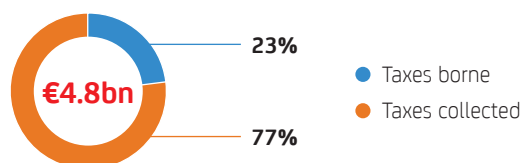
We use the cash basis criterion, that is the sum of actual payments made in the year, as opposed to the accrual principle usually followed in ordinary financial statements, net of refunds obtained. In the case of compensation with tax credits due to an overpayment in previous years, the net amount of taxes actually paid has been considered, while tax credits granted by specific tax rules<sup>3</sup> do not offset the amount of taxes paid. Social contributions are out of scope for the time being.

In this first year, the information covers a limited perimeter of 29 legal entities/branches including main Italian and foreign controlled legal entities of UniCredit S.p.A. (representing over 97% of total revenues based on CbCR). It is our aim to expand information in future years by extending the perimeter of the entities analysed. FY 2022 is the first year of data collection therefore previous years' data are not available for comparison.

Below is a chart representing overall TTC equal to €4.8 bn and split into the following two categories:

- **taxes borne** that constitute a cost for the Group and are paid to the tax authorities among the various jurisdictions on its income or property
- **taxes collected** that the Group collects from other parties on behalf of governments.

### TOTAL TAX CONTRIBUTION



The **taxes borne** by UniCredit Group in 2022 are equal to €1.1 bn. As can be seen in the charts below, Corporate Income Taxes and the direct regime of contribution accounts for 50% of the taxes paid by UniCredit Group, withholding included (e.g. on dividends, interests). It should be pointed out that, for example, income tax of the Italian Tax Group regime is mainly reduced by tax losses of previous years.

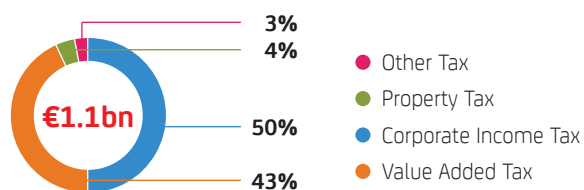
The **taxes collected** by the UniCredit Group during 2022 are equal to €3.7 bn. Withholding taxes on financial income have been the most significant category of taxes collected (59%) which is consistent with the core business of the Group (provider of financial services).

On behalf of national governments, UniCredit has the important role of acting as tax agent in different jurisdictions in the collection of personal income tax on the earnings of employees (32% of the total amount of taxes collected), an amount that also encompasses the withholding on professional income paid to our professional providers.

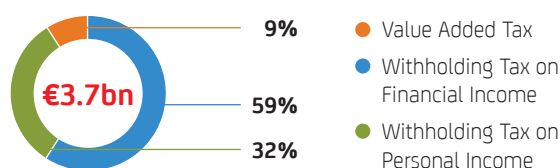
The indirect tax contribution includes VAT and property taxes that are characterised by varying tax rates in the different jurisdictions and are considered either in taxes borne or in taxes collected according to their nature. In particular, VAT may be:

- a tax borne in the case of non-recoverable/partially recoverable input VAT on purchases, a cost for companies in the financial industry;
- a tax collected as net VAT position of output VAT charged on the sale to customers minus the recoverable input VAT suffered on purchases.

### TAXES BORNE



### TAXES COLLECTED<sup>4</sup>



<sup>3</sup> For example, tax credits deriving from conversion of tax loss generated from reversal of convertible DTAs according to Law n. 214/2011.

<sup>4</sup> The chart does not include the percentage of taxes collected related to property taxes and other taxes due to immateriality (0.07% of the total taxes collected).



# 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, ongoing 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 income and opportunity inequalities.
	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) Climate Change	CDP is an environmental disclosure system which supports thousands of companies, cities, states and regions to measure and manage their risks and opportunities on climate change, water security and deforestation.
	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 I the professional network)	CSR Manager Network is the Italian national association for corporate social responsibility professionals.
	Ellen MacArthur Foundation	The Foundation works to accelerate the transition to a circular economy, developing and promoting it, and works with business, academia, policymakers, and institutions to mobilise systems solutions at scale, globally.
	EUROFI	A non-profit organisation for exchanges between the financial services industry and public authorities, addressing issues related to 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.
	Finance for Biodiversity Foundation	The aim of the Foundation is to support a call to action and collaboration between financial institutions to reverse nature loss this decade.
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.	



Legal entities	Organisation	Description
UniCredit SpA	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 and conferences on the topics of economics, finance, ethics, corporate culture and culture in general.
	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.
	Sustainable Steel Principles Association	This is an independent, unincorporated association. It comprises signatories as its members, and its administrative functions are managed by RMI's Center for Climate-Aligned Finance. The Sustainable STEEL Principles represent a framework for banks to effectively assess and disclose the climate alignment of steel finance portfolios.
	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.
UniCredit Bank AG	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.
	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.

Legal entities	Organisation	Description
UniCredit Bank Austria	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.
UniCredit Bulbank AD	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 world. The Forum gives the participants a platform where the current trends in women empowerment and equality can be discussed.
	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.
Zagrebačka Banka DD	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
UniCredit Bank Hungary Zrt	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.
UniCredit Bank SA	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)	The 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, in cooperation with the Romanian Banking Association and programmes approved by the Board of Directors.
AO UniCredit Bank	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.
UniCredit Bank Serbia	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 advocating an efficient state, eliminating bureaucracy, reducing the para-fiscal burden for businesses and fair competition.
	Smart Kolektiv	Smart Kolektiv is an independent, non-profit organisation founded in Belgrade in 2003. The organisation is a pioneer in promoting the concept of corporate social responsibility and the development of social entrepreneurship in Serbia.
UniCredit Banka Slovenija dd	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 S.p.A. 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>5</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>6</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.

As an issuer of shares also listed on the Frankfurt and Warsaw regulated markets, it fulfils the legal and regulatory obligations related to listings on said markets as well as to 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 both with the evolving regulatory framework and 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 Remuneration Policy, ensuring that - throughout the Group - compensation is aligned to business objectives, market conditions and stakeholders' long-term interests while also being fully compliant with all relevant regulatory provisions
- 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 related competent structures within the Legal Entities 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 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>5</sup> Refer to the annual Report on corporate governance and ownership structure and the 2023 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>6</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, inter alia, 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 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 and 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. The outcomes of the check on the matching between the qualitative and quantitative composition deemed to be optimal and the one resulting from the appointment process done by each corporate body as per current regulatory provisions are disclosed to Shareholders in due time before the first Shareholders' Meeting called for the approval of the financial statements following the renewal of 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 Statutory 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 Statutory 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, inter alia, experience, integrity and independence<sup>7</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.

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>8</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>9</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 companies listed in Italy, 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>9</sup>**

At UniCredit a permanent induction programme is active for the Board members, 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 programme and recurrent training, 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>7</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 (9 out of 12 under the Italian Corporate Governance Code; 10 out of 12 under Legislative Decree no. 385/1993 ("TUB"), 11 out of 12 under Legislative Decree No. 58/1998 ("TUF"), 11 are non-executive).

<sup>8</sup> Refer to the annual Report on corporate governance and ownership structure and the 2023 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>9</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

The CEO is the only Executive Director who sits on the Board of Directors. With reference to 2022 and in line with the 2022 Group Remuneration Policy provisions, the CEO received a variable remuneration, determined by the Board of Directors on the basis of % targets achievement of the KPIs embedded in the CEO's 2022 scorecard, composed by a financial section (70% overall weight where all KPIs were equally weighted) and a Strategic Priorities & Culture section (30% overall weight).<sup>10</sup>

All other Board members are non-executive Directors and are not beneficiaries of incentive plans utilizing 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 to 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>10</sup> For further details on the CEO's 2022 variable remuneration, please refer to the 2023 Group Remuneration Policy and Report.




# 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 impacts 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

POLICIES	SCOPE & OBJECTIVES	2022 HIGHLIGHTS
<b>EQUATOR PRINCIPLES</b> 	<ul style="list-style-type: none"> <li>• Framework of standards for determining, assessing and managing environmental and social risk for large projects</li> </ul>	<ul style="list-style-type: none"> <li>• <b>64</b> project transactions evaluated</li> <li>• <b>19</b> projects financed</li> </ul>
<b>SECTOR POLICIES</b> Mining, Defence/Armaments, Nuclear energy, Water Infrastructure  <b>COMMITMENTS</b> Human rights Rainforests Tobacco 	<ul style="list-style-type: none"> <li>• Framework of sector-specific standards/ guidelines to identify, assess and mitigate environmental, social and reputational risks/impacts on an ongoing basis with our clients</li> </ul>	<ul style="list-style-type: none"> <li>• <b>c.1,500</b> transactions screened for environmental, social and reputational risk issues (vs. &gt;2,000 in 2021)</li> <li>• <b>c.70</b> colleagues trained in UniCredit, Defence/Armaments policies through a dedicated workshop</li> </ul>
<b>OTHER ENVIRONMENTAL AND SOCIAL IMPACTS</b> 	<ul style="list-style-type: none"> <li>• Specific high risk cases/transactions analysis not covered under the defined policies, including local regulations, sensitive sectors not yet regulated or other Reputational Risk issues</li> <li>• Ad hoc analysis leveraging the data analytics and key internal functions of external ESG providers</li> </ul>	<ul style="list-style-type: none"> <li>• <b>c.400</b> transactions screened for environmental, social/human rights and reputational risk issues</li> </ul>
<b>ENVIRONMENTAL, SOCIAL AND REPUTATIONAL RISK - PREVENTION PROCESS</b>	<ul style="list-style-type: none"> <li>• Dedicated Committee (GNFRC)<sup>A</sup> to assess business initiatives, transaction banking, projects, customers, etc.</li> <li>• Awareness and knowledge of potential reputational risks across the Group</li> </ul>	<ul style="list-style-type: none"> <li>• <b>64</b> meetings Group Reputational Committee</li> <li>• <b>86</b> transactions analysed by GNFRC</li> </ul>

<sup>A</sup> The GNFRC was established in the second half of the year and substituted the GRRC. More info are available in the Governance Chapter.



## Implementation of the Equator Principles

In 2003, UniCredit adopted the EP,<sup>11</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. From the outset, our Group has actively contributed to the framework's development. In 2022 UniCredit continued to manage the Equator Principles and to expand its efforts in the field of Sustainability to various divisions and workstreams. Tasks related to the Equator Principles are performed by our Sustainable Finance Advisory team which not only is responsible for ensuring application of the framework to relevant transactions but also represents UniCredit in the EP Association.

### EQUATOR PRINCIPLES - PROJECTS EVALUATED AND FINANCED, 2022

Projects evaluated	Projects financed <sup>A</sup>
64	19

<sup>A</sup> Includes 19 Project Finance transactions and 5 Project-Related Corporate Loans.

Risk category <sup>A</sup>	2022 <sup>B</sup>	2021 <sup>B</sup>	2020 <sup>B</sup>
Category A	0	1	4
Category B	12	8	6
Category C	7	6	7
<b>Total</b>	<b>19</b>	<b>15</b>	<b>17</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 S.p.A. and UniCredit Bank Austria AG.

### EQUATOR PRINCIPLES - NUMBER OF PROJECTS FINANCED BY RISK CATEGORY AND SECTOR, 2022

Sector	Category A	Category B	Category C
Resources <sup>A</sup>	0	0	0
Energy	0	10	7
Infrastructure	0	2	0
<b>Total</b>	<b>0</b>	<b>12</b>	<b>7</b>

<sup>A</sup> Including Oil & Gas, Mining and Metals.

<sup>11</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, 2022

Region	Category A	Category B	Category C
Europe: EU	0	12	7
Extra EU	0	0	0
North America and Mexico	0	0	0
Africa	0	0	0
Asia and Australia	0	0	0
<b>Total</b>	<b>0</b>	<b>12</b>	<b>7</b>

## NUMBER OF PROJECTS SUBJECTED TO INDEPENDENT REVIEWS,<sup>A</sup> 2022

	Category A	Category B	Category C
Independent Review	0	12	7

<sup>A</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

### SAINT-LAURS & PAYS DE MAYENNE WIND PROJECTS, FRANCE

UniCredit has successfully acted as sole MLA, original lender, equity bridge lender, facility and security agent and account and hedge bank to a debt financing of approximately €56 m comprising senior facilities (commercial and KfW-funded) and ancillaries (DSRF, VAT and LCs) regarding the construction and operation of a 26MW onshore wind portfolio in France (Saint Laurs & Pays de Mayenne projects) sponsored by wpd europe GmbH (wpd).

The projects will use 9 wind turbines (N131 and N117) provided by Nordex which will offer long-term full scope and fixed price O&M services with high availability warranties. During the operational phase the projects will benefit from a 20 year contract for difference tariff scheme with Electricite de France (EDF) acting as offtaker.

Wpd's goal is to promote renewable energy projects and assist them along the entire journey, from planning to operation, and therefore falls within the framework of a sustainable activity. wpd not only contributes to the supply of green electricity but also fully offsets the CO<sub>2</sub> emissions caused by the company. It has been drawing a detailed CO<sub>2</sub> footprint for the whole group since 2019 in accordance with the internationally recognised standard of Greenhouse Gas Protocol.

The projects will significantly contribute to the fight against climate change as the expected production of green energy could supply power to approximately 24,000 homes on a yearly basis. This translates into the avoidance of GHG emissions amounting to more than 5,000 tonnes of CO<sub>2</sub> p.a. or more than 100,000 tonnes of CO<sub>2</sub> during the lifespan of these homes.

Furthermore, the projects have been developed in compliance with the strict laws and regulations of France as an EP-designated country considering international, environmental and social standards, including the EP. In consultation with the lender's advisor, the project has been placed in EP Category B which characterises projects with potential limited adverse environmental and social risks that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures. Last but not least, the projects are fully aligned with the Loan Market Association (LMA) Green Loan Principles.

### CABINDA, HUAMBO, LUENA HOSPITALS PROJECT, ANGOLA

In line with its sustainability strategy, UniCredit successfully closed as MLA and sole lender an export credit financing for the construction and operation of three military regional hospitals in Angola for a total of 400 beds. The project will be carried out under a turn-key contract awarded by the Ministry of Defence of the Republic of Angola to Vamed Health Projects Italy (being the Italian subsidiary of the Austria-based Vamed Group).

The three financings, signed with the Ministry of Finance of Angola for a total aggregate amount of €222 m, were structured with the support of the Italian Export Credit Agency (ECA) SACE, which has issued an insurance policy to the bank covering 100% of the facilities.

This is a top priority project for the Government of Angola through the Ministry of National Defence, Former Combatants and War Veterans of the Homeland. The ministry is responsible for the reconstruction and permanent improvement of the country infrastructure and is also mandated for the regional healthcare network development.

The project is socially beneficial and aligned with the definition of social project given in the Loan Market Association Social Loan Principles (April 2021). The three hospitals will serve the entire population (not only military personnel) in the most densely populated Angolan provinces and will be located in the respective province capitals Cabinda, Luena and Huambo. The project will have a positive impact on the quality of health care for citizens in the three provinces as well as fostering job creation, improving the local economy and representing a source of revenue to local and national governments

The Cabinda and Luena hospitals will have the same architectural structure with 100 beds each and other clinical services. The Huambo hospital will have 200 beds with the same medical services as the other two but with additional health care responsibilities such as intensive care units, cardiology, trauma/ orthopedics and magnetic resonance imaging (MRI) services.

Vamed was appointed as the turnkey contractor for the design, engineering, construction, equipping, installation, testing, commissioning, training and hospital management assistance of these public hospitals. Vamed is a UniCredit core client headquartered in Vienna and a leading European group in planning, constructing, and managing complex public health services and health tourism facilities.

The project is being developed in compliance with the relevant laws and regulations of Angola and with applicable international, environmental and social standards, including the Equator Principles, World Bank Environmental Health and Safety Guidelines, IFC Performance Standards and further relevant guidelines for health care services. As part of the technical due diligence, three separate Environmental and Social Impact Assessments (ESIA) for the hospitals have been prepared by a reputable local external consultant and the ESIA also includes further important accompanying documents such as the Stakeholder Engagement Plan (SEP), Waste Management Plan (WMP), Environmental and Social Management Plan (ESMP), Non-Technical Summary (NTS) and Environmental and Social Action Plan (ESAP).

The project is an EP Category B with potentially limited environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures defined under the ESAP.

## **ANKARA - IZMIR HIGH SPEED RAILWAY PROJECT, TURKEY**

In the capacity of MLA, UniCredit has been financing, along with other syndicated lenders, the Republic of Turkey. The financing under cover from UKEF, UK's official export credit agency, is tied to the supply of goods and services to the Turkish Ministry of Transport and Infrastructure and relating to the construction and operation of a 503.2 km high-speed rail (the HSR) connecting Ankara, Turkey's capital and Izmir (the project).

The project is socially and environmentally beneficial with the paramount aim of improving the efficiency and adequacy of the transport system in the region by implementing a sustainable new transport mode. It is designed to ease road traffic congestion and promote socio-economic development by supporting intercity job and growth opportunities through a safe and improved commuting service in this region. The HSR will reduce travel time between Ankara and Izmir significantly from 14 hours and 9 hours via the existing indirect rail routes and motorways respectively to approximately 3.5 hours. As a clean transport alternative, the financing achieved Green Loan certification considering the benefits of the project in reducing CO<sub>2</sub> emissions.

The project was comprehensively reviewed in line with the requirements of the Equator Principles as well as the OECD Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence. The independent environmental and social due diligence included site visit, as well as a desk-based analysis and assessment of project-related documentation including an Environmental and Social Impact Assessment, Environmental and Social Management System and associated Management Plans, Resettlement Action Plans with a Resettlement Policy Framework, Climate Change Risk Assessment, Biodiversity Management Plan and Critical Habitat Assessment and a Stakeholder Engagement Plan. Follow-up meetings and interviews were conducted with relevant stakeholder representatives and an all-party workshop was held in Ankara.

To ensure the on-going alignment of the project with international ESHR standards, various actions have been agreed between the project developer, operator and parties involved in the financing. A regular monitoring will take place accordingly to confirm adequate compliance.

# 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 is responsible for areas with the greatest impact on external clients and 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, in accordance also with the strategic 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, firstly by ensuring the necessary advice to deal promptly both with any new regulations and emerging risks that have an impact on the bank's strategic interests, secondly 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 updated in 2022 <sup>12</sup>

- Global Rule - Code of Conduct
- Global Rule - Organisation and Management Model of UniCredit S.p.A pursuant to Italian Legislative Decree 231/01
- Global Rule - Privacy
- Global Rule - Conflict of Interest
- Global Rule - Whistleblowing.

<sup>12</sup> The list of Global Policies is not exhaustive, and it includes the ones considered relevant for the Integrated Report.

## 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 allowing our products or services to be used for financial crime anywhere in the world. Our strong risk Culture is based on our corporate Values and supports timely identification and rectification of control weaknesses.

The Global Policy on anti-money laundering and countering of terrorist financing (hereinafter 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 provide more details on areas such as:

- AML due diligence requirements for clients
- AML standards for correspondent banking
- AML/CTF transaction monitoring etc.

### KEY ACHIEVEMENTS 2022

- Transaction monitoring process, due diligence process and customer risk rating methodology enhanced (e.g. new customer risk rating methodology designed)

### PRIORITIES 2023

- Further strengthening of Transaction Monitoring "TxM" tools and processes; revision of higher risk clients requirements and escalation criteria

## ANTI-CORRUPTION

UniCredit has a zero-tolerance approach towards acts of corruption.

The bank's approach to anti-bribery and corruption is laid out in the dedicated Global Rules, published on the UniCredit Group website, which set minimum standards of anti-corruption compliance<sup>13</sup> throughout the Group. Whenever local rules in a country of operation are stricter than the Global Rules - the stricter local rules apply. Each Legal Entity is responsible for the development and implementation of an effective Local Anti-Corruption Programme. Moreover, Italian Group Legal Entities have also implemented 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) that foresees, inter alia, specific Protocols aimed at avoiding bribery and corruption issues.

The Code of Conduct (CoC), reviewed in 2022, contains a specific section dedicated to bribery and corruption risks, and provides behaviour rules and tips on how to manage and prevent such risks, assessment of significant risks is made in accordance with the policies published in our website.

### KEY ACHIEVEMENTS 2022

- ABC processes enhanced with a focus on third party management
- ABC Second Level Controls Catalogue reviewed

### PRIORITIES 2023

- Third party risk management process to be further enhanced through development of unique informatised Group ABC third party registry

<sup>13</sup> Contribution is prohibited if the beneficiary is a political entity (e.g., political member fee) as declared in the dedicated Global Rule on ABC published on UniCredit Group website.

## ORGANISATIONAL AND MANAGEMENT MODEL PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/2001

UniCredit S.p.A. has adopted a model, pursuant to L.D. 231/01, which is integrated within the rules, procedures and control systems already in place and applied in the bank.

In drawing up the model, the bank especially 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 S.p.A. has established additional rules of conduct in the Code of Ethics pursuant to the decree.

The Organisation and Management Model 231/2001 of UniCredit S.p.A. was updated in September 2022 according to the new organisational set-up of the bank and to integrate regulatory changes in accordance with the latest legislative updates (e.g. new offences) until March 2022.

### KEY ACHIEVEMENTS 2022

- UniCredit 231 model updated

### PRIORITIES 2023

- UniCredit 231 model to be further updated following the insourcing of UniCredit Services S.c.p.A. and the further introduction of new crimes in Legislative Decree 231/2001

## ANTITRUST

UniCredit has always been highly committed to compliance with antitrust rules. In this framework, since 2016 UniCredit has defined and deployed the Compliance-Antitrust Programme (hereinafter CAP) at Group level and reviewed it last in 2022. The CAP aims 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.

In order to further enhance and improve the CAP activities and strengthen a common standard approach towards their execution across the UniCredit Group, the following improvements to CAP standard activities were made:

- definition of standardized criteria to identify sensitive organizational structures
- enhancement of antitrust risk assessment.

In 2022 the CAP standard was updated in UniCredit S.p.A. as well as in the main banks of the Group.

### KEY ACHIEVEMENTS 2022

- Update of CAP in the main banks of UniCredit Group

### PRIORITIES 2023

- Update of the CAP in further Group companies

## MAIN LEGAL ACTIONS REGARDING ANTI-COMPETITIVE BEHAVIOUR, ANTITRUST AND MONOPOLY PRACTICES

Number of new legal actions/disputes commenced in 2022 and concluded in 2022	0
Number of legal actions/disputes already existing and concluded in 2022	1
Number of legal actions already existing but not yet concluded	3

### NUMBER OF LEGAL ACTIONS/DISPUTES ALREADY EXISTING AND CONCLUDED IN 2022

Country	Description
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 and second instance) were made. In 2021 the Supreme Court finally upheld the banks' appeal and ordered GVH to initiate a new administrative procedure to re-calculate the fine.</p> <p><b>Update:</b> In the resumed administrative procedure for re-calculation of the fines, the Hungarian Competition Office issued a decision on 21 April 2022 in which the amount of the fine was reduced to HUF 97,900,000 (approximately €25,000). UniCredit Hungary Zrt. paid the fine accordingly and the proceeding was closed.</p>

## CONFLICTS OF INTEREST

As the bank provides a wide range of products and services to a diversified client base, the different kinds of relations and stakeholders consequently expose 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 Global Rules on COI which set forth principles, rules and controls to assist employees in the identification and management of conflicts of interest, ensure proper execution of controls by the Managers and People & Culture in the hiring phase. In addition, second level controls have been strengthened with reference to Outside Business Interest presidium.

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 of both 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 2022

- New Global Rule on Conflicts of Interest issued

### PRIORITIES 2023

- Enhancement of Outside Business Interest process, through development of OBI Tool and rollout to LEs



## PRIVACY MANAGEMENT

UniCredit ensures the compliance with data protection rules set forth both in the GDPR (EU Regulation 670/2016) and in Italian Legislative Decree n. 196/2003 updated by the Italian Legislative Decree n. 101/2018. In particular, UniCredit's approach is described in the Global Rules on Privacy, last updated in July 2022, with reference to topics such as Right to Be Forgotten, GDPR - Global Assessment Methodology for transfer of Personal Data outside the EEA, management of the appointment of data processors etc.

At Group level, UniCredit has developed a Data Protection Officer (DPO) Community which ensures that the DPOs / Privacy Referents of the various Legal Entities share their opinions on different issues, experiences, lessons learnt and local/European regulatory evolutions.

### KEY ACHIEVEMENTS 2022

- Further activities on Right to be forgotten on IT applications
- Second Level Controls catalogue enhanced
- Privacy by design strengthened
- Initiatives to enhance awareness on data protection (e.g. on Record of Processing Activities and transfer impact assessment)
- Remediation of contracts involving Third Parties outside EEA with integration of new Standard Contractual Clauses and relevant Transfer Impact Assessment

### PRIORITIES 2023

- Review of the Second Level Controls catalogue and completion of GDPR Risk Assessment methodology review
- Data Protection training and awareness initiatives, including in particular review of GDPR/data protection mandatory training
- Additional activities to fine-tune and enhance the Right to be Forgotten mechanisms

## Whistleblowing

The Group's approach to whistleblowing is set out in a specific global rule. 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 whistleblower and of the accused individual and to prevent any possible retaliatory or discriminatory behaviour in response to the report.

At local level, UniCredit has identified a reference person in Compliance 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 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 makes 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.

With the purpose of assessing any possible offence against regulations, the UniCredit S.p.A Supervisory Body, in accordance with L.D. 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 L.D. 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 rule across the Group worldwide and including third parties (e.g. when entering into a relationship, a written agreement with a third party must also 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 in Internal Regulation/ Compliance Manuals.

## KEY ACHIEVEMENTS 2022

- European Directive on Whistleblowing adopted

## PRIORITIES 2023

- Update of the Whistleblowing Global Rule according to the European Directive
- Launch of a communication campaign on new requirements

## NUMBER OF CASES BY CATEGORY, 2022

Total reported cases	Reports received resulting in real policy or requirement breaches	Closed Reported Cases as at 31/12/2022	Pending reported cases as at 31/12/2022	Categories of closed cases												
				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	
167	116	142	25	5	2	5	5	4	5	8	2	0	61	31	19	

# Stakeholder Engagement

## Clusters

### INNOVATION FOR CLIENTS

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

### PEOPLE DEVELOPMENT

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

### SYSTEMIC TRENDS

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

### ETHICS

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

### LEAN AND SOLID BANKING

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

### POSITIVE IMPACT ON SOCIETY

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	Material topic	Main stakeholder involved <sup>A</sup>	Definition	Type of involvement	Main reference chapter of the Integrated Report
Innovation for clients	Digitalisation and innovation	Clients Communities Colleagues Investors	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	Contributed	<ul style="list-style-type: none"> <li>• Our Strategy</li> <li>• Intellectual Capital</li> <li>• Social and Relationship Capital</li> </ul>
	Value to client	Clients	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	Caused	<ul style="list-style-type: none"> <li>• Our Strategy</li> <li>• Social and Relationship Capital</li> </ul>
Systemic trends	Cyber security	All <sup>B</sup>	Building and maintaining an environment in which all data and information confidentiality, integrity and availability are protected from relevant cyber threats	Contributed	<ul style="list-style-type: none"> <li>• Intellectual Capital</li> <li>• Risk Management and Compliance</li> </ul>
	Climate and environmental impacts	All	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	Caused by the Group and directly linked to its business relationships	<ul style="list-style-type: none"> <li>• Our Strategy</li> <li>• Our Sustainable Business Model</li> <li>• Natural Capital</li> <li>• Risk Management and Compliance</li> </ul>
	Political and societal change	All	Bearing in mind the impacts of political and societal changes on all our banking business activities both in terms of demand and supply of products and services and wellbeing for Clients and colleagues	Contributed	<ul style="list-style-type: none"> <li>• Our Sustainable Business Model</li> <li>• Social and Relationship Capital</li> </ul>

<sup>A</sup> Main stakeholder groups that raised and/or is affected by the material topic.

<sup>B</sup> Includes Colleagues, Clients, Communities, Investors/Shareholders and Regulators.

Clusters	Material topic	Main stakeholder involved <sup>A</sup>	Definition	Type of involvement	Main reference chapter of the Integrated Report
Lean and solid bank	Bank solidity	All	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	Caused	<ul style="list-style-type: none"> <li>• Governance</li> <li>• Our Strategy</li> <li>• Financial Capital</li> <li>• Risk Management and Compliance</li> <li>• Social and Relationship Capital</li> </ul>
	Lean and transparent organisation	Clients Investors	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	Caused	<ul style="list-style-type: none"> <li>• Our Strategy</li> <li>• Social and Relationship Capital</li> </ul>
People development	Employee empowerment	Colleagues	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	Caused	<ul style="list-style-type: none"> <li>• Human Capital</li> </ul>
	Diversity and inclusion	Colleagues Investors	Fostering and improving a Culture of inclusion, fairness and respect by promoting equal opportunities in the workplace so all colleagues can maximise their potential	Caused	<ul style="list-style-type: none"> <li>• Human Capital</li> </ul>
	Future of work	Colleagues Communities	Being committed to managing the impacts that global trends such as digitization, demographic changes, and pandemics have on the jobs, ensuring employees can well perform new and future jobs, providing them with an adequate welfare offer and flexible work arrangements	Caused	<ul style="list-style-type: none"> <li>• Human Capital</li> </ul>

Clusters	Material topic	Main stakeholder involved <sup>A</sup>	Definition	Type of involvement	Main reference chapter of the Integrated Report
Ethics	Fair business behaviour	All	Recognizing the importance of environmental, social and governance issues and embedding them into specific business strategies, maintaining high standards for fair business behavior and responsible procurement practices and expecting senior management and employees to treat all stakeholders with fairness and respect	Caused	<ul style="list-style-type: none"> <li>• Risk Management and Compliance</li> <li>• Natural Capital</li> <li>• Social and Relationship Capital</li> </ul>
	Business ethics	All	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	Caused by the Group and directly linked to its business relationships	<ul style="list-style-type: none"> <li>• Risk Management and Compliance</li> </ul>
	Responsible tax practices	Regulators Communities	Respecting and maintaining a fair competition, ensuring transparent management of taxation matters, rigorous and accountable reporting on non-financial performance in compliance with public policy practices, protecting and consolidating the corporate reputation against any illegal activities aimed at evading the imposition or payment of a tax	Caused	<ul style="list-style-type: none"> <li>• Financial Capital</li> </ul>
Positive impact on society	Positive impact on society	Communities Investors	Understanding the priorities of communities, supporting sectors and enterprises which can create environmental, social, and economic positive impacts for individuals and the community, fostering a just and fair transition	Caused	<ul style="list-style-type: none"> <li>• Social and Relationship Capital</li> </ul>

# Human Capital <sup>14</sup>

## Portrait in numbers

The data in this part of the Supplement applies to UniCredit employees (headcount) as at 31 December 2022, 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 2022-2021

Country	Female 2022	Male 2022	Headcount 2022	Headcount 2021
Italy	48.59%	51.41%	34,428	35,367
Germany	52.90%	47.10%	13,332	14,457
Austria	55.44%	44.56%	5,860	6,907
Bosnia and Herzegovina	75.28%	24.72%	1,598	1,622
Bulgaria	77.04%	22.96%	4,369	4,508
Croatia	74.67%	25.33%	3,549	3,711
Czech Republic	63.78%	36.22%	3,581	3,631
Hungary	66.92%	33.08%	2,131	2,132
Romania	73.20%	26.80%	5,425	5,634
Russia	65.35%	34.65%	3,937	4,550
Serbia	67.84%	32.16%	1,387	1,368
Slovenia	67.82%	32.18%	550	565
Other <sup>A</sup>	62.20%	37.80%	1,201	1,223
<b>Total</b>	<b>57.24%</b>	<b>42.76%</b>	<b>81,348</b>	<b>85,675</b>

<sup>A</sup> Other includes: Luxembourg, Poland, Slovakia, UK and USA.

### PERCENTAGE OF EMPLOYEES BY EMPLOYMENT TIER 2022-2021

Employment tier	2022	2021
Senior leader	0.15%	0.15%
Executive	0.46%	0.48%
Middle Management	12.04%	11.64%
Staff	87.35%	87.73%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

<sup>14</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 2022-2021

Employment tier and gender	2022	2021
<b>Senior leader</b>		
Female	31.40%	27.13%
Male	68.60%	72.87%
<b>Executive</b>		
Female	23.99%	21.81%
Male	76.01%	78.19%
<b>Middle Management</b>		
Female	34.49%	33.75%
Male	65.51%	66.25%
<b>Staff</b>		
Female	60.60%	60.27%
Male	39.40%	39.73%

## PERCENTAGE OF EMPLOYEES BY GENDER AND CONTRACT TYPE 2022-2021

Gender	2022		2021	
	Fixed term	Permanent	Fixed term	Permanent
Female	1.80%	55.44%	2.31%	54.64%
Male	1.02%	41.74%	1.20%	41.85%
<b>Total</b>	<b>2.82%</b>	<b>97.18%</b>	<b>3.52%</b>	<b>96.48%</b>

## PERCENTAGE OF EMPLOYEES BY CONTRACT TYPE AND COUNTRY 2022-2021

Country	2022		2021	
	Fixed term	Permanent	Fixed term	Permanent
Italy	0.00%	100.00%	0.01%	99.99%
Germany	2.21%	97.79%	4.30%	95.70%
Austria	4.32%	95.68%	7.14%	92.86%
Bosnia and Herzegovina	6.57%	93.43%	5.06%	94.94%
Bulgaria	5.70%	94.30%	6.72%	93.28%
Croatia	1.27%	98.73%	2.61%	97.39%
Czech Republic	10.11%	89.89%	9.17%	90.83%
Hungary	6.19%	93.81%	0.23%	99.77%
Romania	3.99%	96.01%	5.66%	94.34%
Russia	7.43%	92.57%	5.54%	94.46%
Serbia	17.82%	82.18%	8.19%	91.81%
Slovenia	0.09%	99.91%	17.35%	82.65%
Other <sup>A</sup>	23.98%	76.02%	24.04%	75.96%
<b>Total</b>	<b>2.82%</b>	<b>97.18%</b>	<b>3.52%</b>	<b>96.48%</b>

<sup>A</sup> Other includes: Luxembourg, Poland, Slovakia, UK and USA.

## PERCENTAGE OF EMPLOYEES BY EMPLOYMENT TIER 2022-2021

Employment tier	2022			2021		
	under 30	age 31-50	over 50	under 30	age 31-50	over 50
Senior leader	0.00%	0.12%	0.24%	0.00%	0.12%	0.24%
Executive	0.00%	0.50%	0.53%	0.01%	0.47%	0.64%
Middle Management	1.06%	12.93%	14.14%	0.88%	12.52%	13.73%
Staff	98.94%	86.45%	85.09%	99.11%	86.89%	85.38%
<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 2022-2021 <sup>A</sup>

Country	2022		2021	
	Number	Percentage	Number	Percentage
Italy	1,458	4.12%	1,200	3.24%
Germany	406	2.81%	395	2.58%
Austria	236	3.42%	333	4.53%
Bosnia and Herzegovina	132	8.14%	116	7.07%
Bulgaria	480	10.65%	391	8.47%
Croatia	362	9.75%	240	6.02%
Czech Republic	446	12.28%	310	8.10%
Hungary	306	14.35%	307	14.11%
Romania	973	17.27%	862	15.06%
Russia	520	11.43%	1,210	27.30%
Serbia	262	19.15%	216	16.01%
Slovenia	78	13.81%	64	11.13%
Other <sup>B</sup>	169	13.82%	156	10.97%
<b>Total</b>	<b>5,828</b>	<b>6.80%</b>	<b>5,800</b>	<b>6.48%</b>

<sup>A</sup> Turnover rates are calculated as follows: for incoming employees (employees hired) / (total employees at the end of the year)\*100.

<sup>B</sup> Other includes: Luxembourg, Poland, Slovakia, UK and USA.

## TURNOVER FOR OUTGOING EMPLOYEES BY COUNTRY 2022-2021 <sup>A</sup>

Country	2022		2021	
	Number	Percentage	Number	Percentage
Italy	2,394	6.77%	2,771	7.48%
Germany	1,571	10.87%	1,199	7.82%
Austria	1,319	19.10%	561	7.63%
Bosnia and Herzegovina	155	9.56%	132	8.04%
Bulgaria	617	13.69%	497	10.76%
Croatia	538	14.50%	438	10.99%
Czech Republic	502	13.83%	499	13.05%
Hungary	307	14.40%	341	15.68%
Romania	1,166	20.70%	945	16.51%
Russia	1,134	24.92%	1,079	24.35%
Serbia	243	17.76%	195	14.46%
Slovenia	92	16.28%	75	13.04%
Other <sup>B</sup>	142	11.61%	135	9.49%
<b>Total</b>	<b>10,180</b>	<b>11.88%</b>	<b>8,867</b>	<b>9.91%</b>

<sup>A</sup> Turnover rates are calculated as follows: for outgoing employees (employees who left the Group) / (employees at the end of the year)\*100.

<sup>B</sup> Other includes: Luxembourg, Poland, Slovakia, UK and USA.

## TURNOVER FOR INCOMING EMPLOYEES BY GENDER<sup>A</sup> AND AGE<sup>B</sup> 2022-2021

Gender	2022		2021	
	Number	Percentage	Number	Percentage
Female	3,327	6.83%	3,344	6.61%
Male	2,501	6.76%	2,456	6.32%

Age	2022		2021	
	Number	Percentage	Number	Percentage
Under 30	3,081	32.75%	3,156	31.71%
Age 31 - 50	2,389	5.06%	2,374	4.77%
Over 50	358	1.23%	270	0.91%

<sup>A</sup> Turnover rates are calculated as follows: for outgoing employees (employees who left the Group) / (employees at the end of the year)\*100.

<sup>B</sup> Other includes: Luxembourg, Poland, Slovakia, UK and USA.

## TURNOVER FOR OUTGOING EMPLOYEES BY GENDER<sup>A</sup> AND AGE<sup>B</sup> 2022-2021

Gender	2022		2021	
	Number	Percentage	Number	Percentage
Female	5,452	11.20%	4,735	9.36%
Male	4,728	12.78%	4,132	10.63%

Age	2022		2021	
	Number	Percentage	Number	Percentage
Under 30	1,974	20.98%	1,973	19.82%
Age 31 - 50	4,029	8.53%	3,196	6.42%
Over 50	4,177	14.40%	3,698	12.46%

<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 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 year)\*100.

## PERCENTAGE OF EMPLOYEES BY GENDER AND EMPLOYMENT STATUS 2022-2021

Gender	2022		2021	
	Part-time	Full-time	Part-time	Full-time
Female	12.53%	44.71%	12.99%	43.96%
Male	1.60%	41.16%	1.69%	41.36%
<b>Total</b>	<b>14.13%</b>	<b>85.87%</b>	<b>14.68%</b>	<b>85.32%</b>

## DIFFERENTIAL<sup>A</sup> BETWEEN FEMALE AND MALE EMPLOYEE GROSS SALARIES<sup>B</sup> BY COUNTRY AND EMPLOYMENT TIER 2022-2021<sup>C</sup>

The percentage represents the weighted averages of women's average gross salary compared to men's.

	2022			2021		
	Executive	Middle Management	Staff	Executive	Middle Management	Staff
Italy	99.80%	91.07%	92.16%	93.03%	88.48%	90.42%
Germany	85.87%	87.45%	90.87%	82.89%	87.02%	87.46%
Austria	Not applicable	94.13%	82.54%	100.99%	90.91%	81.26%
Bosnia and Herzegovina	126.42%	95.00%	88.26%	126.42%	100.07%	88.55%
Bulgaria	Not applicable	87.59%	75.21%	Not applicable	90.25%	73.74%
Croatia	103.02%	92.76%	89.39%	81.93%	103.84%	90.64%
Czech Republic	103.17%	100.00%	72.30%	Not applicable	86.83%	80.23%
Hungary	97.83%	90.59%	83.98%	86.12%	94.30%	81.02%
Romania	105.44%	91.41%	77.77%	104.33%	102.19%	80.48%
Russia	78.45%	92.37%	68.37%	Not applicable	97.86%	73.47%
Serbia	Not applicable	99.84%	72.61%	Not applicable	93.74%	74.64%
Slovenia	Not applicable	97.86%	90.41%	Not applicable	91.95%	90.83%

<sup>A</sup> The ratios were calculated as follows: (total gross salary of female employees / total females) / (total gross salary of male employees / total males).

<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 85.9% of the population.

## DIFFERENTIAL<sup>A</sup> BETWEEN FEMALE AND MALE EMPLOYEE TOTAL REMUNERATION<sup>B</sup> BY COUNTRY AND EMPLOYMENT TIER 2022-2021<sup>C</sup>

The percentage represents the weighted averages of women's average remuneration compared to men's.

	2022			2021		
	Executive	Middle Management	Staff	Executive	Middle Management	Staff
Italy	94.98%	87.99%	91.85%	90.54%	87.51%	90.73%
Germany	78.66%	80.91%	89.05%	74.87%	82.12%	86.02%
Austria	Not applicable	91.07%	81.33%	91.24%	89.57%	80.39%
Bosnia and Herzegovina	82.91%	94.99%	87.24%	87.75%	98.63%	87.61%
Bulgaria	Not applicable	87.07%	75.30%	Not applicable	88.62%	74.72%
Croatia	98.84%	89.30%	89.71%	66.95%	101.72%	91.56%
Czech Republic	84.01%	91.40%	71.01%	Not applicable	83.62%	79.15%
Hungary	108.30%	90.48%	84.38%	82.27%	93.38%	80.25%
Romania	108.24%	91.03%	77.64%	103.61%	100.70%	81.19%
Russia	69.40%	89.08%	69.99%	Not applicable	95.66%	73.93%
Serbia	Not applicable	97.50%	72.70%	Not applicable	94.60%	73.41%
Slovenia	Not applicable	98.49%	90.94%	Not applicable	94.87%	91.69%

<sup>A</sup> The ratios were calculated as follows: (total remuneration of female employees / total females) / (total remuneration of male employees / total males).

<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 85.9% of the population.

## TRAINING HOURS PER CAPITA BY EMPLOYMENT TIER AND GENDER 2022-2021

	2022			2021		
	Female	Male	Total	Female	Male	Total
Senior Leadership	15.23	8.49	<b>10.61</b>	14.71	15.12	<b>15.00</b>
Senior Executive	13.59	15.49	<b>15.04</b>	20.34	17.92	<b>18.45</b>
Middle Management	21.18	19.08	<b>19.81</b>	23.29	21.70	<b>22.24</b>
Staff	31.47	31.82	<b>31.61</b>	31.33	32.41	<b>31.76</b>
<b>Total</b>	<b>30.67</b>	<b>29.27</b>	<b>30.07</b>	<b>30.74</b>	<b>30.32</b>	<b>30.56</b>

## Industrial Relations

We believe that social dialogue contributes to value creation over time by strengthening our capability of collaboration, 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.

Local laws and the terms and conditions of collective agreements supporting employees' rights to exercise freedom of association and/or collective bargaining are fully respected by the Group and accomplished also 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 2022-2021<sup>A</sup>

Country	2022	2021
<b>Italy</b>	100%	100%
<b>Germany</b>		
UniCredit Bank AG	38.59%	40.19%
Wealthcap Kapitalverwaltungsgesellschaft GmbH		
UniCredit Leasing GmbH	Not applicable	Not applicable
UniCredit Direct Services GmbH		
UniCredit Services S.C.p.A.	18%	41.16%
<b>Austria</b>	100%	100%
<b>Bosnia and Herzegovina</b>	Not applicable	Not applicable
<b>Bulgaria</b>		
UniCredit Bulbank AD	59%	57%
UniCredit Consumer Financing AD		
UniCredit Leasing AD	Not applicable	Not applicable
<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 S.C.p.A.	100%	100%
<b>Hungary</b>	Not applicable	Not applicable
<b>Romania</b>		
UniCredit Bank SA		
UniCredit Services GmbH	100%	100%
UniCredit Services S.C.p.A.		
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 S.C.p.A.	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, 2022**

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 (possibly 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	Yes
UniCredit Leasing CZ as			
UniCredit Services S.C.p.A.			
<b>Hungary</b>	Yes	30	No
<b>Romania</b>			
UniCredit Bank SA	Yes	20	Yes
UniCredit Consumer Financing IFN SA	Yes	20	Yes
UniCredit Leasing Corporation IFN SA			
UniCredit Leasing Fleet Management Srl			
UniCredit Services S.C.p.A.			
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			

## RETIREMENT PLANS OFFERED TO EMPLOYEES, 2022

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	Defined contribution plan	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		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	First and senior vice presidents	1 gross monthly salary	2.5% of gross income up to gross yearly income of €63,084
UniCredit Services S.C.p.A. <sup>C</sup>	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	Defined contribution plan	2.9% or more	Arrangement between the pension fund and employees are made on an individual basis
Schoellerbank Aktiengesellschaft		Depending on length of service	
Card Complete Service Bank AG			
UniCredit Leasing (Austria) GmbH			
UniCredit Services GmbH		2.5% of the yearly gross salary	
<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>	No plans	Not applicable	Not applicable
<b>Hungary</b>	No plans	Not applicable	Not applicable
<b>Romania</b>			
UniCredit Bank SA	No plans	Not applicable	Not applicable
UniCredit Consumer Financing IFN SA			
UniCredit Leasing Corporation IFN SA			
UniCredit Leasing Fleet Management Srl			
UniCredit Services S.C.p.A.	Defined contribution plan	100 Ron (approximately 20€) from 6 months after the employment date	National insurance payments for retirement of 25% on gross salary are mandatory for all employees. Regarding private insurance, employees decide the amount they would like to pay
UniCredit Services GmbH			
<b>Russia</b>	Defined contribution plan	7% of the monthly base salary	7% of the monthly base salary
<b>Serbia</b>	No plans	Not applicable	Not applicable
<b>Slovenia</b>	Defined contribution plan	45%	55%

<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 only 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.

<sup>C</sup> UniCredit Services SCPA was merged into UniCredit SpA in October 2022. It is reported in this table to provide further detail on the different situation in terms of retirement plans offered.

## TRANSITION ASSISTANCE PROGRAMMES TO SUPPORT EMPLOYEES <sup>15</sup> 2022

In many Group countries we have several transition assistance programmes in place that are provided to employees to facilitate their continued employability and the management of career endings due to retirement or termination.

For example, in Italy and Germany we provide pre-retirement planning for retirees and specific reskilling programmes in order to ensure employees continue working in the Group.

In CE&EE countries such as Bulgaria, an early and pre-retirement programme was launched in 2022. The programme includes a financial exit package, a benefit for keeping additional health insurance for one year after leaving and keeping consumer and mortgage loans preferences until their final maturity.

In Russia, we provide an outplacement programme aimed at helping employees leaving the bank to structure professional CVs and prepare for job interviews.

## Health and safety management

Health and Safety is a fundamental value for our Group.

It provides optimal conditions for employees' health, safety and well-being in the workplace so to avoid or reduce to the minimum their possible exposure to the risks, accidents and occupational diseases associated with work.

To reach and maintain this goal, UniCredit has adopted policies, procedures and controls in compliance with EU directives, local laws, regulations and signed agreements, which ensure 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 for the identification, assessment, prevention, protection from and prompt elimination of risks and dangers, which are 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 employees through specific training and updated 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.

All employees have various channels (e.g. e-mail, ticket remedy tool) to report any dangers/malfunctions at work. Reports are then managed by the competent function.

In 2022 we were able to continue to respond promptly to the pandemic-related emergency. Measures aimed at the health and safety of our employees and clients included:

- support provided to all employees by company doctors through a specific channel
- availability of personal protective equipment for all employees to ensure maximum protection and prevention
- suitable measures to avoid crowding and gatherings in our buildings.

In compliance with the regulations issued at local level and with the support of specialised consultants, our Group has constantly updated 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, until the end of the emergency state and even beyond for the most exposed categories (fragilities and pregnancies).

<sup>15</sup> Some programmes are provided only in the case of company restructuring/reorganisation.



## FORMAL JOINT MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEES 2022

Country	Formal joint management-worker health and safety committee
Italy	Yes
Germany	Yes
Austria	Yes
Bosnia and Herzegovina	No
Bulgaria	Yes
Croatia	Yes
Czech Republic <sup>A</sup>	Yes
Hungary	No
Romania	Yes
Russia	No
Serbia	No
Slovenia	No

<sup>A</sup> It includes the branch in Slovakia.

## RATES OF INJURY 2022-2021<sup>A</sup>

Number of injuries	2022	2021
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>	2	1
The number of recordable work-related injuries <sup>D</sup>	146	124
<b>Rates</b>		
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>	0.02	0.01
Rate of recordable work-related injuries <sup>G</sup>	1.18	0.86
<b>Hours worked<sup>H</sup></b>	<b>123,629,487</b>	<b>144,747,481</b>

<sup>A</sup> Injuries are recorded as per applicable local law. The data reported in the above table refers to the injuries of employees included in the reporting perimeter.

<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

## Customer distribution

### NUMBER OF CUSTOMERS<sup>A</sup> BY DIVISION AND COUNTRY, AS AT 31 DECEMBER 2022

Division and Country	Number
<b>Italy</b>	
Retail	7,030,947
Corporate	184,107
<b>Germany</b>	
Retail	1,441,505
Corporate	62,228
<b>Central Europe - Retail</b>	
Austria	1,133,940
Czech Republic and Slovakia	628,886
Hungary	271,342
Slovenia	60,250
<b>Eastern Europe - Retail</b>	
Bosnia and Herzegovina	607,144
Bulgaria	1,010,195
Croatia	1,009,361
Romania	718,046
Russia	408,491
Serbia	328,563
<b>Central Europe - Corporate</b>	
Austria	12,955
Czech Republic and Slovakia	21,364
Hungary	9,712
Slovenia	2,591
<b>Eastern Europe - Corporate</b>	
Bosnia and Herzegovina	3,573
Bulgaria	13,731
Croatia	8,180
Romania	11,680
Russia	12,102
Serbia	4,118

<sup>A</sup> Only active customers are included.

## Customer Experience

After years of experience and knowledge acquired through gathering insights from customers and prospects, in 2017 UniCredit defined an integrated approach with a benchmarking study which provides us with a view of customers' and prospects' perception of customer experience, brand reputation and business indicators in local markets. It allows:

- a fair comparison between UniCredit and its competitors thanks to a random selection of customers by the research provider (no customer lists provided by the bank) and no mention of UniCredit as survey commissioner (double-blind approach); mixed interviews of main and secondary bank customers
- a unique and comparable cross-country and segment view of how the bank is perceived.

The main KPI is the Net Promoter Score (NPS), a metric used across industries to measure customer 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 (customers who gave a 9 to 10 score) and detractors (customers who gave a 0 to 6 score). Within the Benchmarking Study, the KPI is more specifically referred to as the Strategic Net Promoter Score 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 2022 UniCredit achieved an NPS of 22, +3 ahead of competitors at Group level. The positive result is mainly driven by the Italian retail business as well as our banks in Germany and Eastern Europe (NPS data not comparable with 2021 due to the change in interview method from telephone to web-based in Central & Eastern Europe, the implementation of core revenue in the overall calculation and the new threshold definition among Corporates).

### STRATEGIC NET PROMOTER SCORE RESULTS - RETAIL (INDIVIDUAL CUSTOMERS INCLUDING ONLY MASS AND AFFLUENT) 2022-2021

Country	2022	2021	Competitors 2022
Italy	31	33	24
Germany	36	17	17
Austria	-9	-5	11
Bosnia and Herzegovina			
UniCredit Bank a.d. Banja Luka	60	60	53
UniCredit Bank DD Bosnia	61	61	55
Bulgaria	32	28	27
Croatia	15	14	25
Czech Republic and Slovakia	36	57	30
Hungary	24	19	14
Romania	57	58	43
Russia	NA	62	0
Serbia	58	52	60
Slovenia	11	56	15

### STRATEGIC NET PROMOTER SCORE RESULTS - CORPORATE 2022-2021

Country	2022	2021	Competitors 2022
Italy	8	16	11
Germany	19	8	6
Austria	-17	-10	4
Bosnia and Herzegovina			
UniCredit Bank a.d. Banja Luka	54	35	47
UniCredit Bank DD Bosnia	60	29	60
Bulgaria	31	34	17
Croatia	31	34	31
Czech Republic and Slovakia	17	15	16
Hungary	36	55	29
Romania	58	55	47
Russia	NA	62	0
Serbia	64	62	62
Slovenia	11	20	8

## 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 therefore the satisfaction of our clients.

Clients can submit their complaints through several channels including e-mail, written letter or in person at any of our branches. Complaints are then managed locally or centrally depending on the subject and nature of the complaint.

It is also possible to make 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 improve operational effectiveness and reduce operational 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 more satisfactory relationship with clients.

In line with our Global Compliance Guidelines - Complaint Management, a complaint is any form of clearly identifiable dissatisfaction expressed by current, potential or former clients regarding the way 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> 2022-2021

Country	2022		2021	
	Recorded (written and verbal)	Written	Recorded (written and verbal)	Written
Italy	209,440	42,360	227,346	50,592
Germany	41,164	16,536	36,684	14,517
Austria	33,408	5,326	39,881	5,405
Bosnia and Herzegovina	1,921	1,511	2,076	1,558
Bulgaria	2,425	2,415	2,758	2,748
Croatia	46,169	15,947	39,772	12,464
Czech Republic and Slovakia	18,611	14,793	20,666	17,477
Hungary	8,301	4,692	10,182	5,502
Romania	12,082	9,786	4,655	3,276
Russia	19,010	13,391	21,044	15,020
Serbia <sup>B</sup>	1,490	1,490	1,689	1,689
Slovenia	1,641	1,000	1,495	955

<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> 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 2022<sup>A</sup>

Country <sup>B</sup>	Percentage
Italy	23.3%
Bosnia and Herzegovina	100%
Bulgaria	100%
Croatia	100%
Czech Republic	39.4%
Hungary	100%
Romania	100%
Russia	100%
Serbia	100%
Slovakia	100%
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\\_at\\_regional\\_level](https://ec.europa.eu/eurostat/statistics-explained/index.php/GDP_at_regional_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 2022 which considered these countries as emerging markets and developing economies (<https://www.imf.org/-/media/Files/Publications/WEO/2020/October/English/text.ashx>).

## 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 ensures subscribers follow 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 Marketing & Communication department which is responsible for assuring the effective application of the IAP code as well as overseeing the UniCredit Supervisory Body.

With regard to advertising of 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 sustainability risks and the consideration of adverse impacts on sustainability factors in the investment 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 and insurance 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 2022 (€M)

Italy	Germany	Central and Eastern Europe
67,618	14,112	4,646



# Natural Capital

## Environmental performance indicators<sup>16, 17, 18</sup>

### SCOPE 1: DIRECT GHG EMISSIONS<sup>A</sup> (TONS CO<sub>2</sub>e) 2022-2021<sup>B</sup>

Country	2022	2021	2021, as previously published
Italy	12,866	14,057	20,817
Germany	8,261	9,377	12,399
Central Europe	3,893	4,462	4,648
Eastern Europe	5,212	5,266	6,152
<b>Total</b>	<b>30,233</b>	<b>33,162</b>	<b>44,016</b>

<sup>A</sup> GHG emissions from sources owned or controlled by our Group, which includes direct energy consumption, road business travel and refrigerant gas leakages.

<sup>B</sup> 2021 figures restated from those published in the 2021 Integrated Report as a consequence of: corrected data; revised accounting methodology (refer to footnote 17); the periodical updates of GHG emission factors.

### SCOPE 2: INDIRECT GHG EMISSIONS,<sup>A</sup> MARKET AND LOCATION-BASED (TONS CO<sub>2</sub>e) 2022-2021<sup>B</sup>

Country	Market-based			Location-based		
	2022	2021	2021, as previously published	2022	2021	2021, as previously published
Italy	420	309	268	49,995	51,656	56,870
Germany	4,556	4,872	9,681	32,178	32,893	40,593
Central Europe	982	3,027	7,960	4,790	5,304	10,757
Eastern Europe	20,402	24,729	32,991	19,751	20,951	30,277
<b>Total</b>	<b>26,360</b>	<b>32,938</b>	<b>50,899</b>	<b>106,714</b>	<b>110,804</b>	<b>138,496</b>

<sup>A</sup> GHG emissions from purchased electricity, steam and heating/cooling consumed by equipment or systems owned or controlled by our Group.

<sup>B</sup> 2021 figures restated from those published in the 2021 Integrated Report as a consequence of: corrected data; revised accounting methodology (refer to footnote 17); the periodical updates of GHG emission factors.

### SCOPE 3: OTHER INDIRECT GHG EMISSIONS<sup>A</sup> (TONS CO<sub>2</sub>e) 2022-2021<sup>B</sup>

Country	2022	2021	2021, as previously published
Italy	9,280	7,896	618
Germany	4,923	5,252	201
Central Europe	4,975	6,802	168
Eastern Europe	9,472	7,881	484
<b>Total</b>	<b>28,651</b>	<b>27,831</b>	<b>1,471</b>

<sup>A</sup> GHG emissions from air and rail business travel; from copy paper consumption; from glass, paper and plastic disposal; and from energy consumption at leased assets for which we do not have operational control calculated considering the market-based method.

<sup>B</sup> 2021 figures restated from those published in the 2021 Integrated Report as a consequence of: corrected data; revised accounting methodology (refer to footnote 17); the periodical updates of GHG emission factors.

<sup>16</sup> Data includes the full set of legal entities considered respectively in the 2022 Integrated Report perimeter (corresponding to a full-time equivalent of more than 74,000) and 2021 Integrated Report perimeter (corresponding to a full-time equivalent of more than 78,000), unless otherwise stated. Country-to-country comparisons may be misleading as different tracking systems should be taken into account. The business division Central Europe also includes Poland.

<sup>17</sup> In the context of revising our GHG accounting methodology in accordance with our strategic ambitions, we have applied a new segmentation of our assets, allocating emissions from leased assets for which we do not have operational control in our Scope 3 emissions. Consequently, data from previous years is not comparable.

<sup>18</sup> The sum of Country figures may not coincide with corresponding total figures due to rounding.



## SCOPE 3: TOTAL OTHER INDIRECT GHG EMISSIONS, BY CATEGORY (TONS CO<sub>2</sub>e) 2022-2021<sup>A</sup>

Category	Description	2022	2021
1. Purchased goods and services	Copy paper consumption	763	774
5. Waste generated in operations	Glass, paper and plastic disposal	229	270
6. Business travel	Air and rail	1,870	406
8. Upstream leased assets	Energy consumption at leased assets not within operational control	25,789	26,380
<b>Group</b>		<b>28,651</b>	<b>27,831</b>

<sup>A</sup> For the 2021 Scope 3 total as previously published, please refer to the table 'Scope 3: other indirect GHG emissions (tons CO<sub>2</sub>e) 2022- 2021'.

## ENERGY CONSUMPTION PER EMPLOYEE (GJ/CAPITA) 2022-2021<sup>A, B</sup>

Country	2022	2021
Italy	28	29
Germany	49	48
Central Europe	22	23
Eastern Europe	21	20
<b>Group</b>	<b>29</b>	<b>29</b>

<sup>A</sup> Figures include energy consumption at premises for which we have operational control and at leased assets for which we do not have operational control.

<sup>B</sup> 2021 figures restated from those published in the 2021 Integrated Report. For historical data published in the past, please refer to the 2021 Integrated Report.

## COPY PAPER CONSUMPTION PER EMPLOYEE (KG/CAPITA) 2022-2021

Country	2022	2021
Italy	30	30
Germany	8	10
Central Europe	23	19
Eastern Europe	37	34
<b>Group</b>	<b>27</b>	<b>26</b>

Approximately 99 percent of copy paper used Groupwide holds an environmental label, such as Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC). Approximately 76 percent of copy paper used Groupwide derives from recycled sources.

## WATER USAGE PER EMPLOYEE (M<sup>3</sup>/CAPITA) 2022-2021

Country	2022	2021
Italy	31	21
Germany	24	25
Central Europe	8	8
Eastern Europe	9	8
<b>Group</b>	<b>21</b>	<b>17</b>

## WASTE PRODUCTION PER EMPLOYEE (KG/CAPITA) 2022-2021

Country	2022	2021
Italy	65	69
Germany	199	224
Central Europe	88	89
Eastern Europe	153	134
<b>Group</b>	<b>111</b>	<b>113</b>
of which hazardous <sup>A</sup>	0	0

<sup>A</sup> The values are a consequence of rounding (the real values are 0.4 for 2022 and 0.14 for 2021).

## WASTE BY DISPOSAL METHOD 2022-2021

Country	Separation and recycling of valuable materials		Incineration		Disposal in landfill		Other treatment	
	2022	2021	2022	2021	2022	2021	2022	2021
Italy <sup>A</sup>	97.78%	98.02%	0.00%	1.97%	2.22%	0.01%	0.00%	0.00%
Germany	60.40%	67.56%	39.53%	32.42%	0.00%	0.00%	0.06%	0.02%
Central Europe	59.53%	60.54%	24.44%	22.53%	14.15%	15.34%	1.88%	1.59%
Eastern Europe	20.00%	19.73%	0.71%	0.98%	77.25%	76.65%	2.04%	2.64%
<b>Group</b>	<b>56.34%</b>	<b>60.67%</b>	<b>14.24%</b>	<b>13.89%</b>	<b>28.48%</b>	<b>24.47%</b>	<b>0.93%</b>	<b>0.97%</b>
Total hazardous by disposal method	66.74%	73.82%	1.02%	2.40%	0.00%	0.00%	32.23%	23.78%

<sup>A</sup> The increase in the percentage of waste disposed of in landfill is the result of a methodological change for estimating the disposal of municipal waste which takes into account the most recent data available at the local level regarding the most common disposal method.





## 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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UniCredit has chosen not to print official copies of this report, leading by example to safeguard the environment. You are therefore advised not to print any copy of the report but to prefer the digital version. To explore the full content of the IR2022 pdf document or our IR2022 dedicated website, you can follow the links below: <https://financialreports.unicredit.eu/en/integrated-report>

Cover and Introduction: UniCredit SpA  
Sorter pages: UniCredit SpA  
Graphic development and composition: Message SpA  
March 2023

The Integrated Report and Supplement have been made available at [www.unicreditgroup.eu](http://www.unicreditgroup.eu)  
To download the full available UniCredit sustainability reporting, activate the QR code below.



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