



Do the right thing!



Integrated Report

Our sustainable value creation
Consolidated Non-Financial Statement pursuant to Legislative Decree 254/2016

Report structure

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

The Integrated Report (the “Report”) has been approved by the Board of Directors of UniCredit SpA on March 5th, 2021 and has been produced by the ESG Strategy and Impact Banking structure, in collaboration with the all the relevant functions. In line with the requirements of Legislative Decree 254/2016, the process of preparing the Consolidated Non-Financial Statement (“NFS”) is regulated by a specific policy, issued in 2017. As foreseen by Article 5 of the Legislative Decree 254/2016, this document constitutes a separate report marked with a specific heading, to allow its reconciliation with the NFS required by the regulation.

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

The guidelines adopted for the preparation of the sustainability information included in the 2020 Integrated Report, including its Supplement, are the “GRI Sustainability Reporting Standards” and the “Financial Services Sector Disclosures,” issued both by the GRI - Global Reporting Initiative. The performance indicators reported in accordance to the guidelines adopted are included in the “GRI Content Index” section. The principles contained in the International <IR> Framework, published by the International Integrated Reporting Council (IIRC), were also used as 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.”

The information in the Report addresses the issues that were identified as material and their associated indicators, which reflect the main economic, environmental and social impacts of the Group or could have a substantial influence on the views and decisions of its stakeholders. The materiality analysis, updated in 2020, 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 was not considered significant for the representation in this NFS. The content of this Report refers to the year 2020 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 2019 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 2020, the reporting perimeter represents 98 percent of Group’s FTEs. 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 2020 consolidated financial statements, unless otherwise indicated. In accordance with GRI Standards 207-4, taxation data, added this year, are related to the fiscal year 2019 and compared to 2018 data. The information’s source of the disclosed data comes from documents reported to the fiscal bodies as required by law. Any conditions that may limit the scope of the data are clearly disclosed throughout the Report.

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

This Report has been externally assured by an independent assurance provider in accordance with the criteria established in the principle “ISAE 3000 Revised”. Its conclusions regarding the compliance of the information provided with Article 3, paragraph 10, of the Legislative Decree 254/2016 are set out in a separate external assurance report. The procedures followed for the assurance of the NFS are disclosed in the “Report of the External Auditors”, included in this Report.

During 2020 UniCredit decided to further enhance the governance of ESG aspects and embed them in the overall business strategy during 2020, by strengthening the former sustainability function and creating a structure fully dedicated to ESG Strategy and Impact Banking. A long-term journey aimed at defining a new ESG strategy was launched and represents a key component of a wider ongoing strategic review. For an overview of this process, the main targets and commitments as well as for the principal generated or perceived risks in relation to those issues and how they are managed, refer to Our Strategy and Our Sustainable Business Model chapters of this Report.

UniCredit signed the UNEP FI Principles for Responsible Banking (PRB) in October 2019. The full PRB Report disclosing the progress made in implementing the Principles has been approved by the Board of Directors together with the present Integrated Report and is available on the website of the Group, while a simplified table is provided in this Report. With reference to climate change, a separate document dedicated to the disclosure aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations will be issued in June 2021.

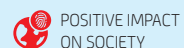
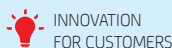
UniCredit has taken decisive actions to support all the stakeholders during the Covid-19 pandemic. The initiatives adopted to face this unprecedented challenge are summarised in a specific section, Snapshot Covid-19, at the end of the Report, as well as spread throughout the relevant Chapters, within dedicated focuses.

LEGEND

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

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

MATERIAL CLUSTERS



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OUR COMMITMENT TO A MORE SUSTAINABLE WORLD



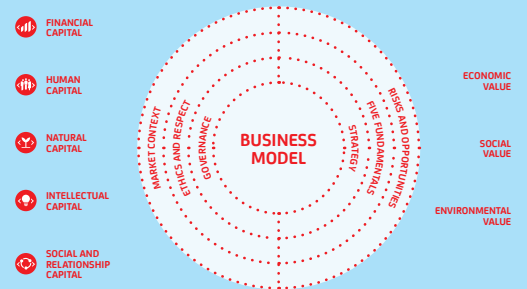
1 OUR COMMITMENT TO A MORE SUSTAINABLE WORLD

- > Chief Executive Officer's message
- > Our sustainability journey
- > Our value creation over time

2 THE WAY IN WHICH WE ACHIEVE RESULTS IS AS IMPORTANT AS RESULTS THEMSELVES

3 HOW WE BUILD VALUE

4 BANKING THAT MATTERS



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“I am very proud of everything that we have achieved at UniCredit, over the past few years, especially in 2020.”

Chief Executive Officer's message



Jean Pierre Mustier
CHIEF EXECUTIVE OFFICER
UNICREDIT SPA

Dear Shareholders,

The year 2020 was a big shock for all of us. We faced new challenges with the benefit of a strong balance sheet, thanks to all the great work done by our teams. We were able to assist and support our clients and team members, while protecting them.

The needs of our clients changed even faster, so we accelerated the transformation of the Group already planned for in Team 23. All transformation requires courage and 2020 has been a year where our team members have shown extraordinary commitment. In UniCredit, we celebrated our branch heroes, who supported our customers throughout the lockdowns. We continue to collect their stories and those of other teams, across the Group, to discover how we have been, and are still, facing these unprecedented times. The health and safety of our team members and clients has always been and will remain our top priority.

Outside the Group, we also supported heroes in the medical sectors by supporting medical innovation, such as the CURA pod prototype, as well as offering zero interest rate loans and donating millions to hospitals and the healthcare services in several of our countries.

UniCredit in 2020: Do the right thing!

I am very proud of everything that we have achieved at UniCredit, over the past few years, especially in 2020. Thanks to our strong position, and our people, we were able to be part of the solution during a very challenging year.

Throughout the health emergency, we remained open for business and continued to serve customers in all our countries, while keeping them and our people safe. We did this by accelerating the switch to digital and remote banking. We made decisions quickly, based on data, to protect colleagues and clients. We rolled out new laptops and VPN access to give around 80,000 UniCredit employees the possibility of working remotely. We unlocked potential by giving our people the opportunity to work safely and effectively, while making sure they could continue to contribute.

While all this began as a response to the health crisis, the ongoing situation led to pronounced changes in our clients' mindset, behaviours and needs, as well as developments in our own. The Covid-19 pandemic created a need and an opportunity to accelerate our transformation.

We are now investing to make sure that these improvements are long-lasting. For example, we are rolling out training to help our people lead remote teams and manage hybrid working. We will also continue to support our employees with a new welfare and wellness offer: work-life balance will be increasingly important in the future.

At the same time, human interactions will remain key to our Group culture. Our strong working relationships are one of the reasons why UniCredit has been able to work remotely so effectively over the past few months. The workplace will continue to be an important element of our lives, and while things will certainly be different, the change may be less extreme than some might think.

In 2020, we made important contributions to our communities and the real economy. These include our Social Impact Banking, which started in Italy in 2017 and has since been extended to 10 other Group countries. As at the end of 2020, we had disbursed well over €225 million to support nearly 4,400 projects and microenterprises that make a social impact. We remain on track to meet our goal of providing €1 billion of social impact financing by 2023.

We also responded to the health and economic emergency with a wide range of volunteering initiatives and donations, including millions of euros donated by UniCredit employees and customers and the UniCredit Foundation. You can read about some of these activities later in this report and on our website.

All this was possible thanks to our corporate culture, which is based on two values, Ethics and Respect, and our commitment to always **Do the Right Thing!** This guiding principle governs our interactions with all our stakeholders.

In 2020, we continued to lead most international peers on governance, such as pay practices and board structure. We are the only bank in Italy with an EE+ rating from Standard Ethics, recognised as a European excellence in terms of sustainability.

This is all thanks to our concrete ESG actions, such as the launch of our new coal policy, that commits UniCredit to ending all coal financing by 2028. We also ranked number one globally for sustainability-linked loans by Bloomberg¹ and were awarded Best Social Impact Bank in Europe by Capital Finance International. UniCredit will soon be launching other new initiatives, in line with our ESG strategy.

With our management leading by example, we will continue to build a sustainable future, where environmental, social and governance factors are essential for long-term growth. At UniCredit, sustainability is part of our DNA. We say what we do and do what we say, and we always favour long-term sustainable outcomes over short-term solutions. We will continue to support our clients, communities, partners and the industry at large, in becoming increasingly sustainable.

¹ Data refers to 3Q20.

Ethics & Respect

Do the right thing!

Looking to the future

As the world adjusts to the changes brought about and accelerated by the Covid-19 pandemic, there is a clear need for companies investing in a long-term vision that is shared with all their stakeholders. This includes the financial services industry: banks will continue to play a very important role in ensuring that local companies have access to adequate funding.

UniCredit has shown the importance of pan-European banks, combining strong global products and local excellence. Our long-term focus is on being One Bank. The Group will continue to leverage on technology to accelerate the digital and remote banking transformation, while focusing on sustainability: continuing to look beyond purely economic profit to consider social impact banking initiatives and other community support.

This is the last time that I will address you as the UniCredit CEO. I am very happy that Andrea Orcel is joining the Group as my successor. He will be supported by a fantastic team, loyal clients and supportive shareholders. My warmest regards go to all my outstanding colleagues, who have worked relentlessly to transform the bank. I am immensely proud of everything that we have achieved together.

UniCredit is a very strong bank and all our stakeholders can count on us. We will continue to **“Do the Right Thing!”** to support our clients, communities and our team members, in order to create value for our shareholders.

Thank you!



Jean Pierre Mustier

Chief Executive Officer UniCredit SpA

“ESG is integrated in our business and operations, while helping us live by and deliver our values, continually increasing our impact on the community.”

Our sustainability journey



Roberta Marracino
HEAD OF GROUP ESG
STRATEGY & IMPACT BANKING

Despite the dramatic impacts on people, behaviours and the economy that the outbreak of the Covid-19 pandemic has generated, the decisive actions taken by UniCredit to protect and support its employees, customers and communities has enabled the Group to remain fully open for business across all geographies. This prompt reaction has boosted the digital transformation journey thanks also to our strong foundations, sustainable business model and the unfailing commitment of all team members.

Certain pre-existing trends have also further accelerated in this context in which Covid-19 acted as a catalyst on sustainability momentum: sustainability materiality and ESG factors have gained intensity, with Social and Governance components under the spotlight. The increasing attention paid by stakeholders to the social impact of banking activities is speeding up the transition towards a more ESG-driven organisation. European institutions and regulators are playing a strategic role in addressing a sustainable recovery, from climate change risk to a new approach to finance, in line with a new model of society and business.

UniCredit is already playing an important role in the ESG global framework and, as a leader in the sustainable finance sector, aims at guiding capital reallocation towards economic activities which generate a positive impact on society.

We wish to be at the forefront of social change and green transition, drafting a long-term sustainability strategy, embedding ESG factors in our risk framework and improving transparency because we recognise the importance of being purpose-driven global leaders, contributing to a more equitable and sustainable society: this is also a great business opportunity we cannot miss.

The growing importance of ESG is leading all companies to rethink their business models in many ways. For UniCredit, sustainability is not something new. ESG has become a hard rather than soft discipline and, fundamental for long-term value creation, will be fully integrated in our decision-making processes across our business and operations.

ESG helps us live by and deliver our values, continually increasing our impact on the community.

This is manifested both in our approach in accompanying customers in the transition towards a low-carbon economy and in the activities of our Social Impact Bank. Supporting and financing people and organisations at risk of financial and social exclusion is our contribution to achieving Sustainable Development Goals, as also highlighted by our best-in-class corporate governance and our continued focus on diversity and inclusion.

Through the UniCredit Foundation, we implement corporate citizenship, philanthropic, social and humanitarian initiatives and support students in their studies and research projects.

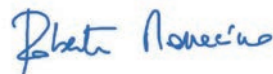
The constant involvement and commitment of the Board of Directors and its committee dedicated to Corporate Governance, Nominations and Sustainability are a clear signal that ESG topics play a central role in discussions regarding strategy.

A long-term journey aimed at further enhancing our ambitions with respect to ESG was launched last year and represents a key component of a wider ongoing strategy review.

Yet our underlying goal is to integrate all ESG factors in the bank's strategy, core business and processes, considering both risks and market opportunities and with a clear multi-stakeholder approach: this is UniCredit's mandate and the main aim of the journey.

With the certainty that sustainability is a key priority for the Group and an underlying pillar of its long-term strategy, with a view to reinforcing our role of purpose-driven global leader, the core functions of the Group have been involved in the project to design and implement the journey towards the definition of UniCredit's new ESG ambition, strategy and targets.

In a changing context, playing our role as part of the solution within the wider industry is crucial. Responding to market and societal challenges, supporting our customers, colleagues, and communities now and in the future, creating value for all our stakeholders in a responsible and sustainable way remains our guiding spirit in *Doing the right thing!*



Roberta Marracino
Head of Group ESG
Strategy & Impact Banking

UniCredit meets Treadom: the initiative which reduces CO₂ and engages all employees

UniCredit partnership with Treadom, the online platform allowing people to plant trees remotely and follow their growth online further confirm our commitment to sustainability.

The initiative will create the UniCredit Forest:



CONSISTING IN

> 90,000 NEW TREES ^A



CONTRIBUTING TO REDUCE GLOBAL CO₂ BY

~ 20,542,500 KG

OVER THE NEXT 10 YEARS, EQUIVALENT TO
THE EMISSIONS PRODUCED BY AROUND
4,400 CARS EACH YEAR ^B

^A Which will be planted across Italy, Colombia, Haiti, Kenya, Madagascar and Tanzania.

^B Source: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>.

All employees of the Group will have the opportunity to get involved in the project by:

- > planting their own, personal tree in the UniCredit Forest for free
- > benefitting from a special discount if they want to plant more trees.

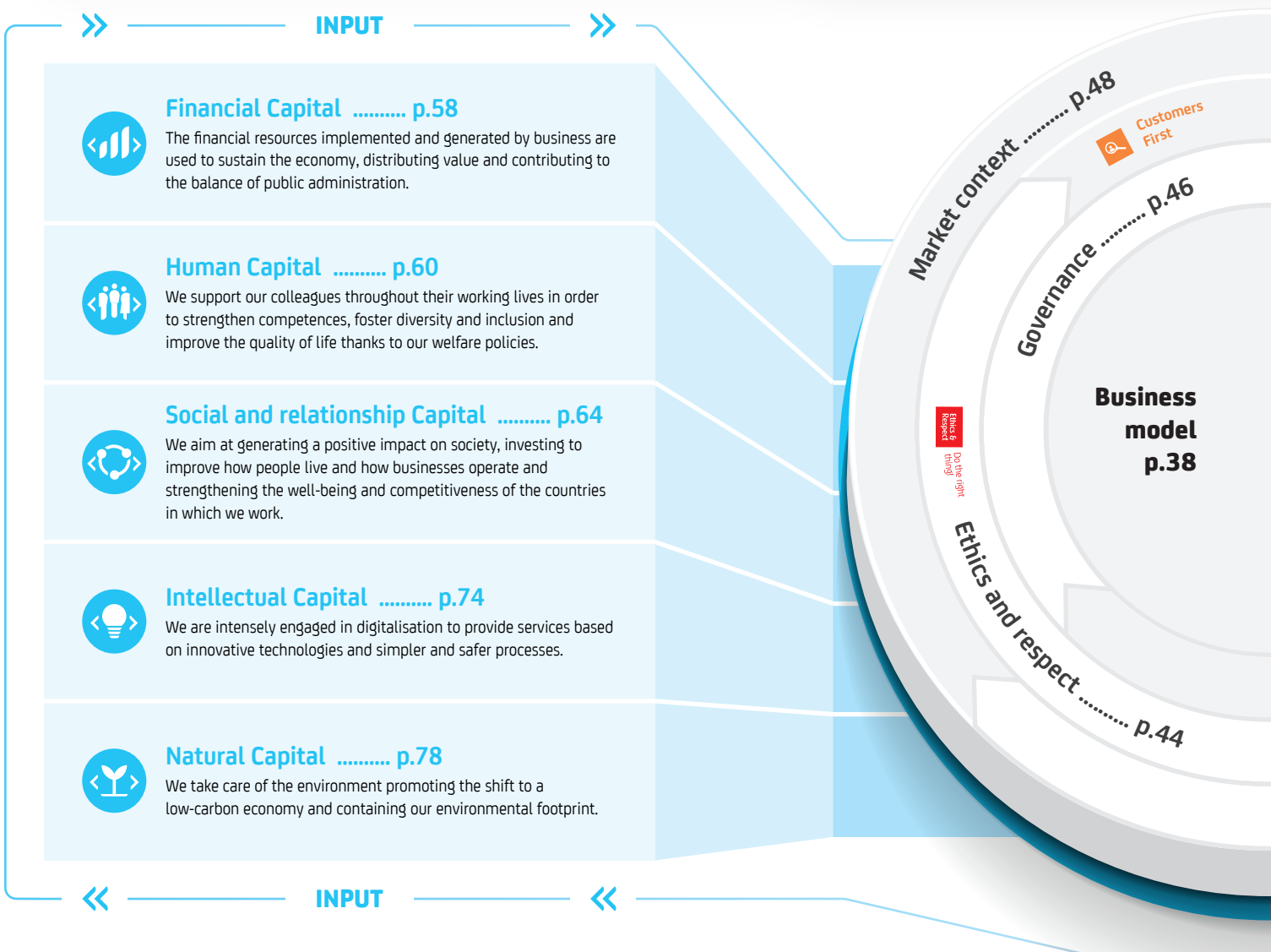
Our value creation over time

We create tangible value for all our stakeholders by providing real solutions to real needs. This is what we mean by Banking that matters.

1. CARING AND CONCRETE TO OUR RESOURCES

We take a caring and concrete approach. Adding value to our resources enables us to offer concrete solutions to stakeholders. We care and act as Banking that matters.

2. WE BUILD VALUE THROUGH OUR BUSINESS MODEL



We are *One Bank, One UniCredit* – a successful pan-European commercial bank with a fully plugged-in Corporate and Investment Bank (CIB), delivering a unique Western, Central and Eastern European network to our extensive and growing client franchise. In line with our Ethics and Respect values, we are committed to doing the right thing for shareholders, clients, colleagues, communities and the environment to make sure that UniCredit remains a pan-European winner.

^A Refer to Our Sustainable Business Model chapter for more information.

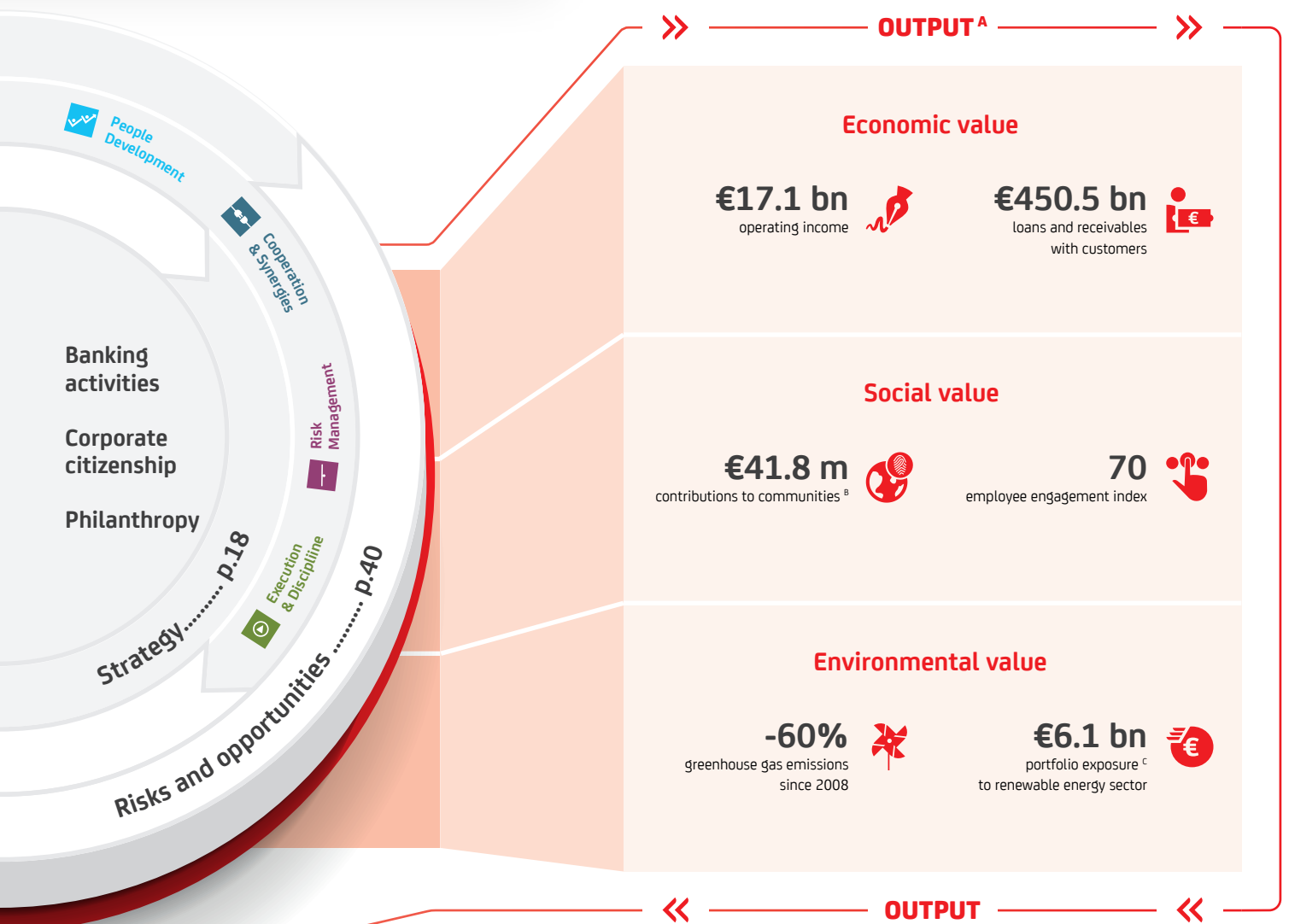
^B Impacts deriving from Business Innovation for Social Impact amount to a further €6.5 m in relation to the *Social Impact Banking* project. Refer to the Social and relationship Capital chapter for more information.


^C EAD, Exposure at Default.

Our governance and Group strategy, built on our Ethics and Respect values and *Do the right thing!* principle, guide us in dealing with market risks and opportunities.

3. WE DISTRIBUTE VALUE TO STAKEHOLDERS

Thanks to our approach and business model, we contribute to improve the well-being of people and the protection of the environment.





THE WAY IN WHICH WE
ACHIEVE RESULTS IS AS
IMPORTANT AS RESULTS
THEMSELVES

1 OUR COMMITMENT TO A MORE SUSTAINABLE WORLD

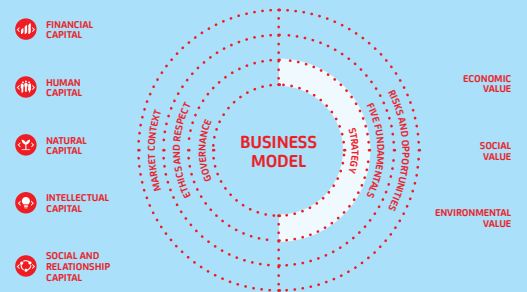
2 THE WAY IN WHICH WE ACHIEVE RESULTS IS AS IMPORTANT AS RESULTS THEMSELVES

Shaping the future with an inclusive, long term view

- > Our Strategy
- > Stakeholder Engagement

3 HOW WE BUILD VALUE

4 BANKING THAT MATTERS



Our Strategy

We are a simple, successful, Pan-European commercial bank, with a fully plugged-in Corporate and Investment Bank (CIB), and the *Team 23* Strategic Plan clearly conveys our intention to continue building on our existing competitive advantage characterised by the unique Western, Central and Eastern European network, a strong position as the go-to bank for Small and Medium Enterprises (SMEs) and an extensive and growing customer franchise.

We are proactive in **capturing commercial opportunities** whilst keeping a tight rein on risk, execution and cost control. *Ethics and Respect: Do the right thing!* is the statement that perfectly represents the values and principles on which our banking activity is based and which leads to the concrete

results achieved. Our people's enormous effort has been essential for these achievements and is a constant proof of belonging to *One Team, One UniCredit*. It is after them that our strategic plan has been named: **Team 23**.

PAN-EUROPEAN FOOTPRINT



A WELL-DIVERSIFIED BUSINESS:
OUR LENDING ACTIVITY^A



- Germany and Austria
- CEE and CIB
- Italy

- 📍 **13** Commercial banks
- 📍 **7** International branches and representative offices



WE ARE THE **GO-TO BANK**
FOR THE EUROPEAN MITTELSTAND



THE MID-MARKET CORPORATE CLIENTS
IN EUROPE ARE THE BACKBONE OF THE EUROPEAN ECONOMY



WE ARE THE **SECOND LARGEST CORPORATE LENDER**
IN CONTINENTAL EUROPE^B



PAN-EUROPEAN WINNER WITH **16 M**
CUSTOMERS ACROSS EUROPE



WE ARE **AMONG THE TOP 3 BANKS** IN ITALY, GERMANY AND AUSTRIA AND **SECOND IN CEE** BY ASSETS^C



FULLY PLUGGED-IN CIB
WITH A GREAT ABILITY TO DELIVER SIGNIFICANT SYNERGIES ACROSS THE BANK



^A Commercial/gross loans by country.

^B Data as at 4Q20, where available (otherwise as at 3Q20), based on available public data. Peers include: BNP, Deutsche Bank, Santander, HSBC, Intesa Sanpaolo, Société Générale. FX exchange rate at 30 September 2020 for 3Q20 data.

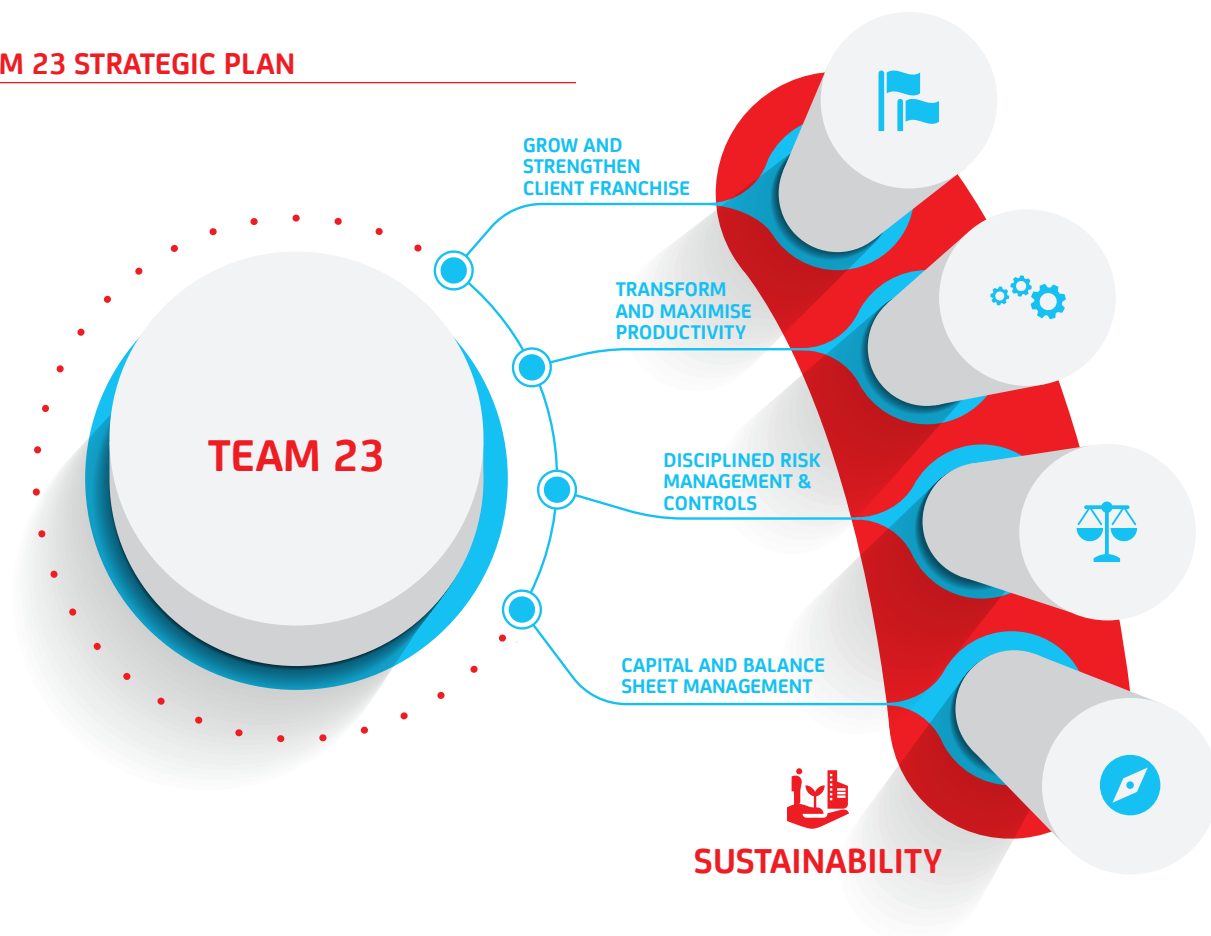
^C Data as at 4Q20, where available (otherwise as of 3Q20), based on available public data. For Germany, only private banks, for CEE data as of 3Q20, compared to Erste, KBC, Intesa Sanpaolo, OTP, RBI, SocGen, UniCredit including Milan Profit Centre, for Austria ranking on single entities only possible on the basis of annual figures: FY19 latest figures available.

Team 23

Our **four-year Team 23 Strategic Plan**, covering the years 2020 to 2023, was launched on 3 December 2019 during our Capital Markets Day (CMD) following the successful execution of our previous *Transform 2019* three-year plan.

Team 23 is based on **four pillars**, while **Sustainability** represents its **underlying assumption**, showing how in UniCredit value creation means more than just generating financial values.

TEAM 23 STRATEGIC PLAN



In UniCredit **value creation** means integrating **sustainability** into our business strategies in terms of financial, human, social and relationship, intellectual and natural capitals. This commitment was reinforced in November 2019 with the announcement of a series of sustainability targets fully integrated into business strategies. From a financial perspective, *Team 23* is a pragmatic plan with tangible actions based on conservative assumptions. The targets here represented were set considering a framework characterised by negative interest rates impacting on the Bank's profitability, a limited macroeconomic growth and regulatory headwinds. A strategic update process has started in light of the impactful changes that occurred in 2020. The outbreak of the Covid-19 pandemic has indeed produced dramatic impacts on people, behaviours and the economy. From the onset in Italy, UniCredit has taken decisive actions to protect and support its employees as well as customers and communities while remaining fully open for business across all geographies.

Thanks to strong foundations and a sustainable business model, the key guidelines of *Team 23* have allowed UniCredit to react quickly and further accelerate the digital transformation journey.

TEAM 23 RESULTS IN 2020 (2023 TARGETS UNDER REVIEW)

	2020	TARGET 2023 ^A
RoTE:	2.5%	> 8%
Cost:	€9.8 bn	€10.2 bn
Gross NPE ratio:	4.5%	< 3.8%
Tangible Equity, EoP:	€50.5 bn	€60 bn
CET1 MDA buffer:	605.0 bps ^B	between 200 and 250 bps
Underlying net profit:	€1.3 bn	€5 bn

^A Refer to the 2019 Integrated Report for more information.

^B FY20, including deduction of share buyback of €179 m, subject to supervisory and AGM approval. FY20 stated MDA buffer at 611 bps. Comparable pro-forma FY20 CET1 MDA transitional buffer at 688 bps.

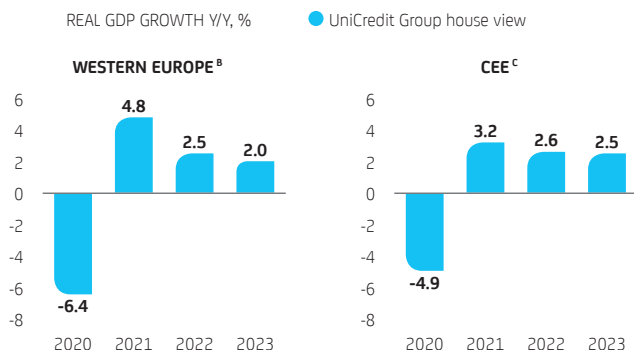
An unprecedented challenge

The Covid-19 pandemic constituted an unprecedented challenge for all economies worldwide. In light of the rapid spread of the disease in various countries, from the first months of 2020, the governments in question imposed restrictions and containment measures. These measures had a severe impact on economic activities in terms of

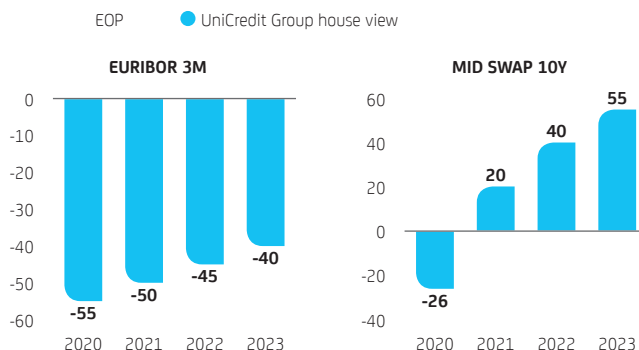
Gross Domestic Product (GDP) and, with regard to the banking sector, **deposits** and **loans**. Furthermore, **low interest rates** are continuing to affect every bank in Europe. Encouraging news regarding effective vaccines should sustain the recovery path although there are still some uncertainties for the near future.

MACROECONOMIC CONTEXT AND IMPACTS ON ECONOMIC ACTIVITIES

RED GDP^A

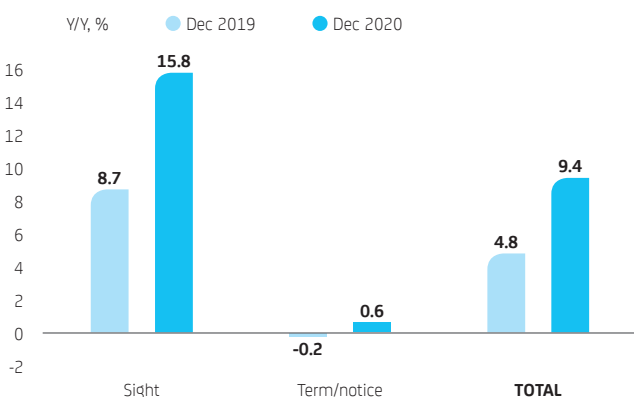


RED INTEREST RATES AND YIELD ENVIRONMENT^A



IMPACTS ON THE BANKING SYSTEM

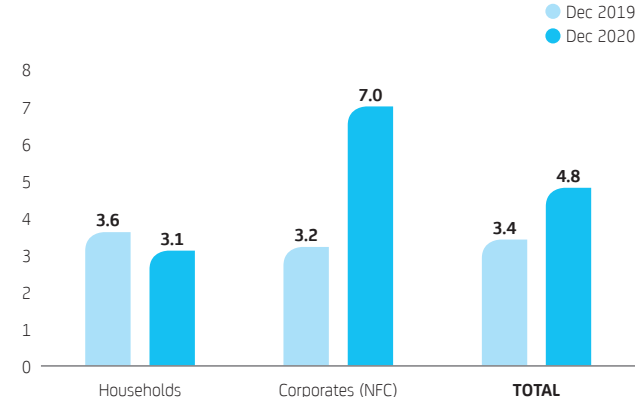
BLUE EUROZONE DEPOSITS GROWTH^D



MAIN DRIVERS

- I. containment measures making some purchases impossible or difficult
- II. higher uncertainties
- III. a greater precautionary saving, discouraging investment and the purchase of durable goods.

BLUE EUROZONE LOANS GROWTH^D



MAIN DRIVERS

- I. state guarantees support
- II. NFC preferences as opposed to holding cash in order to avoid liquidity shortfalls.

BLUE LOAN LOSS PROVISIONS (LLPS)

MAIN DRIVERS

- I. economic slowdown
- II. actions to reduce costs activated by most banks.

RED REVENUES

MAIN DRIVERS

- I. lower interest rates
- II. lower fees due to reduced business activity during lockdown periods
- III. volatile evaluation of some financial assets.

RED CAPITAL DISTRIBUTION STRATEGY

MAIN DRIVERS

- European Central Bank's (ECB) recommendation to:
- I. not pay or limit dividends, starting from March 2020
 - II. desist from share buy-backs for 2019 and 2020 in the short term.

^A Actual data for Rates and Real GDP growth for 2020 (GDP, preliminary data). UniCredit scenario based on 2020 GDP forecast for subsequent years.

^B Calculated as weighted average considering Nominal GDP of relevant countries for UniCredit (Italy, Germany and Austria).

^C UniCredit countries in CEE.

^D ECB statistics used in this document refer to Monetary Financial Institutions (MFIs) excluding the European System of Central Banks (ESCB) reporting sector. Adjusted Loans (growth rates adjusted for securitisation and loans sales) - all currencies combined. Euro area (changing composition) counterparts. December 2020 data is provisional. Chain-index series. The data is neither seasonally nor working-day adjusted.

The UniCredit reaction: a responsible and solid OneBank


In the face of this unprecedented challenge, thanks to the unfailing commitment of all colleagues, UniCredit acted swiftly and proactively as **one responsible and solid team** with the aim of continuing to deliver efficient customer

service while protecting the well-being of all stakeholders. Our focus remains on *doing the right thing*, placing the health and wellbeing of our **employees, customers and communities** first.

HOW WE HAVE FACED THE PANDEMIC WITH STAKEHOLDERS FOREMOST IN OUR MINDS

EMPLOYEES	CUSTOMERS	COMMUNITIES
<ul style="list-style-type: none"> > Group-wide protective measures > Effective business contingency plan activated 	<ul style="list-style-type: none"> > Accelerated digital transformation > €34.8 bn loans under moratoria > €20.8 bn State-guaranteed loans 	<ul style="list-style-type: none"> > Local and regional donations > Consolidation of Social Impact Banking > Partnership with central banks and governments

ONE UNICREDIT
A DEDICATED MICROSITE DEVELOPED TO SHARE WITH ALL THE STAKEHOLDERS THE FUNDAMENTALS BEHIND EVERY ACTION, ESPECIALLY FACING THREE CHALLENGES



A UNICREDIT STORY

ONE BANK, ONE UNICREDIT

ACTS AS A **FIRST MOVER**, LEVERAGING THE EXPERIENCE GAINED ACROSS OUR **DIFFERENT COUNTRIES** AND **ANTICIPATING THE CHALLENGE**

PART OF THE SOLUTION

WE ARE COMMITTED TO **SUPPORTING BUSINESSES** AND THE **REAL ECONOMY** BY PROVIDING FINANCE, SUPPORTING SUPPLY CHAINS, RAISING BILLIONS OF EUROS OF NEW FUNDING

DO THE RIGHT THING

UNICREDIT AND ITS EMPLOYEES **SUPPORT COMMUNITIES** IN THE COUNTRIES WHERE WE LIVE AND WORK

SAFEGUARD EMPLOYEE SAFETY¹

Employee safety has been guaranteed by acting rapidly to deploy specific actions for all workers, including those required to maintain contact with customers. UniCredit promoted **remote working solutions** for all functions that do not require an in-presence interaction with customers or those necessary to carry out critical activities. Guidelines from the top management put particular emphasis on keeping all colleagues engaged and maintaining a close personal relationship while working from home. At the same time, our **people in the commercial network** continued to offer support to customers by accompanying them in their digital journey while ensuring the respect of all safety measures.

The results guaranteed high standards in terms of cybersecurity thanks also to **technological investment and development**, part of the *Team 23 pillar Transform and maximise productivity*.

The well-being of the employees working from home and the work-life balance has also been supported by new dedicated welfare agreements to cover emerging needs.

The safety of colleagues must always come first also in order to effectively safeguard customers, ensuring maximum focus on their needs in line with our fundamental Customers First strategy.

¹ Refer to the Human Capital chapter for more information.

ADOPTION OF REMOTE WORKING SOLUTIONS

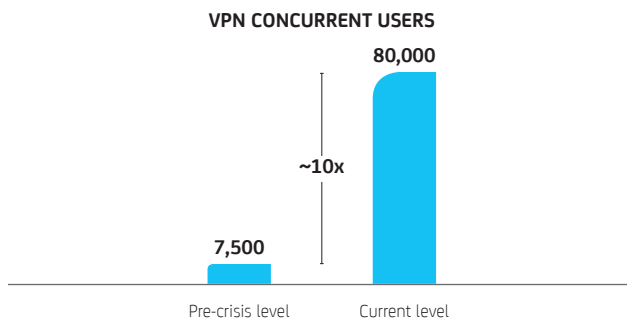
2 WEEKS AFTER THE PANDEMIC OUTBREAK - ITALY



REMOTE WORKING PEAK REACHED - GROUP LEVEL



REMOTE AND SECURE ACCESS^A



^A Refer to the Intellectual Capital chapter for more information.

CLOSE TO CUSTOMERS: GO-TO BANK FOR SMEs

In 2020 UniCredit proved once again to be the go-to bank for small and medium-sized companies thanks to its enhanced service model.

BEST BANK FOR SMEs WITH \$3.5 BN TO 20,000 BUSINESSES IN 2020

HOW TO BE THE GO-TO BANK FOR SMEs




IN OCTOBER 2020, LAUNCH OF **EASY E-COMMERCE** WITH GOOGLE, A NEW INITIATIVE TO HELP THE DEVELOPMENT OF ONLINE SALES, EXPANDING CHANNELS TO THE ENTIRE NATIONAL AND EUROPEAN TERRITORY

THE DEDICATED END-TO-END ROOM (E2E) FOR SMEs



NEW SERVICE MODEL AND GLOBAL PORTAL WITH A **UNIQUE DIGITAL ENTRY POINT** IMPLEMENTING REMOTE RELATIONSHIP MANAGEMENT CAPABILITIES AND ONLINE LENDING PROCESS ACCELERATION

CIB'S SUPPORT TO CORPORATES IN 2020




Loans, mostly in form of revolving credit facilities, were issued to **secure liquidity** during the first semester



Attention turned to mid-term financing, generally in the **capital market**, during the second semester



ESG-linked loans developed as a prominent form of financing



Advisory acted as another fundamental engine

A SNAPSHOT OF UNICREDIT ACTIVITIES FOR SMEs

UniCredit **provided Italian SMEs with an emergency package** giving additional support to the measures of the Cura Italia Government decree, working closely with institutions and the Italian Banking Association (ABI).

Following the collaboration protocol signed with SACE, UniCredit **financed several local SMEs and mid-cap businesses**, ensuring the continued success of Italian excellence.

UniCredit, together with Investindustrial and China Investment Corporation (CIC), launched a new fund targeting **Italian mid-market companies**.

€15.6 bn disbursed to **~ 154,300** Italian companies submitting applications for a State-guaranteed loan ^A

€2.5 bn financed for SMEs and mid-cap businesses

Investments in **Italian mid-market companies** to help them grow in China



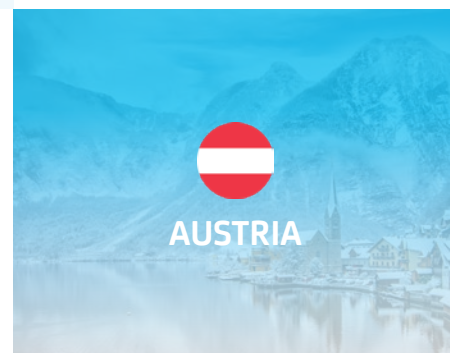
Thanks to an extensive expertise in the promotional loan business and a dedicated and experienced organisation, UniCredit had **easy access to the German guarantee schemes**.

In 2020 UniCredit handled:^A

- **8,195** requests which led to
 - **~ 1,250** suspended loans for a total of **€364 m**
 - **~ 3,900** new loans for **€3.3 bn**

UniCredit **supported customers** in avoiding any emergency situations by ensuring they maintained liquidity.

> €2.4 bn lent ^A
> 3,300 deferments implemented ^A



Last summer, the bank joined the Covid-19 support package offered by the European Investment Fund (EIF) to **provide business support to CEE countries**, by offering SMEs working capital loans guaranteed better conditions.

Loans for SMEs at an interest rate of **80%** and based on **simplified eligibility criteria**

^AData as at 15 January 2021 including all Covid-19 initiatives.

CLOSE TO CUSTOMERS: ACCELERATING DIGITAL TRANSFORMATION AND REMOTE INTERACTION

The **Group's digital transformation** as part of the overarching *Team 23* strategy remained a **key priority** during 2020 with a focus on enhancing customer experience and delivering increased productivity through accelerated digitalisation and remote banking initiatives.

Thanks to significant *Transform 2019* and *Team 23* IT investments, the Group was able to quickly adapt to the new ways of working with proven operational flexibility.

A SNAPSHOT OF OUR INITIATIVES AS A LEAN BANK



Enhancement of the **call centre**, transforming it into a real banking channel, leveraging ultimate technology



Roll-out of a new Western Europe **mobile app** with new functionalities



Dedicated campaigns to boost the digital on-boarding of our customers in our online and mobile banking: **600 Customer Managers** appointed in Italian top branches and **3,000 new Digital Ambassadors** nominated



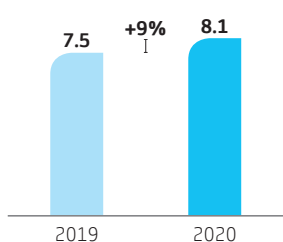
Creation of **UBook**, the tool that allows customers to make, change or cancel appointments, speeding up the execution of customer requests



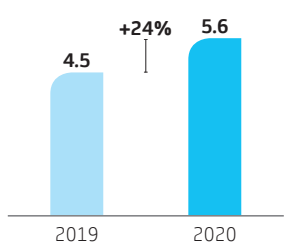
E2E rooms optimisation through the release of a seamless online account opening process: **less than 15 minutes**, excluding back office checks, needed to open an account

Our decisive actions led to an increase in **digital** and **mobile active users** as well as in digital **sales**.

DIGITAL ACTIVE USERS (M)



MOBILE ACTIVE USERS (M)



CLOSE TO COMMUNITIES: OUR SOCIAL COMMITMENT

During the Covid-19 pandemic, UniCredit has been close to the communities in which it operates. **In order to contain the virus, a deep social commitment has been demonstrated in favour of those in need.**

UniCredit banks in the different markets have made significant donations in the interest of *doing the right thing*, contributing to the fight against the pandemic and demonstrating its employees' attachment to the territory.²

² Refer to the Social and relationship Capital chapter for more information.

OUR CONSTANT GENERATION OF SOCIAL IMPACT

Despite the pandemic, the UniCredit Social Impact Banking (SIB) programme³ continued consolidating its international

presence in 11 Group countries and activating new solutions for its customers, confirming constant business growth.

³ Refer to the 2018 and 2019 Integrated Reports for more information.

SIB ACHIEVEMENTS AND CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGs)

OUR COMMITMENT TO THE GROUP'S STRATEGY

€225.1 M
DISBURSED LOANS (OF WHICH **€199.9 M** IN ITALY AND **€25.2 M** IN THE OTHER COUNTRIES)

€1 BN TARGET
OF DISBURSED LOANS TO BE ACHIEVED BY 2023

IMPACT FINANCING, MICROCREDIT AND FINANCIAL EDUCATION CONTRIBUTION TO THE SDGs



IMPACT FINANCING



€24.2 M



€83.5 M



€14.6 M



€8.5 M



€8.4 M



€2.3 M



MICROCREDIT



€83.6 M



FINANCIAL EDUCATION

START UP YOUR LIFE PROGRAMME:

71,365 SINGLE STUDENTS
(ITALY ONLY, SINCE 2017)



112 EDUCATIONAL INITIATIVES REACHING
> 10,500 BENEFICIARIES

In addition, we contribute to:



PARTNERSHIPS FOR THE GOALS

THANKS TO OUR INTERNATIONAL PARTNERS



COVID-19

UniCredit has reformulated its subsidised offer for customers in the context of the Covid-19 crisis. In particular, SIB has integrated it with additional benefits to reward social innovation, particularly in the health and welfare sectors. Moreover, a **free on-line platform was made available to schools**, allowing teaching activities to continue and all training and accompaniment activities to be carried out remotely.

In Italy, SIB is also committed to supporting an emerging social problem: the burden, especially on women, of caring for families, thus increasing **gender inequality**. Through a campaign launched at the end of the year, a wide range of products has benefitted **micro-entrepreneurs**, organisations engaged in providing **welfare services for families** and companies that have welfare plans and family services dedicated to their employees.

Our ESG Strategy: Sustainability is part of our DNA

The Covid-19 pandemic outbreak has strongly impacted UniCredit and its stakeholders and has represented a tough challenge for the organisational resilience of the bank. Nevertheless, thanks to its *Ethics and Respect* values and guiding principles, UniCredit was able to adapt rapidly to the challenging circumstances, remaining open for business and close to employees, customers and communities.

The way we achieve our results is as important as the results themselves.

Sustainability is part of our DNA and we are continuing to take concrete actions to integrate ESG more fully into the core activities of our bank.

In 2019 we embarked on a journey of further integration of several sustainability topics in the business strategies of our Group. The initiative was greatly encouraged by the Corporate Governance, Nomination & Sustainability (CGN&S)

Committee and the Board of Directors.⁴

The inclusion of ESG-linked indicators in the Long-Term Incentive Plan (LTIP) for top management was an important milestone of this process, with a weight of 10% on variable compensation based on the assessment of three indicators: the ranking in terms of ESG rating by an external rating agency, the people engagement index and the customer satisfaction index.

The graph below illustrates our sustainability performance against our ESG commitments and targets. We have already achieved some of them and are well on track for the ones remaining, again demonstrating the strategic importance that sustainability has for UniCredit and all its employees, who work as *One Team, One UniCredit* to achieve the success of our Group.

⁴ Refer to the 2019 Integrated Report for more information.

UNICREDIT ON TRACK FOR TEAM 23 SUSTAINABILITY TARGETS

ESG KEY 2023 TARGETS		2019	2020	2023 TARGET	STATUS
E	> Thermal coal mining and coal-fired power plant projects exposure, ^A %	Coal policy	Revised Coal policy	0	On Track
	> Exposure to renewable energy sector, ^B bn	6.9	6.1	>9	On Track
	> New origination of energy efficiency loans in CEE, ^C % total loan		10	>6	Achieved
	> Energy efficiency loans to WEU individuals, % increase		+67	+25	Achieved
	> Energy efficiency loans to WEU SMEs, % increase		+20	+34	On Track
	> Reduction of our green house gas emissions by 2020, ^D %	55	60	60	Achieved
	> Usage of renewable energy in UniCredit buildings in WEU, %	99	99	100	On Track
> Position in EMEA combined green bonds & ESG-linked loans ^E	#5	#4	Top 5	On Track	
S	> Support projects with a positive social impact, bn	0.13	0.22	1	On Track
G	> Women in senior leadership roles by 2023, %	12	15	30	On Track
	> LTIP: incentivises an improved ranking while penalising a worse ranking ^F	#5	#5	#3	On Track
	> LTIP: incentivises an improved absolute people engagement, ^G pts	73	70	73	On Track
	> LTIP: incentivises an improved customer experience vs. competition, ^H pts	+1	+4	+3	On Track

^A Based on New coal Policy issued in August 2020:

- Zero general financing in all cases of expansion of coal operations (i.e. coal-fired power plants acquisition or opening) by 2028
- Zero exposure to thermal coal mining and coal fired power plant projects by 2023.

^B Including: biomass, hydro, photovoltaic, wind, CHP, battery storage, energy from waste and other renewables as well as corporates predominantly operating renewable energy assets.

^C Including Individuals and SMEs.

^D Vs. base year 2008. Long-term target: 80% by 2030. 100% usage of renewable electricity in our buildings in Italy, Germany and Austria.

^E ESG-linked include: green loans, KPI-linked loans, ESG-score linked loans. Green bonds: include green, social and sustainability bonds. Positioning based on Dealogic league tables.

^F External rating by the independent provider, Sustainalytics, UniCredit ranks 5th among a peer group (15 banks).

^G People engagement is calculated as the average of two measurements across the Plan horizon.

^H Customer experience tracking is based on the strategic Net Promoter Score (NPS).

Our risk management and lending approach, with regard to our retail and corporate offering, are progressively incorporating sustainability factors that will also play an increasingly important role in our short and long-term incentive plans.

Defining clear ESG metrics and targets as we are now doing, both internally and externally, is essential in setting the overall direction.

TRENDS ACCELERATED DURING SUSTAINABILITY MOMENTUM

The Covid-19 pandemic has accelerated some pre-existing trends, acting as a catalyst to the sustainability momentum for all stakeholders: consumers, employees, regulators and investors.⁵

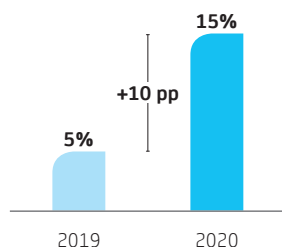
REGULATORS PLAYING A KEY ROLE IN ACHIEVING A SUSTAINABLE RECOVERY



€750 BN

TEMPORARY RECOVERY INSTRUMENT FROM NextGenerationEu PROGRAM

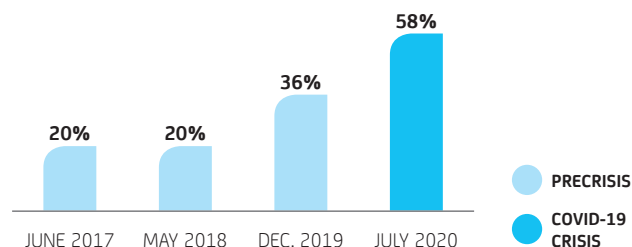
S FACTOR UNDER THE SPOTLIGHT



% Social bonds in total bond issuance rising from 5% in 2019 up to 15% in 2020.⁴

⁴ Source: Climate Bonds Initiative, MSCI ESG Research. Data as at Oct. 15, 2020.

DIGITALISATION BOOSTING⁸



Average share of customer interactions that are digital, %

⁸ Source: McKinsey survey, How Covid-19 has pushed companies over the technology tipping point and transformed business forever. October 5, 2020.

UniCredit is in a leadership position in the ESG global framework, and as a leader in the sustainable finance sector is able to guide capital reallocation towards economic activities which generate a positive impact on society.

In July 2020, UniCredit decided to further enhance the governance of ESG aspects⁷ and embed them in the strategy by strengthening the former sustainability function and creating a structure fully dedicated to ESG Strategy and Impact Banking. A new senior leader, also member of the Executive Management Committee, was hired to cover this position.

€119.7 BN
OF TOTAL PLACEMENT OF SUSTAINABLE BONDS AND LOANS IN 97 DEALS

€6.1 BN
IN RENEWABLE PROJECTS

€2.2 BN
OF ENERGY EFFICIENCY LOANS TO INDIVIDUALS AND SMES IN 2020 IN WESTERN EUROPE⁶

A long-term journey aimed at defining a new ESG strategy was launched and represents a key component of a wider ongoing strategic review. This journey started with the review of the Group's coal policy⁸ issued in the third quarter of 2020 and sets an important and ambitious target of complete phase-out from thermal coal financing by the end of 2028. Not only will the Group cease its support to projects, as was already foreseen by the previous policy, but it will also end its relationships with customers that do not share its ambition of abandoning coal operations (mining or production of electricity) within the same timeframe.

Our underlying goal is to integrate all ESG factors in the bank's strategy, core business and processes, looking at both risks and market opportunities and with a clear multi-stakeholder approach: this is UniCredit's mandate and the main aim of the journey.

We wish to be at the forefront of social change and green transition, drafting a long-term sustainability strategy, embedding ESG factors in our risk framework and improving transparency. We recognise the importance of being purpose-driven global leaders, contributing to a more equitable and sustainable society: this is a great business opportunity we cannot miss.

⁵ Refer to Our Sustainable Business Model chapter for more information.

⁶ Austria data based on estimate for 2020 due to update of the data collection process from internal systems.

⁷ Refer to the Governance chapter for more information.

⁸ Refer to the Risk Management and Compliance chapter for more information.

Our long-term ESG journey

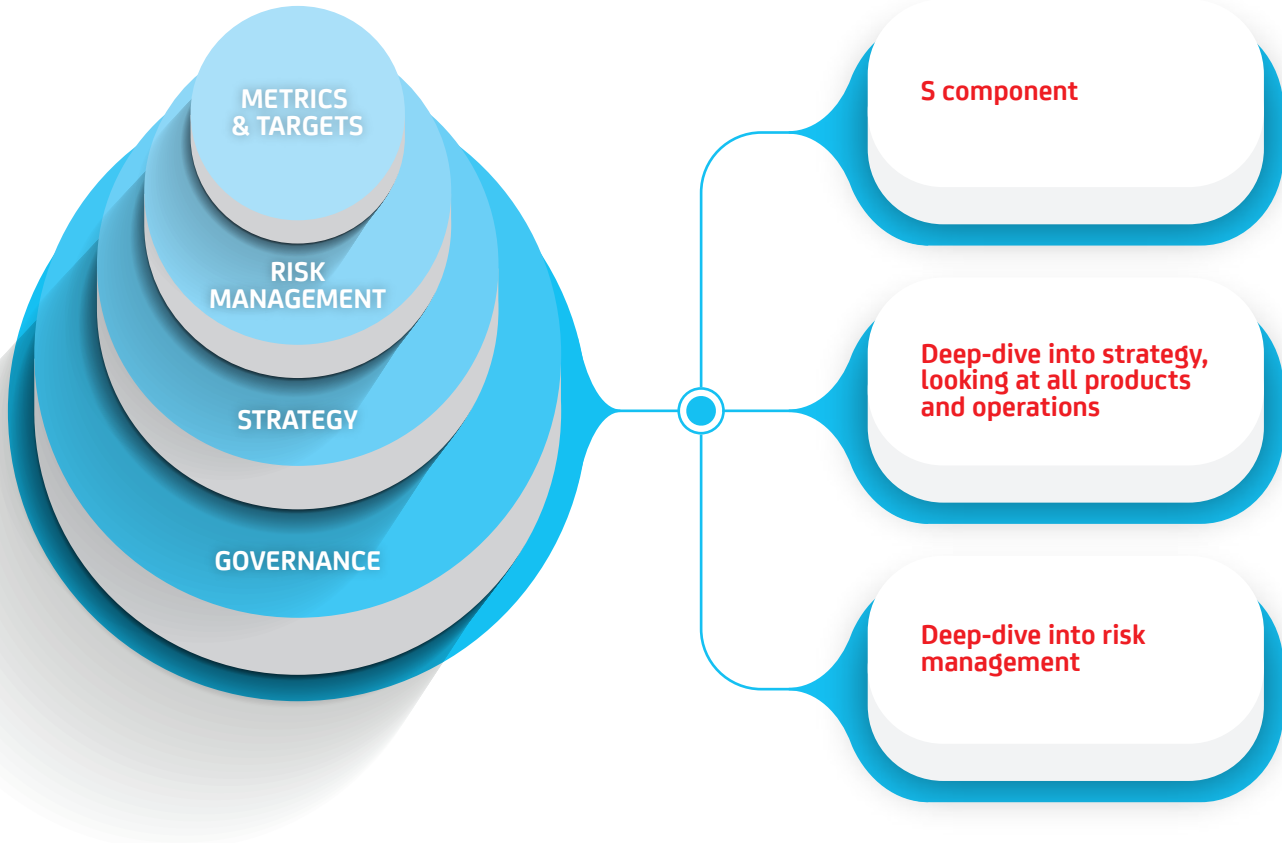
With the certainty that sustainability is a key priority for the Group and the underlying pillar of our strategy, in order to strengthen our sustainability performance, an international external advisor with a deep sustainability expertise in

the financial sector has been involved in designing and implementing the journey towards the ridefinition of the ESG strategic plan.

TCFD FRAMEWORK ENHANCEMENT

THE INTERNATIONALLY RECOGNISED TCFD FRAMEWORK

3 KEY ELEMENTS OF ENHANCEMENT



The framework of the project has been primarily based on the Task Force on Climate-related Financial Disclosures (TCFD), which has been enhanced to cover the Social pillar

(S component) and adapted to reflect UniCredit's specificity elements, with deep-dives into its strategy and risk management.

THE PROJECT HAS BEEN STRUCTURED ALONG FIVE STEPS



1 MAPPING OF UNICREDIT ESG PRACTICES

The starting point of the ESG journey was represented by a mapping of all ESG initiatives undertaken at Group level. This activity allowed us to begin our journey with a precise overview of what our Group was doing in terms of ESG in

order to find most relevant areas and creating a direction towards the efficiency and effectiveness of the Group's energy regarding sustainability activities.

MAIN OUTPUTS



> 300

ESG PRACTICES MAPPED WITHIN THE GROUP



15

INTERVIEWS CONDUCTED WITH RELEVANT BANK FUNCTIONS



STEERING COMMITTEE

MEMBERS SHARING INPUTS ON ESG STRATEGIC PRIORITIES, RISKS AND OPPORTUNITIES



ESG SCORING CARD

AS A RESULT OF UNICREDIT'S PERFORMANCE MEASUREMENT AGAINST A GROUP OF 20 PEERS

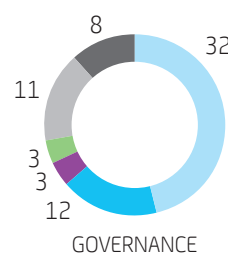
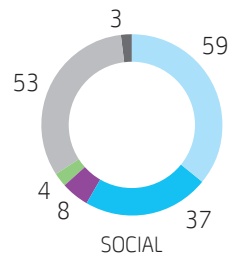
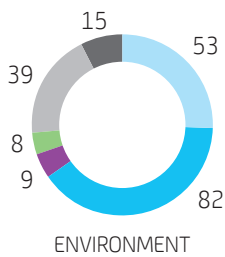
MAPPING RESULTS DEEP DIVE

The initiatives collected within the Group have been flagged as impacting on E, S or G pillars with some cross-pillar cases:



- Environment
- Social
- Governance

GRAPHIC DISTRIBUTION OF THE STAKEHOLDERS INFLUENCED BY THE INITIATIVES MAPPED



- Colleagues
- Customers
- Regulators
- Shareholders
- Community/society
- Suppliers

2 UNDERSTAND UNICREDIT POSITIONING

UniCredit's relative positioning has been thus identified by comparing scores versus best practices and peer group average.

The result of these activities was a list of the gaps that UniCredit wishes to close in the next three years, in fulfilment of its ambition to achieve recognition as one of the best banks in terms of ESG strategy and positioning.

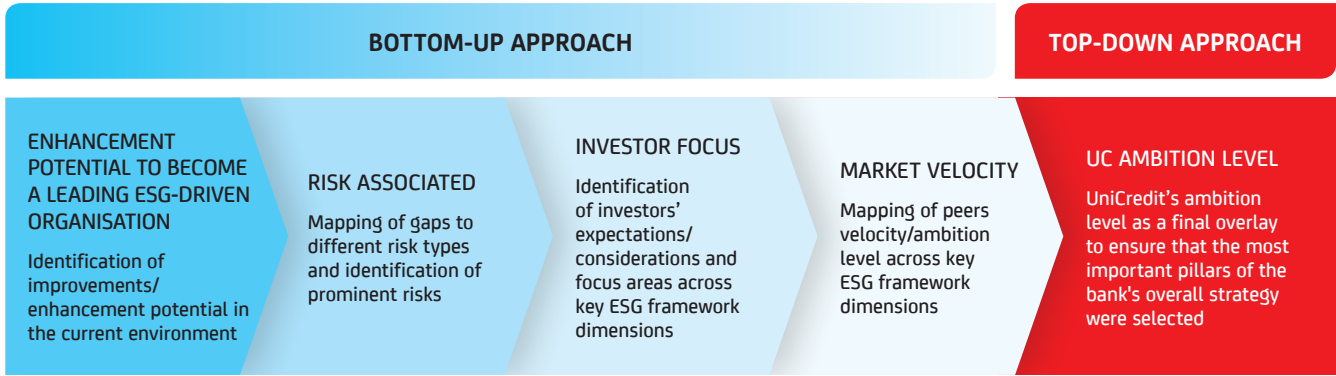
The process confirmed once again that our corporate governance is a best in class, thanks to the strong effort led by the Group on this topic during the recent years. Some areas with potential improvements have been anyway highlighted in order to help us strengthen and maintain our leadership position.

3 PRIORITISATION OF INITIATIVES

With the aim of closing the gaps and prioritising our tasks, a multi-step framework combining bottom-up and top-down approaches has been adopted. To do so, we considered different variables, including the expectations of

regulators and **supervisors**, the growing requirements from **institutional investors** and the speed of change from our **competitors**.

OUR MULTI-STEP FRAMEWORK APPROACH FOR PRIORITISATION



As a result of the prioritisation exercise, 20 high priority initiatives have been selected and will therefore be rolled out in the short term.

In the graph below the initiatives are linked to the elements of our enhanced TCFD framework. This will help us create a detailed roadmap for the successful implementation of the plan.

OUR 20 PRIORITY INITIATIVES

STRATEGY	GOVERNANCE	Reporting to the Board	Teams and management roles	Incentive system
	Products	Retail and small businesses	Corporate and SME	Wealth management & AM
	Engagement	Customer engagement		
RISK & CREDIT	Own operations	People initiatives		
	Scenario analysis	Climate scenario analysis	ESG portfolio transparency	Paris alignment
	ESG integration into risk	RAF KPIs and limits	Customer questionnaire	Data vendors
	ESG integration into credit	EU taxonomy		
		Credit policies	Underwriting	
	METRICS & TARGETS	E commitments	S commitments	Reporting standards and communication strategy

LEGEND ALREADY UP AND RUNNING

4 DEFINITION OF A DETAILED ROADMAP

We have been working on the definition of a detailed roadmap with an efficient and effective governance and organisation project. This requires the setting up of working groups with owners from all involved functions and legal entities across all countries.

Based on the priority initiatives mapped, we have built an **ESG monitoring framework** consisting of:



A **TABLEAU WITH A SET OF MEASURABLE KPIs**: each of the 20 initiatives was linked to one or more indicators in order to ensure that progress of the implementation could be appropriately measured



A **SUITE OF DASHBOARDS AND REPORTS** which, along with a punctual and reliable datapoints map, should safeguard the correct development of the process across regions and business units

The definition of new ESG targets, coherent with Group ambition level and market trends, is ongoing and will be part of a wider communication plan that will follow the completion of the ESG strategy redefinition.

5 OUR ESG INTERNAL AND EXTERNAL COMMUNICATION PLAN

Our ESG strategy communication plan is key and requires consistent effort across different dimensions. As an important part of this communication effort, we have started to review our Integrated Report, adopting a renewed set-up and an even greater focus on **Key Performance Indicators**. A separate document dedicated to the disclosure aligned with TCFD recommendations will also be issued in June.

The takeaways gathered during our ESG journey will help us ensure the sustainability of our financial capital in the long term as well as protect all our capitals, from natural and social and relationship to intellectual and human.

We aim to create value for our stakeholders in a responsible and sustainable way, in line with our key principle: *Do the right thing!*

Stakeholder Engagement

Our dialogue follows a two-pronged approach towards managing risks and opportunities efficiently. We aim at understanding who and what our business activities affects, as well as how our business development is affected.

Listening to our stakeholders has always been the underlying principle at UniCredit, leading us to regularly invest in mutual feedback activities. We systematically collect and assess opinions and concerns expressed by our stakeholders and promptly respond to their observations.

A greater awareness of the topics that interest our stakeholders can enable us to make more informed decisions, promoting a more sustainable strategy and investing in long-term value creation.

DIALOGUE TOOLS WITH STAKEHOLDERS

COLLEAGUES

CHANNELS

- > People Survey of professional engagement
- > internal clients' perceptions of headquarters services
- > Group Intranet Portal
- > departmental online communities



~ 85,000

EMPLOYEES ADDRESSED
BY THE PEOPLE SURVEY



> 52,000

VALUABLE INPUTS FROM
GROUP-WIDE SURVEYS

ONE OF UNICREDIT STORIES

DigitALL, our new digital workplace which helps us all to thrive as One Team, One UniCredit, interacting and communicating more effectively. DigitAll encompasses new tools and functionalities to offer a unified, agile, digital platform for the future.

CUSTOMERS

CHANNELS

- > customer satisfaction assessment
- > brand reputation assessment
- > mystery shopping
- > instant feedback
- > focus groups, workshops, seminars



> 355,000

FEEDBACKS PROVIDED
BY CLIENTS AND
PROSPECTS

ONE OF UNICREDIT STORIES

Voice of the Web listening tool was integrated with what Customers do, expressed by operational and behavioural data. This allows us to anticipate issues, accelerate data-driven decision making across different channels and obtain the right insights to create sustainable value in the long-term.



INVESTORS




> 500


MEETINGS AND 38
ROADSHOWS WITH
INSTITUTIONAL, RETAIL
AND SOCIALLY RESPONSIBLE
INVESTORS

ONE OF UNICREDIT STORIES

The Group Sustainability unit, together with the Investor Relations team, interact continuously with ESG raters in order to monitor our sustainability performance through their assessments and identify opportunities for improvements.



REGULATORS




PROACTIVE
ENGAGEMENT


AND CONTRIBUTION
TO THE DEBATE ON
THE REGULATORY
FRAMEWORK

ONE OF UNICREDIT STORIES

UniCredit has been involved in the working group organised by the European Banking Federation and United Nations Environment Programme Finance Initiative (UNEP FI) on taxonomy for banking products for which a specific report has been issued last January 26th and 27th, 2021.



COMMUNITIES



> 510,000

FOLLOWERS ON
OUR SOCIAL MEDIA

ONE OF UNICREDIT STORIES

UniCredit strengthened its dialogue with non-governmental organisation (NGOs). In reviewing our Coal sector Policy, we submitted a draft to important NGOs to collect their feedback before publication. We wish to pursue our dialogue with NGOs in order to collect useful insights and be aligned with the expectations of the community.

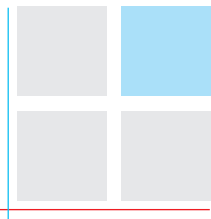
The materiality matrix remains a fundamental tool for supporting our business strategy, creating value over the long term, and engaging with stakeholders.

What may be immaterial to a company or industry today could become material tomorrow. This dynamic materiality concept underlines the strategic importance of making efforts to anticipate which issues might become financially relevant in the future, and requires a forward-looking approach to materiality.

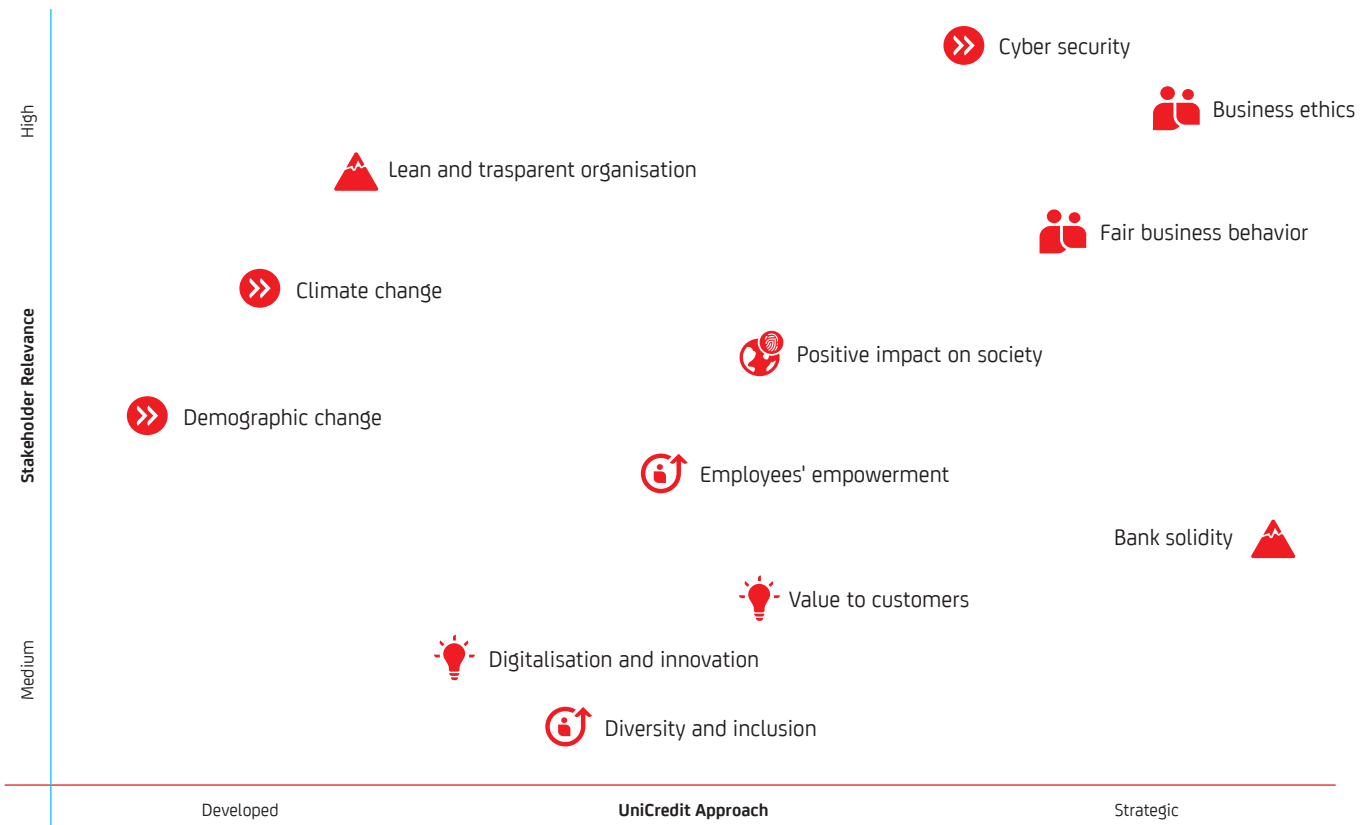
Bearing this in mind, we build our analysis also applying information sourced both externally by the Datamaran tool

and internally by listening to our stakeholders. This allowed us, through external sources, to investigate the main laws and directives that impact the financial sector in all the regions in which we operate, to analyse the latest news on the sector on online media and social networks and to benchmark our report versus those published by other banks. Also this year the top management and Board have demonstrated their strong engagement during several meetings, as well as the Corporate Governance, Nomination and Sustainability Committee (CGN&S) by over-viewing ESG topics and our sustainability strategy.

MATERIALITY MATRIX



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



CLUSTERS

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

The matrix has in fact become a strategic tool to follow and monitor the implementation of targets, and to steer future decisions also in the reshaping of the new ESG strategy.¹ The global pandemic situation has put an even stronger focus than in the past on our Business Ethics and Positive impact on society.

Ethics and Respect: Do the right thing! are the values and the guiding principle on which the behaviour and decisions of our bank are founded. During the past year several initiatives have been undertaken giving proof of the strong commitment to our values and of the support to all our stakeholders in the difficult situation caused by the Covid-19 pandemic.²

¹ Refer to Our Strategy chapter for more information.

² Refer to Ethics and Respect chapter for more information.

THE SCOPE OF OUR FOOTPRINT

CLUSTERS AND MATERIAL TOPICS ^A	RELEVANCE FOR OUR STAKEHOLDERS					OUR CONTRIBUTE TO SUSTAINABLE DEVELOPMENT GOALS
💡 INNOVATION FOR CUSTOMERS <ul style="list-style-type: none"> > Digitalisation and innovation > Value to customers 						
➔ SYSTEMIC TRENDS <ul style="list-style-type: none"> > Cyber security > Climate change > Demographic change 						
🏠 LEAN AND SOLID BANK <ul style="list-style-type: none"> > Bank solidity > Lean and transparent organisation 						
👤 PEOPLE DEVELOPMENT <ul style="list-style-type: none"> > Employees' empowerment > Diversity and inclusion 						
👥 ETHICS <ul style="list-style-type: none"> > Fair business behavior > Business ethics 						
🗣️ POSITIVE IMPACT ON SOCIETY <ul style="list-style-type: none"> > Positive impact on society 						

STAKEHOLDERS									
	CUSTOMERS		COLLEAGUES		INVESTORS		REGULATORS		COMMUNITIES

^A 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 KPIs, risks and opportunities of each material topic and cluster.



HOW WE BUILD VALUE



1 OUR COMMITMENT TO A MORE SUSTAINABLE WORLD

2 THE WAY IN WHICH WE ACHIEVE RESULTS IS AS IMPORTANT AS RESULTS THEMSELVES

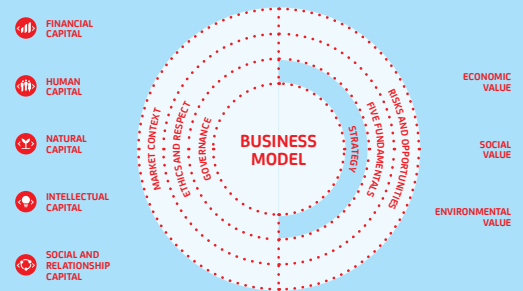
3 HOW WE BUILD VALUE
Integrating sustainability in our Business Model

- > Our Sustainable Business Model

Living, acting and playing sustainability.
Our way to lead

- > Creating value while serving our purpose:
Ethics and Respect
- > Surfing the opportunities with our strong
Governance
- > Applying a balanced approach:
Risk management and Compliance

4 BANKING THAT MATTERS



Our Sustainable Business Model



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

Sustainability is part of UniCredit's DNA and we continue to take concrete actions to further integrate ESG in the core activities of our bank, reinforcing our leadership position in the ESG global framework.



MACROECONOMIC CONTEXT^A

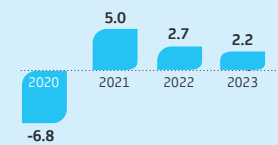
GDP Decrease due to the containment measures adopted to limit the spread of the Covid-19.

^A Refer to Our Strategy chapter for more information.

^B Preliminary data for 2020. UniCredit scenario based on 2020 GDP forecast figures for 2021, 2022 and 2023.

Euro area Growth^B

Real GDP growth y/y, %



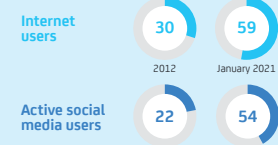
STAKEHOLDERS

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

^C Source: Digital around the world 2021 report, by We Are Social.

Global digital snapshot^C

% of world population



INVESTORS

Investors are increasing their **engagement** and **voting activities** with underlying companies especially on ESG matters, in order to influence entities' potential outcomes.

Asset managers involved in collaborative engagements^D



^D Source: PRI Listed equity snapshot 2017-2020.



REGULATORS

The **banking regulatory framework** is rapidly **changing**. Regulators' attention to sustainability trends has significantly increased owing to the introduction of regulation on sustainable finance and to the incorporation of ESG factors into risk management.



INDUSTRY TRENDS

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



Financial inclusion



Social inclusion




Support to community growth and countries' prosperity


HOW MARKET CONTEXT IS DRIVING BANKS IN CAPTURING ESG BUSINESS OPPORTUNITIES


EU RECOVERY STRATEGY

To help repair the pandemic damages, the EU has agreed on a **recovery plan**, for a total long-term budget coupled with NextGenerationEU, of **€1.8 trillion** aimed at building a **modern** and more **sustainable** Europe.


Snapshot of NextGenerationEU

 **€672.5 bn** from Recovery and Resilience Facility for **Green and digital transitions**

 **€47.5 bn** from ReactEU for **Employment**

 **€10 bn** from Just Transition Fund for **Climate Neutrality**

EMERGING ESG STAKEHOLDER TRENDS

 Approximately **80% of consumers** changing their **purchase preferences** based on **E or S grounds**^E

 Approximately **70% of millennials** expecting to have a job with **societal impact** in a **purpose-driven company**^F

 **63% of organisations** feeling pressure to improve their sustainability from stakeholders, of which **24% are customers**^G

^E Source: Consumer Products and Retail: How sustainability is fundamentally changing consumer preferences, by Capgemini Research Institute.

^F Source: Embracing the New Age of Materiality: Harnessing the Pace of Change in ESG, by World Economic Forum.

^G Source: Circular Economy Global Survey 2020 Report, by Bureau Veritas.

A SELECTION OF KEY INVESTORS' EXPECTATIONS ON ESG MATTERS

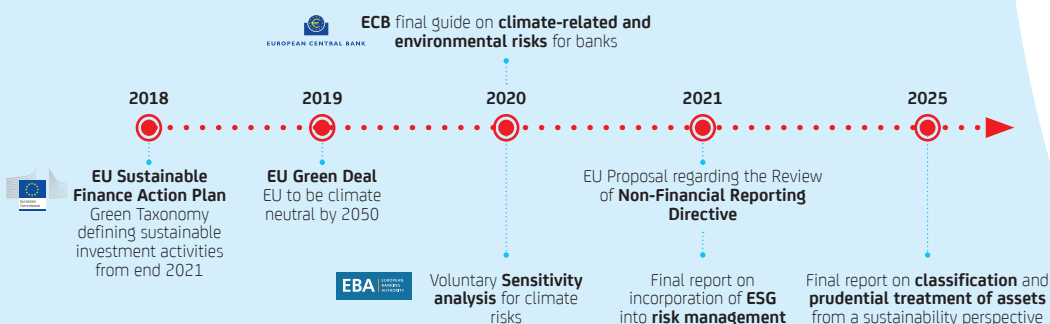
ESG Capabilities, Diversity, Independence and Compensation of **Board members**

ESG Enhanced **disclosure** on **S** (talent pipeline and pay gap) and **E** dimensions, consistent with Task-Force on Climate-related Financial Disclosure (TCFD)


ESG Steering of financing/portfolio and clear targets around **climate risk** considered advanced

ESG **Risk management** practices embedding ESG considerations

EU FRAMEWORK FOR SUSTAINABLE GROWTH



EMERGING ESG INDUSTRY TRENDS

 Share of **renewable energy** in gross electricity in EU-28 from 19% in 2010 up to **34%** in 2019

 **EU digital healthcare** market valued at \$30 bn in 2018 and estimated at **\$173 bn** by 2025^H

 **Energy poverty** for **34 m** Europeans. Renovation Wave is part of the EU Green Deal

^H Source: Digital transformation Shaping the future of European healthcare, September 2020, by Deloitte.

ESG Products

LENDING

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

CAPITAL MARKETS

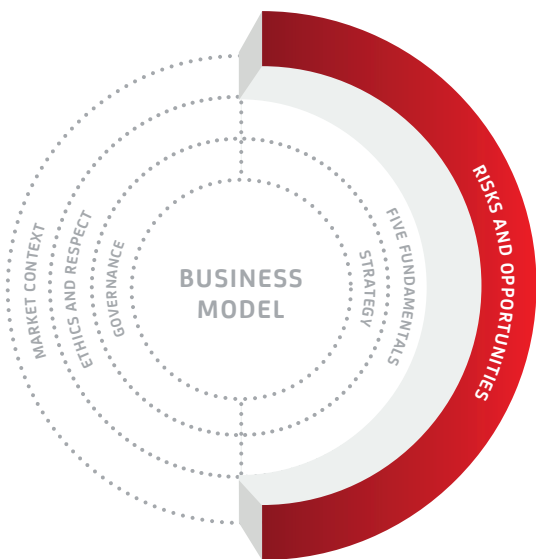
Green bonds
Social/Sustainable/
Transition bonds

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 materiality screening process 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 ^A



INNOVATION FOR CUSTOMERS

RISKS

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

OPPORTUNITIES

- Responding to digital challenges in a customer-centric manner, increasing customers' 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 customer needs in order to create sustainable long-term value



SYSTEMIC TRENDS

RISKS

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

OPPORTUNITIES

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

^A 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 and geopolitical scenario affecting our short and long-term planning

Negative market developments can spread from economies, exacerbating the bank's environment

Bank's internal structures not ready to respond to a constant expansion of the regulatory framework

OPPORTUNITIES

Strong capital position and lean and solid structure increase stakeholder confidence

Leaner processes can increase our flexibility and speed of response to external challenges

Anticipating the regulatory framework updates can help us expand and strengthen our business



PEOPLE DEVELOPMENT

RISKS

A low attraction and retention of talents impacts on succession plans and pioneering in new business areas

Disruptive technologies and tough competition may force a significant reskilling of employees

Decrease in people engagement due to lack of incentives in terms of development, inclusion and work-life balance

OPPORTUNITIES

Transform employees into an innovative and tech-oriented workforce

Investing in training employees in modern skills can maintain our leadership in evolving market conditions

Be an employer of choice with a widespread diversity and inclusion culture and concrete work-life balance solutions



ETHICS

RISKS

Compliance and sanctions risk undermining bank's reputation

Being impacted by human rights abuses and other unethical business practices, also through our lending portfolio

Lack of pre-emptive measures aimed at preserving the working environment from the spread of viruses

OPPORTUNITIES

Maintain high reputation among stakeholders with a strong business ethics and by avoiding non-compliance sanctions

Increase awareness of importance of human rights and ethics in general within the bank and customer 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 fallback 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, our *One Bank* integrated and sustainable business model is based on central support and local excellence. We provide our customers with a full commercial offer which harnesses strong synergies between our businesses, including **Corporate & Investment Banking**, **Commercial Banking** and **Wealth Management**.

Through our **Social Impact Banking**, we identify, finance and promote initiatives that can have a positive social impact and contribute to achieving Sustainable Development Goals. We implement **corporate citizenship** and **philanthropic initiatives** that support financial and social inclusion, also through the **UniCredit Foundation**.

OUR DISTINCTIVE ASSETS



Pan-European Commercial Bank

Strong presence in **13** countries^A

Top ranked by assets in Europe^B

n.1 in Austria
n.2 in Italy and CEE,
n.3 in Germany

Social Impact Banking in **11** countries



Unique Customer Franchise

16 m customers

2nd largest provider of corporate loans in EU^C



Distinctive Factories

Best in class CIB platform fully plugged-in

n.1 in All Bonds in EUR in Italy, Germany and **n.2** in Austria^D
n.2 for number of transactions in EMEA Bonds in EUR^D

n.4 in EMEA combined Green Bonds and ESG-Linked Loans^E



Commercial Banking (CB)

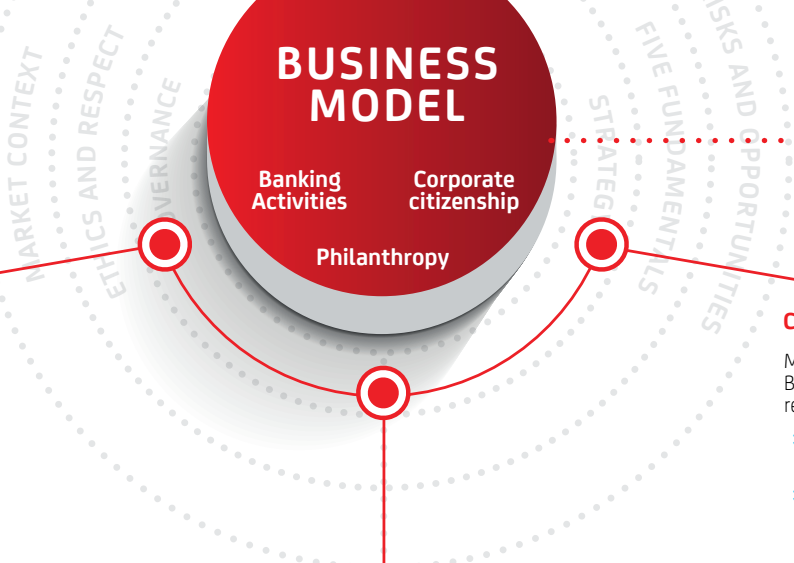
63% cost/income

- > Individuals
- > Companies
- > Private Banking and Wealth Management



Corporate & Investment Banking (CIB)

39% cost/income



Corporate citizenship

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

- > **€41.8 m** to communities in 2020
- > **€6.5 m** as investment in Social Impact Banking



UniCredit Foundation

Social and humanitarian initiatives and support to study and research:

- > over **€1.1 m** collected and more than **5,000** employees involved in the *Gift Matching Program* in 2020
- > over **€19 m** of scholarships granted to more than **1,000** students and researchers

^A Italy, Germany, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Serbia, Slovakia, Slovenia, Romania, Russia.

^B Data as of 4Q20, where available (otherwise as of 3Q20), based on available public data. For Germany, only private banks, for CEE data as of 3Q20, compared to Erste, KBC, Intesa Sanpaolo, OTP, RBI, SocGen, UniCredit including Milan Profit Center, for Austria ranking on single entities only possible on the basis of annual figures: FY19 latest figures available.

^C Data as of 4Q20, where available (otherwise as of 3Q20), based on available public data. Peers include: BNP, Deutsche Bank, Santander, HSBC, ISP, Société Générale. FX exchange rate at 30 September 2020 for 3Q20 data.

^D Source League Tables: Dealogic, as of 4 January 2021. Period: 1 January - 31 December 2020; rankings by volume, unless otherwise stated.

^E ESG-linked include: Green Loans, KPI-linked loans, ESG-score linked loans. Green Bonds: include Green, Social and Sustainability bonds. Positioning based on Dealogic League Tables.

OUR MATERIAL CONTRIBUTION TO ECONOMIC, SOCIAL AND ENVIRONMENTAL VALUE

- € **128 impact financing** projects for **€141.5 m** of disbursed loans
- ✈ **€2.2 bn** of energy efficiency loans to individuals and SMEs in Western Europe^F
- 👥 **+9%** in active digital users and **+24%** in active mobile banking users vs. 2019



- € **97** deals of sustainable bonds and loans for almost **€120 bn**
- ✈ Update of the **coal policy** to progressively reduce to **zero** our exposure by 2028
- 👥 **~ 92,000** employees reached by *Security Academy* initiative

- € Revenues (bn): CB ITA **6.3**, CB GER **2.4**, CB AUT **1.4**, CEE **3.4**, CIB **3.9**
- ✈ Over **31 m** of documents digitally stored since 2017
- 👥 More than **50 partnerships** within the Group



- € **€7,433 m** of economic value distributed to employees and supervised workers
- ✈ **7 welfare** employee agreements activated for the purchase of bicycles, e-scooters, etc.
- 👥 Women in senior leadership roles at **15%** in 2020, targeted at 30% by 2023

- € Over **1,100** transactions screened for environmental, social and reputational risk issues
- ✈ Climate change physical risk assessment performed, resulting in **very limited impact**
- 👥 **236** contents on *Ethics & Respect* published on intranet



- € **4,255 Microcredit** loans, more than **32% female** micro-entrepreneurs financed
- ✈ **-60%** in **CO₂** emissions (Scope 1 and 2) in 2020 vs 2008
- 👥 **112** Educational initiatives with **~ 82,000** young and disadvantaged people through SIB

^F Austria data based on estimate for 2020 due to update of the data collection process from internal systems.

LEGEND

- € ECONOMIC VALUE
- ✈ ENVIRONMENTAL VALUE
- 👥 SOCIAL VALUE

Ethics and Respect: do the right thing!

Ethics and Respect values unite us and define our Group culture: how we make decisions and how we act on them. **Do the right thing!** is the guiding principle which helps us live by these values. Furthermore, it indicates how to work as **One Team, One UniCredit** and supports us in the fulfillment of our **Five Fundamentals** which guide our daily actions and operations.

Ethics & Respect Do the right thing!



The year 2020 saw us struggling with an unprecedented sanitary crisis. Inspired by consolidated values and guided by the *Do the right thing!* principle, the Group was able to react promptly by designing specific programmes and services for customers, employees, suppliers and all the communities in which we live. At UniCredit, the health & safety of our people continues to be our top priority. Special attention was paid for our colleagues.¹ These specific actions were developed alongside the consolidation of several initiatives on Ethics & Respect (E&R) which started in 2019 and were further reinforced by the strong commitment related to the *Tone from the Top* Programme.

In this regard, all Executive Management Committee (EMC) members and local CEOs contributed towards making E&R visible throughout the Group thanks to their continuous endorsement.

¹ Refer to the Human Capital chapter for more information.

We further consolidated our efforts in rolling out E&R throughout the organisation, cascading down the hierarchy and across the various countries and pervading all the areas of our activity. This is clearly shown also by the sharp increase in figures related to E&R contents in our internal communication.

A selection of our activities is reported below, grouped according to the stakeholder of reference. For more information on each initiative please refer to the specified section of the Report.

2020 CASCADING ON E&R^A

WE HAVE PROMOTED E&R AMONG COLLEAGUES THROUGH THE PUBLICATION ON THE GROUP INTRANET OF

236 CONTENTS:

151
AT GROUP LEVEL



85
LOCAL (WEU AND CEE COUNTRIES)^B

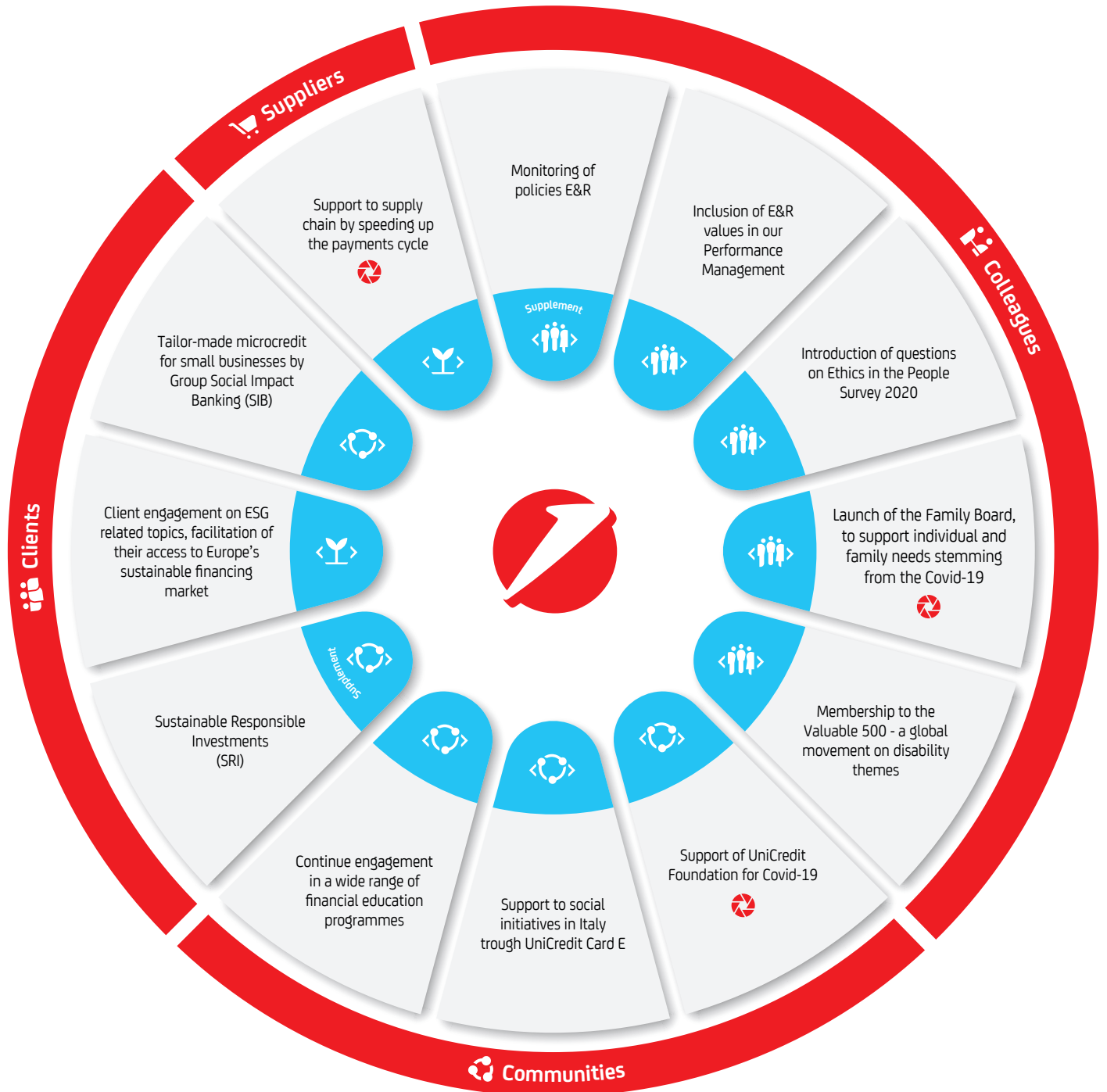
26%
OF THE WHOLE
INTERNAL
COMMUNICATION
EDITORIAL PLAN

3
TIMES MORE E&R
CONTENTS COMPARED
TO 2019

^A Data as of December, 15th 2020.

^B Western Europe (including Italy, Germany and Austria) and Central and Eastern Europe.

2020 E&R INITIATIVES – SELECTION



LEGEND



HUMAN CAPITAL p.60



SOCIAL AND RELATIONSHIP CAPITAL p.64



NATURAL CAPITAL p.78

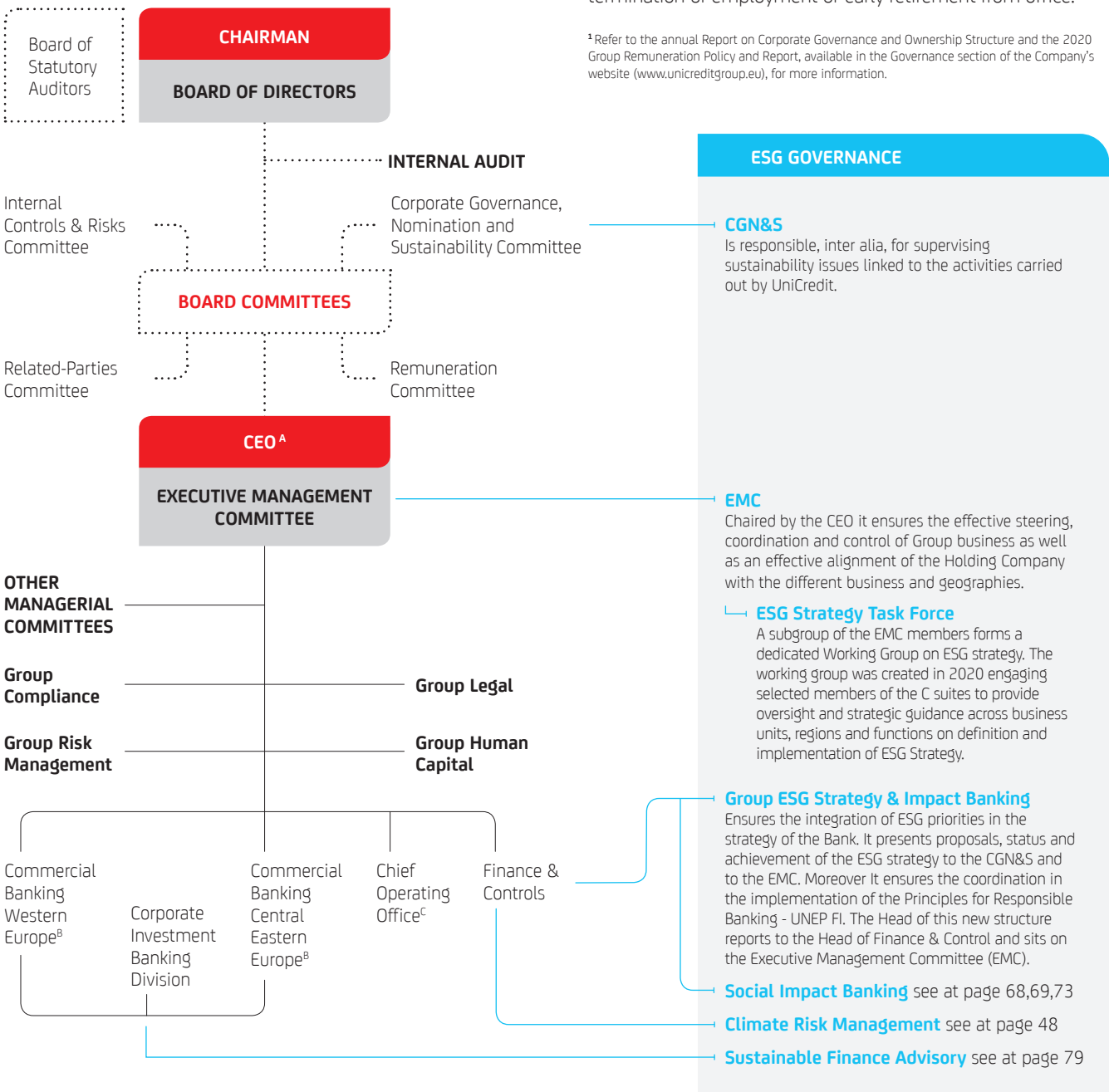


COVID-19 INITIATIVES

Governance

UniCredit's system of corporate governance promotes clarity, accountability and the creation of sustainable long-term value.

ORGANISATIONAL AND GOVERNANCE STRUCTURE (AS AT THE APPROVAL OF THIS REPORT)



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 fundamental 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.¹

¹ Refer to the annual Report on Corporate Governance and Ownership Structure and the 2020 Group Remuneration Policy and Report, available in the Governance section of the Company's website (www.unicreditgroup.eu), for more information.

^A Following the anticipated ending from the position of CEO and General Manager of Mr. Jean Pierre Mustier (effective from 11 February 2021), in order to ensure full managerial continuity, the Board appointed a General Manager. The General Manager, who will remain in office until the appointment of the new CEO, has been assigned all the powers already assigned to the CEO.

^B Position covered by two Co-CEOs.

^C Position covered by two Co-Heads.

BOARD COMPOSITION

The UniCredit Board of Directors meets the suitability requirements established by the relevant Italian and European provisions, concerning, among other aspects, experience, integrity and independence, the time commitment recommended for an effective attendance at the Board and Committees meetings and the limits upon the maximum number of offices that Directors may hold.

The personal qualities of the Directors match the theoretical profile approved by the Board itself.²

With specific reference to diversity, at the approval date of this Integrated Report the gender quota is temporarily under the threshold established by the applicable provisions. This is a consequence of Ms. Elena Zambon stepping down as Director and the co-optation of Mr. Pietro Carlo Padoan as Chairman candidate in view of the 2021 renewal of the Board of Directors (both with effect from 13 October 2020), and also follows the anticipated ending from the position of CEO and General Manager of Mr. Jean Pierre Mustier (with effect from 11 February 2021).

² Refer to the annual Report on Corporate Governance and Ownership Structure, available in the Governance section of the Company's website (www.unicreditgroup.eu), for more information.



FOCUS

2021 BOARD OF DIRECTORS RENEWAL

The 2021 milestones for the renewal process of the UniCredit Board of Directors, in line with international best practices are:

- a selection process for identifying candidates for the position of Board members, including the Chairman and the CEO, based on clear responsibilities and high professionalities
- the co-optation of a Director as Chairman candidate, playing an active role in defining the potential members for the Board's list
- the identification of the Board's list ensuring a balanced composition concerning both practical and theoretical experience and promoting inclusion and diversity across age, gender (with a minimum standard of 40% for the least represented gender), and geographic areas as well as adequately reflecting UniCredit's status as Italy's only G-SIB (Global Systemically Important Bank).

BOARD IN NUMBERS

(AS AT THE APPROVAL OF THIS REPORT)

NON-EXECUTIVE DIRECTORS



BOARD GENDER BALANCE



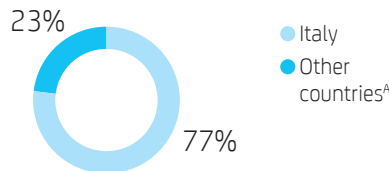
BOARD INDEPENDENCE



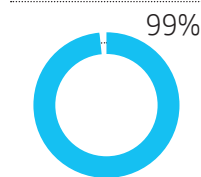
2020 AVERAGE TENURE LENGTH



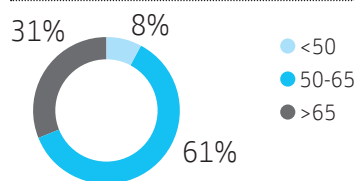
GEOGRAPHICAL MIX



2020 BOARD ATTENDANCE RATE^C



AGE GROUP



DIRECTORS COMPETENCIES



^A Austria, Spain, United Arab Emirates.

^B Legislative Decree No. 58 dated February 24, 1998.

^C Referring to the Board members in office as at December 31, 2020.

Risk Management and Compliance

Risk is an implicit aspect of our business that we necessarily have to deal with every day, making risk management and compliance fundamental processes of our culture. Our aim is to ensure an effective risk mitigation practice by adhering to a Risk Appetite Framework (RAF) which balances sustainable future objectives with the healthy long-term growth of our business.

We have further strengthened our evolving risk management approach with a specific focus on **climate-related risks and cyber risk protection.**

Climate & Environmental Risk

In 2020, the Group continued its effort to progressively integrate Environmental, Social and Governance (ESG) factors into the overall risk management framework, focusing primarily on environmental topics.



2020 MAIN ACTIONS TO FIGHT CLIMATE-RELATED AND ENVIRONMENTAL RISKS



PHYSICAL RISK ASSESSMENT

A one-off assessment considering the most important impacts connected to climate change was performed. This resulted mainly in an impairment in value of collateral located in high climate-risk zones subject to chronic risk (i.e. rise in sea level) and acute risk (i.e. flooding and landslides).

**LIMITED
IMPACT**

FROM PRELIMINARY
ANALYSIS



TRANSITION RISK MODEL

A sector-level climate transition risk heat map was put in place. The elaboration of the map will be complemented by a dedicated assessment of climate & environmental transition risks at counterparty level focused on the UniCredit lending portfolio.^A The climate and environmental assessment resulting into a scoring scale, will complement and enhance the ESG information already available at counterparty level and relevant for the credit decision-making process.

ACTIVITY FOCUSED ON A
SIGNIFICANT
SAMPLE OF CIB LISTED
COMPANIES

**ROLL-OUT
2021**

CLIMATE & ENVIRONMENTAL TRANSITION RISK & OPPORTUNITY MATRIX



SCOPE

Large companies in the Group geographies^B



OBJECTIVE

Measuring the credit transition risk exposure and vulnerability of the bank's credit counterparts



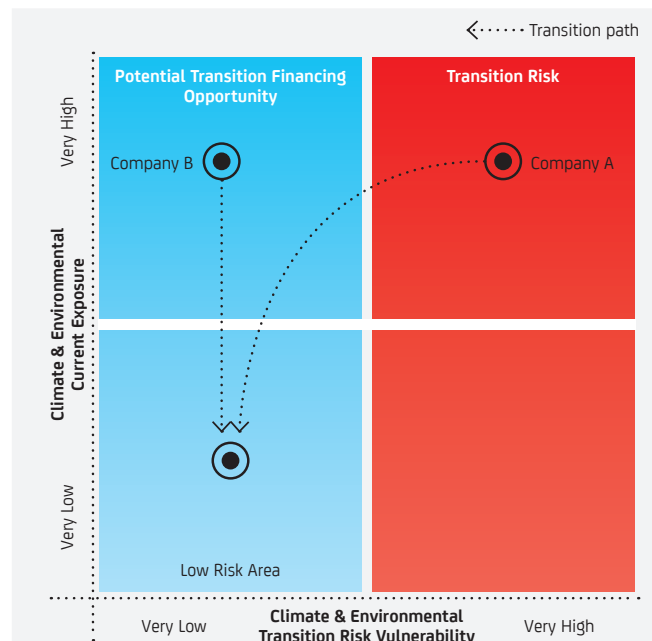
METHODOLOGY

Internally developed climate & environmental scoring. Each client was assessed against a set of qualitative and quantitative, current^C and forward looking^D indicators gathered directly from the completion of a dedicated questionnaire



PROCESS

During the credit granting decision making process Climate & Environmental assessment results are taken into account



Fostering the development of a dedicated and more restrictive climate strategy, e.g. company A transition path from a high-risk transition area to a low-risk position and unlocking potential transition financing opportunities by accompanying clients who have already declared a strong commitment, e.g. company B shifting to a low-risk area.

^A In 2020 there would have been approximately 400 counterparties.

^B Portfolio excluded: non performing, Financial Institutions, Banks, Sovereigns (FIBS), Public sector.

^C I.e. climate & environmental current exposure axis – considering, for example, the counterparty's actual level of GHG emissions.

^D I.e. climate & environmental vulnerability axis including, for example, the counterparty's commitment to a clear green investment target.



EBA SENSITIVITY PILOT EXERCISE

Voluntary signing of EBA (European Banking Authority) first sensitivity exercise with the aim to:

- > make a preliminary estimate of the amount of sustainable exposures, based on EU green taxonomy and held by EU banks
- > test different methodologies to classify sustainable exposures (learning exercise)
- > explore main data and methodological challenges for banks to assess.

DATA SUBMISSION IN
DECEMBER 2020

RESULTS AVAILABLE IN
**2021
FIRST QUARTER**



PACTA



The Paris Agreement Capital Transition Assessment (PACTA)⁴ methodology enables banks to measure the alignment of their corporate lending portfolios with climate scenarios.

Within each sector, the methodology focuses only on the value chain segment mostly responsible for impact on climate (e.g. power generation in the overall power industry).

TEST COMPLETED
IN 2020

IN 2021
UNICREDIT WILL CONTINUE TO
WORK ON AND DEEP-DIVE
PRELIMINARY RESULTS FROM PACTA

PRELIMINARY RESULTS (AT GLOBAL AND EUROPEAN LEVEL, WHEN APPLICABLE):

Sector	Portfolio exposure ^B	Portfolio positioning ^B	Comments
Power generation	€9.4 bn (~38%)	in line/better than the EU market	<ul style="list-style-type: none"> > clear reduction in coal and nuclear > limited increase in gas and hydroelectric > stable evolution of oil > decisive increase in renewables
Oil & gas	€5.6 bn (22%)	in line with global market	<ul style="list-style-type: none"> > some limitations already in place (e.g., arctic oil/offshore gas and non-conventional oil & gas)
Automotive	€6.1 bn (24%)	better positioned vs global market	<ul style="list-style-type: none"> > greater increase in electric/hybrid technologies > stronger reduction in internal combustion > best in class clients' attention towards climate and environmental topics
Cement	€1.0 bn (~4%)	in line with global market	<ul style="list-style-type: none"> > decarbonisation path as a challenge due to the lack of alternative technologies available
Steel	€3 bn (1.2%)	better positioned vs global market	<ul style="list-style-type: none"> > exposures focus towards European players leveraging better CO₂ emission intensity

^A Refer to the 2019 Integrated Report for more information.

^B Within the scope of PACTA. EAD, managerial data as of 30 June 2020.

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 applicable, Equator Principles (EP) also apply.^A

COAL SECTOR UPDATED

DEFENCE/ARMAMENTS

ARCTIC AND NON-CONVENTIONAL OIL & GAS INDUSTRY

MINING SECTOR

NUCLEAR ENERGY

WATER INFRASTRUCTURE

HUMAN RIGHTS COMMITMENT

DEFORESTATION COMMITMENT

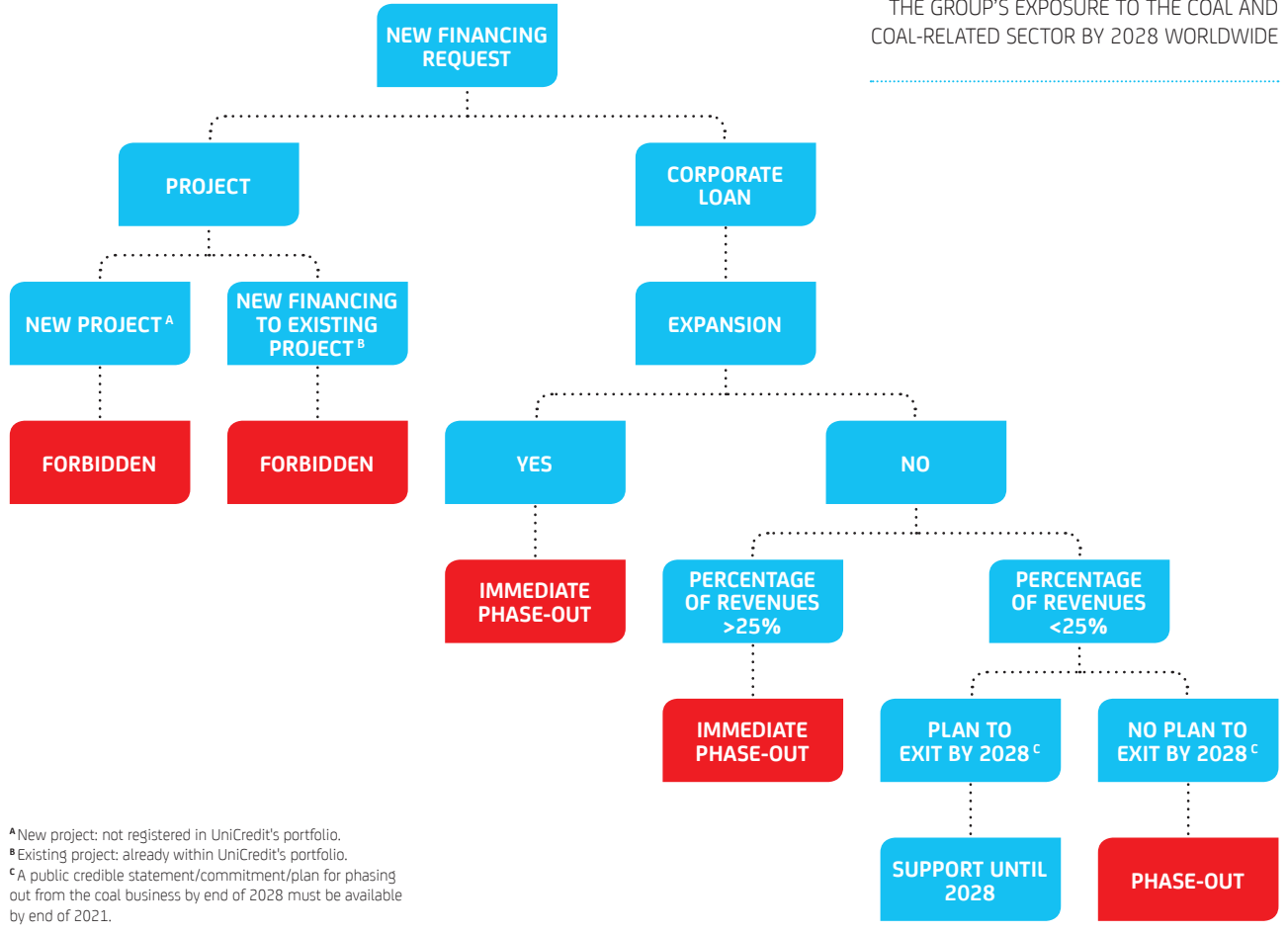
^A Refer to the Supplement - Risk Management section for more information.

FOCUS

COAL SECTOR

ASSESSMENT FOR THE FEASIBILITY OF A LENDING REQUEST IN THE COAL SECTOR

UNICREDIT COMMITS TO
PROGRESSIVELY REDUCE TO ZERO
THE GROUP'S EXPOSURE TO THE COAL AND COAL-RELATED SECTOR BY 2028 WORLDWIDE



^A New project: not registered in UniCredit's portfolio.
^B Existing project: already within UniCredit's portfolio.
^C A public credible statement/commitment/plan for phasing out from the coal business by end of 2028 must be available by end of 2021.

2020 MAIN INITIATIVES

- 15 Corporate Governance, Nomination and Sustainability Committee (CGN&S) meetings held to propose and discuss improvements to our environmental and social strategy
- coal sector policy reinforcement
- over 1,100 transactions screened for environmental, social and reputational risk issues
- over 300 colleagues from 22 legal entities participated in workshops related to UniCredit policies
- over 50,000 people trained in human rights with more than 23,000 hours
- 110 ESG contents in internal dedicated communication to all the colleagues
- continue support to a constructive dialogue with stakeholders by participating in working groups and forums such as the Thun Group¹
- compliance with section 54 of the United Kingdom's Modern Slavery Act 2015
- set up of a working group to ensure the observation of ECB guide on climate-related and environmental risks.

¹Thun Group is an informal group of bank representatives and experts on environmental & social/human rights topics working together on further understanding the United Nations Guiding Principles for managing human rights impacts in the activities of banks.

55
MEETINGS

93
TRANSACTIONS
ANALYSED

**GROUP
REPUTATIONAL
RISK
COMMITTEE**
(GRRC)

The GRRC is responsible for the assessment of the reputational risks of initiatives, transaction banking, projects, customers and other business activities. The GRRC supports the Group Chief Risk Officer (CRO) on governance guidelines for the management of the reputational risk on sensitive sectors and customer relationships, the related mitigation actions and all the other relevant topics submitted by the Reputational Risk function.



FOCUS

RAF ENHANCEMENTS - CLIMATE AND CYBER ACHIEVEMENTS

- four quantitative indicators integration. Inclusion of quarterly climate risk monitoring and reporting to the UniCredit board
- enhancement of The Risk Appetite Statement (RAS) on Climate & Environmental Transition Risk
- 2021 Group RAF enhancement with new specific indicators to increase coverage on the Cyber Risk Appetite and to face the emerging Third Party risk.



COVID-19

RISK MANAGEMENT PRACTICES AND STRATEGIES

A set of group-wide initiatives were undertaken:

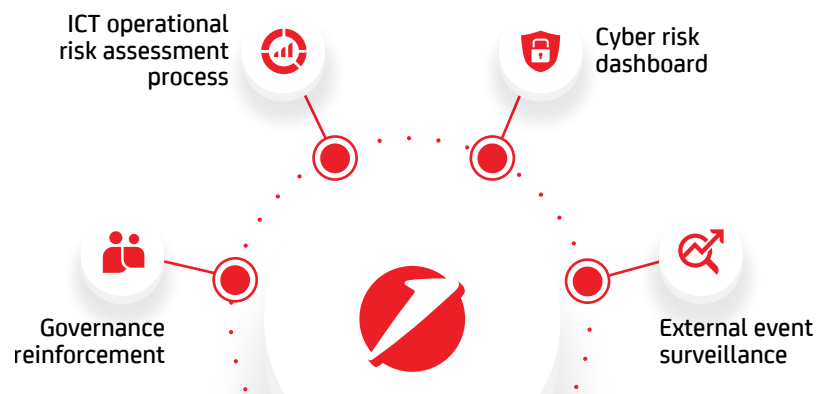
- focus on the Operational Risks deriving from the accelerated digitalisation
- first initiative on operational resilience for the analysis of different regulatory input and the definition of a high-level framework
- strong effort to provide proper support to the economy via moratoria and liquidity lines under public guarantees
- frequent monitoring and analysis on Group Asset Quality.

Definition and adoption of the necessary actions with a common and coordinated approach across the Group:

- **strategy:** several pre-emptive activities and internal guidelines, along all the dimensions of the RAF
- **governance & managerial response:** active involvement of UniCredit Board of Directors in approving the strategy and monitoring the evolution of the asset quality
- **segmentation:** portfolio clustering (eg. portfolio under moratoria and portfolio with guarantee schemes)
- **ICT and Cyber Risk:** specific analysis to identify the risk scenario in new ways of working; specific actions identified and monitored to enforce presidium on ICT security controls. Specific Covid-19 risks evaluation: fraud, disruption and data breach risks
- **liquidity risk:** safeguarding of operations by activating the business continuity plans, considering 4 pillars: the governance of the contingency phase, an enhanced monitoring of the liquidity position and absorption, a continuous dialogue with the supervisory team.

Information and Communication Technology (ICT)/Cyber Risks

Over the year, a number of initiatives were put into action to strengthen the Group's ICT & Cyber defences.



2020 MAIN ACTIONS TO MANAGE (ICT)/CYBER RISKS



GOVERNANCE REINFORCEMENT

- > cooperation between UniCredit and UniCredit Services is in place to holistically monitor and mitigate ICT & cyber risks throughout the Group
- > periodical analysis and meetings to ensure and address a common view of risks, root causes and mitigation actions
- > enhanced policy defining principles and rules for the management and control of operational risks in the Group.



CYBER RISK DASHBOARD

- > set-up and regular discussion with senior management to evaluate and measure cyber risk through a set of security managerial indicators covering the ICT security processes
- > strengthening of the set of monitored IT capabilities:
 - with dedicated analysis (i.e. assessment on outsourcers, focus on third party management, specific deep-dives on IT security processes)
 - with enhanced risk indicators.



ICT OPERATIONAL RISK ASSESSMENT PROCESS

- > annual evaluation of ICT and cyber risks exposure led at Group level by assessing residual IT risks and extreme scenarios, leveraging on a forward-looking standard methodology.



EXTERNAL EVENT SURVEILLANCE

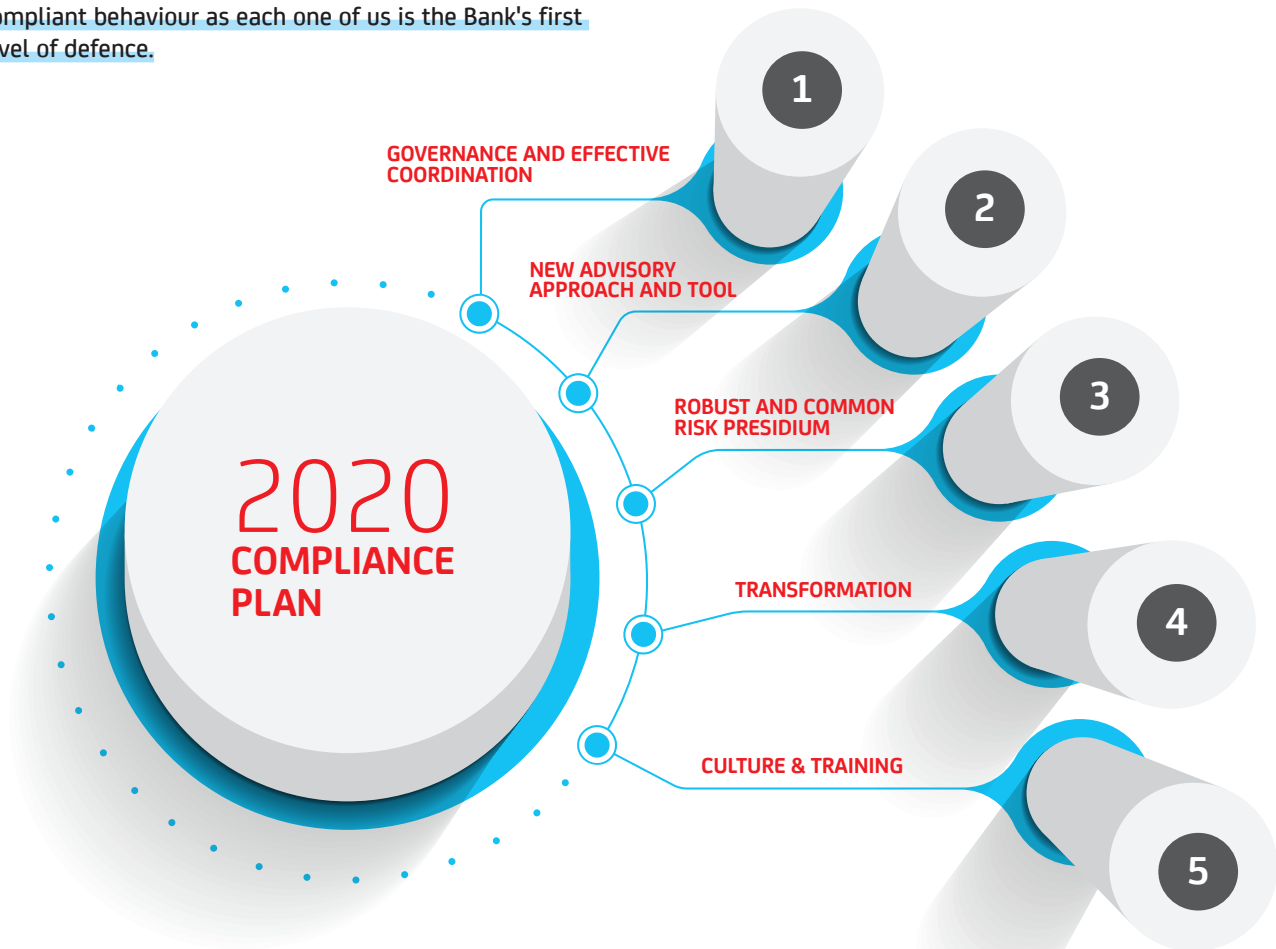
- > dedicated assessments on external ICT and cyber events to identify threats and evaluate impacts on the Group's posture
- > analysis of critical events with potential risks for the Group to communicate preliminary considerations or lessons learnt on the Group risk exposure
- > outcomes and related analysis sharing with senior management on a weekly basis.

Compliance culture: an inseparable aspect of the Group's business activities

Our internal approach and commitment to compliance is founded on our belief in proper conduct, consistent with our Group's core values and fundamentals, and meets the expectations of our customers, regulators and society as a whole. **At UniCredit we have zero tolerance of any non-compliant behaviour as each one of us is the Bank's first level of defence.**

UniCredit's 2020 Compliance Plan, approved by the Board of Directors, is based on **five strategic pillars**.

The plan includes the main initiatives implemented in 2020 based on the strategic priorities.



1 GOVERNANCE AND EFFECTIVE COORDINATION

Further enhancement and upgrade of the **Compliance Oversight and Steering Model** with particular reference to minor legal entities (LEs)/Foreign Branches (FBs) through:

- > full harmonisation of the **Controls Catalogues**: any change must be approved and monitored by Group Compliance
- > **new managerial reporting lines** in the Anti-Financial Crime area
- > **group Compliance guidelines** issuance and cascading towards LEs and monthly monitoring of their implementation, with a quarterly presentation to Group Committees
- > **culture and Tone from the Top** initiatives cascaded to all LEs, including Lessons Learnt. Local cascading monitored quarterly and reported to Chief Compliance Officer (CCO).

2 NEW ADVISORY APPROACH AND TOOL

- > **a common advisory process** to the advantage of all functions through the use of a Group tool to enhance consistency and effectiveness
- > assessment of a **New Target Operating Model** based on the level of complexity of the evaluations requested.

3 ROBUST AND COMMON RISK PRESIDIUUM

- > application of a **risk-based approach** within the Control Catalogue's review process
- > strengthening of the **escalation process** in case of reiteration of red flags and intensification of the zero tolerance culture regarding delays in performing planned corrective actions
- > increase in **automation of controls** supported by new technologies and data analytics.

4 TRANSFORMATION

- > enhancement of the **Anti-financial Crime ICT strategy** through increased use of digital tools
- > **cross-country re-Think Tank** to work on adapting the advisory and controls activities to the new business model through a review of the main processes and the setting up of use cases
- > **people development:** strengthening of compliance and data analytics skills and, as a future priority, improving the ability to work and manage people remotely.

5 CULTURE & TRAINING

- > **Tone from the Top** programme: all Executive Management Committee (EMC) members and local CEOs act as role models and endorse Compliance culture across the Group
- > **Tone at the Middle:** Compliance Ambassador Program involving about **140 employees** across the Group
- > **Compliance4Group:** Group-wide project to facilitate the spreading of Compliance culture, based on Compliance Insights for EMC members and local management, digital workshops, communication activities and the involvement of Compliance Ambassadors; 6 subjects in 2020: Payment Services Directive (PSD2), Financial Sanctions (FS), Anti-Money Laundering (AML), GDPR, Insurance Distribution Directive (IDD) and Anti-Bribery and Corruption (ABC)
- > **mandatory training** with 5 online courses with final tests rolled out in all LEs: Financial Sanctions; AML Correspondent Banking, Volker Rule, Antitrust Program and Whistle-blowing. In addition, all LEs developed local online training sessions on FS.

OFFICE OF FOREIGN ASSETS CONTROL (OFAC) COMPLIANCE PROGRAM AND INDEPENDENT CONSULTANT REVIEW

Following a settlement in April 2019, UniCredit evolved its OFAC Compliance Program and also appointed an Independent Consultant to conduct the OFAC Compliance Review in 3 hubs. It was originally planned to start in April 2020 but was then postponed to September due to the Covid-19 pandemic. The first year review has been completed in December 2020.

The OCP, aimed at strengthening the FS controls framework, was kicked off in July 2019 and formally approved by Fed on 5 December 2019. The initial focus was UC SpA, UCB AG and UCBA AG, then FED requested the extension to additional LEs and Foreign Branches.



COVID-19

COVID-19: IMPACTS AND LESSONS LEARNT

The Covid-19 pandemic has speeded up digital transformation. The Compliance function is constantly working on helping people live this new normal by:

- adapting the Compliance service model to the new business way of working based on digitalisation and remote processes
- preserving the health and safety of employees and customers by preferring the smart working solution
- further enhancing of the Controls Catalogue review process, focusing on the efficiency and effectiveness of processes and on a first line of defence control execution (e.g., following the reprioritisation of controls during remote working dedicated platform)
- further increasing automation and the remote range of controls, starting from the Covid-19 crisis, supported by new technologies and data analytics.



FOCUS

COMPLIANCE CULTURE AND TRAINING

A Compliance and risk culture is at the core of a healthy business. This is why UniCredit places enormous emphasis on embedding it into all employees' daily activities, particularly by:

- taking initiatives to support business proximity across the Group
- enhancing a culture and training needs analysis to increase detection capability by leveraging compliance data/Lesson Learnt as part of our daily business
- measuring the impact generated by training & culture by establishing common KPIs.

In 2020, UniCredit employees received more than 560,500 hours of Compliance training and in particular approximately 85,900 hours of Anti-corruption training. The enhancement of the remote format has led to an increase in participation of employees the majority of which are working from home at this particular moment in time.



**BANKING THAT
MATTERS**



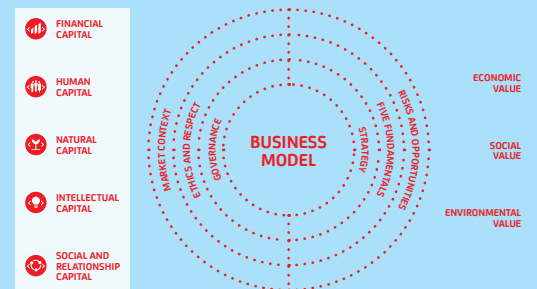
1 OUR COMMITMENT TO A MORE SUSTAINABLE WORLD

2 THE WAY IN WHICH WE ACHIEVE RESULTS IS AS IMPORTANT AS RESULTS THEMSELVES

3 HOW WE BUILD VALUE

4 **BANKING THAT MATTERS**
Leveraging our 5 Capitals to play our part in a rapidly changing world

- > Financial Capital: financial value for a resilient future
- > Human Capital: nurturing skills to make wellbeing flourish
- > Social and relationship Capital: doing the right thing is doing it together
- > Intellectual Capital: sparking innovation to face unprecedented challenges
- > Natural Capital: building our tomorrow today
- 📸 Snapshot Covid-19



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.¹

¹Financial data corresponds to information in our 2020 Annual Reports and Accounts. When not applicable, management data is used. For additional information on Group results, refer to the 2020 Annual Reports and Accounts and to the Presentation on 2020 preliminary results available on the investors section of the Group website. Refer to Our Strategy chapter for more information.

THE RESOURCES WE HAVE

- > solid balance sheet with very strong capital and liquidity position
- > long term financial stability.

COMMUNITY IMPACTS

- > support for the economy
- > investors and employees remuneration
- > public administration contribution.

HOW WE CONTRIBUTE TO A MORE SUSTAINABLE WORLD

- > Group-wide measures to protect the health, safety and wellbeing of all stakeholders
- > Enhanced customer service

2020 RESULTS

UNDERLYING NET
PROFIT OF
€1.3 BN

COST OF
RISK AT
105 BPS

CET1 MDA BUFFER
PRO FORMA FULLY
LOADED AT
605 BPS

TARGETS ^A

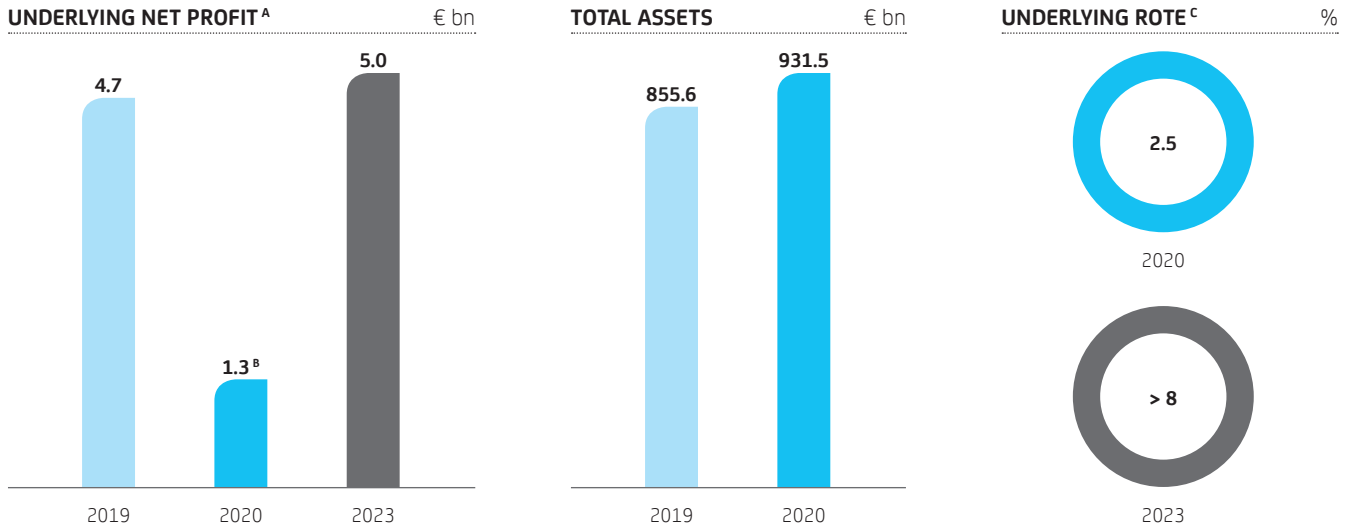
UNDERLYING NET
PROFIT AT
€5.0 BN
BY 2023

UNDERLYING
COST OF RISK AT
40 BPS
BY 2023

200 BPS
<CET1 MDA
BUFFER<
250 BPS
BY 2023

^A Refer to the 2019 Integrated Report for more information. Targets under review.

SOLID EQUITY POSITION

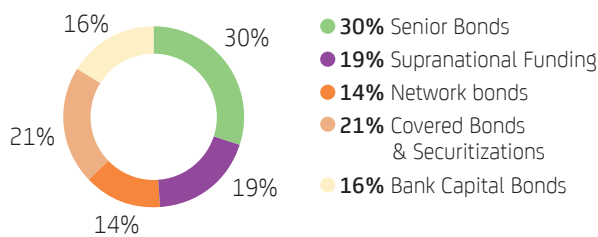


^A Underlying net profit is the basis for capital distribution.
^B Ahead of guidance thanks to lower annual costs while booking €5 billion of Loan Loss Provisions (LLPs) to properly reflect the current and future economic impact of Covid-19.

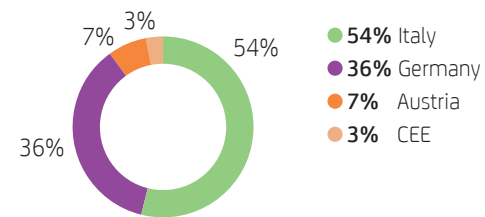
^C Based on underlying net profit.

BALANCED FUNDING MIX

FUNDING MIX BY SOURCE 2020

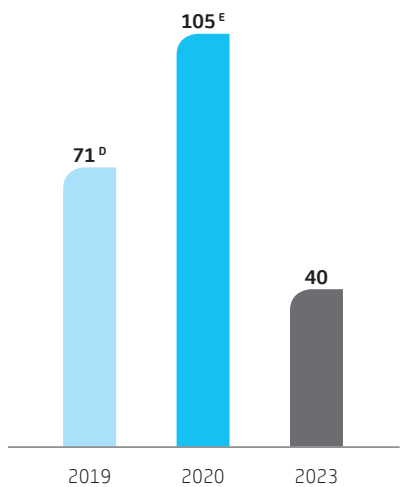


FUNDING MIX BY COUNTRY 2020

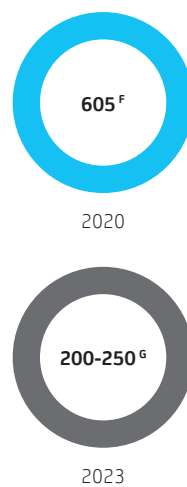


LONG-TERM FINANCIAL STABILITY

UNDERLYING COST OF RISK bps



CET1 MDA BUFFER bps



RATINGS 2020

	FITCH RATINGS	MOODY'S INVESTORS SERVICE	STANDARD & POOR'S
SHORT-TERM DEBT	F3	P-2	A-2
MEDIUM AND LONG-TERM	BBB-	Baa1	BBB
STAND ALONE RATING	bbb-	baa3	bbb

Fitch Ratings: on 3 November 2020, Fitch has affirmed UniCredit's ratings at BBB- with stable outlook.
Moody's: on 26 March 2020 Moody's has affirmed UniCredit's ratings at Baa1 with stable outlook.
S&P: on 29 October 2020, S&P has affirmed UniCredit's ratings at BBB with negative outlook.

^D Underlying cost of risk for FY19 includes Non Core LLPs for updated rundown strategy (-€1,049m). Excluding them, figures at 49bps.
^E Including 46 basis points of overlays for the anticipation of future impacts, 47 bps of specific CoR21 (+4 bps FW/FY) and 12 bps of regulatory headwinds.
^F Including pro forma deduction of ordinary share buyback of €179 m, subject to both ECB supervisory and AGM approvals; Stated CET1 ratio fully loaded at 15.14 percent, including the deduction related to the cash dividend for €268 m and stated MDA buffer fully loaded at 611 bps.
^G Including estimated impact of CRD5 (article 104a) and Basel 4, FRTB and CVA fully loaded.

Human Capital

We support our colleagues throughout their professional lives by listening to their needs, valuing their skills, implementing training programmes and development plans and promoting diversity, inclusion and welfare policies.

THE RESOURCES WE HAVE

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

COMMUNITY IMPACTS

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

HOW WE CONTRIBUTE TO A MORE SUSTAINABLE WORLD

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

2020 RESULTS

70

ENGAGEMENT
INDEX SCORE

27

TRAINING HOURS
PER CAPITA

15%

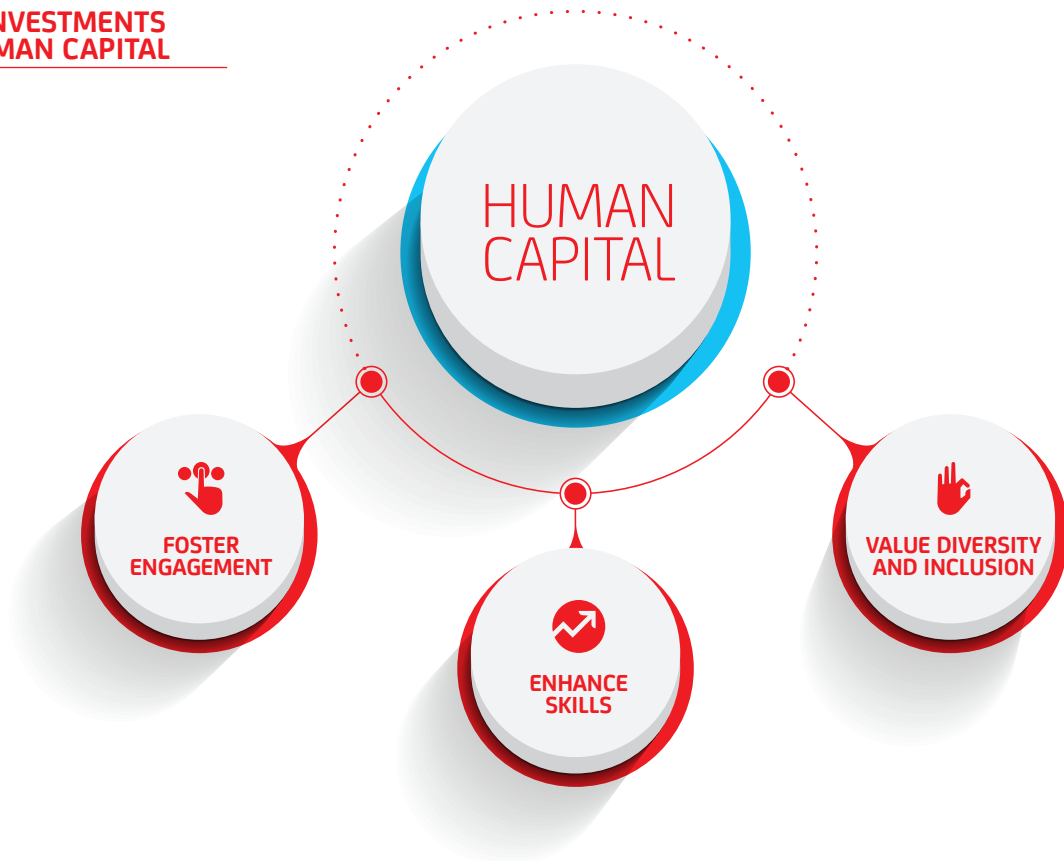
WOMEN IN OUR
SENIOR LEADERSHIP

TARGETS

30%

WOMEN IN SENIOR LEADERSHIP ROLES BY 2023

OUR INVESTMENTS IN HUMAN CAPITAL



Foster engagement

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

LISTENING AND INVOLVING

The last edition of our *People Survey* was launched in February 2020.

PEOPLE SURVEY 2020



~ 85,000

EMPLOYEES ADDRESSED BY THE SURVEY

60%


RESPONSE RATE



> 2 OUT OF 3

COLLEAGUES ARE PROUD TO WORK FOR UNICREDIT
(ENGAGEMENT INDEX 70)

Most colleagues consider the working environment at UniCredit free from harassment and discrimination; they have also stressed the importance of development and growth opportunities.

 We leveraged digitalisation to enhance our listening approach and our continuous, open dialogue with employees.

Group-wide surveys allowed us to address our colleagues' main needs for safety, stability and security, as well as for the adoption of new ways of working and new tools.



CONTINUOUS DIALOGUE:


> 52,000

VALUABLE INPUTS FROM GROUP-WIDE SURVEYS

We invested in internal digital communication channels to keep our people informed during the pandemic and a number of new formats (leadership team meetings, virtual coffees, informal digital meetings, ambassadors, etc.) engaged colleagues and allowed managers to stay close to their people despite physical distance.

BUILDING A POSITIVE WORK ENVIRONMENT

Our welfare offer¹ has always represented a key pillar of our approach, even more so since the Covid-19 crisis during which welfare has played a crucial role in supporting colleagues throughout their personal, family and professional challenges.

 In 2020 we established the UniCredit Family Board to coordinate a global action plan with local implementation focusing on flexitime, working remotely, psycho-physical wellbeing, support for homeschooling and new ways of working.

¹ Refer to the Supplement – Human Capital section for more information.

FLEXIBLE WORKING SOLUTIONS

>60%
EXTENDED TO MORE THAN 60% OF GROUP EMPLOYEES DURING LOCKDOWN PERIODS

JOINT DECLARATION ON REMOTE WORK
SIGNED IN OCTOBER 2020 WITH THE EUROPEAN WORKS COUNCIL ^A

^A Refer to the Supplement – Human Capital section for more information.

TO UPGRADE AND STRENGTHEN OUR
FLEXIBLE WORKING MODEL



Enhance skills

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

ATTRACTING TALENT AND MANAGING PERFORMANCE

UniCredit has several graduate programmes to better match with hiring needs and assure dedicated development paths in its markets. **Within Impact, the Group Graduate Program, the 2020 selection process was transformed into a fully digital interactive experience.**

IMPACT GROUP GRADUATE PROGRAM

 **35 GRADUATES**
SELECTED BY THE END OF THE YEAR

 TO BE HIRED SIMULTANEOUSLY IN
3 GROUP COUNTRIES

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


UniCredit Performance Management is the Group-wide appraisal and development process by which all employees receive a performance review by their manager. The behaviours expected are based on our Ethics and Respect values and our *Five Fundamentals*. This process ensures a common approach to performance management and supports decisions on reward, career development, succession planning and learning opportunities. In addition, for Group executives our annual review enables us to manage, develop and strengthen a sustainable leadership pipeline.

DEVELOPING SKILLS


We invest in initiatives to foster the professional development of colleagues and to ensure they can support UniCredit's objectives.


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

Our executive development offer supports our executives in each stage of their career.

 In 2020 our training offer was redesigned to support our employees in adopting new ways of working to face the pandemic.

A REDESIGNED TRAINING OFFER TO MANAGE, WORK AND LEARN WITHIN A REMOTE/HYBRID ENVIRONMENT

5,000
 COLLEAGUES ADDRESSED BY TRAINING INITIATIVES ON LEADING VIRTUAL AND HYBRID TEAMS, RESPECTING WORK-LIFE BALANCE, REMOTE AND INCLUSIVE LEADERSHIP, SMART MANAGEMENT

 In addition we developed a learning path to enhance digital skills and become more familiar with the potential of digital both in the workplace and in personal life.

~ 37,000
 ITALIAN EMPLOYEES ADDRESSED BY THE NEW DIGITAL AWARENESS PATH, TO BE EXTENDED TO OTHER GROUP COUNTRIES IN 2021



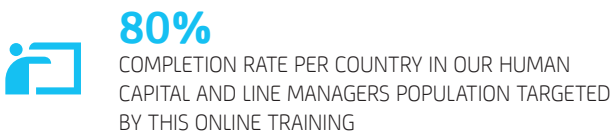
We continued to foster professional growth over the course of the year with our training programmes in specific competence and business lines, and to enhance professional skills in retail, corporate and private banking as well as upskilling in data science and advanced analytics.



Value diversity and inclusion

In line with our Ethics and Respect values, during 2020, the Group continued to carry out awareness building activities to foster an inclusive culture, including learning modules to support our executives in developing an inclusive leadership style.

RECOGNISING AND TACKLING UNCONSCIOUS BIAS



The 2020 edition of UniCredit Diversity and Inclusion Week was redesigned online and focused on encouraging individuals to embrace and celebrate diversity.

UNICREDIT DIVERSITY AND INCLUSION WEEK



In 2020, the bank joined the Valuable 500, a global movement focused on putting disability management on the business leadership agenda.

The Group efforts to develop an increasingly inclusive working environment, based on respect for diversity and an open culture, has enabled employee networks to form spontaneously.

8 EMPLOYEE RESOURCE GROUPS



PROMOTING GENDER BALANCE

Our Global Policy on Gender Equality sets out principles and guidelines to ensure a level playing field throughout the organisation. Women currently represent 50 percent in our talent pools and 40 percent in our fast-track development programs. **Since signing the UK Women in Finance Charter in 2018, our female representation in senior leadership has grown to 15 percent, in line with our 2022 target of 20 percent. We have decided to strengthen this commitment to a target of 30 percent by 2023. To support our progress, specific targets have been set at different levels of the organisation and 27 promising female executives are being sponsored by our EMC members in a customised development program.**

FEMALE PRESENCE IN SENIOR LEADERSHIP



The Group remains committed to gender pay equality and the equal pay principle is embedded in the Group Remuneration Policy; non-demographic equal pay targets have been defined at Group and division level; a monitoring process has been defined and implemented. Thanks to these efforts we are already observing some progress in this respect.

Social and relationship Capital

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

THE RESOURCES WE HAVE

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

COMMUNITY IMPACTS

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

HOW WE CONTRIBUTE TO A MORE SUSTAINABLE WORLD

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



2020 RESULTS

> **355,000**
FEEDBACKS PROVIDED BY STAKEHOLDERS

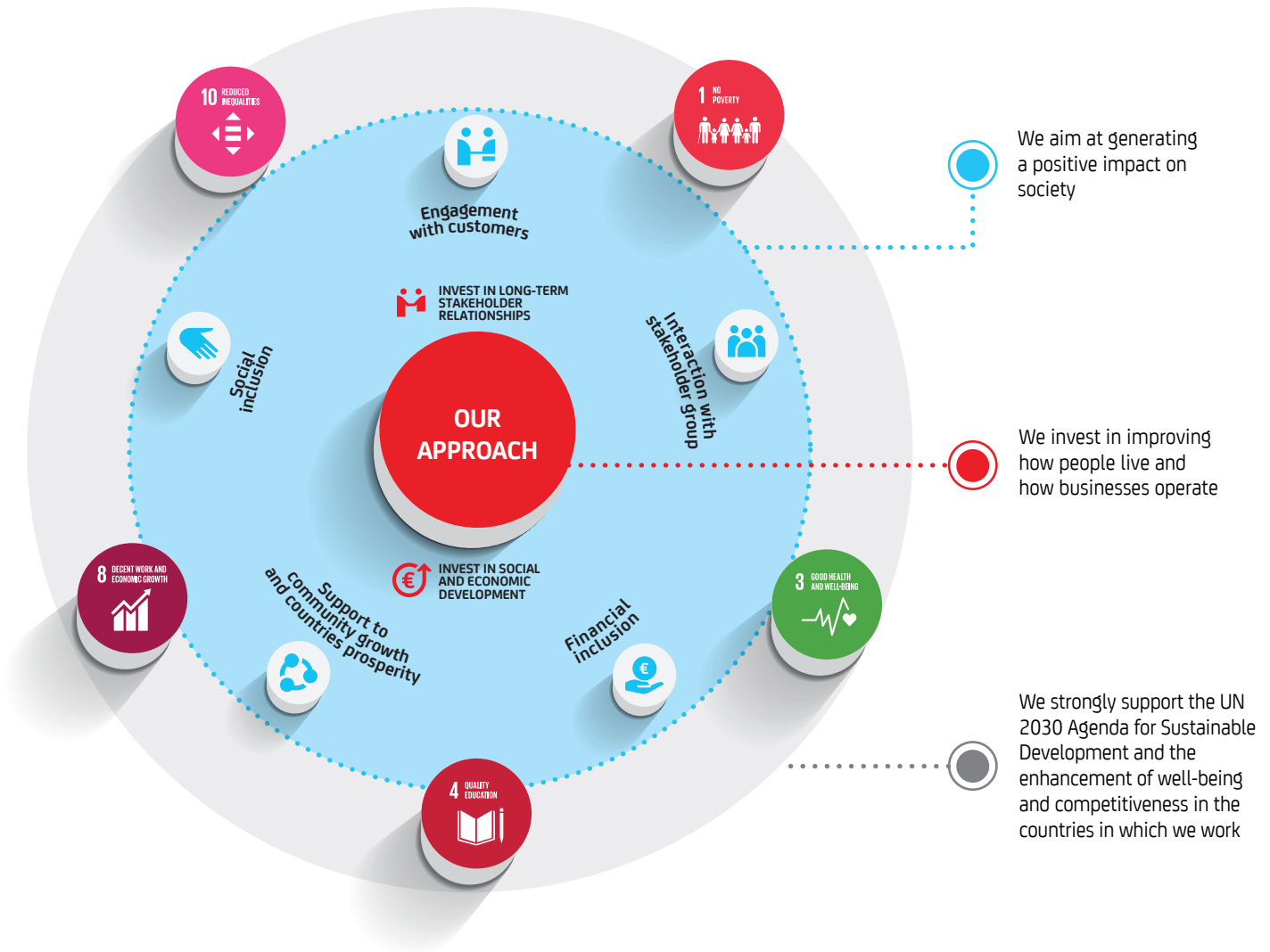
~ **€42 M**
CONTRIBUTION TO COMMUNITIES

TARGETS

COMMITTED
€1 BN
BY 2023 TO SUPPORTING PROJECTS
WITH A POSITIVE SOCIAL IMPACT

OUR APPROACH TO SOCIAL AND RELATIONSHIP CAPITAL

Helping to develop the communities in which we operate is a cornerstone of our mission as a bank.



Invest in long-term stakeholder relationships

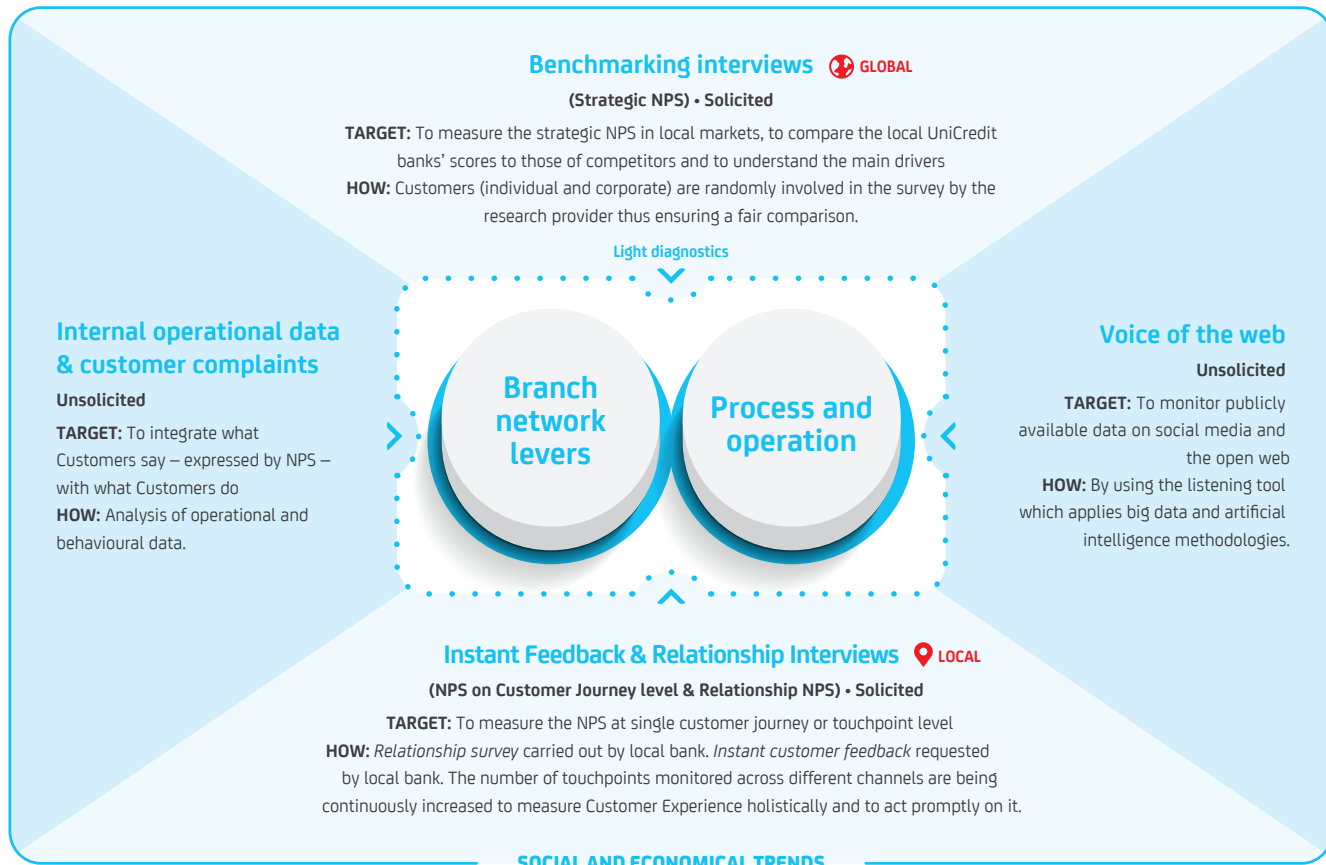
Engaging with stakeholders is essential to building trust.

ENGAGING WITH OUR CUSTOMERS

We measure the service we provide by prioritising interventions in areas in need of improvement by capturing business opportunities and by facilitating stakeholder engagement within the Group. These goals, strengthened and renewed in the *Team 23* Strategic Plan, have become even more important since the advent of the Covid-19 pandemic.

In its strategic plan, UniCredit has adopted the Net Promoter Score (NPS) as key performance indicator, fundamental to understanding how much customers appreciate our services and the experience they go through when banking with us and to guiding interventions accordingly. Starting with key customer journeys and touchpoints, the NPS is regularly measured, monitored, analysed and discussed, also examining the written feedback provided by customers on specific areas.

HOW WE LISTEN TO OUR CUSTOMERS: THE NET PROMOTER SCORE



With a view to improving Customer Experience, UniCredit uses design thinking and process mapping to improve processes from the customer's perspective, e.g., identifying complexities to be removed and improving experience through all channels.

All the data and feedback thereby collected are analysed in order to redesign processes and improve operations to better meet customer needs.

Group-wide, our complaint management system allows us to identify sources of concern and to promptly resolve them to the satisfaction of our customers.

	AUSTRIA	CROATIA	RUSSIA
ACTIVITY	There has been a regular working group analysing and solving complaints related to channels and processes since 2018	In the relationship with customers, the Instant Feedback solution allows us to listen to moments that matter and act upon them	Regular survey on Package sales quality
PROCESS	Middle-management of the responsible areas regularly reporting to country Executive Committee as well as to Western Europe management to foster fast decisions	Measurement activity to obtain feedback and rate the level of satisfaction. Analysis activity to assess the insights that matter the most for customers. Taking action to optimise experiences by finding flexible solutions	Raising branch staff awareness on the importance of the customer first fundamental and the timely and correct registration of complaints
2020	10 sessions took place discussing on the Internet and mobile banking app, the availability of self-service machines, complaints regarding debit cards and reachability of the call centre	Feedback from over 3,000 individual and 220 corporate customers was collected regarding credit card usage, loans onboarding, current accounts and package onboarding and branch visit	Complaints for Package fees reduced by 27% comparing to 2019

Our customer service is fully plugged-in on social media channels where client interaction and communication increased by approximately 27 percent during the course of 2020.

INTERACTING WITH STAKEHOLDER GROUPS

UniCredit is a Global Systemically Important Bank (G-SIB) and is subject to different regulatory measures and to scrutiny of supervisory authorities. Our engagement with regulators continued in 2020 at national, European and international levels.

The Group involvement became even more relevant in the wake of Covid-19 crisis, as European regulators and EU member states implemented a series of measures to support the real economy by providing the banking system with instruments to sustain individuals and companies in an unprecedented and challenging macro-economic environment.

Other key regulatory debates in which UniCredit was involved in 2020 include the development of an EU-wide framework for sustainable finance considering ESG factors.

We have actively taken part in the ongoing dialogue with the EU institutions (EC, EBA and ECB) and banking trade associations to define an EU taxonomy which can enable us to finance our customers' transition to a climate-neutral economy with a more sustainable business model.

OUR INVESTOR ENGAGEMENT IN 2020

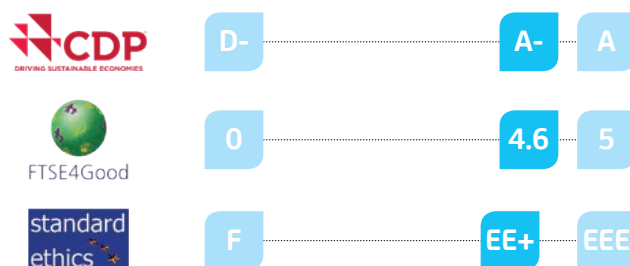
506 MEETINGS

38 ROADSHOWS

WITH INSTITUTIONAL, RETAIL AND SOCIALLY RESPONSIBLE INVESTORS

Dedicated meetings with ESG investors and ESG rating agencies took place in order to increase disclosure and improve the positioning of the Group. Our sustainable performance is reflected in the key external ratings we received in 2020.

UNICREDIT ESG RATINGS 2020^A



^A Refer to our corporate website (www.unicreditgroup.eu) for a full overview and details of our ESG ratings.

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

In 2020, many activities were developed focusing on cybersecurity, as the Covid-19 emergency pushed consumers towards greater use of digital tools to make purchases and access banking and financial services. Initiatives including guides providing practical advice on how to prevent cyber scams and information campaigns on online environment and electronic payments for the most fragile target of the population were introduced.

Invest in social and economic development

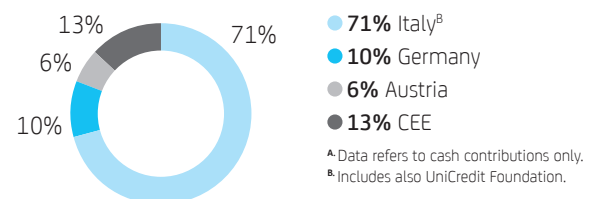
We strive to support the growth of our communities, always on the lookout for new ways to serve our retail and corporate customers. In addition to our traditional banking activities, we implement corporate citizenship and philanthropic initiatives that support financial and social inclusion.

OUR CONTRIBUTION TO COMMUNITIES IN 2020

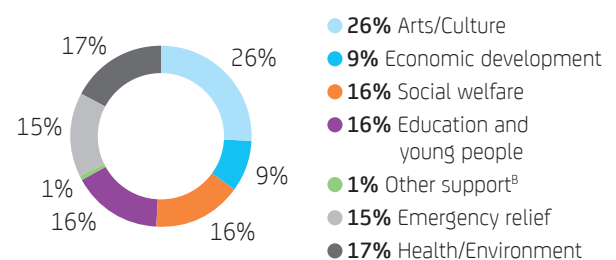
€41.8 M
AS MEASURED BY THE FORMER LONDON BENCHMARKING GROUP (LBG), NOW BUSINESS FOR SOCIETAL IMPACT (B4SI) REPORTING FRAMEWORK.

COMMUNITY CONTRIBUTIONS

BY GEOGRAPHY, 2020^A 100% = €36.1 m



BY FOCUS, 2020^A 100% = €41.8 m



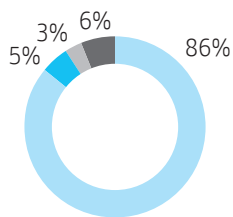
^A Includes Group cash contributions and – for Italy, Germany and Austria only – time, in-kind resources and management costs. Management costs are attributed proportionally based on contributions by focus.

^B Other support refers to activities that cannot be classified.

COMMUNITY CONTRIBUTIONS

BY TYPE, 2020^A

100% = €41.8 m



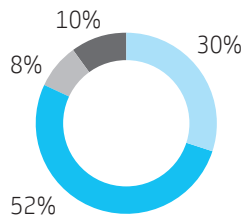
- 86% Cash
- 5% Time
- 3% In-kind
- 6% Management costs

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

BUSINESS INNOVATION FOR SOCIAL IMPACT (RELATED TO SOCIAL IMPACT BANKING PROJECT)

BY TYPE, 2020^A

100% = €6.5 m



- 30% Cash
- 52% Time
- 8% In-kind
- 10% Management costs

^A Data includes cash contributions, time, in-kind resources and management costs for Italy, Germany and Austria.

FOSTERING FINANCIAL INCLUSION

We offer a broad range of customised solutions to enable individuals and businesses to gain ready access to financial products and services. At the same time, we are strongly

committed to helping people and businesses improve their personal financial skills, enabling them to make responsible choices.

OUR OFFER OF CUSTOMISED SOLUTIONS



LOW INCOME INDIVIDUALS AND FAMILIES

Accounts free-of-charge or at a reasonable fee with favourable conditions



YOUNG PEOPLE

Free-of-charge or discounted account packages, cards and student loans



PEOPLE WITH DISABILITIES

Barrier-free branches, braille cards and accessible websites and apps



START-UPS AND SMALL BUSINESSES

Tailor-made microcredit for customers at risk of financial exclusion



OVER 526,000
YOUNG PEOPLE SUPPORTED
IN OUR COUNTRIES

Microcredit in SIB



4,255

DISBURSED LOANS

FOR A TOTAL AMOUNT OF **€83.6 M**



> 32%

FEMALE MICRO-ENTREPRENEURS



~ 50%

BENEFICIARIES REPRESENTED BY
START-UPS (ITALY ONLY)

SERVICE MODEL

to support micro-entrepreneurs and strengthen their skills

END-TO-END PROCESS

from development of the business plan to accompaniment during the first period of business activity, also leveraging on local and **international partnerships**

EUROPEAN INVESTMENT FUND (EIF)
WITH THE EASI PROGRAM, MICROCREDIT CENTRAL
GUARANTEE FUND, QREDITS (ITALY ONLY)

FINANCIAL EDUCATION

In 2020 we continued to engage in a range of financial education programmes in our countries, targeting several demographics. 🚫 **Due to the Covid-19 pandemic, our offer was designed to be fully delivered in digital format.**

Financial education in SIB



112

EDUCATIONAL INITIATIVES/EVENTS



~ 82,000

YOUNG PEOPLE AND DISADVANTAGED INDIVIDUALS INVOLVED

IMPACTS OF OUR *START UP YOUR LIFE PROGRAM* (IN ITALIAN HIGH SCHOOLS)



+ 20%

KNOWLEDGE LEVEL OF DIGITAL MONEY AND INNOVATIVE PAYMENTS



+ 27%

KNOWLEDGE LEVEL OF MARKETING



FOCUS

BANKING ACADEMY

In Italy our *Banking Academy* continued to offer free financial education and training programs to individuals and businesses.

In 2020 the new *Save4Young* format was developed to raise awareness in university students on savings, finance and digital banking. All activities were delivered online in partnership with the student portal Skuola.net. With regard to SMEs, our offer was redesigned to provide concrete support in this critical moment for Made in Italy entrepreneurship. 🚫 **The *Digital & Export Business School* was carried out by our experts over a period of six months in partnership with Sace Simest and Microsoft, together with journalists, sociologists and researchers.**



> 2,700

COMPANIES MET IN 34 NATIONAL AND LOCAL DIGITAL SESSIONS

ENCOURAGING SOCIAL INCLUSION

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

FUNDRAISING

🚫 **In 2020 UniCredit confirmed its ongoing strong social commitment and helped mitigate the unprecedented Covid-19 emergency in Europe by making significant donations in the various markets of the Group through the UniCredit Foundation, supporting hospitals and other non-profit organisations on the front lines in the fight against the pandemic.**

SUPPORT BY UNICREDIT FOUNDATION



€1,228,000

COLLECTED IN SUPPORT OF THREE OF THE ITALIAN HOSPITALS MOST INVOLVED IN THE BATTLE AGAINST COVID-19



€1,200,000

DONATED FOR INITIATIVES SUPPORTING THE COVID-19 EMERGENCY



€190,000

DONATED TO SUPPORT FUNDRAISING INITIATIVES IN GROUP COUNTRIES IN EUROPE

> 5,000 COLLEAGUES INVOLVED

> €1,128,000 COLLECTED

GIFT MATCHING PROGRAM

SUPPORTING NON-PROFIT ORGANISATIONS ACTIVITIES FOR CHILDREN AND ADOLESCENTS^A AND TO FACE THE EFFECTS OF THE PANDEMIC

^A Up to the age of eighteen.

In Italy UniCredit made more than €2.6 m available to support social initiatives at national level by donating part of its commission from customers' *UniCredit Card E* and from the credit cards of all employees in Italy.

CULTURAL SUPPORT

Supporting talent

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



> €19 M

FOR MORE THAN 300 SCHOLARSHIPS AND FELLOWSHIPS GRANTED TO MORE THAN 1,000 STUDENTS AND RESEARCHERS

Promoting cultural initiatives

UniCredit has a long tradition of sustaining culture, in particular art and music, as a way to promote social and economic growth.

In 2020 UniCredit continued to strongly endorse culture, one of the sectors most affected by the Covid-19 emergency, providing concrete support to its main cultural partners - Filarmonica della Scala and Arena Foundation in Italy, Bavarian State Opera and Kunsthalle Munich in Germany, Kunstforum Vienna in Austria - and exploiting new ways of participating, such as performances with reduced audience capacity and digital events and initiatives.

In Germany we supported **11 social and cultural organisations with a donation of €1 m from the proceeds of the Art4Future project** involving the selected sale of UniCredit's artworks in Germany, Italy, and Austria in order to make a concrete contribution to our local communities as well as promote emerging artists. With this project, in Italy we supported young artists in partnership with MAMbo, the Museum of Modern Art in Bologna.

SUPPORTING COMPETITIVENESS AND CONTRIBUTING TO COMMUNITY GROWTH

Our Group remains focused on a continuous interaction with stakeholders to support community growth.

In Italy, as partner in the Italian Alliance for Sustainable Development (Alleanza Italiana per lo Sviluppo Sostenibile or ASviS), we contributed to organise their 2020 Sustainable Development Festival to draw attention to SDGs and help raising awareness on ESG topics. **Due to the Covid-19 pandemic, this event took place online and with hybrid formats.**

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

ESG on the road

A Pan-European events programme featured both internal and external experts delivering experienced insights from top-ranking representatives including the European Investment Bank (EIB), rating agencies Standard & Poors and Sustainalytics alongside corporate issuers and investors. Discussion focused on the impact of ESG on the future of corporate financing and practical issues relating to green financing, including regulation, ratings and reporting.



> 1,100

PARTICIPANTS ATTENDED THE FULLY-DIGITAL EVENTS HELD IN ITALY, GERMANY, AUSTRIA AND THE CEE

Sustainability Industry Heatmap

An industry specific advisory tool developed in Germany, together rating provider ISS ESG for corporate relationship managers.

The main goal of this tool is to open a strategic dialogue on the sustainability situation of the client, enhance ESG know-how and position our bank as a best practice in this field, offering a specific advisory through our Sustainable Finance Advisory team and our regional competence centre.



19

DIFFERENT INDUSTRIES WILL BE IMPLEMENTED TECHNICALLY IN THE STRATEGIC CUSTOMER DIALOGUE BY THE END OF MARCH 2021

After having evaluated business opportunities, we directly support the financial viability of our clients by actively cooperating with national, international and European institutions to ensure that SMEs receive the public funds

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

MAIN INITIATIVES TO SUPPORT COMPANIES THROUGH PUBLIC FUNDS



^A Credit lines.

LEGEND

COMPANIES DISBURSEMENT

UniCredit has long been dedicated to helping businesses find solutions in key sectors of the countries in which it operates. It is our purpose to increase competitiveness in these sectors

by providing sound advice together with products aimed at improving productivity, efficiency and prospects for growth.

SNAPSHOT OF SECTOR-SPECIFIC SUPPORT PROVIDED BY OUR GROUP

START-UPS



ITALY

592 PARTICIPATING COMPANIES

59 SUPPORTED COMPANIES

€ €1.8 M CONTRIBUTED BY STAKEHOLDERS

€ €31.3 M SINCE 2015



GERMANY

715

€ €360.5 M



AUSTRIA

1,335

€ €25.3 M



CEE (BG-CZ-HU)

118

€ €2.0 M

TRAVEL AND TOURISM



ITALY

14,377

€ €842.7 M

INFRASTRUCTURE



ITALY

10

€ €312.8 M



GERMANY

10

€ €646.0 M



AUSTRIA

2

€ €74.0 M

AGRICULTURE



ITALY

7,283

€ €604.4 M



CEE (BG-HR-RU-RO)

811

€ €164.2 M

REAL ESTATE



AUSTRIA

21

€ €176.5 M

SOCIAL HOUSING

NON PROFIT



ITALY

2,323 NEW CLIENTS

€ €127.1 M

LEGEND



COMPANIES



DISBURSEMENT



PROJECTS

Impact financing in SIB

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

HIGHLIGHTS ON MAIN OUTPUTS



128 PROJECTS

FOR A TOTAL AMOUNT OF

€141.5 M

OF DISBURSED LOANS FOCUSED ON THE FOLLOWING SECTORS:



- 59% Welfare sectors
- 17% Health and medical assistance
- 12% Education and training
- 6% Promoting job integration
- 3% Social housing
- 2% Conservation and recovery of cultural and artistic heritage and other

76%

PROJECTS MATCHED WITH PAY-FOR-SUCCESS (PFS) MECHANISM^A IN ITALY

DIRECT IMPACTS^B

94%

ORGANISATIONS WHICH ACHIEVED OR EXCEEDED THE **SOCIAL OBJECTIVES** OF THEIR PROJECTS

93%

OF REPORTING ORGANISATIONS HAVE STRENGTHENED THEIR **ECONOMIC AND FINANCIAL SUSTAINABILITY** AND CARRIED OUT THEIR INITIATIVE THANKS TO OUR LOANS

87%

OF REPORTING ORGANISATIONS HAVE STRENGTHENED THEIR **SKILLS** BY IMPROVING THEIR ABILITY TO MEASURE THE IMPACT THEY GENERATED

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

^B Data refers to 33 Italian initiatives that provided the first social reporting related to 2019 results by the end of 2020.

^C On all financed initiatives, at the end of project.

INDIRECT IMPACTS^B

In the first reporting year all financed projects reached or exceeded target with their results:



366

BEDS
(100% OF TARGET)



493,071

MEDICAL HEALTH SERVICES
(112% OF TARGET)



417

SOCIAL HOUSES
(100% OF TARGET)



401

TRAINING COURSES
(145% OF TARGET)

346,505

BENEFICIARIES WERE REACHED IN THE FOLLOWING SECTORS: **92% HEALTH, 4% EDUCATION AND TRAINING, 4% WELFARE**

64%

OF **BENEFICIARIES** REACHED IN **WELFARE** ARE **FRAGILE PEOPLE** AT RISK OF EXCLUSION, WITH DISABILITIES, IN FRAGILE CONDITIONS OR POVERTY

70%

OF BENEFICIARIES HAVE **EXPERIENCED SOME POSITIVE CHANGE** ON ONE OR MORE SOCIAL DIMENSIONS **IN THE FIRST PROJECT YEAR** (VS A TARGET OF 64%)

78%

172 JOBS CREATED (REPRESENTING 78% OF FINAL TARGET AT THE END OF PROJECT), OF WHICH **53 JOB INCLUSIONS** OF DISADVANTAGED PEOPLE

EXPECTED RESULTS^C

> 1.65 M

BENEFICIARIES TO BE REACHED BY THE FINANCED PROJECTS **IN THE FIRST 5 YEARS**



> 1,760 JOBS

TO BE CREATED BY THE END OF THE FINANCED PROJECTS (OF WHICH **187** FOR JOB INCLUSION OF DISADVANTAGED PEOPLE - ITALY ONLY)

Intellectual Capital

In a rapidly changing world faced with unseen challenges, we aim to innovate tools and processes to provide people with simple, safe and tailor-made solutions.

THE RESOURCES WE HAVE

- > secure and effective ICT systems
- > efficient and effective processes
- > capacity to innovate.

COMMUNITY IMPACTS

- > business continuity and security
- > simplified customer experience
- > customised products and services.

HOW WE CONTRIBUTE TO A MORE SUSTAINABLE WORLD

- > quick and effective response to Covid-19 emergency
- > resilient IT infrastructure
- > dedicated security process and policy framework to allow a fast adaptation to an ever-changing threat landscape
- > further streamlined and simplified processes and services
- > supporting and accelerating the digital transformation path and fostering innovation
- > re-designing and preparing the Next Normal.

2020 RESULTS

80,000 EMPLOYEES

ENABLED WITH SECURE REMOTE WORKING ACCESS

~ €950 MILLION

IN IT INVESTMENTS IN 2020

DEMATERIALIZATION FINALISED

OF CASHIER DESK TRANSACTIONS IN OUR GERMAN AND AUSTRIAN BRANCHES

TARGETS

DEMATERIALIZATION FINALISED

OF KEY COMPANIES DOCUMENTS IN ITALY BY 2021

IN THE NEXT NORMAL SETUP

40%

OF REMOTE WORKING TIME IN THE HEADQUARTERS

IN THE NEXT NORMAL SETUP

20%

OF REMOTE WORKING TIME IN THE NETWORK

Strong acceleration in our digital transformation journey

The digitalisation path already undertaken with *Transform 19* and strengthened with *Team 23* has intensely engaged the Group with the aim of providing services based on innovative technologies and simpler and safer processes.

Despite these challenging times, our IT strategy has remained stable, a reflection of the long-term priorities on which our competitiveness relies.

Indeed, the constant strengthening of our technological infrastructure, in terms of evolutionary update and stability, represents a central pillar of the Group's development strategy. In line with this, investments in ICT architecture and in maintaining high-level safeguards against new cyber security threats contribute towards the Bank's digital transformation.

Our dedicated process and policy framework allows us to respond effectively to the dynamics of the threat landscape and evolving regulatory requirements.

In addition to this, **raising employee awareness is key in promoting safe behaviour throughout the organisation thus reducing vulnerability.**

Security training and tailored educational activities (e.g. periodic campaigns on phishing) provide a continuous learning process.



~ 90,000

EMPLOYEES REACHED BY SECURITY ACADEMY INITIATIVE IN MORE THAN 15 COUNTRIES

A great effort was made to design the Next Normal context after the pandemic and to equip the Group with advanced tools for collaboration and enabling remote working. Skills in Real Estate, digitalisation, collaboration tools and process automation have made it possible to start and/or accelerate key projects for a new working environment via an increasingly more sustainable definition of space and tools to support remote working, sharing experiences, best practices and skills.

Innovation is hot topic for UniCredit. Financial services are changing at a rapid pace and we remain committed to developing cutting-edge solutions for our clients.

The following table provides a brief presentation of the most relevant initiatives in the area of Intellectual Capital launched or consolidated in 2020.



COVID-19

RESPONSE TO COVID-19: ENABLEMENT OF REMOTE WORKING

The response to the pandemic emergency was immediate and the restart in all areas was carried out effectively. Despite the emergency, business continuity and the focus on stakeholders was maintained and even enhanced thanks to a set of initiatives aimed at supporting people and boosting digital acceleration such as:

- **ensuring business continuity for all critical processes with resilient IT infrastructure and fast transition to remote working:**
 - VPN capacity was rapidly increased by 10 times compared to pre-crisis levels enabling 80,000 employees to secure remote working access. Colleagues have been provided with approximately 16,000 additional laptops in order to work remotely
 - bandwidth capacity of more than 2,700 Italian sites¹ has been increased by about 4 times.
- **concrete initiatives were put in place to reduce cyber security risks,** with the focus on fraud prevention, enhancement of cyber security monitoring and detection activities, network security and increase in security awareness
- **digital tools for business support and remote working were introduced**
- **support for the Next Normal model of remote banking and working:** contributing to the upgrade of our IT architecture to boost our digitalisation process and developing new collaboration tools such as digitALL² to further support the transition to remote working.

¹ Including branches, large buildings, ATM.

² Refer to the Stakeholder Engagement chapter for more information.

SELECTED STRATEGIC INITIATIVES

AREAS OF ACTIVITY	PROJECT TITLE	STAKEHOLDERS					
KEEP MODERNISING ICT Investing in a robust and secure ICT structure is core to our Team 23 strategic plan which is strongly focused on transformation initiatives and the enablement and acceleration of remote working and banking.	NEW TECHNOLOGIES: DEVELOPMENT OPERATIONS PROJECT (DEVOPS) to foster structural automation of the software development lifecycle						
	CLOUD JOURNEY to seize all the opportunities that public cloud can unfold						
SECURITY. MAKE IT A HABIT! We designed our dedicated process and policy framework to allow a fast adaptation to an ever-changing threat landscape and the widening of the regulatory spotlight to security issues.	SECURITY ROADMAP 2020-2023 to enhance the protection of UniCredit assets and clients						
	SECURITY CULTURE AND ACADEMY to focus on increasing awareness and education on security and cyber security topics						
MAKE IT SIMPLE! We further streamlined and simplified processes and services, boosting the digitalisation path and collaboration among people by equipping the Group with advanced tools.	REMOTE WORKING PROJECT to build the enablers needed to foster Remote Working in the Next Normal post-pandemic environment						
	PAPERLESS PROGRAMME to achieve the digitalisation of transactions and document flows (reusable across channels) ^A						
	MARKETPLACE and collaboration tools allowing employees to share competences and skills						
	DIGITALL new digital workplace allowing a more effective interaction and communication among colleagues						
	AUTOMATION AND PROCESS SIMPLIFICATION enhancing Group Operations back office productivity and accelerating efficiency						
ORCHESTRATING INNOVATION The Group Transformation Office is cooperating with various teams within the Group to foster innovation and transformation in different areas. Some of the supported solutions and initiatives will help UniCredit achieve ESG goals.	BEST PRACTICE SHARING to collect top internal practices following Group priorities and connect experts around the domain of expertise through Global Communities of Practice						
	GROUP INNOVATION BOARD (GIB) to ensure an effective management of innovation-related topics						
	FINTECH ACTIVITIES: FINDYNAMIC to better serve and support customers on working capital management						

STAKEHOLDERS



COLLEAGUES



CUSTOMERS



COMMUNITIES





REGULATORS



INVESTORS



SUPPLIERS

RESULTS	TARGETS
<ul style="list-style-type: none"> > significant reduction of human errors and incidents through automation > strong reduction of repetitive manual activities 	<ul style="list-style-type: none">  Move most relevant applications on DevOps methodology by 2023
<ul style="list-style-type: none"> > partnerships were signed with best-in-class Cloud Providers 	<ul style="list-style-type: none">  Enable O365 Microsoft collaboration tools for all bank employees and Google Cloud Platform data and AI capabilities to serve business use cases
<ul style="list-style-type: none"> > Data Loss Prevention (DLP) solutions implemented > enforced the responsiveness of anti-fraud monitoring capabilities > approximately 430 FTEs are allocated at Group Level on ICT Security activities and operations 	<ul style="list-style-type: none">  Security Roadmap continuation in line with ongoing plans and Team23
<ul style="list-style-type: none"> > strengthened awareness towards employees and customers during Covid-19 to protect against fraud and data breach > mandatory training sessions on general principles of security information for all Group employees > periodic campaigns on phishing carried out to approximately 95% of the Group population (excluding Russia) > Security Academy initiative reached approximately 90,000 employees in more than 15 countries 	<ul style="list-style-type: none">  Major learning contents starting in 2021
<ul style="list-style-type: none"> > main enablers identified are under development and implementation (e.g. improvement of communication capability, space booking tool, new office layout definition) 	<ul style="list-style-type: none">  In the Next Normal setup 40% of remote working time in the headquarters and 20% in the Network
<ul style="list-style-type: none"> > dematerialisation of cashier desk transactions in our German and Austrian branches finalised > in our Italian branches almost all in-branch documents for individual customers can be digitally signed > dematerialisation of documents in our German and Austrian branches is in progress > some CEE countries are already at an advanced stage of the paperless journey 	<ul style="list-style-type: none">  Italy aims to finalise dematerialisation of key companies documents by 2021. Germany aims to finalise key individual and companies documents by 2021  Austria aims to finalise key individual documents dematerialisation by 2021 and will accelerate in companies documents digitalisation in 2021 (to be finalised by 2023) Acceleration to continue in CEE in 2021 to provide similar experience across channels
<ul style="list-style-type: none"> > more than 6,900 registered users of the platform with approximately 800 short assignments published > the types of assignments range from translations, report automisation, coding, infographics, video and peer-to-peer learning 	<ul style="list-style-type: none">  The collaboration initiative will be continued in 2021
<ul style="list-style-type: none"> > convergence to an integrated communication plan under a unique umbrella and format integrating different existing tools 	<ul style="list-style-type: none">  Introduction of new digital tools now piloted in UniCredit Services, extended to the whole Group in 2021
<ul style="list-style-type: none"> > under the Task Manager Project, almost 3,000 procedures have been mapped in 5 countries, approximately 70 legacies and 460 mailboxes have been integrated. Approximately €3 m have been invested in this project > streamlining and digitalising Group Operations processes, with the support of the Lean Six Sigma methodology. The team worked on 13 main programmes. In 2020, more than €4.5 m was invested to deploy the solutions identified by the Lean Six Sigma team 	<ul style="list-style-type: none">  Performance Management enabling an advanced operative model, allowing a real-time data driven decision making and an optimised capacity and workforce dynamic  Continue the streamlining in Group Operations leveraging on Lean Six Sigma methodology, IT Investments and increasing the number of trained colleagues
<ul style="list-style-type: none"> > approximately 400 initiatives which resulted in 130 replications mainly in the areas of service quality, enablement of remote services, loyalty programmes and sustainability in real estate > the Global Data Science Community, (composed of approximately 700 colleagues across 13 countries), launched a first online Hackaton in March 2020, helping Buddy Bank to identify customers who need customer care 	<ul style="list-style-type: none">  The collaboration initiative will be continued in 2021
<ul style="list-style-type: none"> > 6 GIB sessions were held in 2020 > 24 innovation priorities collected > 13 innovation initiatives implemented 	<ul style="list-style-type: none">  Confirm GIB as a forum to inspire collaboration and learning to support acceleration of our innovation activities in 2021
<ul style="list-style-type: none"> > the innovative dynamic discounting solution created by FinDynamic and supported by UniCredit helps companies optimise their working capital 	<ul style="list-style-type: none">  Expansion to other Supply Chain Finance products

^Refer to the Natural Capital chapter for more information.

Natural Capital

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

THE RESOURCES WE HAVE

- > soil, water, flora and fauna
- > ecosystem services.

COMMUNITY IMPACTS

- > air quality conservation
- > pollution reduction
- > awareness raising.

HOW WE CONTRIBUTE TO A MORE SUSTAINABLE WORLD

- > we offer support to businesses respectful of the environment
- > we contain our own environmental footprint.



2020 RESULTS

€6.1 BN
EXPOSURE TO
THE RENEWABLE
ENERGY SECTOR

-60%
IN SCOPE 1 AND 2
EMISSIONS SINCE
THE BASE YEAR

€53.8 BN
RAISED WITH 46 GREEN
AND SOCIAL BONDS

€2.2 BN
ENERGY EFFICIENCY
OUTSTANDING
LOANS TO SMEs
AND INDIVIDUALS IN
WESTERN EUROPE^A

TARGETS

25%
INCREASE IN EXPOSURE TO
RENEWABLE ENERGY SECTOR BY 2023

-80%
GHG EMISSIONS BY 2030

ACHIEVE TOP 5
LEAGUE TABLE POSITION IN EMEA
COMBINED GREEN/ESG-LINKED
LOANS & SRI BONDS IN EUR

34%
INCREASE IN ENERGY
EFFICIENCY LOANS TO
WESTERN EUROPE SMES
BY 2023

^A Austria data based on estimate for 2020 due to update of the data collection process from internal systems.

Execute an effective environmental strategy

As part of its bigger strategy, UniCredit is committed to protecting natural capital and delivers sustainable financing solutions which are not limited to the environmental dimension alone.

Indeed, sustainable finance has rightly been defined by the EU as finance to support economic growth while reducing pressures on the environment and taking social and governance aspects into account.

We also aim at reducing the environmental impacts of our direct operations, applying smart solutions and energy efficient technologies.

In this scenario, UniCredit intends to play a central role in facilitating the transition to a more sustainable economy and sees sustainable finance as a means to achieve this goal. In this respect, within the Corporate and Investment Banking Division, the Sustainable Finance Advisory Team is responsible for:¹

- > deepening the dialogue with clients on ESG topics and facilitate their access to Europe's sustainable finance market
- > ensuring that relevant transaction in the Group comply with the Equator Principles.²

Our commitment to natural capital

Our constant attention has led us to develop a two-pronged approach to promoting and preserving natural capital:

- > we offer support to businesses respectful of the environment while accompanying clients operating in climate-sensitive industries in their journey along the transition path
- > we contain our own environmental footprint.

In support of this, UniCredit SpA is registered with EMAS while Bank Austria and UniCredit Bank Czech Republic and Slovakia are ISO 14001 certified.

Our actions to preserve natural capital

Our effort in shifting to a low-carbon economy and containing our environmental footprint was based on a number of specific initiatives which are highlighted in the infographics on the following pages, where we present an overview of major actions.

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 for which we reported last year for the first time.³ Moreover, in 2020 we completed the road testing of the Paris Agreement Capital Transition Assessment (PACTA) methodology developed by 2° Investing Initiative (2°ii). Through the completion of the test last December, we achieved a first set of preliminary results regarding our lending portfolio alignment to climate scenario and markets.

Finally, we approved a new stricter policy on the financing of coal which will completely phase out coal industry financing by 2028.⁴

To contain our environmental footprint, we operate in several directions, such as procuring our electricity from renewable sources, improving the energy efficiency of our premises and our data centres, supporting our people with more sustainable mobility solutions and sourcing from environmentally friendly suppliers.

¹ Refer to the Natural Capital chapter of the 2019 Integrated Report for more information.

² Refer to the Supplement – Risk Management and Compliance section and to Risk Management and Compliance chapter for more information.

³ Refer to Natural Capital chapter of the 2019 Integrated Report for more information. The TCFD report released last year for the first time, will be updated later this year alongside other risk management features.

⁴ Refer to the Risk Management and compliance chapter for more information.



COVID-19

OUR ACTION DURING THE PANDEMIC

During the emergency situation, different actions were taken to ensure our employees' health and safety, such as extending the adoption of remote and flexible working solutions and reinforcing the investment and the promotion of smart solutions that enable online meetings. As a result of the widespread adoption of flexible working solutions



IN 2020 IN ITALY ALONE

> 50 M KM

IN EMPLOYEE'S COMMUTER TRAVELS WERE ESTIMATED TO HAVE BEEN SAVED

Furthermore, with special regard to premises in Italy, the air exchange ratios of the Heating, Ventilation, and Air Conditioning (HVAC) systems were reviewed in accordance with pandemic risk-specific technical guidelines and with respect for energy efficiency. Where possible during the first phase of the lockdown, operation of the HVAC systems was optimised based on the real building occupancy thanks to our remote control systems (e.g., systems were switched off for temporarily closed branches) avoiding approximately 1,800 GJ of unnecessary energy consumption, equal to approximately 170 tons of CO₂ emissions compared to 2019. Moreover UniCredit temporarily closed 5 main Italian buildings for at least 4 months starting on November 30th, relocating all the sensitive functions to the nearest buildings thus avoiding unnecessary energy waste amounting to a saving of approximately 115 tons of CO₂ emissions per month.

As our suppliers were also hit by the pandemic, we have launched a programme to speed up the payments cycle.

How did we preserve natural capital during 2020?

Shifting to a low-carbon economy

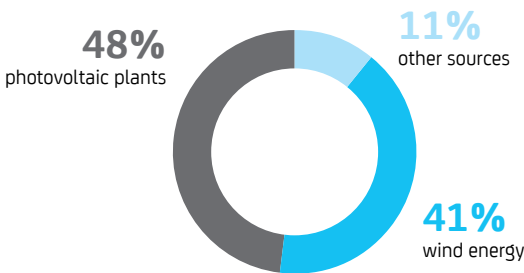
2019: endorsement of Task Force on Climate-Related Financial Disclosures (TCFD)



2020: completion of road testing of the Paris Agreement Capital Transition Assessment (PACTA)




Supporting renewable energy sources



PROMOTE BUSINESS THAT SUPPORTS NATURAL CAPITAL

€6.1 BN
invested in renewable energy projects



€9 BN
2023 target exposure



Promoting sustainable financial instruments

97
deals



~ €120 BN
raised in total^A



Financing energy efficiency

Launch of *Credit Express Green*, subsidised personal loan to finance savings

In Italy, bridge funding for customers who use the **110% bonus** on energy-efficient refurbishment promoted by the government

€2.2 BN
outstanding loans to SMEs and individuals in WEU^B



~ €55 M
new retail energy efficiency loans in CEE



Sustainable investment products and advisory

A diversified range of sustainable investment products including pension funds integrating ESG criteria

> 300 M TONS
of CO₂ traded for €7.1 bn exchanged in the EU ETS market



^A Source: Dealogic (loans, bonds) and UniCredit data (Sustainability Schuldschein (SSDs)). Values refer to all currencies (loans) and countries (loans, bonds). UniCredit was involved as Bookrunner (loans, bonds) and MLA or Lender (loans).

^B Austria data based on estimate for 2020 due to update of the data collection process from internal systems.

Raising awareness

No single-use plastic items from break areas and canteens in UniCredit buildings by 2023

1ST EDITION OF REAL ESTATE BEST PRACTICE SHARING TO COLLECT AND PROMOTE SHARING OF BEST PRACTICE ENVIRONMENTAL INITIATIVES:

37 project replications during 2020
17 projects planned for 2021
14 countries covered

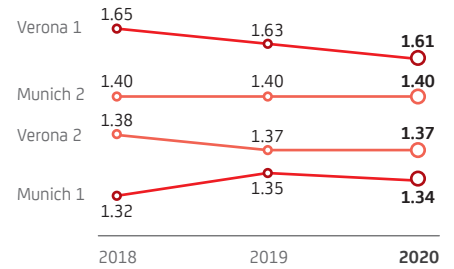
REDUCE OUR ENVIRONMENTAL IMPACT

-60%
overall reduction in emissions (Scope 1 and 2)
2020 vs 2008

-80%
carbon emissions reduction target for 2030

Data centre efficiency

Data Center power usage effectiveness (PUE) ratios



Energy efficiency and space optimisation

79%
of total electricity consumption was from renewables sources

FOCUS ON WEU

100% 100% 97%

SPACE OPTIMISATION PROJECTS IN WEU

182 branches closed
-2,300 m² of office space (Head Offices)

Managing mobility

8 welfare employees' agreements activated for the purchase of bicycles, e-scooters, kick-scooters, etc.

4 1 3 CEE

Pilot project in Italy to increase company bicycle parking

-76%
travel costs further reduced due to Covid-19 national/international lockdowns

Cutting paper consumption

PAPERLESS PROGRAM^c

> 31 M
documents digitally stored since 2017^d

20 M
documents digitally signed

21 M
digitally completed cashier desk transactions

100 M
of sheets of paper saved

Sourcing responsibly

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

25 completed audits of external service providers since 2014

95%
of purchased IT equipment is Blue Angel or Energy Star certified^e

^c Include all WEU countries as well as CEE countries with solution in-place. Data are calculated based on annualised 9 months data.

^d Paper based documents, scanned and centrally stored, related to Italian retail network.

^e Blue Angel is an environmental label in Germany that has been awarded to particularly environmentally friendly products and services since 1978; Energy Star is a programme run by the U.S. Environmental Protection Agency and U.S. Department of Energy which provides certification to buildings and consumer products which meet certain standards of energy efficiency.

Snapshot Covid-19

The outbreak of the Covid-19 pandemic has led UniCredit to take decisive actions with the aim of protecting and assisting employees, customers and communities and thereby enabling the Group to remain fully operative. We have selected just a few of the many measures adopted in support of all our stakeholders to face and get through

this unprecedented challenge together. The following is not a comprehensive view of all the initiatives undertaken at Group level but gives a good picture of how we have acted on different fronts in order to build a consistent and solid response to the pandemic. Please refer to the cited chapters for more details on actions highlighted.

RISK MANAGEMENT

HOW TO RESPOND TO COVID-19?

We have defined a collective and co-ordinated Group approach.



COMPLIANCE

HAVE THE ACTIONS UNDERTAKEN IMPACTED PEOPLE'S LIVES?

We have accelerated the digitalisation process to help people adapt to the new normal.

HUMAN CAPITAL

HOW TO CONTINUE VALUING OUR PEOPLE DURING THE PANDEMIC?

We have enhanced digital communication to support our HR policy.



LEGEND



RISK MANAGEMENT p.48



COMPLIANCE p.54



HUMAN CAPITAL p.60



SOCIAL AND RELATIONSHIP CAPITAL p.64



INTELLECTUAL CAPITAL p.74

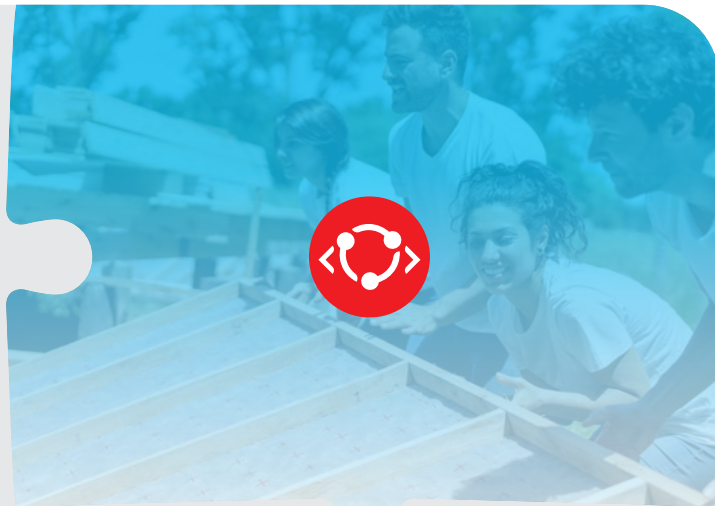


NATURAL CAPITAL p.78

SOCIAL AND RELATIONSHIP CAPITAL

WHAT IS OUR SOCIAL ROLE IN THE FIGHT AGAINST COVID-19?

We have collaborated with institutions to support the real economy, helped the more fragile sections of the population by giving impetus to electronic payment and promoted cultural events.



INTELLECTUAL CAPITAL

HOW TO RESPOND TO AN ABRUPTLY CHANGED WORLD?

We have focussed more intensely on innovation and digitalisation. Remote working was enabled for employees wherever possible.



NATURAL CAPITAL

IS THE PANDEMIC AN OPPORTUNITY TO IMPROVE OUR ENVIRONMENTAL IMPACT?

The energy management of our branches was optimised during lock-down.

GRI CONTENT INDEX, UN GLOBAL COMPACT AND PRINCIPLES FOR RESPONSIBLE BANKING



5

GRI CONTENT INDEX, UN GLOBAL
COMPACT AND PRINCIPLES FOR
RESPONSIBLE BANKING

6

SUPPLEMENT

GRI Content Index

GRI Standard	Disclosure	References	Notes and pages	Omissions
GRI 101: FOUNDATION (2016)				
GRI 102: GENERAL DISCLOSURES (2016)				
Organisational profile				
102-1	Name of the organisation		UniCredit SpA	
102-2	Activities, brands, products, and services	2020 Integrated Report	18-19; 42; 68-69, 73; 80	
		2020 Annual Reports and Accounts		
102-3	Location of headquarters		Piazza Gae Aulenti 3 - Tower A - 20154 Milano	
102-4	Location of operations	2020 Integrated Report	42	
102-5	Ownership and legal form	2020 Integrated Report	46	
		2020 Annual Reports and Accounts		
		2020 Report on Corporate Governance and Ownership Structure		
102-6	Markets served	2020 Integrated Report	18; 42	
102-7	Scale of the organisation	2020 Integrated Report	19; 42; S.32	
102-8	Information on employees and other workers	2020 Integrated Report	S.32-S.33, S.35	
102-9	Supply chain	2020 Integrated Report	42; 81	
102-10	Significant changes to the organisation and its supply chain	2020 Integrated Report	2; 46-63; 89	
		2020 Annual Reports and Accounts		
102-11	Precautionary Principle or approach	2020 Integrated Report	24-27; 40; 43; 44; S.16-S.19	
102-12	External initiatives	2020 Integrated Report	5;8; 40-45; 50-52; 63; 67; 70; S.16; S.47; S.50	
102-13	Membership of associations	2020 Integrated Report	S.8-S.11	
Strategy				
102-14	Statement from senior decision-maker	2020 Integrated Report	6-12	
102-15	Key impacts, risks, and opportunities	2020 Integrated Report	6-7; 11; 40-41; 43; 48-53; 73; 79; S.16-19	
Ethics and integrity				
102-16	Values, principles, standards, and norms of behavior	2020 Integrated Report	10; 14-17; 20; 28-29; 44-45; 54-55; 63; 81; 92; S.24	
102-17	Mechanisms for advice and concerns about ethics	2020 Integrated Report	61; S.24; S.28-S.29	
Governance				
102-18	Governance structure	2020 Integrated Report	46-47; S.13-14	
		2020 Report on Corporate Governance and Ownership Structure		
102-19	Delegating Authority	2020 Integrated Report	46-47; S.13-14	
		2020 Report on Corporate Governance and Ownership Structure		
102-20	Executive-level responsibility for economic, environmental and social topics	2020 Integrated Report	46-47; S.14	
102-21	Consulting stakeholders on economic, environmental and social topics	2020 Integrated Report	32-35; 65-67; S.14	
102-22	Composition of the highest governance bodies and its committees	2020 Integrated Report	46-47; S.13-14	
		2020 Report on Corporate Governance and Ownership Structure		
102-23	Chair of the highest governance body	2020 Integrated Report	46	
		2020 Report on Corporate Governance and Ownership Structure		

GRI Standard	Disclosure	References	Notes and pages	Omissions
102-24	Nominating and selecting the highest governance body	2020 Integrated Report	46-47; S.13-14	
		2020 Report on Corporate Governance and Ownership Structure		
102-25	Conflicts of interest	2020 Integrated Report	S.14; S.21; S.26	
		2020 Report on Corporate Governance and Ownership Structure		
102-26	Role of the highest governance body in setting purpose, values and strategy	2020 Integrated Report	26; 34; 46; S.14	
102-27	Collective knowledge of highest governance body	2020 Integrated Report	26; 34; S.14	
102-28	Evaluating the highest governance body's performance	2020 Integrated Report	S.14	
		2020 Report on Corporate Governance and Ownership Structure		
102-29	Identifying and managing economic, environmental and social impacts	2020 Integrated Report	32-35; 46; S.30-31	
		2020 Report on Corporate Governance and Ownership Structure		
102-30	Effectiveness of risk management	2020 Integrated Report	46; S.14; S.19-20	
		2020 Report on Corporate Governance and Ownership Structure		
102-31	Review of economic, environmental, and social topics	2020 Integrated Report	32-35	
		2020 Report on Corporate Governance and Ownership Structure		
102-32	Highest governance body's role in sustainability reporting	2020 Integrated Report	2	
		2020 Report on Corporate Governance and Ownership Structure		
102-33	Communicating critical concerns	2020 Integrated Report	19-20; 23-27; 29; 47; 59; 61; S.20-22; S.28-S.29	
		2020 Report on Corporate Governance and Ownership Structure		
102-35	Remuneration policies	2020 Integrated Report	23; S.15; Group Compensation Policy	
		2020 Report on Corporate Governance and Ownership Structure		
102-36	Process for determining remuneration	2020 Integrated Report	23; S.15; Group Compensation Policy	
		2020 Report on Corporate Governance and Ownership Structure		
102-37	Stakeholders' involvement in remuneration	2020 Integrated Report	23; S.15; Group Compensation Policy	
		2020 Report on Corporate Governance and Ownership Structure		
Stakeholder engagement				
102-40	List of stakeholder groups	2020 Integrated Report	32-33; 35; S.30-31	
102-41	Collective bargaining agreements	2020 Integrated Report	S.38	
102-42	Identifying and selecting stakeholders	2020 Integrated Report	32-35	
102-43	Approach to stakeholder engagement	2020 Integrated Report	32-35; 61; 65-67; S.47-S. 49	
102-44	Key topics and concerns raised	2020 Integrated Report	32-35; 61; 65-67; S.47-S.49	
Reporting Practice				
102-45	Entities included in the consolidated financial statements	2020 Integrated Report	2 ^A	
		2020 Annual Reports and Accounts	Notes to the consolidated accounts - Part A - Accounting Policies; A.1 - General, Section 3 - Consolidation scope and methods.	
102-46	Defining report content and topic Boundaries	2020 Integrated Report	32-35; 40-41; S.30-S.31	

^A The following legal entities have been included in the reporting perimeter: UniCredit SpA, Cordusio SIM SpA, UniCredit Factoring SpA, UniCredit Leasing SpA, UniCredit Services SCpA (with its activities in Italy, Germany, Czech Republic, Hungary, Poland, Romania and Slovakia), UniCredit Bank AG, Food & More GmbH, UniCredit Direct Services GmbH, UniCredit Leasing GmbH, Wealthcap Kapitalverwaltungsgesellschaft mbH, UniCredit Bank Austria AG, Card Complete Service Bank AG, Schoellerbank Aktiengesellschaft, UniCredit Leasing (Austria) GmbH, UniCredit Services GmbH (with its activities in Austria, Poland and Romania), UniCredit Bank DD, UniCredit Bank ad Banja Luka, UniCredit Bulbank AD, UniCredit Consumer Financing EAD, UniCredit Leasing EAD, Zagrebačka Banka DD, UniCredit Leasing Croatia doo za Leasing, UniCredit Bank Czech Republic and Slovakia as, UniCredit Leasing CZ as, UniCredit Bank Hungary Zrt, UniCredit Leasing Hungary Zrt, UniCredit Bank SA, UniCredit Consumer Financing IFN SA, UniCredit Leasing Corporation IFN SA, UniCredit Leasing Fleet Management Srl, AO UniCredit Bank, Ooo UniCredit Leasing, UniCredit Bank Serbia Jsc, UniCredit Leasing Slovakia as, UniCredit Banka Slovenija DD, UniCredit Leasing, leasing, doo.

GRI Standard	Disclosure	References	Notes and pages	Omissions
102-47	List of material topics	2020 Integrated Report	34-35; 40-41, 43; S.30-S.31	
102-48	Restatements of information	2020 Integrated Report	2	
102-49	Changes in reporting	2020 Integrated Report	32-35; S.30-S.31	
102-50	Reporting period	2020 Integrated Report	2	
102-51	Date of most recent report		March 2020	
102-52	Reporting cycle		The frequency of this publication is set as annual, in accordance with the provisions of Legislative Decree 254/2016.	
102-53	Contact point for questions regarding the report		For any information related to this Report you can write to groupsustainability@unicredit.eu . This document is also available on the Sustainability section of UniCredit Group website (www.unicreditgroup.eu).	
102-54	Claims of reporting in accordance with the GRI Standards		This report has been prepared in accordance with the GRI Standards: Core option.	
102-55	GRI content index	2020 Integrated Report	86-97	
102-56	External assurance	2020 Integrated Report	2; 100-102	

TOPIC-SPECIFIC STANDARDS

GRI 200: ECONOMIC SERIES

Topic: Economic Performance

GRI-103: Management Approach (2016)

103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	14-15; 18-22; 38-39; 41; 80-81; S.16-19;	
103-3	Evaluation of the management approach	2020 Integrated Report	14-15; 18-19; 38-39; 42; 80-81; S.16-19	

GRI-201: Economic Performance (2016)

201-1	Direct economic value generated and distributed	2020 Integrated Report	S.2-S.3	
201-2	Financial implications and other risks and opportunities due to climate change	2020 Integrated Report	44; 48-49; 94-101	
201-3	Defined benefit plan obligations and other retirement plans	2020 Integrated Report 2020 Annual Reports and Accounts	S.43	

Topic: Indirect Economic Impacts

GRI-103: Management Approach (2016)

103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	65, 67-73	
103-3	Evaluation of the management approach	2020 Integrated Report	67-73	

GRI-203: Indirect Economic Impacts (2016)

203-1	Infrastructure investments and services supported	2020 Integrated Report	67-73	
203-2	Significant indirect economic impacts	2020 Integrated Report	67-73	

Topic: Anti-Corruption

GRI-103: Management Approach (2016)

103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	54-55; S.21; S.22-23; S.29	
103-3	Evaluation of the management approach	2020 Integrated Report	54-55; S.21; S.22-23; S.29	

GRI Standard	Disclosure	References	Notes and pages	Omissions
GRI-205: Anti-Corruption (2016)				
205-1	Operations assessed for risks related to corruption	2020 Integrated Report	55; S.23	
205-2	Communication and training about anti-corruption policies and procedures	2020 Integrated Report	55	
Topic: Anti-Competitive Practices				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	54-55; S.24-25	
103-3	Evaluation of the management approach	2020 Integrated Report	54-55; S.24-25	
GRI-206: Anti-Competitive Practices (2016)				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2020 Integrated Report	S.24-25	
		2020 Annual Reports and Accounts		
Topic: Tax				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	S.4-6	
		2020 Annual Reports and Accounts		
		2018-19 Country by Country Reporting		
103-3	Evaluation of the management approach	2020 Integrated Report	S.4-6	
		2020 Annual Reports and Accounts		
		2018-19 Country by Country Reporting		
GRI-207: Tax (2019)				
207-1	Approach to tax	Bilancio Integrato 2020	S.4-6	
207-2	Tax governance, control, and risk management	Bilancio Integrato 2020	S.4-6	
207-3	Stakeholder engagement and management of concerns related to tax	Bilancio Integrato 2020	S.4-6	
207-4	Country-by-country reporting	Bilancio Integrato 2020	S.7	
GRI 300: ENVIRONMENTAL SERIES				
Topic: Materials				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	78-81	
103-3	Evaluation of the management approach	2020 Integrated Report	78-81	
GRI-301: Materials (2016)				
301-1	Materials used by weight or volume	2020 Integrated Report	S.53; In 2020, the total copy paper consumption amounted to roughly 2,862,000 kg.	
Topic: Energy				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	78-81	
103-3	Evaluation of the management approach	2020 Integrated Report	78-81	

GRI Standard	Disclosure	References	Notes and pages	Omissions
GRI-302: Energy (2016)				
302-1	Energy consumption within the organisation	2020 Integrated Report	S.55; In 2020, direct energy consumption amounted to roughly 519,000 GJ. The main fuels used were natural gas (97 percent), followed by diesel (about 2 percent) and crude oil and petroleum products (1 percent). Indirect energy consumption amounted to roughly 1,800,000 GJ of which district heating accounted for about 18 percent and electricity for about 82 percent. Electricity consumption included self-produced energy from photovoltaic plants in Italy and Austria, whereas in Germany approximately 18,300 GJ of self-produced energy from renewable sources was sold.	
302-3	Energy intensity	2020 Integrated Report	S.53; Pro-capita data is calculated using the energy consumption reported in the Disclosure GRI 302-1.	
302-4	Reduction of energy consumption	2020 Integrated Report	79; S.53	
302-5	Reductions in energy requirements of products and services	2020 Integrated Report	79; S.53	
Topic: Water				
GRI-303: Water and effluents (2018)				
303-3	Water withdrawal	2020 Integrated Report	S.53; In 2020, the total water withdrawal from public water mains or other water services providers amounted to roughly 1,122,000 m ³ .	
Topic: Emissions				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	78-81	
103-3	Evaluation of the management approach	2020 Integrated Report	78-81	
GRI-305: Emissions (2016)				
305-1	Direct (Scope 1) GHG emissions	2020 Integrated Report	S.52; Gases included in the calculation: CO ₂ , CH ₄ , N ₂ O, HFCs; Sources for emission factors: - DEFRA, UK Government GHG Conversion Factors for Company Reporting (2020), ⁸ for direct energy consumption, business travel and refrigerant gas leakages.	
305-2	Energy indirect (Scope 2) GHG emissions	2020 Integrated Report	S.52; Gases included in the calculation: CO ₂ , CH ₄ , N ₂ O; Sources for emission factors: - DEFRA, UK Government GHG Conversion Factors for Company Reporting (2020), ⁸ for district heating; - IEA (2020), Emission Factors www.iea.org/statistics (all rights reserved; as modified by UniCredit SpA), for electricity consumption - Location Based method; - Association of Issuing Bodies (AIB), 2019 European Residual Mixes, V.1.2 (2020), for electricity consumption - Market Based method.	

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GRI Standard	Disclosure	References	Notes and pages	Omissions
305-3	Other indirect (Scope 3) GHG emissions	2020 Integrated Report	S.52; Gases included in the calculation: CO ₂ , CH ₄ , N ₂ O; Sources for emission factors: - DEFRA, UK Government GHG Conversion Factors for Company Reporting (2020), ⁸ for business travel and waste disposal; - CEPI, CEPI statistics (2019), for copy paper use.	
305-4	GHG emissions intensity	2020 Integrated Report	S.52; In 2020, the Scope 1 emissions intensity amounted to roughly 0.51 tons of CO ₂ e per FTE; the Scope 2 emissions intensity (location - based) amounted to roughly 1.91 tons of CO ₂ e per FTE; the Scope 2 emissions intensity (market - based) amounted to roughly 0.67 tons of CO ₂ e per FTE; the Scope 3 emissions intensity amounted to roughly 0.03 tons of CO ₂ e per FTE.	
305-5	Reduction of GHG emissions	2020 Integrated Report	79; S.52	
305-6	Emissions of ozone-depleting substances (ODS)		In line with applicable regulations, where necessary UniCredit continues to replace refrigeration and cooling systems that contain ozone depleting substances. In recent years some episodes of refrigerant gas leakages have occurred in Germany and in Hungary and the relevant GHG emissions have been calculated and included in Scope 1 figures. In 2020, in Germany, 170 kg of refrigerant gas leakages were recorded (R134A, R404A, R407C, R407F, R410A, R422D), amounting to 0 tons of CFC- 11 equivalent; in Hungary 20 kg of refrigerant gas leakages were recorded (R407C), amounting to 0 tons of CFC-11 equivalent. Sources for emission factors: - Ozone Secretariat UNEP, Handbook for the Montreal Protocol on Substances that Deplete the Ozone Layer (14th edition, 2020), for refrigerant gas leakages [CFC-11e].	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		No other significant air emissions have been identified.	
Topic: Effluents and Waste				
GRI-306: Effluents and Waste (2016)				
306-2	Waste by type and disposal method	2020 Integrated Report	S.53	
Topic: Environmental Compliance				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	78-81; S.24-S.25	
103-3	Evaluation of the management approach	2020 Integrated Report	78-81; S.24-S.25	
GRI-307: Environmental Compliance (2016)				
307-1	Non-compliance with environmental laws and regulations		No relevant fines were imposed in 2020 for non-compliance with environmental laws or regulations.	
Topic: Supplier Environmental Assessment				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	

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GRI Standard	Disclosure	References	Notes and pages	Omissions
103-2	The management approach and its components	2020 Integrated Report	81	
103-3	Evaluation of the management approach	2020 Integrated Report	81	
GRI-308: Supplier Environmental Assessment (2016)				
308-1	New suppliers that were screened using environmental criteria	2020 Integrated Report	81; In UniCredit 100 percent of new suppliers are screened using socio-environmental criteria.	
GRI 400: SOCIAL SERIES				
Topic: Employment				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	19; 61-62	
103-3	Evaluation of the management approach	2020 Integrated Report	19; 61-62	
GRI-401: Employment (2016)				
401-1	New employee hires and employee turnover	2020 Integrated Report	S.34-35	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2020 Integrated Report	S.40;S.42; In nearly all countries, part-time and fixed-term employees are offered the same benefits that are offered to full-time and permanent employees.	
Topic: Labor Management Relations				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	S.37	
103-3	Evaluation of the management approach	2020 Integrated Report	S.37	
GRI-402: Labor-Management Relations (2016)				
402-1	Minimum notice periods regarding operational changes	2020 Integrated Report	S.39	
Topic: Occupational Health and Safety				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	19; 21; S.44	
103-3	Evaluation of the management approach	2020 Integrated Report	19; 21; S.44	
GRI-403: Occupational Health and Safety (2018)				
403-1	Occupational health and safety management system	2020 Integrated Report	S.44	
403-2	Hazard identification, risk assessment, and incident investigation	2020 Integrated Report	S.44	
403-3	Occupational health services	2020 Integrated Report	S.44	
403-4	Worker participation, consultation, and communication on occupational health and safety	2020 Integrated Report	S.44-45	
403-5	Worker training on occupational health and safety	2020 Integrated Report	S.44	
403-6	Promotion of worker health	2020 Integrated Report	S.44	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2020 Integrated Report	S.44	
403-9	Work-related injuries	2020 Integrated Report	S.45	

GRI Standard	Disclosure	References	Notes and pages	Omissions
Topic: Training and Education				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	52; 54-55; 62-63; 76-77; 67-69, 73; S.37;	
103-3	Evaluation of the management approach	2020 Integrated Report	52; 54-55; 62-63; 76-77; 67-69, 73; S.37;	
GRI-404: Training and Education (2016)				
404-1	Average hours of training per year per employee	2020 Integrated Report	S.36	
404-2	Programs for upgrading employee skills and transition assistance programs	2020 Integrated Report	62-63; S.43	
404-3	Percentage of employees receiving regular performance and career development reviews	2020 Integrated Report	62	
Topic: Diversity and Equal Opportunity				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	47; 60-61; 63; S.13-14; S.37	
103-3	Evaluation of the management approach	2020 Integrated Report	47; 60-61; 63; S.13-14; S.37	
GRI-405: Diversity and Equal Opportunity (2016)				
405-1	Diversity of governance bodies and employees	2020 Integrated Report	47; S.32-33	
		2020 Report on Corporate Governance and Ownership Structure		
405-2	Ratio of basic salary and remuneration of women to men	2020 Integrated Report	S.35-36	
Topic: Non-Discrimination				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	17; S.28; S.37; Human Rights Commitment	
103-3	Evaluation of the management approach	2020 Integrated Report	60-61; S.29	
GRI-406: Non Discrimination (2016)				
406-1	Incidents of discrimination and corrective actions taken	2020 Integrated Report	2 incidents were reported in the Group (which one was opened in 2019) and they were all closed in 2020 with no evidence of discrimination. Our global policies allow zero tolerance against harassment, sexual misconduct, bullying, and acts of retaliation. Under these policies, in 2020 across the Group, 36 reports on harassment were received and investigated and 9 disciplinary sanctions have been committed.	
Topic: Human Rights Assessment				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	51-52; 80; S.16; S.17; S.37; S.44	
103-3	Evaluation of the management approach	2020 Integrated Report	51-52; 80; S.16; S.17; S.37; S.44	

GRI Standard	Disclosure	References	Notes and pages	Omissions
GRI-412: Human Rights Assessment (2016)				
412-2	Employee training on human rights policies or procedures	2020 Integrated Report	52	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	2020 Integrated Report	81; In UniCredit 100 percent of the new suppliers are screened using socio-environmental criteria, including compliance with International Labor Organization (ILO) conventions.	
Topic: Local Communities				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	65; 67-73;	
103-3	Evaluation of the management approach	2020 Integrated Report	65; 67-73;	
GRI-413: Local Communities (2016)				
413-1	Operations with local community engagement, impact assessments, and development programs	2020 Integrated Report	67-73	
GRI-G4 Financial Services Sector Disclosures: Local communities				
FS13	Access points in low-populated or economically disadvantaged areas by type	2020 Integrated Report	S.49	
FS14	Initiatives to improve access to financial services for disadvantaged people	2020 Integrated Report	65, 68-69, 73	
Topic: Supplier Social Assessment				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	81	
103-3	Evaluation of the management approach	2020 Integrated Report	81	
GRI-414: Supplier Social Assessment (2016)				
414-1	New suppliers that were screened using social criteria	2020 Integrated Report	81; In UniCredit 100 percent of the new suppliers are screened using socio-environmental criteria, including compliance with International Labor Organization (ILO) conventions.	
Topic: Customer Privacy				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	16-17; 24-26; 53; 75-77; S.21; S.27	
103-3	Evaluation of the management approach	2020 Integrated Report	16-17; 24-26; 53; 75-77; S.21; S.27	
GRI-418: Customer Privacy (2016)				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2020 Integrated Report	In 2020, UniCredit has identified 10 cases of potential leaks or thefts of customer data.	
Topic: Socioeconomic Performance				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	54-55; S.22-24; S.20-29	
103-3	Evaluation of the management approach	2020 Integrated Report	54-55; S.22-24; S.20-29	

GRI Standard	Disclosure	References	Notes and pages	Omissions
GRI-419: Socioeconomic Compliance (2016)				
419-1	Non-compliance with laws and regulations in the social and economic area	2020 Integrated Report	S.25-26; S.29	
		2020 Annual Reports and Accounts		
Topic: Product portfolio				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	18, 22-23; 42	
103-3	Evaluation of the management approach	2020 Integrated Report	18, 22-23; 42	
GRI-G4 Financial Services Sector Disclosures: Product portfolio				
FS6	Portfolio for business lines	2020 Integrated Report	S.46	
		2020 Annual Reports and Accounts		
FS7	Monetary value of products and/or services designed to deliver a specific social benefit	2020 Integrated Report	67-73; S.51	
FS8	Monetary value of products and/or services designed to deliver a specific environmental benefit	2020 Integrated Report	S.51	
Topic: Demographic change				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	65, 68-69, 73	
103-3	Evaluation of the management approach	2020 Integrated Report	68-69, 73	
Topic: Digitalization and innovation				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	74-77; 20-22, 24, 27; 67, 69-70	
103-3	Evaluation of the management approach	2020 Integrated Report	74-77; 20-22, 24, 27; 67, 69-70	
Topic: Lean and transparent organisation				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	75-77; 24; 67; S.50	
103-3	Evaluation of the management approach	2020 Integrated Report	75-77; 24; 67; S.50	
Topic: Value to customer				
GRI-103: Management Approach (2016)				
103-1	Explanation of the material topic and its Boundary	2020 Integrated Report	32-35; 40-41; S.30-S.31	
103-2	The management approach and its components	2020 Integrated Report	21-22, 24; 67-73	
103-3	Evaluation of the management approach	2020 Integrated Report	21-22, 24; 67-73	

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	102-8; 102-41; 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	201-2; 301-1; 302-1; 302-3; 302-4; 302-5; 303-3; 305-1; 305-2; 305-3; 305-4; 305-5; 305-6; 305-7; 306-2; 307-1; 308-1
	Principle 8 - Businesses should undertake initiatives to promote greater environmental responsibility	
	Principle 9 - Businesses should encourage the development and diffusion of environmentally friendly technologies	
Anti-corruption	Principle 10 - Businesses should work against corruption in all its forms, including extortion and bribery	102-16; 102-17; 205-1; 205-2

UniCredit participation in institutional and international initiatives

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE

After the subscription of the recommendations of the TCFD and the publication of our first disclosure, a separate document dedicated to our new disclosure aligned with TCFD recommendations will also be issued in the month of June.

UNEP-FI PRB PRINCIPLES FOR RESPONSIBLE BANKING

UniCredit signed the UNEP FI Principles for Responsible Banking in 2019.

In 2020 we joined several working groups organised by UNEP FI in support of PRB implementation.

We are now publishing our first reporting.

OECD BUSINESS FOR INCLUSIVE GROWTH COALITION (B4IG)

UniCredit signed up to the initiative launched at G7 in Biarritz.

UNEP FI Principles for Responsible Banking reporting

UniCredit signed the UNEP FI Principles for Responsible Banking in October 2019.

In 2020 we joined several working groups organised by UNEP FI in support of PRB implementation. In particular, we have been participating in working groups dealing with:

- > impact analysis guidance and peer exchange
- > communication and knowledge-sharing
- > engaging with clients.

Our full report disclosing the progress made in implementing the PRB is available on our Group website.¹ Below is a simplified table which reports on UniCredit's main advancements in implementing each Principle.

Principle	High-level summary of bank's response	Reference(s)/link(s) to bank's full response/relevant information
<p>Principle 1 Alignment</p> <p>We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>	<p>UniCredit is a Pan-European Commercial Bank, with a fully plugged-in Corporate & Investment Banking, delivering a unique Western, Central and Eastern European network. Sustainability is part of UniCredit's DNA and a key component of its business model.</p>	<p>https://www.unicreditgroup.eu/en/unicredit-at-a-glance.html?topmenu=INT-TM_ABO0_en052</p> <p>https://www.unicreditgroup.eu/en/business.html</p> <p>https://www.unicreditgroup.eu/en/a-sustainable-bank/sustainability-strategy.html</p> <p>IR 2020, Our Sustainable Business Model, page 38</p>
<p>Principle 2 Impact and Target Setting</p> <p>We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and the environment resulting from our activities, products and services. To this end, we will set and publish targets where the most significant impacts can be achieved.</p>	<p>The viability of our business depends on our ability to generate positive impacts for our customers and the wider community. This is demonstrated also by our participation in several initiatives such as the Paris agreement portfolio composition analysis, the EBA sensitivity pilot exercise and our active approach to controversial sectors and human rights with our policies.</p> <p>Our <i>Social Impact Banking</i> (SIB) project represents UniCredit's commitment to building a fairer and more inclusive society by identifying, financing and promoting initiatives that can have a positive social impact.</p> <p>An attentive assessment of our initiatives and their positive impacts on society has allowed us to define a set of strategic ESG targets.</p>	<p>IR 2020, Value Creation, page 14</p> <p>IR 2020, Our Strategy, page 18</p> <p>IR 2020, Stakeholder Engagement, page 32</p> <p>IR 2020, Risk management and Compliance, page 48</p> <p>IR 2020, Social and relationship Capital, page 64</p> <p>IR 2020, Natural Capital, page 78</p>

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis and Target Setting.

We have made progress on the implementation of the PRB but we still have to work on the development and testing of a fully-fledged methodology to analyse all the impacts of Group activities.

¹ Refer to our website (www.unicreditgroup.eu) for more information.

Principle	High-level summary of bank's response	Reference(s)/link(s) to bank's full response/ relevant information
<p>Principle 3 Clients and Customers</p> <p>We will work responsibly with our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>	<p>Over the years UniCredit has developed an effective and regular dialogue with commercial customers which has helped us to identify critical ESG aspects important to them and incorporate these aspects in our product offering.</p>	<p>https://www.unicreditgroup.eu/en/a-sustainable-bank.html</p> <p>https://www.unicreditgroup.eu/en/a-sustainable-bank/sustainability-governance.html?topmenu=INT-TM_SUSO2_en097</p> <p>https://esg.brochure.unicredit-cib.eu/</p> <p>IR 2020, Stakeholder Engagement, page 32 IR 2020, Natural Capital, page 78</p>
<p>Principle 4 Stakeholders</p> <p>We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>	<p>Listening to our stakeholders has always been the underlying principle at UniCredit, leading us to regularly invest in mutual feedback activities. We collect and assess opinions and concerns and promptly respond to observations. We carry out our materiality analysis and leverage the resulting matrix as a tool to support business strategy in order to create value and positive impacts over the long term.</p>	<p>IR 2020, Stakeholder Engagement , page 32 and Supplement, page S.30</p>
<p>Principle 5 Governance & Culture</p> <p>We will implement our commitment to these Principles through effective governance and a culture of responsible banking.</p>	<p>The Sustainability Governance of the Bank is steered by the Board Committee on Corporate Governance, Nomination and Sustainability, by the Executive Management Committee chaired by the CEO and by the newly created function Group ESG Strategy & Impact Banking. In 2020 a vast range of education and awareness activities aimed at engaging colleagues and customers on ESG topics were fulfilled. Sustainability KPIs have been formally embedded in the <i>2020-23 Long-Term Incentive Plan (LTIP)</i> for the CEO, Top Management and other Key Players in the Group.</p>	<p>IR 2020, Our Strategy, page 18 IR 2020, Governance, page 46 and Supplement, page S.12</p>

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.

UniCredit has an effective and clear Sustainability Governance in place, further reinforced in 2020 by the creation of the new function Group ESG Strategy & Impact Banking. This Governance ensures the implementation of the PRB which are a key component of the overall ESG strategy of the Group. Growing efforts are being made on awareness and engagement on ESG topics for our employees, moving from dedicated communication campaigns on ESG to a more concentrated and constant communication on sustainability.

<p>Principle 6 Transparency & Accountability</p> <p>We will periodically review our individual and collective implementation of these Principles in order to be transparent about and accountable for our positive and negative impacts and contribution to society's goals.</p>	<p>Full disclosure on UniCredit's commitments and achievements on Sustainability is available in our 2020 Integrated Report.</p>	<p>https://www.linkedin.com/posts/unicredit_sustainability-unicredit-unicredit4esg-activity-6714089667760799744-HPDb</p> <p>IR 2020, Natural Capital, page 78</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking

In the past year UniCredit has progressed in its journey towards responsible banking and the implementation of the PRB. The Integrated Report provides a comprehensive view of UniCredit's commitment to ESG topics. We are specifically reporting our progress on implementing the Principles in our first PRB report.²

² Refer to our website (www.unicreditgroup.eu) for more information.

Independent Auditor's Report

SUPPLEMENT



5

GRI CONTENT INDEX, UN GLOBAL COMPACT AND PRINCIPLES FOR RESPONSIBLE BANKING

6

SUPPLEMENT

- > Determination and distribution of Value Added
- > Information on Tax Management
- > Main partnerships and affiliations
- > Governance
- > Risk Management and Compliance
- > Stakeholder Engagement
- > Human Capital
- > Social and relationship Capital
- > Natural Capital

Determination and distribution of Value Added

(€/m)

Items	2020	2019	
10	Interest income and similar revenues	13,182	14,793
20	Interest expense and similar charges	-3,685	-4,521
40	Fees and commissions income	7,169	7,606
50	Fees and commissions expenses (excluded external networks' expense)	-1,167	-1,242
70	Dividend income and similar revenues	208	295
80	Net gains (losses) on trading	678	1,298
90	Net gains (losses) on hedge accounting	-54	42
100	Gains (Losses) on disposal and repurchase of:	230	287
	a) financial assets at amortised cost	80	138
	b) financial assets at fair value through other comprehensive income	144	160
	c) financial liabilities	6	-11
110	Net gains (losses) on other financial assets/liabilities at fair value through profit or loss:	225	-370
	a) financial assets/liabilities designated at fair value	242	-530
	b) other financial assets mandatorily at fair value	-17	160
130	Net losses/recoveries on credit impairment relating to:	-4,656	-3,489
	a) financial assets at amortised cost	-4,640	-3,478
	b) financial assets at fair value through other comprehensive income	-16	-11
140	Gains/Losses from contractual changes with no cancellations	-20	-20
160	Net premiums	0	0
170	Other net insurance income/expenses	0	0
230	Other operating expenses/income	513	897
250	Gains (Losses) of equity investments (gains or losses on disposal)	-1,570	56
280	Gains (Losses) on disposal of investments	488	129
320	Profit (Loss) after tax from discontinued operations	49	1,332
	A. TOTAL ECONOMIC VALUE GENERATED	11,590	17,093

Items		2020	2019
190	b) other administrative expenses (excluded indirect taxes, duties and donations and contributions to resolution funds and deposits guarantee)	-2,641	-2,698
	ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS	-2,641	-2,698
190	a) staff expense (included external networks' expense)	-7,433	-6,634
	ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES AND SUPERVISED WORKERS	-7,433	-6,634
340	Minority interests	-7	-118
	ECONOMIC VALUE ATTRIBUTABLE TO MINORITY SHAREHOLDERS	-7	-118
	Net profit attributable to shareholders ^A	0	0
	ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS	0	0
190	b) other administrative expenses: indirect taxes and duties	-726	-646
190	b) other administrative expenses: contributions to resolution funds and deposits guarantee	-719	-737
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	551	-1,037
	ECONOMIC VALUE DISTRIBUTED TO PUBLIC BODIES & INSTITUTIONS	-894	-2,420
190	b) other administrative expenses: donations	-5	-15
	Net profit allocated to the charitable funds	0	0
	ECONOMIC VALUE DISTRIBUTED TO COMMUNITY AND ENVIRONMENT	-5	-15
	B. TOTAL ECONOMIC VALUE DISTRIBUTED	-10,980	-11,885
	C. TOTAL ECONOMIC VALUE RETAINED	-610	-5,208

^A For the proposals to the Shareholders' Meeting on the distribution to shareholders please refer to the specific Board of Directors' reports in relation.

Information on Tax Management

Approach to Taxation

UniCredit SpA, in its capacity as Parent entity, has issued a series of Global Policies on tax management.

The UniCredit Group's approach to taxation is described in the **Global Policies** adopted internally and made available to employees. Chief among them are the **Code of Conduct** and the **Tax Strategy** document of the UniCredit Group (available also at the following link: <https://www.unicreditgroup.eu/en/governance/our-governance-system.html>), which defines the guidelines and principles of UniCredit Group for the management of tax matters and associated risks (both financial and reputational). Specifically, this latter document was prepared in line with the Group's values, which also reflect international best practices, and shall be read and applied in the context of the other policies and procedures issued by UniCredit and the Group Companies.

The UniCredit Group is guided by the following principles in relation to the tax management of its business activities:

- i. **compliance with form and substance of all relevant tax laws**, regulations and practices applicable in every jurisdiction where the Group carries out its business
- ii. prohibition from using **aggressive tax planning** and tax avoidance schemes
- iii. application of a tax strategy that is consistent with the general rules of the Group, with its approach to risk and the values of the Group
- iv. use of **professional risk management standards** for all the risks associated with tax and ensuring that the procedures applied from time to time to that end are appropriate
- v. establishment of relations of mutual **trust, cooperation and transparency with the Tax Authorities** in the various jurisdictions where the Group operates, including through participation in projects/systems of co-operative compliance
- vi. foster a **culture of tax compliance and awareness** of relevant tax laws throughout the Group, including organisational units, not directly working within the tax departments of the Group.

Since it is highly sensitive to tax issues and takes an approach intended to mitigate tax risk as much as possible, the Group has long been encouraging participation in Enhanced Co-operation initiatives with Tax Authorities where provided for by the legislation of the countries where the Group operates. In accordance with such principles:

- > in Ireland, since 2005 the Group has been participating in the Co-operative Compliance Framework with the Irish Tax Authorities
- > 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 SpA and UniCredit Services SCpA have been voluntarily participating in the Italian Tax Cooperative Compliance Scheme as per articles 3-7 of Italian Legislative Decree no. 128/2015 with the Italian Tax Agency. Above Group companies are therefore included in the list of entities admitted to the mentioned Scheme, which is published and freely available on the Italian Tax Agency's website (<https://www.agenziaentrate.gov.it/portale/web/guest/schede/agevolazioni/regime-di-adempimento-collaborativo/elenco-societa-ammesse-al-regime-imprese>).¹

¹Additional information is available in the 2018 Integrated Report.

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 Chief Financial Officer and the Head of Group Tax Affairs. Each Group Company makes sure it has a specific internal Tax Function or, in the case of small-sized entities, an internal Manager, who is vested with tax management powers. The Tax Function is responsible for defining domestic, international and supranational tax scenarios, as well as implementing appropriate and effective procedures to properly fulfil tax obligations and ensure the Group is taxed correctly.

Specifically, the Group exercises its tax governance by issuing Global Policies that are directly applicable to UniCredit SpA and issued to all Group Companies, which transpose and implement them in accordance with applicable local legal and regulatory requirements.

The Tax Function of the various Group Companies is committed to ensuring its staff receives continuous training (base, advanced and specialist training).

Considering the complexity of tax laws, to achieve the above objectives, several entities of the Group, chief among them UniCredit SpA, have adopted an effective Tax Control Framework (TCF), which forms part of the corporate governance system and ensures the constant monitoring of tax risks that could potentially concern them.

Specifically, the TCF of the Parent entity, UniCredit SpA, provides for (i) a clear division of roles and responsibilities between corporate bodies and functions, with appropriate skills and experience (ii) adequate processes to detect, measure, manage, and control tax risk, ensuring compliance with the relevant procedures at all levels of the company (iii) specific procedures to correct any shortcomings detected and activate the necessary corrective actions.

The system for assessing the effectiveness of tax compliance, as well as the analysis of the outcomes of such assessment, is implemented through a system of controls and assessments by bodies and functions within UniCredit SpA as well as external entities, such as:

> **Internal Audit**

- > the **BoD**, after the **Internal Controls and Risks Committee (IC&RC)** and the **Board of Statutory Auditors** have been informed, receives a report on the status of the control system, the tax audits carried out and the relevant findings, the measures taken to correct any shortcomings found, and scheduled activities. The findings and the assessments made by the Governing Body are then shared with the Italian Tax Agency
- > **Compliance** establishes the method of conducting, and monitors, the second level controls performed by Global Tax Compliance, in its capacity as specialist of the Compliance function as per Circular no. 285/2015 of the Bank of Italy; Global Tax Compliance, set up in 2014 to monitor the risk of non-compliance with tax laws associated with the operations conducted by the bank, performs second level controls, which are formalised and planned as part of a specific Framework outlining the risks, the operations to be audited, the outcomes of the controls, the level of risk, etc.
- > the structure of the controls set out in the above Framework, approved by the Italian Tax Agency at the time of the admission to the Co-operative Compliance Scheme, is constantly reviewed and shared with the Italian Tax Agency. Every year, the latter presents the outcomes of the audits of the control system and the discussions held in a Final Report and the Compliance Letter, in which the Agency also reports on the in-depth investigations conducted at the Bank's request or on its own initiative.

With respect to **whistleblowing** on tax matters, please note that:

- > since some tax crimes have been included in UniCredit SpA's Organisation and Management Model as per Italian Legislative Decree no. 231/2001, any conduct that constitutes such crimes is to be reported to the Supervisory Body
- > the Whistleblowing system guarantees a specific and confidential channel, as well as the whistleblower's anonymity, for reporting violations of the relevant internal regulations, chief among them those outlined in the Code of Conduct, including any conduct that could constitute tax fraud or attempted tax fraud or is intended to facilitate tax fraud by third parties
- > the Group companies participating in the Co-operative Compliance Scheme have the obligation to report any crimes that could result in tax non-compliance to the Italian Tax Agency as soon as they are formally informed about them.

Through its tax function, the Bank actively participates in meetings hosted by **trade and other associations** of which it is a member and that promote initiatives intended to develop best practices for tax management.

COUNTRY-BY-COUNTRY REPORTING, 2018-2019

(values in €/000)

	Revenues from third-party sales		Corporate income tax paid on a cash basis		Tangible assets other than cash and cash equivalents	
	2019	2018	2019	2018	2019	2018
Italy	-1,263,040	-1,073,690	-46,574	-270,292	5,782,407	3,392,294
Germany	866,730	1,866,970	-122,024	-180,875	3,311,732	3,075,621
Austria	77,752	341,537	-23,748	-15,641	1,044,401	545,628
Bosnia and Herzegovina	1,336	580	-8,704	-7,974	55,061	46,207
Bulgaria	10,059	45,506	-22,170	-16,267	189,071	128,800
Croatia	108,689	86,540	-16,794	-15,670	254,374	295,987
Czech Republic	83,156	21,268	-59,310	-41,682	197,557	141,263
Hungary	72,632	64,749	-31,663	-16,434	96,667	77,907
Romania	82,745	88,253	-40,797	-21,942	224,870	165,524
Russian Federation	628,890	34,019	-52,849	-77,280	186,653	78,783
Serbia	-250	460	-8,365	-4,228	41,619	24,792
Slovenia	-7,340	5,917	-1,301	-5,991	26,082	15,992
Other countries ^A	604,714	598,302	-50,442	-89,605	320,469	334,283

^A Other countries includes: Bermuda, Brazil, Canada, Cayman Islands, China, Estonia, France, India, Ireland, Jersey, Latvia, Lithuania, Luxembourg, Poland, Republic of South Africa, Slovakia, Spain, Ukraine, United Arab Emirates, United Kingdom, United States of America.

For the Group legal entities considered in this data and their related primary activities and the reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax refer to the 2018 - 2019 Company financial statements | Notes to the accounts.

For the number of employees, for the revenues from third-party sales, for the profit/loss before tax and for the Corporate income tax accrued on profit/loss refer to Country by Country Reporting, art. 89 CRD IV, as at December 31, 2019 and Country by Country Reporting, art. 89 CRD IV, as at December 31, 2018.

Main partnerships and affiliations

Legal entities	Organisation	Description
UniCredit SpA	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.
	ACAMS	ACAMS is the largest international membership organisation for Anti-Financial Crime professionals. It supports individuals and organisations who are dedicated to preventing financial crime through thought leadership, continuing professional education, and our best-in-class peer network.
	B4IG – Business for Inclusive Growth	B4IG is a partnership between the OECD and a global CEO-led coalition of companies fighting against income and opportunities inequalities.
	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.
	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.
	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.
	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.
	EUROFI	A non-profit organisation for exchanges between the financial services industry and the public authorities, addressing issues related to the financial regulation and supervision and the economic and monetary context impacting the EU financial sector.
	Future Talent Council	Future Talent Council is a global strategy group focused on understanding and influencing the future of talent and work. They engage the foremost educational, political and business leaders of society to shape global, regional and industry agendas.
	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 Financial Marketing Association (EFMA)	EFMA, a non-profit organisation, unites financial services industry professionals within a global and reliable network and facilitates connection and exchange among the sector's decision-makers.
	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.
	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.
	Parks - Liberi e Uguali	Parks - Liberi e Uguali is a non-profit organisation, whose members are exclusively employers, 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.
	CDP (formerly Carbon Disclosure Project)	The CDP promotes understanding of the potential impacts of climate change on shareholder value.
	CSR Manager Network Italia	CSR Manager Network is the Italian national association for corporate social responsibility professionals.
London Benchmarking Group (LBG)	LBG is the internationally recognised standard for measuring corporate community investment.	
FinTech Innovation - ABILab	This observatory is dedicated to all main Italian and international fintech innovations.	

Legal entities	Organisation	Description
UniCredit SpA	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.
	International Integrated Reporting Council (IIRC) – Business Network	The IIRC is a global coalition of regulators, investors, companies, standard setters, non-governmental organisations and accounting professionals that works to establish integrated reporting and thinking in mainstream business practices.
	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.
	Nemetria	Nemetria is a non-profit association, founded by companies, banks, organisations and universities. The activity is expressed through seminars, workshops, conferences on the topics of economics, finance, ethics, corporate culture and culture in general.
	UN Global Compact - Global Compact Network Italy Foundation	The Global Compact is a strategic policy initiative, promoted by the United Nations at national level via local networks, for businesses committed to aligning their operations and strategies with 10 universally accepted principles related to human rights, labour, anticorruption practices and the environment.
	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 lasting success and integrity of organisations worldwide.
	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 which includes the aim of strengthening the ecosystem for social impact investments in Italy in favour of the growth of social entrepreneurship.
	Transparency International Italia	Transparency International is the largest global organisation that deals with preventing and combating corruption. Its mission is to give voice to the victims and witnesses of corruption and collaborates with governments, companies and citizens to put a stop to the scourge of corruption.
	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.
UniCredit Bank AG	Klimapakt Münchner Wirtschaft Effective climate protection needs pioneers	The Klimapakt Münchner Wirtschaft is part of the Integrated Climate Protection Action Programme in Munich, in which large companies pledge to voluntarily reduce their CO2 emissions.
	Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (VfU)	VfU is an industry-specific body for environmental management at financial institutions
	Joblinge	Joblinge is a collaboration of the private, public, and volunteer sectors to better prepare disadvantaged young people in Germany for the job market.

Legal entities	Organisation	Description
UniCredit Bank Austria	Klima:aktiv Pakt 2020	The climate protection initiative of the Federal Ministry for Sustainability and Tourism (BMNT) is climate active. Thanks both to the development and provision of quality standards, the training and further education of professionals and to the advice, information and large partner network, klimaaktiv supplements climate protection funding and regulations.
	Austrian Society for Environment and Technology (ÖGUT)	ÖGUT is a non-profit organisation that works to stimulate discussion and innovation on environmental issues through the involvement of NGOs, businesses and the government.
	Ostasiatischer Verein e.V. (OAV)	OAV is the German Asia-Pacific Business Association offering a platform for exchanging knowledge and experience across different industries, offering members practical and comprehensive services, regardless of whether or not the member has experience operating in – or cooperating 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.
	Hellenic Business Council in Bulgaria	The Hellenic Business Council in Bulgaria is a private, non-government, 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 assumes the role of accelerating trade and investment between Bulgaria and Greece.
	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 participation and support in important causes in our society. BDF initiates and participates in processes for structuring 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.
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
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.

Legal entities	Organisation	Description
UniCredit Bank SA	Association of Business Service Leaders in Romania (ABSL)	The ABSL is a leading organisation representing the business services sector, gathering 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 Institute (RBI)	RBI's primary objective is to improve the professional training and specialisation of staff from the financial/banking sector in line with the strategy determined by the National Bank of Romania and in cooperation with the Romanian Banking Association and with the programmes approved by the Board of Directors.
	Romanian Banking Employers Board (CPBR)	CPBR promotes communication, cooperation and social dialogue with Romanian authorities and contributes to the initiation, preparation and promotion of new laws or other legislative or regulatory initiatives.
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 about the effectiveness of current laws and to protect the interests of industry and entrepreneurship.
UniCredit Banka Slovenija dd	Responsible Business Forum (RBF)	RBF is Serbia's first network of socially responsible companies. It inspires, supports and encourages companies to continually improve their impact on society by carrying out a series of activities which aim to promote the concept of corporate social responsibility both in the business sector and for the wider general public.

Governance

Governance

UniCredit SpA is an Italian company with shares listed on the Milan, Frankfurt and Warsaw regulated markets adopting the traditional management and control system and, as a bank, parent company of the UniCredit Banking Group, it carries out, pursuant to the provisions of Section 61 of the Italian Consolidated Banking Act, in addition to banking activities, governance and coordination ones, as well as control functions vis-à-vis the subsidiary banking, financial and instrumental companies within the banking Group itself.

The overall corporate governance framework of UniCredit¹ 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.²

UniCredit is also subject to the provisions contained in the Supervisory Regulations issued by Bank of Italy and, in detail, to the regulations on banks' corporate governance.

UniCredit, as issuer of shares also listed on the Frankfurt and Warsaw regulated markets, also fulfils the legal and regulatory obligations related to listings on said markets as well as the provisions on corporate governance contained in the Polish Corporate Governance Code issued by the Warsaw Stock Exchange.

Governance framework

UniCredit's corporate governance adheres to current rules and regulations as well as to the recommendations laid out in the Italian Corporate Governance Code for listed companies. The governance system is regularly verified and updated to ensure that UniCredit complies with evolving regulatory, environment, 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 for listed companies
- > the Group Compensation Policy, establishing an approach consistent with sustainable remuneration and its standardised implementation across UniCredit
- > the Group Managerial Golden Rules (GMGR), a set of guidelines defining managerial and governance rules at Group level in order to properly carry out its mission of defining a clear governance as well as managing and coordinating all Group legal entities.

In accordance with the GMGR guidelines, UniCredit issues Global Rules 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. In particular these are:

- > rules consistent with GMGR principles, exercising guidance, coordination and control functions and disciplining any activities deemed as significant in terms of compliance with the legal and regulatory provisions in force and/or in terms of risk management

¹ Refer to the annual Report on Corporate Governance and Ownership Structure and the 2020 Group Remuneration Policy available on the Governance section of the Company's website (www.unicreditgroup.eu) for more information.

² Since 2001, UniCredit has adopted the Italian Corporate Governance Code for listed companies, which, based on the experience of major international markets, inter alia, identifies the corporate standards and best practices for Italian listed companies recommended by the Italian Corporate Governance Committee - which is 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 and ownership structure of the reasons of failure to comply with one or more recommendations contained in its principles or criteria.

- > 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 describe 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 provide detailed technical, operational or methodological instructions issued by the parent company
- > service contracts between UniCredit and its related subsidiaries, which formally regulate the provision of intercompany services and ensure transparency regarding the services provided and the related compensation.

Governance structures

UniCredit has adopted the so-called Italian traditional management and control system based on the existence of two corporate bodies whose members are appointed by the Shareholders' Meeting: the Board of Directors, in charge of the strategic supervision and the management of the company, and the Board of Statutory Auditors, responsible for supervising 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 Italian and European provisions applicable on such topics, the Board of Directors establishes its qualitative-quantitative composition deemed to be optimal for the effective completion of the duties and responsibilities entrusted to the body with strategic supervisory function by law, by the Supervisory Provisions and by the UniCredit Articles of Association. The Board also establishes the requirements that the UniCredit Directors shall meet, in addition to possessing those envisaged under current provisions.

Before appointing the body with strategic supervisory function, the Board 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 supervisory body and file candidacies consistent with that assessment, giving their reasons for any difference *vis-à-vis* the analyses carried out by the Board.

With regard to the following:

- > the qualitative and quantitative composition of the Board of Directors and the profile of candidates to the position of Director
- > the time commitment recommended for an effective attendance at the Board and Committees meetings
- > the limits upon the maximum number of offices established by the current provisions
- > the gender composition criteria for the body with strategic supervisory function.

Reference can be found in the document Qualitative and Quantitative Composition of the Board of Directors of UniCredit, published on the Company's website, Governance section.

The Director's personal qualities matches the theoretical profile and meets the suitable requirements established by the Italian and European provisions. In particular, also in light of the information given by the persons concerned, the requirements regarding experience, integrity and independence,³ as well as the time commitment and the limits upon the maximum number of offices that Directors may hold, were accounted for.

Furthermore, with reference to professional expertise gained in the areas of competence envisaged by the profile, all areas of competence were represented in the Board and the experience possessed by all the Directors is in line with the requirements of the profile, given the good understanding and experience in more than two of the required areas of competence.

³At the approval date of this Integrate Report, the number of independent Directors in office is above the minimum required by current regulatory and statutory provisions (11 out of 13 under UniCredit's Articles of Association and the Italian Corporate Governance Code, 13 out of 13 under Legislative Decree No. 58/1998, 13 are non-executives).

With specific reference to diversity, at the approval date of this Integrated Report the gender quota is temporarily under the threshold established by the applicable provisions as a consequence of the stepping down of Director Ms. Elena Zambon and the co-optation of Mr. Pietro Carlo Padoan as Chairman candidate in view of the Board of Directors' renewal for the 2021-2023 financial years (both effective from 13 October 2020), as well as following the anticipated ending from the position of Chief Executive Officer and General Manager of Mr. Jean Pierre Mustier (effective from February 11, 2021). In this regard, the Company announced that the number of the directors belonging to the least represented gender will be restored as soon as possible.

In order to support the Board of Directors, also pursuant to the provisions of the Italian Corporate Governance Code for listed companies, there are four established Committees,⁴ vested with research, advisory and proposal-making powers and diversified by sector of competence:

- > the Internal Controls & Risks Committee
- > the Corporate Governance, Nomination and Sustainability Committee
- > the Remuneration Committee
- > the Related Parties Committee.

In particular, the first three Committees were set up in compliance with the provisions of the Bank of Italy Supervisory Regulations on banks' corporate governance envisaging three specialist Committees – one on appointments, one on risks and one on remuneration. 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 aforementioned provisions. The Committees' duties are undertaken according to the terms of reference and procedures set forth by the Board.

BOARD SELF-EVALUATION ⁵

In compliance with the provisions of the Bank of Italy Supervisory Regulations on banks' corporate governance, and also pursuant to the provisions of the Italian Corporate Governance Code for listed companies, the Board of Directors undertakes a regular self-evaluation process at least once a year. It is focused on the adequacy of the Board itself and Board Committees in terms of composition and functioning, tangibly measured in specific theme-based areas, particularly those relevant to sound and prudent management.

The self-assessment process is undertaken with the assistance of an external consultant chosen according to skills, 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 ⁵

In 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 mandate, the aim of which is to ensure ad hoc training on a continuous basis by taking into account both individual and collective needs.

The induction programme, which is put in place with the support of an external consultant, includes both sessions aimed at fostering the integration of new Directors and recurrent 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 technical knowledge and expertise and to increase the level of diversity and the collective experience of the Board of Directors.

⁴Refer to the annual Report on Corporate Governance and Ownership Structure and the Group Compensation Policy, available in the Governance section of the Company's website (www.unicreditgroup.eu), for more information.

⁵Refer to the annual Report on Corporate Governance and Ownership Structure, available in the Governance section of the Company's website (www.unicreditgroup.eu), for more information.

Board and senior management compensation⁶

The CEO is the only Executive Director who sits on the Board of Directors and part of his remuneration is linked to the sustainability of UniCredit's financial results. All other Board Members are non-executive Directors and are not beneficiaries of incentive plans utilising stock options or, more generally, of any incentive plan that makes use of financial instruments.

The remuneration for members of the administrative and auditing bodies of UniCredit is represented only by a fixed component, determined on the basis of the importance of the position and the time required for the performance of the assigned tasks. This policy applies to non-executive Directors as well as Statutory Auditors.

The approach to compensation for UniCredit's top managers, as detailed in the Group Remuneration Policy, is performance-based, market-aware and aligned with UniCredit's business strategy and shareholders' interests. The variable remuneration for the CEO is entirely based on the *2020-2023 Long Term Incentive Plan*, supporting the achievement of the strategic plan targets and sustainability over time. 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.

⁶The information relates to the 2020 Group Remuneration Policy; please refer to the Company's website (<https://www.unicreditgroup.eu/en/governance/compensation.html>) for more details.

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.

Through its Global Policy on Group Credit Operations (chapters on Project Finance and Structured Trade and Export Finance) and other special policies and practices, UniCredit assesses and manages traditional economic and financial, as well as non-financial impacts. These include environmental, social and other reputational risk impacts associated with performance of its customers in these areas.

With this in mind, UniCredit implements and integrates the Equator Principles (EP), whenever applicable. Furthermore UniCredit has adopted detailed special policies regarding sectors that present significant environmental and social risks and monitors portfolio exposures to them accordingly. In keeping with our commitments, we strive to disseminate a strong inner culture of risk management that prioritises environmental and social issues.

HOW WE MITIGATE ENVIRONMENTAL, SOCIAL AND REPUTATIONAL RISKS

POLICIES	SCOPE & OBJECTIVES	2020 HIGHLIGHTS
EQUATOR PRINCIPLES +	<ul style="list-style-type: none"> framework of standards for determining, assessing and managing environmental and social risk for large projects. 	<ul style="list-style-type: none"> 62 project transactions evaluated 17 projects financed.
SECTOR POLICIES Coal, Mining, Arctic and Non-Conventional Oil & Gas Industry, Defence/Armaments, Nuclear energy, Water Infrastructure +	<ul style="list-style-type: none"> framework of sector-specific standards/guidelines to identify, assess and mitigate environmental, social and reputational risks/impacts on an ongoing basis with our clients. 	<ul style="list-style-type: none"> >1130 transactions were screened for environmental, social and reputational risk issues (vs. >830 in 2019) ~ 300 colleagues were trained in UniCredit sector policies pertaining to sector policies.
OTHER ENVIRONMENTAL AND SOCIAL IMPACTS (AD HOC ASSESSMENT) +	<ul style="list-style-type: none"> specific high risk cases/transactions analysis not covered under the defined policies ad hoc analysis leveraging the data analytics and key internal functions of external ESG providers. 	<ul style="list-style-type: none"> ~ 230 transactions were screened for environmental, social/human rights and reputational risk issues.
ENVIRONMENTAL, SOCIAL AND REPUTATIONAL RISK - PREVENTION PROCESS	<ul style="list-style-type: none"> dedicated Committee (GRRC) to assess business initiatives, transaction banking, projects, customers, etc. awareness and knowledge of potential reputational risks across the Group. 	<ul style="list-style-type: none"> >90 transactions analysed by GRRC (vs. >40 in 2019) Quarterly analysis presented/discussed in Group Operational Reputational Risk Committee (GORRIC) 110 ESG topics in communication and engagement activities to all employees.

Implementation of the Equator Principles

In 2003, UniCredit adopted the EP,¹ 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 2020, we continued to be engaged in the work of the EP and to strengthen our internal and external commitment.

Internally, as of 1 January 2020 the tasks and responsibilities of the EP Advisory team were integrated in the Sustainable Finance Advisory team which oversees and supports implementation of the EP across the Group and represents UniCredit in the EP Association.

In 2020, UniCredit externally committed to the adoption of EP4, with the approval of a new set of rules taking effect from 1 July 2020. The development of EP4 was an intensive process which extended over several years and included feedback from a wide variety of stakeholders and experts. As an example, the UniCredit Sustainable Finance Advisory team participated in the Social Impact and Human Rights Working Group which provided essential input for the development of EP4 and associated guidelines. We will actively continue to support this Working Group and others in the future.²

EQUATOR PRINCIPLES – PROJECTS EVALUATED AND FINANCED, 2020

Projects evaluated	Projects financed ^A
62	17

^A Includes 17 Project Finance transactions.

Risk category ^A	2020 ^B	2019 ^B	2018 ^B
Category A	4	1	7
Category B	6	6	11
Category C	7	7	5
Total	17	14	23

^A 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.

^B Projects financed by UniCredit Bank AG, UniCredit SpA and UniCredit Bank Austria AG.

EQUATOR PRINCIPLES – NUMBER OF PROJECTS FINANCED BY RISK CATEGORY AND SECTOR, 2020

Sector	Category A	Category B	Category C
Resources ^A	1	0	0
Energy	3	6	6
Infrastructure	0	0	1
Total	4	6	7

^A Including oil & gas, mining and metals.

¹ Refer to the EP framework at <http://www.equator-principles.com> for more information.

² Refer to the 2019 Integrated Report for more information, Supplement – Risk Management and Compliance.

EQUATOR PRINCIPLES – NUMBER OF PROJECTS FINANCED BY RISK CATEGORY AND REGION, 2020

Region	Category A	Category B	Category C
Europe: EU	2	6	7
Extra EU	2	0	0
North America and Mexico	0	0	0
Africa	0	0	0
Asia and Australia	0	0	0
Total	4	6	7

EQUATOR PRINCIPLES – NUMBER OF PROJECTS FINANCED IN DESIGNATED COUNTRIES^A AND PROJECTS SUBJECTED TO INDEPENDENT REVIEWS^B, 2020

	Category A	Category B	Category C
Designated Country	2	6	7
Independent Review	4	6	7

^A Designated countries are those countries deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment. The list of Designated countries may be found on the EP Association website.

^B 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

NORTHVOLT, SWEDEN

UniCredit – together with a consortium of commercial banks, pension funds and public financial institutions comprising APG, BNP Paribas, Danske Bank, Danica Pension, IMI – Intesa Sanpaolo, ING, KfW IPEX-Bank, PFA Pension, SEB, Siemens Bank, SMBC, Société Générale and Swedbank, as well as the European Investment Bank, the Nordic Investment Bank and the Export-Import Bank of Korea (KEXIM) – arranged a USD1.6 bn non-recourse financing in Northvolt's 16GWh large-scale battery manufacturing plant in Skelleftea, Sweden (the Project). The loan was structured with certain guarantees from Euler Hermes, Nippon Export and Investment Insurance (NEXI) and BPI France.

The overall purpose of the Project is to support and accelerate the transition to a sustainable way of producing, storing and consuming electricity in different industries. Northvolt aims to produce high quality, cost-effective batteries leveraging a sustainable production process with minimal environmental impact. Li-Ion batteries are predicted to be the leading battery technology of the future, demonstrating an excellent energy charge density and space efficiency, as well as a suitability to multiple uses in that they are one of the safest battery technologies available.

With a future potential total annual output of 40GWh, the Project is currently under construction and production start-up is scheduled for 2021. Northvolt targets a 25 percent market share in Europe by 2030, equalling approximately 150GWh of commissioned annual production capacity. At the same time, Northvolt aims to secure 50 percent of its raw material requirements from recycled batteries.

The Project benefits from a multi-contract construction strategy with experienced Tier-1 contractors in line with similar projects. It is being developed in compliance with the strict laws and regulations of Sweden as an EP Designated Country and is compatible with the lenders' environmental and social standards, including the IFC Performance Standards, Equator Principles and EIB Environmental and Social Standards. As part of the Technical Due Diligence, an environmental and social assessment was conducted on behalf of the lenders by a reputable external consultant. It was based on the review of a set of documents as well as site visit observations and discussions with the relevant stakeholders of the Project.

In consultation with the lenders' advisor, the Project has been categorised as Category 'A' in accordance with Equator Principles whereby potentially significant environmental and social impacts can be avoided or mitigated by adhering to nationally adopted and enforced standards as applied through the Swedish national environmental permitting process, as well as the definition and implementation of an Environmental and Social Management Plan.

Regular monitoring by an Independent Advisor of the implementation of mitigation actions and of the environmental and social status of the Project has been agreed for construction and operation phase of the Project.

BINA ISTRRA, CROATIA

UniCredit supported the BINA ISTRRA Toll Road PPP in Croatia, a 145 km highway concession owned by the Republic of Croatia and a core client of UniCredit - Bouygues (France), in raising €921.3 m of debt financing for all existing facilities and new capital expenditure for the expansion of the motorway.

UniCredit acted as one of the two leading banks in the transaction and secured all available side roles and cross-selling. Roles of UniCredit: Structuring Bank, Global Coordinator, Bookrunner, Mandated Lead Arranger, Hedging Bank, Facility and Documentation Agent and Account Bank.

The Project rationale is that once completed, it will improve overall safety, create road standard homogeneity across the Croatian motorway network and accommodate the significant traffic increase to and from EU countries subsequent to Croatia's accession in the summer of 2013.

The Project includes expansion work parallel to the existing stretch of a 2-lane motorway therefore no material impact on biodiversity is anticipated. This is confirmed by Environmental Impact Assessment results which state that the motorway passes through the existing Ucka tunnel and so fully avoids crossing the Ucka Nature Park, a protected mountain area of app. 160 km² which includes a number of hiking/biking trails. The remainder of the Project follows the natural borders of the habitat, thus reducing any potentially adverse impact on biodiversity to a minimum.

We categorised the Project as an EP Category B, i.e. a Project with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

The international consultancy mandated as Lenders Technical Advisory (LTA) confirmed in their due diligence report that the environmental mitigation measures as defined in the EP Action Plan (EPAP) are sufficient to mitigate adverse impacts by the Project. The LTA will regularly monitor the implementation of these actions and report the status to the Lenders.

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. Indeed, its mission, under the responsibility of the Chief Compliance Officer, is to monitor and enhance the management of compliance risk in terms of guaranteeing the correct application of the regulatory framework, and of ensuring a consistent interpretation of the framework at group level, also in accordance with strategic plan *Team 23*. 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 office 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. Moreover, inherent in its mission is the goal of being a valuable partner to the Business in terms, firstly, of ensuring the necessary advice to deal promptly both with new regulations and emerging risks impacting on the Bank's strategic interests and, secondly, of enhancing awareness on conducting business in an ethical way.

The Compliance function is embedded in the second-level internal control system 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 customer confidence as well as contributing to 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. Moreover, by regularly interacting with the other control functions, especially in the prompt detection of upcoming emerging risks, it ensures consistency in the functioning of the second level internal defence line.

KEY POLICIES ON THE MAIN COMPLIANCE TOPICS

Topic	Global Policy	Definition	Updates 2020
Governance	Group Compliance Framework	This Rule defines the mission of the Compliance function within the Group, its organisational and operational requirements as well as its scope and main related tasks to be performed accordingly	Renewal
	ICT Compliance Framework	This Rule aims to set up guidelines and principles to ensure compliance with laws and regulations in force regarding ICT and to define the organisational framework of responsibilities and main activities to be performed by Compliance functions	No
	Compliance Culture	This Rule defines the principles and guidelines to establish, promote and sustain a culture of Compliance. The document integrates UniCredit's Compliance culture framework, its components and defines the stakeholders involved	No
	Code of Conduct	This Rule lists the principles which all employees and third parties of UniCredit must comply with in order to ensure high standards of professional conduct related to their activity in or on behalf of UniCredit	No
	Group Outsourcing Control Framework	The objectives of the document are: <ul style="list-style-type: none"> ➤ to provide operating instructions to Local Compliance Functions for the execution of ex ante and ex post controls and a standardised implementation of the Group outsourcing controls framework ➤ to define the distribution of activities between Group Compliance Indirect Model, Oversight & Policies and Local Compliance Functions in the controls execution process 	Renewal
	Compliance Risk Assessment	This rule provides operating instructions for a standardised implementation of the Global Policy – Compliance Risk Assessment Methodology and the related process and procedures that UniCredit SpA, the Sub-holding and all legal entities/Foreign Branches must follow in carrying out Compliance Risk Assessment activities according to the perimeter as defined by the Oversight questionnaire	Renewal
	The operating model aimed at protecting against risk of usury	This policy governs the methods by which the Bank must operate to comply with the provisions on usury in order to prevent the risk of criminal and/or administrative sanctions deriving from their violations	New
	Organisation and Management Model of UniCredit SpA pursuant to Italian Legislative Decree 231/01	This document illustrates the scope, aims and contents of the UniCredit SpA Organisation and Management Model, providing indications on: the reference regulatory framework, the methodology adopted for monitoring risks, the composition and role of the Supervisory Body and on the internal disciplinary system	Renewal

Topic	Global Policy	Definition	Updates 2020
Data Protection (GDPR)	Privacy	This Policy implements the provisions introduced by the EU GDPR n. 2016/679, in order to define minimum requirements on data protection-related topics. This rule is aimed at uniform enforcement of the GDPR requirements and principles at Group Level	No
	Record of Processing Activities	This regulation defines the guidelines for the correct implementation of the provisions introduced by Article 30 of the EU GDPR n. 2016/679 related to the Records of Processing Activities. This rule applies to all UniCredit Group legal entities, even ones outside the EU if their data processing activities relate to the offering of goods or services to individuals in the EU or to the monitoring of these individuals' behaviour	Renewal
	Data Protection Risk Assessment Methodology	This document defines the characteristics of the Risk Assessment Methodology, including the execution of Second level controls, to fully monitor the emerging risks in the processing of personal data, according to the contents of the GDPR (Reg. N. 679/2016 – General Data Protection Regulation), in line with the approach outlined by the GOR IR 1425/2. All general principles and instructions not explicitly mentioned in this document are covered by and in line with Group Compliance Risk Assessment methodology	New
	Right to Be Forgotten Approach	This Rule incorporates the provisions introduced by the GDPR 2016/679 and in particular establishes the application of the storage limitation principle based on which Personal Data must not be kept for a period of time exceeding the achievement of the purposes for which they were collected, pursuant to art. 5 E) of the same Regulation	New
Customer protection	Provision of investment services and activities under MIFID II	This rule provides UniCredit SpA and Group Companies with common standards and minimum requirements when providing investment services and activities falling within the scope of MIFID II, with the exclusion of ancillary services	No
Conflicts of interest	Conflicts of interest	This Policy sets out rules and standards to be implemented by the UniCredit Group for properly detecting, managing and recording Conflicts of interest, with particular regard to: <ul style="list-style-type: none"> > conflicts in the provision of investment services and activities > conflicts in the provision of insurance products distribution services > conflicts related to the issuance of financial instruments > conflicts arising from the administration and/or contribution to financial benchmarks > conflicts arising from the provision of investment recommendations > conflicts in the provision of banking services and activities > conflicts arising from employee's personal interests > organisational conflicts > conflicts arising from assignment of services and/or activities to external providers 	No
	Outside Business Interests	This rule sets out the operational procedure, as identified by Group Compliance, that employees must follow when they hold or intend to hold an Outside Business Interest (hereinafter the OBI) in order to receive authorisation from the Company OBI includes: <ul style="list-style-type: none"> > providing services to third parties > acquiring or holding company positions > relevant shareholding in a company > Interest in business transactions > interest in authorities or other organisations 	Renewal
Anti-Bribery and Anti-Corruption	Anti-Bribery and Anti-Corruption	This Policy aims to: <ul style="list-style-type: none"> > clearly articulate UniCredit's commitment to prohibiting bribery and corruption > define principles for identifying and preventing potential bribery and corruption > clearly communicate anti-bribery and anti-corruption principles both to internal and external stakeholders > provide a framework for a Group-wide Anti-Corruption Programme 	No
	Whistleblowing	The purpose of this rule is to foster a corporate environment where employees and third parties may feel free to make reports on unacceptable conduct within the Group since they are considered as significantly contributing to self-correction and excellence. This Rule defines: <ul style="list-style-type: none"> > unacceptable conduct subject to reports from employees > the process for the management of reports by identifying the persons in charge of the relevant receipt and analysis > the measures provided by the Group for the protection of whistle-blowers and their identity as well as measures related to the filing of the documentation connected to reports 	No

Topic	Global Policy	Definition	Updates 2020
Anti-Money Laundering (AML), Counter-Terrorist Financing and Financial Sanctions	Anti-Money Laundering and Countering of Terrorist Financing	This rule provides a high-level framework for employees to identify potential money laundering and terrorist financing risks and to assist them in determining how to manage those risks. It also provides general information on the measures taken by Group Companies to identify, mitigate and manage money laundering and the terrorist financing risk	No
	Financial Sanctions	This rule defines the principles and rules for setting out the framework by which the Group manages its risks with respect to Financial Sanctions and establishes minimum standards for the controls which must be implemented throughout the Group	Renewal
	Trade Finance Sanctions Screening	This rule sets out the minimum standards for sanctions compliance in trade finance business across the Group	Renewal
	AML Due Diligence Requirements for Customers	This rule provides the customer risk assessment and classification standards as well as the KYC requirements for customers of UniCredit legal entities. With respect to Correspondent Banking relationships, this rule must be read in conjunction with the GOR – AML Standards for Correspondent Banking	Renewal
	AML CTF Transaction Monitoring	This rule provides requirements and procedures to all Group entities and applies to all members of strategic, control and executive bodies, employees, tied agents (e.g. financial advisors) and temporary employees of the Group involved in the execution, support and monitoring of customer transactions. With respect to Correspondent Banking relationships, this rule must be read in conjunction with the GOR – AML Standards for Correspondent Banking	Renewal
	AML Standards for Correspondent Banking	This rule defines the principles and rules for setting out the framework from which the Group sets forth the risk mitigation and due diligence requirements in connection with Correspondent Banking relationships to support sound business practices, protect the bank against money laundering, terrorism financing, evasion of financial sanctions and other financial crime risks	Renewal
	Financial Benchmarks	This rule is aimed at defining Group internal principles and rules to regulate the contribution to, the provision of and the use of financial benchmarks, according to Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds	Renewal
Market Integrity	GOR - Financial Benchmarks	The purpose of this rule is to set out the technical, operational and methodological instructions for the administration, contribution and use of benchmarks	New

Policies

ANTI-MONEY LAUNDERING

The Global Policy on AML and Countering of Terrorist Financing is built on the Group Compliance Framework Global Policy and sets out guidelines and instructions on risk assessment, customer classification and due diligence requirements for the Know Your Customer process, screening of customers, transaction monitoring, investigation and reporting of suspicious transactions, record keeping, Funds transfer, training, regulatory tracking, management information and reporting, monitoring of controls considering relevant regulation and best practices.

The AML Policy sets out the framework the Group uses to manage its money laundering and terrorist financing risk and establishes minimum standards for the Group Entities AML programmes. The operational guidelines for the implementation of the AML Policy are detailed in the Group Operational Regulation.

Key achievements 2020	Priorities 2021
<ol style="list-style-type: none"> 1. implementation of negative news screening in 31 legal entities 2. implementation of regulatory projects 3. execution of AML risk assessment 4. execution of three investigations in addition to those planned 5. enlargement of second level controls catalogue to include emerging risks identified 6. execution of Quality Assurance plan. 	<ol style="list-style-type: none"> 1. continue roll-out of negative news screening 2. Continue investigations on specific money laundering typologies 3. independent review of transaction monitoring tool 4. testing of CDD tools in group entities.

ANTI-CORRUPTION

The Group has zero tolerance for acts of corruption, it prohibits facilitation payments and does not permit any transfer of value to public officials without approval.

Our approach to anti-corruption and anti-bribery is set out in the Global Compliance Policy on Anti-Corruption and associated Group Operational Rule.

The Global Policy sets out the minimum anti-corruption standards throughout the UniCredit Group and is published on the Group website.¹ Whenever local rules in a country of operation are stricter than the Global Policy, the stricter local rules apply. Each local entity is responsible for the development and implementation of an effective local Anti-Corruption Programme.

The Global Policy and Group Operational Regulation are reviewed periodically. Moreover, Italian Group legal entities have also implemented the Organisational and Management Model pursuant to the Italian Legislative Decree 231/01 (Administrative liability of legal entities, companies and associations). This Model establishes specific Protocols preceding bribery and corruption issues.

For the purposes of the Policy, an act of corruption is defined as the giving, offering, promising, receiving, accepting, demanding or soliciting directly or indirectly of monetary or non-monetary and tangible or intangible benefits in order to obtain or retain an undue advantage in the course of business activities, irrespective of:

- > whether the recipient of the act of corruption is a domestic or a foreign individual, a public official or a private individual
- > where the act is committed
- > whether the result of such an act entails an actual undue advantage or the improper performance of a function or activity.

All employees are responsible for complying with the Global Policy and Group Operational Regulation, any corresponding local internal rules and procedures and all applicable anti-corruption laws in the performance of their duties.

All employees shall report to the Local Anti-Corruption Officer or the Local Head of Compliance any instances of actual or attempted acts of bribery or corruption they become aware of, whether they be offered, given or received.

Although any reports must be made according to the established internal procedure, they must first of all be made to the Local Anti-Corruption Officer and, where actual or suspected money laundering is involved, also to the local AML Officer. Failure to make such a report may give rise, in certain jurisdictions, to individual criminal liability of the employee concerned, as well as exposing the Group to potential legal or regulatory action. Potential acts of bribery and corruption may be reported also under the Global Policy on Whistleblowing.

The following mechanisms have been put in place to monitor the effectiveness of the Group's approach to preventing corruption and bribery: escalation procedures employed for significant and strategic issues; quarterly report to the management of second level controls; compliance risk assessments performed for each regulatory area in all legal entities within the Compliance function's jurisdiction; internal audit reviews. The last two mechanisms result in risk mitigation actions that must be completed on time to ensure the management of identified risks.

Key achievements 2020	Priorities 2021
<ol style="list-style-type: none"> 1. implementation of the Group Operational Regulation, roll-out in all the Group legal entities 2. roll-out and update of Group Control Catalogue 3. dedicated training (workshop/classroom) on ABC topics for specific target of employees 4. training on new ABC course to all Group employees. 	<ol style="list-style-type: none"> 1. review of the Global Policy Anti-Bribery and Corruption which defines principles for identifying and preventing potential bribery and corruption 2. update of the Global Operational Rules Anti-Bribery and Corruption which defines process, roles and responsibilities for managing ABC topics 3. review of the ABC Framework 4. annual review of the second level controls Catalogue 5. update and review of the Acordd tool and implementation in most relevant legal entities.

ORGANISATIONAL AND MANAGEMENT MODEL PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/2001

UniCredit SpA has adopted an organisational and management model (hereinafter the Model) pursuant to Italian Legislative Decree 231/01 (administrative liability of legal entities, companies and associations, hereby L.D. 231/01). The Model is integrated within the rules, procedures and control systems already in place and applied in UniCredit SpA.

In drawing up the Model, the Bank particularly considered the Italian Banking Association (ABI) Guidelines.

In particular, the bank's organisational framework consists of the set of rules, structures and procedures that ensure the proper

¹ Refer to <https://www.unicreditgroup.eu/en/governance/our-governance-system/articles-association-code-ethics.html>.

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 particular, the Bank has defined the rules of Corporate Governance, the Internal Controls System, the system of authorities and delegation, the Code of Conduct, in order to plan and implement business decisions and carry out relevant checks.

In addition, the Bank has formalised the Special Section containing specific Decision Protocols listing all at-risk activities and relative potential offences, as well as the principles of conduct and control rules aimed at preventing these offences. As an integrated part of The Model, UniCredit SpA established additional rules of conduct in the Code of Ethics pursuant to the decree.

The UniCredit SpA Model was updated in August 2020. In particular, the General Section and the Decision Protocols was updated as follows:

> General Section:

- (i) Master Record was updated according to the new names of the structures
- (ii) Paragraph 2.2 Crimes and offences that give rise to the administrative liability of entities and Attachment 1 List of predicate offences and illegal conducts were integrated with the new Tax offences as introduced in L.D. 231/01 in December 2019
- (iii) Paragraph 4.4.2 Reports of unlawful conduct and breaches of the Model – whistleblowing was revised and aligned to the new name of the structures
- (iv) The Integrity Charter was replaced with the Ethics and respect: Do the right thing! Manifesto
- (v) The Code of Ethics as per Legislative Decree 231/2001 was updated following the introduction of the new Tax offences.

> Decision Protocols:

- (i) The new Tax offences
- (ii) The results following the periodical information flows to the Supervisory Body provided by the Bank’s competent structures, the new/amended internal regulations, the results of protocol control activities and the audit reports
- (iii) The Integrity Charter was replaced with the Ethics and respect: Do the right thing! Manifesto
- (iv) Decision Protocol no. 25 (related to Health and Safety) was updated with activities related to the management of biological risk from contagion.

During 2020 UniCredit SpA managed the project aimed at updating the UniCredit 231 Model and the enforcement of the Group 231 Framework. The project, ended in December 2020, provided for the overall Risk Assessment of the Model, the new version of which will be presented to the UniCredit Board of Directors by the first quarter of 2021.

Key achievements 2020	Priorities 2021
1. update of the Project 231 - UniCredit 231 Model and the enforcement of the Group 231 Framework.	1. roll-out of the updated Model post Project - UniCredit 231 Model and the enforcement of the Group 231 Framework.

ANTITRUST

UniCredit has always been highly committed to compliance with Antitrust rules. In this framework, in 2016 UniCredit defined the Compliance-Antitrust Program at Group level (hereinafter CAP) aimed at:

- > increasing the governance of Antitrust matters at both company and Group level
 - > strengthening compliance culture and enhancing the Group’s reputation on the markets
 - > managing the risk of both Antitrust breaches and penalties more effectively
- The CAP is subject to monitoring and periodic review to ensure its continued effectiveness.

Following the deployment of CAP in the main banks of the Group in 2016 (and subsequent extension to further Group Companies and foreign branches in 2017 and 2018), in 2019 UniCredit started the refresh of Compliance Antitrust Program throughout the Group. According to that, in 2019 the CAP was refreshed and updated in 15 banks of the Group.

As regards the other Group Companies, in 2020 the format of the CAP has been fine-tuned to identify two alternative forms of CAP (with different features) based on the Antitrust sensitivity of the relevant Group Companies, namely

(i) CAP Standard, performed through:

- > a dedicated mapping of any sensitive company functions (i.e. those exposed to potential Antitrust risks, including but not limited to Business ones)
- > targeted interviews of key people of the impacted functions to identify specific Antitrust risks
- > a dedicated assessment of the Antitrust risks and subsequent roll-out of internal processes and controls (where needed)
- > tailor-made training sessions assigned to selected employees within the Functions affected by antitrust risks.

(ii) CAP Simplified, executed through:

- > the local implementation of the GP Single Antitrust Rulebook (unless already in force)

- > commitment of senior management on Antitrust rules
- > tailor-made training sessions designed for employees.

Particularly, in 2020 the CAP Standard was cascaded to 16 Group Companies (in Austria, Czech Republic, Germany, Italy, Slovakia, Poland, Romania, Russia) and 6 Foreign Branches of UniCredit SpA. As regards to CAP Simplified, it was performed in 14 Group Companies (in Austria, Bulgaria, Croatia, Czech Republic, Italy, Hungary, Serbia, Slovakia, USA), while 21 Group Companies (in Austria, Bulgaria, Croatia, Czech Republic, Germany, Hungary, Italy, Luxemburg, Romania, Serbia, Slovakia, Slovenia) were required to perform the calculation of the Antitrust inherent risk to define whether the implementation of either CAP Standard or CAP Simplified is needed in 2021, depending on the result of such calculation.

Key achievements 2020	Priorities 2021
1. involvement of more than 50 Group Companies and 6 foreign branches in the activities related to CAP.	1. cascading of Compliance Antitrust Program to further Group Companies potentially affected by antitrust risks, which have been selected on the basis of the Antitrust oversight perimeter, based on the antitrust sensitivity of their activities. In particular, by 4Q2021 the CAP will be implemented in the Group Companies that performed the inherent risk calculation in 2020.

MAIN LEGAL ACTIONS REGARDING ANTI-COMPETITIVE BEHAVIOUR, ANTITRUST AND MONOPOLY PRACTICES^A

Country	Update on legal actions listed as ongoing in the 2019 Integrated Report
Germany and Italy	<p>During 2019 UniCredit SpA and UniCredit Bank AG received a Statement of Objections from the European Commission referring to the investigation by the European Commission of a suspected violation of antitrust rules in relation to European government bonds. The subject matter of the investigation extends to certain periods from 2007 to 2012, and includes alleged activities by UniCredit Bank AG in a part of this period.</p> <p>The Statement of Objections does not prejudge the outcome of the proceedings; should the Commission conclude that there is sufficient evidence of an infringement, a decision prohibiting the conduct and imposing a fine could be adopted, with any fine subject to a statutory maximum of 10% of the company's annual worldwide turnover.</p> <p>UniCredit SpA and UniCredit Bank AG had access to the entirety of the European Commission's file on the investigation from 15 February 2019 onwards. As a result of the assessment of the files, the Bank regards it no longer remote but possible, even though not likely, that a cash outflow might be required to fulfil a potential fine arising from the outcome of the investigation. On the basis of the current information, it is not possible to reliably estimate the amount of any potential fine at the present date.</p> <p>UniCredit SpA and UniCredit Bank AG responded to the objections raised on 29 April 2019 and participated in a hearing before the European Commission on 22-24 October 2019. Proceedings are ongoing. There is no legal deadline for the Commission to complete antitrust inquiries.</p>
Italy	<p>In April 2016, the AGCM notified the extension to UniCredit (and to 10 other banks) of the proceedings I/794 ABI/SEDA opened in January vis-à-vis the Italian Banking Association (ABI). The proceedings are aimed at ascertaining the existence of alleged concerted practices with reference to the Sepa Compliant Electronic Database Alignment system (SEDA).</p> <p>On 28 April 2017, the AGCM issued a final notice whereby it confirmed that the practices carried out by the ABI, UniCredit and the other banks in connection with the adoption of the SEDA service model of compensation constituted an anti-competitive practice and therefore a violation of European competition regulations. With such notice, the AGCM ordered the parties to cease the infringement, submit a report evidencing the relevant measures adopted by 1 January 2018 to the AGCM and refrain from enacting similar practices in the future. Given the fact that the infringements were minor in light of the legislative framework, the AGCM did not impose any monetary or administrative sanctions against UniCredit (or the other 10 banks) also in consideration of the fact that, in the course of the proceedings, the ABI and the banks proposed a redefined SEDA service remuneration model which, if correctly implemented by the banks, is expected to decrease the current SEDA costs by half, benefitting the enterprises utilising the service and, ultimately, the end-users of the utilities. UniCredit decided to appeal the AGCM decision at the TAR (the Italian Regional Court). The appeal is still pending.</p>
Hungary	<p>The Hungarian Competition Authority (GVH) began a cartel investigation of 7 Hungarian banks, including UniCredit Bank Hungary Zrt, in connection with foreign currency mortgage loan repayments (early repayments). In 2013, the GVH fined UniCredit Bank Hungary Zrt. HUF306,300,000 (approximately €1 m).</p> <p>The Bank appealed against such decision and the appeal was rejected at the first and second instance.</p> <p>In December 2016, in the judicial review framework, the Supreme Court (Curia) instructed the Competition Authority to conduct a new procedure over fines it had levied on Banks. The Competition Authority reimbursed the fine paid by the Bank in 2013. In the new proceedings the Hungarian Competition Authority re-calculated the fines which resulted in their reduction to HUF185,000,000 regarding UniCredit (approx. €572,200). The amount of the new fine is approximately 60 percent of the original fine. The Bank appealed against the decision to achieve a further reduction of the fine.</p> <p>On 3 August 2020 all appeals were rejected by the Court, meaning that the fine for the amount of HUF185 m is applicable. The participating banks (including UniCredit) appealed against the decision and the appeal is pending.</p> <p>In 2012, the GVH began a cartel investigation on the Hungarian Banking Association, the International Training Centre for Bankers and 38 Hungarian Banks (including UniCredit Bank Hungary Zrt), all of which participate in the BankAdat system, the interbank database for Hungarian credit institutions. At the end of the investigation, UniCredit Bank Hungary Zrt was not fined but the Hungarian Banking Association was fined HUF4 bn (approximately €13 m) and the International Training Centre for Bankers was fined HUF15 m (approximately €48,000). In the event that they cannot fulfil their payment obligations, participating banks that were the objects of the investigation (including UniCredit Bank Hungary Zrt) will be jointly and severally held responsible for payment. HBA and most of the affected banks appealed against the decision. On 10 September 2018 the court decided to repeal the decision and close the proceedings without issuing any fines. GVH appealed to the Supreme Court against the decision and action is ongoing. On 22 January 2020, the Supreme Court confirmed the first instance decision, which is now final and binding. The Competition Authority was ordered to reimburse the fine paid, as well as interest and legal costs, to the Banking Association which, in turn, has reimbursed the due amount to UniCredit Bank.</p>

Romania	<p>On 27 November 2017, the Competition Council carried out dawn raids of the headquarters of several banks (including UniCredit Bank S.A.), financial non-banking institutions, leasing companies (including UniCredit Leasing Corporation IFN S.A. and UniCredit Fleet Management), professional associations and employer associations working in the financial services market. The dawn raids were conducted within the framework of two investigations opened by the Competition Council on the operating lease service market and on the financial services and consumer credit market respectively. In December 2019, the investigations by the Council were almost complete: UniCredit Leasing Corporation IFN S.A. submitted its observations in relation to the Investigation Report to the Competition Council. The observations aimed at rebutting the alleged infringement by object and by effect. The investigation, however, was resumed during 2020 after the Competition Council plenum decided not to validate the first investigation report issued by its team in 2019. After receiving the new investigation report in October 2020, UniCredit Leasing Corporation IFN S.A. submitted its objections in this regard.</p> <p>On 3 December, the hearing in front of the plenum of all investigated parties took place. As a follow-up of the hearing, on 8 December, UniCredit Leasing Corporation IFN S.A. submitted additional conclusions in writing to the Competition Council on 27 October 2020.</p> <p>At the end of December 2020, the final minutes of the plenum's decision were made available for analysis to the investigated parties at the Competition Council's headquarters.</p> <p>The plenum decided to fine the investigated parties for an alleged breach by object regarding an exchange of information which took place for a limited period of time in the industry professional association. Under the Competition Council's plenum decision, UniCredit Leasing Corporation IFN S.A. was fined an amount of L9,054,491, representing 2.75 percent of the previous year's annual turnover (calculated as per the Competition Council's instructions). The 2.75 percent demonstrates that UniCredit Leasing Corporation IFN S.A. obtained all the relevant mitigating circumstances (and therefore fine reduction) available to it in its procedural position.</p>
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[^]The cases reported refer to administrative procedures. For further information related to pending legal actions please refer to the Consolidated Financial Report 2020, section B. Legal risks.

CONFLICTS OF INTEREST

UniCredit Group provides a wide range of products and services to a diversified client base and consequently faces a number of potential conflicts of interest considering the different kinds of relations and stakeholders.

The types of conflicts 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 assignment of services and/or activities to external providers.

UniCredit has implemented a Global Policy that sets standards and rules for properly detecting, managing and recording conflicts of interest.

The Group has adopted a single model for the identification and management of various types of Conflicts of Interest. The Model is based on the following steps:

1. identification of Events which could generate conflict to the Company, its employees, customers and to the structures relating to those Events
2. identification of the applicable Conflicts of Interest to the Company itself
3. identification of the Organisational Measures suitable to mitigate/neutralise the Conflict in point 2 above and the additional processes requested (e.g. escalation and disclosure)
4. recording of Conflicts
5. controls on the effectiveness and completeness of the COI-related processes.

Key achievements 2020	Priorities 2021
1. review and extension of the scope of application of the Global Operational Rule Outside Business Interest to all Group legal entities.	<ol style="list-style-type: none"> 1. review and update of the Global Policy Conflicts of Interest and related matrix 2. review of the Conflicts of interest framework and execution of the new risk assessment 3. review of the conflicts of interest second level controls Catalogue 4. update and review of the OBI tool and, once completed, implementation in the most relevant legal entities 5. review and update of conflicts of interest training course, to be launched in 2022.

PRIVACY MANAGEMENT

UniCredit ensures its compliance with data protection rules set forth both in the GDPR (EU Regulation 2016/670) and in Italian Legislative Decree n. 196/2003 updated by the Italian Legislative Decree n. 101/2018, and in particular in the Global Policy on Privacy (which replaced the previous version of the Global Compliance Guidelines on Privacy) last updated in March 2020. Within the scope of data protection activities, the Compliance Risk Assessment and the second level controls performed by UniCredit are aimed at identifying, monitoring and managing compliance risks in this regulatory area. A data protection risk assessment was performed Group-wide in 2020. A second level controls catalogue will be further improved in order to cover new processes (e.g. Third Party Risk Management). In addition ad hoc surveys at Group level are launched when specific events occur also in other institutions or industries (e.g. data breaches, fines imposed by the Data Protection Authorities) to evaluate if the Group is potentially exposed to similar risks.

Furthermore, the Data Protection Office works with the Security Governance function in order to incorporate certain flows/results of security controls related to data processing within the overall GDPR Risk Assessment.

At Group Level UniCredit has developed a Data Protection Officer (DPO) Community which ensures that the DPOs of the various legal entities of the UniCredit Group share their opinions on different issues, experiences, lessons learnt and local/European regulatory evolutions.

Moreover, within Group process guidelines issued by the Group DPO regarding the management of Data Processor appointments, standard Data Processing Agreement (DPA) formats have been defined (including both external and infra-Group Data Processing Agreements).

Key achievements 2020	Priorities 2021
<ol style="list-style-type: none"> 1. completion of GDPR Group project (residual activities related in particular to Right to be forgotten implementation on IT applications to be finalised in 2021 according to standard local processes - local and Group DPO to maintain oversight) 2. adoption of new version of Group GDPR 2 Level Controls catalogue; 3. issuing of new Group Rule related to Data Protection Risk assessment methodology 4. periodical meetings of DPO Community to share experiences, best practices and evolutions 5. annual certification campaign of Record of processing Activities by involving Bank process owners 6. fine-tuning of GDPR global policies already in place 7. support to Third Party Risk management programme for the definition of methodology and process for Third Party risk assessment and monitoring. 	<ol style="list-style-type: none"> 1. Strengthening of existing monitoring activities and instruments of oversight on Subsidiaries/Foreign Branches with info flows to local and Group DPO (so called DPO cockpit collecting) 2. Enhancement of GDPR second level controls catalogue with particular reference to new areas to be monitored (e.g. Third Party Risk Management and Transfer of personal data outside EEA) 3. Activation of second level controls on Right to be forgotten 4. Finalisation of risk assessment methodology for the evaluation of Data transfer outside EEA; issuing of relevant GOR; implementation in all legal entities starting with new contracts and integration in the overall Third Party Risk Management framework 5. Development of initiatives, in all countries, aimed at increasing contacts and enhancing exchange of information/experiences with local Data Protection Authorities and Consumers and/or Other Categories Associations 6. Extension of GDPR Lessons learnt training to all legal entities of the Group, including new topic of Transfer of personal data outside EEA 7. Monitoring of Right to be forgotten implementation on new and existing GDPR relevant IT applications detected during UCS IT certification campaign completed at the beginning of 2020 8. Annual certification campaign of Record of processing Activities by involving Bank process owners and fine-tuning of Group tool functionalities 9. Fine-tuning of GDPR global policies already in place.

Whistleblowing

The Group's approach to whistleblowing is set out in a specific Global Policy. In order to promote a corporate culture based on ethical behaviour and good corporate governance, the Policy governs reports of unacceptable conduct² by employees within the Group.

The Policy is intended to:

- > grant a corporate environment where employees may feel free to make reports on unacceptable conduct
- > define adequate communication channels for the receipt, analysis and use of the reports.

² This data is drawn from the following subset of Group legal entities: UniCredit SpA (Milan – included branches in Abu Dhabi, London, Madrid, Munich, New York, Paris, Shanghai), UniCredit Bank AG (included branches in Athens, Hong Kong, London, Luxembourg, Milan, New York, Paris, Singapore, Tokyo, Vienna, Zurich); UniCredit Bank Austria AG, UniCredit Bank Ireland, UniCredit International Luxembourg Sa, Schoellerbank AG, Schoellerbank Invest AG, UniCredit Bank ad Banja Luka, UniCredit Bank d.d. Mostar, UniCredit Bulbank AD, Zagrebačka Banka DD, UniCredit Bank Czech Republic and Slovakia as, UniCredit Bank Hungary Zrt, UniCredit Bank SA, AO UniCredit Bank, UniCredit Bank Serbia Jsc, UniCredit Banka Slovenija DD, UniCredit Leasing SpA, Cordusio Società Fiduciaria per Azioni, Cordusio SIM SpA, UniCredit Factoring SpA, UniCredit Leasing (Austria) GmbH, UniCredit Leasing EAD, UniCredit Leasing Croatia doo za Leasing, UniCredit Leasing CZ as, UniCredit Leasing Hungary Zrt., UniCredit Operativ Lizing Kft, UniCredit Biztosításközvetítő Kft, OOO UniCredit Leasing Russia, UniCredit Leasing Corporation IFN Romania, UniCredit Leasing Srbija doo, UniCredit Leasing, leasing, doo, SIA UniCredit Leasing, UniCredit Subito Casa SpA, Zb Invest D.O.O. Za Upravljanje Investicijskim Fondovima, UniCredit Consumer Financing IFN SA, Factorbank Aktiengesellschaft, Ooo UniCredit Garant, UniCredit Factoring Czech Republic And Slovakia, A.S., UniCredit Consumer Financing EAD, UniCredit Factoring EAD, Bank Austria Real Invest Immobilien-Management GmbH, DC Bank AG, UniCredit Services (Austria) GmbH, Card Complete Service Bank AG, Bank Austria Finanzservice GmbH, Wealthcap Kapitalverwaltungsgesellschaft GmbH, Food & More GmbH, UniCredit Leasing GmbH, UniCredit Jelzalogbank Zrt., UniCredit Services ScpA (included branches in Czech Republic, Germany, Great Britain, Hungary, Poland, Romania, Singapore, Slovakia, United States).

Since 2019, the whistleblowing channels 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, for example in Italy, UniCredit SpA has identified the Head of Group Compliance CEE, ABC, Governance, Education & Business Management, 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.

The channels, some of which are available 24 hours a day also during the pandemic, provided by UniCredit SpA for employees to make whistleblowing reports, anonymously if desired, are:

- > by phone. The UniCredit SpeakUp line allows the employee to leave a voice message report with an option to remain anonymous
- > on the website, where the UniCredit SpeakUp web service allows the employee to submit a written report with an option to remain 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 annually with the cooperation of Group ICT Security. At Group level, the Whistleblower's Champion of every legal entity annually edits a Report on the Internal Whistleblowing system, with aggregated information on the actions taken and its results and the observance of confidentiality and the non-retaliation principles. The Whistleblowing Annual Report is approved by the Corporate Bodies and the main information are made available to the staff of each legal entity.

At UniCredit SpA the Supervisory Body, in accordance with the Legislative Decree 231/01, requested a monthly report session to the Compliance structure in charge of receiving Whistleblowing, with the purpose of assessing any possible offence against regulations. Also, the same structure regularly provides the Board of Statutory Auditors with an update on whistleblowing cases, which were not considered relevant in accordance with the Legislative Decree 231/01.

In 2020, UniCredit set up an international working group dedicated to developing a specific training on Whistleblowing, which was launched at the end of the year in all the Group's main legal entities. It aims at encouraging communication of illegal behaviour, especially in a non-anonymous way, through different channels, including a dedicated Whistleblowing tool.

Finally, the section dedicated to Whistleblowing on the Group's intranet has been updated, thus to ensure that all Group employees have access to the latest and correct information on how to report unlawful conducts in the workplace to the relevant departments.

NUMBER OF CASES BY CATEGORY, 2020

Total reported cases	Out of which reports received resulted in real policy or requirement breaches	Closed reported cases as of 31/12/2020	Pending reported cases as of 31/12/2020	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
214	102	138	76	2	0	1	5	0	6	3	2	0	31	34	18

Key achievements 2020	Priorities 2021
<ol style="list-style-type: none"> 1. launch of the online mandatory training on Whistleblowing to all Group employees 2. dedicated workshop on Whistleblowing for all employees and specific target (EMC Members) 3. periodical meetings with ABC and Whistleblowing Officers to share experiences, best practices and updates on Whistleblowing topics. 	<ol style="list-style-type: none"> 1. further development of initiatives aimed at increasing communication to all the legal entities of best practices related to Whistleblowing processes 2. increase of sharing with all legal entities of Whistleblowing cases reported by international media 3. review of the Whistleblowing process to assure prompt respect of the deadlines, stressed by the pandemic situation.

Stakeholder Engagement

Clusters

Innovation for customers	Systemic trends	Lean and solid banking	People development	Ethics	Positive impact on society
With the main goal of offering our customers 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 customers' demands, we are equipping our organisation to meet the challenges of the future	The activities in which we are involved expose our bank to a number of new and changing trends which are not easily quantifiable and which have a significant impact on society and industry. UniCredit analysed not only the risks but also the opportunities deriving from such activities	The decisive actions taken over the course of our strategic plan have contributed to strengthening the Group's capital position, thus enabling us to focus on expanding our business and increasing client activities in the medium to long-term	We are well aware that employees feel the need to be motivated by and engaged in the success of the bank. We therefore support our colleagues through training and development plans, by promoting diversity and inclusion, by listening to their needs and valuing their skills, and by generally improving the work-life balance	In our Group integrity and consistency in our values and behaviour are the foundations on which to build sustainability. Our Code of Conduct outlines our approach to managing compliance risks and sets the legal and ethical standards necessary to the successful running of our business and creation of long-term value	As one of Europe's largest banks, we wish to set the example of building a fairer and more inclusive society by identifying, financing and promoting people and enterprises that have a beneficial impact on society. Our aim is to provide assistance both to people at risk of financial exclusion and to organisations dedicated to social problem-solving

Material topics

Clusters	Main stakeholder involved ^A	Material topic	Definition	Boundaries for material topics ^B	Type of involvement	Main reference chapter of the Integrated Report
Innovation for customers	Customers Communities Colleagues	Digitalisation and innovation	Being proactive, acting promptly and promoting innovation: contributing to social and economic progress and innovation as well as the wellbeing of countries, developing products and services to support research and innovation intensive industries, by leveraging analytics, as they increasingly becoming significant, with positive and negative implications	<ul style="list-style-type: none"> > Group > Customers > Regulators > Communities 	Contributed	<ul style="list-style-type: none"> > Our Strategy > Intellectual Capital > Social and relationship Capital
Innovation for customers	Customers	Value to customer	Being close to customers, 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	<ul style="list-style-type: none"> > Group > Customers 	Caused	<ul style="list-style-type: none"> > Our Strategy > Social and relationship Capital
Systemic trends	All ^C	Cyber security	Building and maintaining an environment in which all data and information confidentiality, integrity and availability are protected from relevant cyber threats	<ul style="list-style-type: none"> > Group > Customers > Regulators 	Contributed	<ul style="list-style-type: none"> > Intellectual Capital > Risk management and Compliance
Systemic trends	All	Climate change	Develop a climate change strategy to manage transition risks and physical risks arising from a changing climate and seizing related opportunities in order to mitigate the impacts on global temperature and to enhance climate resilience	<ul style="list-style-type: none"> > Group > Customers > Regulators > Investors 	Caused by the Group and directly linked to its business relationships	<ul style="list-style-type: none"> > Natural Capital > Risk Management and Compliance

^A Main stakeholder groups that raised and/or is affected by the material topic.

^B Reporting of data and information for topics that are material outside the organisation is limited to the Group activities. The geographical location where the topic is material refers mainly to the 14 countries where the Group has significant operations (refer to the Report Structure of the Integrated Report for more information). Boundaries for material topic refer to where the impact occurs for a material topic.

^C Includes Colleagues, Customers, Communities, Investors/Shareholders and Regulators.

Cluster	Main stakeholder involved ^a	Material topic	Definition	Boundaries for material topics ^b	Type of involvement	Main reference chapter of the Integrated Report
Systemic trends	Customers Colleagues	Demographic change	Bearing in mind the impacts of demographic changes on all our banking business activities both in terms of demand and supply of products and services and wellbeing for customers and colleagues	<ul style="list-style-type: none"> > Group > Customers > Communities 	Contributed	<ul style="list-style-type: none"> > Social and relationship Capital
Lean and solid bank	All	Bank solidity	Being a stable and solid reference point for all stakeholders: building a long-term foundation for financial stability while supporting all stakeholders (customers, employees, etc.) in an uncertain environment; providing tangible support for regulatory discussions to create a stronger financial system bearing in mind different interconnections	<ul style="list-style-type: none"> > Group > Customers > Investors > Regulators > Communities 	Caused	<ul style="list-style-type: none"> > Governance > Our Strategy > Financial Capital > Risk Management and Compliance > Social and relationship Capital
Lean and solid bank	Customers Investors	Lean and transparent organisation	Being a simple and lean organisation and base all our interactions with stakeholders on transparency; guaranteeing lean and efficient bank procedures and processes, proposing and offering simple and easy to understand products/services, using effective and clear communications also with financial markets by disclosing relevant information to investors to understand our competitive positioning and business trends	<ul style="list-style-type: none"> > Group > Customers > Investors 	Caused	<ul style="list-style-type: none"> > Our Strategy > Social and relationship Capital
People development	Colleagues	Employees' empowerment	A commitment to enhancing colleagues' professional skills and accelerating their professional development through transparent and fair mechanisms to ensure all employees are capable of performing to the best of their abilities; valuing employees' wellbeing and the balance between their professional and personal lives; creating a work environment where everyone feels at ease and is motivated to build positive relationships with employees' representatives and all the stakeholders	<ul style="list-style-type: none"> > Group 	Caused	<ul style="list-style-type: none"> > Human Capital
People development	Colleagues	Diversity and inclusion	Fostering and improving a culture of inclusion, fairness and respect by promoting equal opportunities in the workplace so all colleagues can maximise their potential	<ul style="list-style-type: none"> > Group > Regulators 	Caused	<ul style="list-style-type: none"> > Human Capital
Ethics	All	Fair business behaviour	Recognising the importance of environmental, social and governance issues and embedding them into specific business strategies, maintaining high standards for fair business practices and expecting senior management and employees to treat all stakeholders with fairness and respect	<ul style="list-style-type: none"> > Group > Customers > Investors 	Caused	<ul style="list-style-type: none"> > Risk Management and Compliance > Natural Capital > Social and relationship Capital
Ethics	All	Business ethics	Basing our business practices on strong ethics fundamentals: respecting and supporting human rights within our sphere of influence; reinforcing a culture of compliance and attention to colleagues' health and safety at all levels of our organisation	<ul style="list-style-type: none"> > Group > Customers > Investors > Regulators 	Caused by the Group and directly linked to its business relationships	<ul style="list-style-type: none"> > Risk Management and Compliance
Positive impact on society	Communities	Positive impact on society	Understanding the priorities of communities, supporting sectors and enterprises which can create social and economic positive impacts (infrastructure, employment, social wellbeing and financial education)	<ul style="list-style-type: none"> > Group > Customers > Communities 	Caused	<ul style="list-style-type: none"> > Social and relationship Capital

Human Capital¹

Portrait in numbers

The data in this part of Supplement applies to UniCredit employees in Head Count as at 31, December 2020-2019 and does not include 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. 2020 data shows a general decrease of the company's overall population, mainly due to the reorganisation of the Group through our strategic plan.

PERCENTAGE AND NUMBER OF EMPLOYEES BY COUNTRY AND GENDER, 2019-2020

Country	Female 2020	Male 2020	Head Count 2020	Head Count 2019
Italy	47.26%	52.74%	37,032	38,764
Germany	53.41%	46.59%	15,328	15,695
Austria	55.80%	44.20%	7,351	8,523
Bosnia and Herzegovina	73.31%	26.69%	1,641	1,687
Bulgaria	77.15%	22.85%	4,618	4,572
Croatia	73.62%	26.38%	3,984	4,069
Czech Republic	64.99%	35.01%	3,825	3,854
Hungary	66.99%	33.01%	2,175	2,171
Romania	71.66%	28.34%	5,723	5,706
Russia	66.04%	33.96%	4,432	4,665
Serbia	64.71%	35.29%	1,349	1,335
Slovenia	64.52%	35.48%	575	573
Other countries ^A	60.69%	39.31%	1,422	1,459
Total	56.53%	43.47%	89,455	93,073

^A Other countries include: Brazil, Ireland, Latvia, Luxembourg, Poland, Singapore, Slovakia, United Kingdom and United States of America.

PERCENTAGE OF EMPLOYEES BY EMPLOYMENT TIER, 2019-2020

Employment tier	2020	2019
Senior Leadership	0.13%	0.12%
Senior Executive	0.44%	0.40%
Middle Management	11.04%	10.23%
Staff	88.38%	89.25%
Total	100.00%	100.00%

¹ Numbers might not add up due to rounding reasons.

PERCENTAGE OF EMPLOYEES BY EMPLOYMENT TIER AND GENDER, 2019-2020

Employment tier and gender	2020	2019
Senior Leadership		
Female	15.38%	12.04%
Male	84.62%	87.96%
Senior Executive		
Female	19.60%	19.20%
Male	80.40%	80.80%
Middle Management		
Female	32.46%	32.10%
Male	67.54%	67.90%
Staff		
Female	59.78%	59.24%
Male	40.22%	40.76%

PERCENTAGE OF EMPLOYEES BY GENDER AND CONTRACT TYPE, 2019-2020

Gender	2020		2019	
	Fixed term	Permanent	Fixed term	Permanent
Female	2.54%	53.99%	3.04%	53.22%
Male	1.33%	42.15%	1.92%	41.83%
Total	3.87%	96.13%	4.96%	95.04%

PERCENTAGE OF EMPLOYEES BY CONTRACT TYPE AND COUNTRY, 2019-2020

Country	2020		2019	
	Fixed term	Permanent	Fixed term	Permanent
Italy	0.02%	99.98%	0.03%	99.97%
Germany	5.69%	94.31%	7.21%	92.79%
Austria	7.22%	92.78%	16.02%	83.98%
Bosnia and Herzegovina	5.36%	94.64%	5.63%	94.37%
Bulgaria	7.19%	92.81%	7.81%	92.19%
Croatia	2.16%	97.84%	2.92%	97.08%
Czech Republic	9.75%	90.25%	7.71%	92.29%
Hungary	0.28%	99.72%	0.32%	99.68%
Romania	6.10%	93.90%	5.84%	94.16%
Russia	6.02%	93.98%	7.82%	92.18%
Serbia	8.82%	91.18%	8.76%	91.24%
Slovenia	17.04%	82.96%	17.98%	82.02%
Other countries ^A	23.28%	76.72%	21.38%	78.62%
Total	3.87%	96.13%	4.96%	95.04%

^A Other countries include: Brazil, Ireland, Latvia, Luxembourg, Poland, Singapore, Slovakia, United Kingdom and United States of America.

PERCENTAGE OF EMPLOYEES BY EMPLOYMENT TIER AND AGE, 2019-2020

Employment tier	2020			2019		
	Up to 30 years	31-50 years	Above 50 years	Up to 30 years	31-50 years	Above 50 years
Senior Leadership	0.00%	0.10%	0.22%	0.00%	0.13%	0.13%
Senior Executive	0.00%	0.45%	0.58%	0.00%	0.42%	0.50%
Middle Management	0.76%	11.79%	13.23%	0.93%	11.13%	11.81%
Staff	99.24%	87.65%	85.97%	99.07%	88.31%	87.56%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

TURNOVER^A FOR INCOMING^B EMPLOYEES BY COUNTRY, 2019-2020

Country	2020		2019	
	Number	Percentage	Number	Percentage
Italy	1,072	2.77%	1,181	2.88%
Germany	621	3.96%	852	5.30%
Austria	585	6.86%	503	5.72%
Bosnia and Herzegovina	74	4.39%	118	7.00%
Bulgaria	545	11.92%	550	11.99%
Croatia	146	3.59%	328	8.05%
Czech Republic	417	10.82%	515	13.24%
Hungary	300	13.82%	343	15.54%
Romania	876	15.35%	1,081	18.48%
Russia	672	14.41%	828	17.54%
Serbia	146	10.94%	146	11.20%
Slovenia	52	9.08%	77	13.34%
Other countries ^C	98	6.72%	150	9.52%
Total	5,604	6.02%	6,672	6.92%

^A Entries and exits generated by changes in the perimeter scope as result of the acquisitions, terminations and other operations occurring during 2020 are not included into the calculation of turnover.

^B The turnover rate is calculated as follows: for incoming employees (employees hired during the year)/(employees at the beginning of the year)*100.

^C Other countries include: Brazil, Ireland, Latvia, Luxembourg, Poland, Singapore, Slovakia, United Kingdom and United States of America.

TURNOVER FOR OUTGOING^A EMPLOYEES BY COUNTRY, 2019-2020

Country	2020		2019	
	Number	Percentage	Number	Percentage
Italy	2,664	6.87%	2,416	5.89%
Germany	822	5.24%	1,229	7.65%
Austria	610	7.16%	778	8.84%
Bosnia and Herzegovina	114	6.76%	118	7.00%
Bulgaria	496	10.85%	565	12.31%
Croatia	265	6.51%	385	9.45%
Czech Republic	439	11.39%	545	14.01%
Hungary	265	12.21%	375	16.99%
Romania	810	14.20%	1,245	21.28%
Russia	874	18.74%	881	18.66%
Serbia	132	9.89%	114	8.75%
Slovenia	50	8.73%	79	13.69%
Other countries ^B	129	8.84%	255	16.19%
Total	7,670	8.24%	8,985	9.33%

^A The turnover rate is calculated as follows: for outgoing employees (employees who left the Group during the year)/(employees at the beginning of the year)*100.

^B Other countries include: Brazil, Ireland, Latvia, Luxembourg, Poland, Singapore, Slovakia, United Kingdom and United States of America.

TURNOVER FOR INCOMING EMPLOYEES BY GENDER^A AND AGE^B, 2019-2020

Gender	2020		2019	
	Number	Percentage	Number	Percentage
Female	3,086	5.89%	3,722	6.93%
Male	2,518	6.18%	2,950	6.92%

Age	2020		2019	
	Number	Percentage	Number	Percentage
Up to 30 years	3,109	30.32%	3,704	33.72%
31-50 years	2,199	4.22%	2,646	4.81%
Above 50 years	296	0.97%	322	1.06%

^A The turnover rate is calculated as follows: for incoming employees (employees hired during the year, by gender)/(employees by gender at the beginning of the year)*100.

^B The turnover rate is calculated as follows: for incoming employees (employees hired during the year, by age)/(employees by age at the beginning of the year)*100.

TURNOVER FOR OUTGOING EMPLOYEES BY GENDER^A AND AGE^B, 2019-2020

Gender	2020		2019	
	Number	Percentage	Number	Percentage
Female	4,104	7.84%	4,611	8.58%
Male	3,566	8.76%	4,374	10.26%

Age	2020		2019	
	Number	Percentage	Number	Percentage
Up to 30 years	1,868	18.22%	2,418	22.02%
31–50 years	2,570	4.93%	4,031	7.33%
Above 50 years	3,232	10.54%	2,536	8.35%

^A The turnover rate is calculated as follows: for outgoing employees (employees who left the Group, by gender)/(employees by gender at the beginning of the year)*100.

^B The turnover rate is calculated as follows: for outgoing employees (employees who left the Group, by age)/(employees by age at the beginning of the year)*100.

PERCENTAGE OF EMPLOYEES BY GENDER AND EMPLOYMENT STATUS, 2019-2020

Gender	2020		2019	
	Part-time	Full-time	Part-time	Full-time
Female	13.27%	43.25%	13.78%	42.48%
Male	1.79%	41.68%	2.24%	41.51%
Total	15.06%	84.94%	16.01%	83.99%

DIFFERENTIAL^A BETWEEN FEMALE AND MALE EMPLOYEE GROSS SALARIES^B BY COUNTRY AND EMPLOYMENT TIER, 2019-2020^C

The percentage represents the weighted averages of women's average gross salary compared to men's.

	2020			2019		
	Senior Executive	Middle Management	Staff	Senior Executive	Middle Management	Staff
Italy	91.27%	87.19%	89.80%	92.19%	87.14%	89.06%
Germany	92.30%	87.21%	87.25%	84.07%	85.14%	88.50%
Austria	94.34%	91.47%	80.39%	107.06%	90.65%	79.85%
Bosnia and Herzegovina	169.15%	94.10%	87.56%	Not applicable	81.58%	86.71%
Bulgaria	Not applicable	89.99%	75.87%	Not applicable	93.62%	75.77%
Croatia	Not applicable	98.84%	92.64%	Not applicable	89.14%	93.82%
Czech Republic	124.84%	87.63%	74.93%	Not applicable	84.09%	76.08%
Hungary	83.69%	98.30%	81.17%	84.15%	95.96%	80.30%
Romania	108.53%	97.80%	79.25%	141.58%	98.06%	79.24%
Russia	Not applicable	93.12%	72.52%	Not applicable	89.82%	73.97%
Serbia	Not applicable	85.61%	75.08%	Not applicable	84.97%	75.61%
Slovenia	Not applicable	104.16%	92.01%	Not applicable	103.31%	90.26%

^A The ratio is calculated as follows: (total gross salary of female employees/total females FTE)/(total gross salary of male employees/total males FTE).

^B Gross salary: the full year fixed amount paid to an employee for performing his/her duties. It includes allowances provided according to specific positions.

^C Data represents 84.49% of the population.

DIFFERENTIAL^A BETWEEN FEMALE AND MALE EMPLOYEE TOTAL REMUNERATION^B BY COUNTRY AND EMPLOYMENT TIER, 2019-2020^C

The percentage represents the weighted averages of women's average remuneration compared to men's.

	2020			2019		
	Senior Executive	Middle Management	Staff	Senior Executive	Middle Management	Staff
Italy	90.47%	85.96%	89.83%	91.26%	85.67%	89.08%
Germany	76.22%	81.82%	85.30%	75.90%	79.46%	85.13%
Austria	84.73%	88.58%	79.14%	99.05%	88.39%	78.72%
Bosnia and Herzegovina	133.98%	94.76%	86.14%	Not applicable	79.25%	85.02%
Bulgaria	Not applicable	89.08%	75.27%	Not applicable	93.24%	75.45%
Croatia	Not applicable	97.00%	92.97%	Not applicable	87.32%	94.36%
Czech Republic	107.80%	83.00%	72.30%	Not applicable	80.73%	74.04%
Hungary	95.50%	96.72%	80.57%	54.74%	95.28%	79.70%
Romania	95.93%	96.34%	79.98%	125.05%	95.24%	79.54%
Russia	Not applicable	90.49%	73.11%	Not applicable	87.42%	74.30%
Serbia	Not applicable	78.76%	74.17%	Not applicable	78.33%	74.68%
Slovenia	Not applicable	105.76%	93.41%	Not applicable	105.54%	91.03%

^A The ratio is calculated as follows: (total remuneration of female employees/total females FTE)/(total remuneration of male employees/total males FTE).

^B 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 no one-off payments.

^C Data represents 84.49% of the population.

TRAINING HOURS PER CAPITA BY EMPLOYMENT TIER AND GENDER, 2019-2020

	2020			2019		
	Female	Male	Total	Female	Male	Total
Senior Leadership	19.11	13.65	14.49	16.84	18.87	18.63
Senior Executive	17.92	16.30	16.62	35.42	23.75	26.00
Middle Management	22.49	21.56	21.86	28.42	27.42	27.74
Staff	26.91	28.77	27.66	29.48	32.26	30.61
Total	26.60	27.38	26.94	29.43	31.39	30.28

Training hours include e-learning and classroom instruction.

Industrial Relations²

We at UniCredit believe that social dialogue contributes to value creation over time by strengthening our capability of collaboration, of listening to and understanding both national and international labour needs.

A consistent, group-wide approach has allowed us to build a high standard of social dialogue over the years, helping us to implement our business strategies. The Global Framework Agreement (GFA) on Human Rights and Fundamental Labour Rights signed in 2019 with UNI Global Finance has reinforced our social dialogue, in particular on human rights and collective bargaining.

In all the countries in which UniCredit operates, we remain committed to improving social dialogue and focussed on building a strong European identity. At national level, Group workers' interests are represented by trade unions, works councils or other representatives in line with applicable labour laws and local industrial relations systems. At international level, workers 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. The EWC currently has 30 members representing 15 countries (Austria, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Germany, Italy, Luxembourg, Poland, Romania, Russia, Serbia, Slovakia, Slovenia and the United Kingdom).

Over the past years, UniCredit and the EWC have achieved important results, defining a distinctive global approach to industrial relations. The four joint declarations signed over the last decade (on training, learning and professional development; on equal opportunities and non-discrimination; on responsible sales; on work-life balance) have established a global strategic overview, demonstrating their success in facilitating social dialogue at local level as well as across Europe.

In 2020 UniCredit and the EWC signed a new joint declaration, the first one on remote work. The document defines the principles and future minimum reference quality standards for remote work solutions, to be implemented according to the applicable laws and agreements in our countries. This will allow the Group to extend the opportunities offered by technological advancements and enable new ways of working to support a better work-life balance and greater efficiency.

The implementation of every joint declaration is subject to periodic monitoring, both by UniCredit and the EWC employee representatives.

The parties commit to ensuring a broader dissemination, implementation and monitoring of the content of these documents throughout all Group countries, with the common purpose of using social dialogue to reinforce Group culture, taking into account any special requirements and current local best practices in addition to standards that have already been met.

² 2020 data represents 100 percent of the reporting perimeter.

PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS, 2019-2020^A

Country	2020	2019
Italy	100%	100%
Germany		
UniCredit Bank AG	38.37%	39.00%
Wealthcap Kapitalverwaltungsgesellschaft GmbH		
UniCredit Leasing GmbH	Not applicable	Not applicable
UniCredit Direct Services GmbH		
Food & More GmbH	25.58%	35.00%
UniCredit Services SCpA	44.41%	46.81%
Austria		
UniCredit Bank Austria AG		
Schoellerbank Aktiengesellschaft		
Card Complete Service Bank AG	100.00%	100.00%
UniCredit Services GmbH Austria		
UniCredit Leasing (Austria) GmbH		Not applicable
Bosnia and Herzegovina	Not applicable	Not applicable
Bulgaria		
UniCredit Bulbank AD	57.00%	58.99%
UniCredit Consumer Financing AD		
UniCredit Leasing AD	Not applicable	Not applicable
Croatia		
Zagrebačka Banka DD	100%	100%
UniCredit Leasing Croatia doo za Leasing	Not applicable	Not applicable
Czech Republic		
UniCredit Bank Czech Republic and Slovakia as	95%	95%
UniCredit Leasing CZ as	Not applicable	Not applicable
UniCredit Services SCpA	100%	100%
Hungary	Not applicable	Not applicable
Romania		
UniCredit Bank SA		
UniCredit Services GmbH	100%	100%
UniCredit Services SCpA		
UniCredit Consumer Financing IFN SA		
UniCredit Leasing Corporation IFN SA	Not applicable	Not applicable
UniCredit Leasing Fleet Management Srl		
Russia	100%	100%
Serbia	Not applicable	Not applicable
Slovenia	100%	100%

^AThe 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, 2020

Country	Notice period	Legal number of days notice	Notice period specified in collective bargaining agreements
Italy	Yes	25	Yes
Germany	No	Not applicable	No
Austria	No	Not applicable	No
Bosnia and Herzegovina			
UniCredit Bank DD	Yes	15	No
UniCredit Bank and Banja Luka	Yes	30	No
Bulgaria			
UniCredit Bulbank AD	Yes	45	Yes
UniCredit Consumer Financing AD	Yes	45	No
UniCredit Leasing AD			
Croatia			
Zagrebačka Banka DD	Yes	14	Yes
UniCredit Leasing Croatia doo za Leasing	Yes	8	Yes
Czech Republic			
UniCredit Bank Czech Republic and Slovakia as	Yes	60	No
UniCredit Leasing CZ as			
UniCredit Services SCpA			
Hungary	Yes	30	No
Romania			
UniCredit Bank SA	Yes	20	Yes
UniCredit Consumer Financing IFN SA	Yes	20	No
UniCredit Leasing Corporation IFN SA			
UniCredit Leasing Fleet Management Srl			
UniCredit Services SCpA			
UniCredit Services GmbH			
Russia	Yes	60	No
Serbia	No	Not applicable	No
Slovenia	Yes	8	Yes

Welfare and work-life balance³

UniCredit has adopted a global approach for its welfare strategy, in line with the Human Capital mission to create the best place to work. Welfare initiatives are developed locally in order to offer the best answer to colleagues and a country's needs and special local requirements, with a central coordination to guarantee consistency and respect of the Group welfare principles and guidelines.

Several initiatives to meet fundamental health, personal, family and work-life balance needs have already been established in all Group countries. We support our people with specific solutions to manage our new ways of working, offering time and location flexibility. Programs supporting health and psycho-physical well-being have been introduced, as well as various services to assist both families with young children managing work and home-schooling, and all colleagues taking care of elderly family members or those with disabilities.

Social dialogue creates a balance between workers' needs and business needs by constantly verifying the consistency of initiatives and progress of projects over time. The innovative approach defined by the Joint Declaration on Work-Life Balance in 2017 was most recently adopted in October 2020 by the Joint Declaration on Remote Work. This document aims to develop a global approach to offer all our colleagues access to remote working in the future, with a progressive local implementation plan which targets the following Group standards: in headquarters and central offices, 40 percent of remote working time, to be distributed on a weekly or monthly basis (i.e. on average 2 days per week); in networks, 20 percent of remote working time, to be distributed on a weekly or monthly basis (i.e. on average 1 day a week).

Following the Covid-19 outbreak, in 2020 the UniCredit Family Board was established and it defined a global action plan to address the new personal and family needs resulting from our listening initiatives. Many initiatives have already been developed across the Group, mainly focusing on flexibility, respect of working hours, home-schooling support for working parents, IT infrastructure and sustainable mobility partnership extensions, support services for psycho-physical wellbeing.

³ 2020 data represents 100 percent of the reporting perimeter.

RETIREMENT PLANS OFFERED TO EMPLOYEES, 2020

Country	Principal retirement plans	Contribution from employer	Contribution from employees
Italy^A	Defined contribution plan	2% or 3% ^B	Minimum 0.5%
Germany			
UniCredit Bank AG			
Wealthcap Kapitalverwaltungsgesellschaft GmbH	Defined contribution plan	Before 2003: 1.75% of gross income up to gross yearly income of €61,548 After 2003: 2.5% of gross income up to gross yearly income of €61,548	Before 2003: 1.75% of gross income up to gross yearly income of €61,548 After 2003: 2.5% of gross income up to gross yearly income of €61,548 before 2003
UniCredit Leasing GmbH	Defined contribution plan	4.36% of the agreed annual income	2.14% of the agreed annual income
Food & More GmbH			
UniCredit Direct Services GmbH	No plans	Not applicable	Not applicable
UniCredit Services SCpA	Defined contribution plan	2.5% of gross income up to gross yearly income of €61,548	2.5% of gross income up to a gross yearly income of €61,548
Austria			
UniCredit Bank Austria AG	Defined contribution plan	2.9% or more	
Schoellerbank Aktiengesellschaft			
Card Complete Service Bank AG	Defined contribution plan	It depends on length of service	Arrangement between the pension fund and employees are made on individual basis
UniCredit Leasing (Austria) GmbH			
UniCredit Services GmbH	Defined contribution plan	2.5% of the yearly gross salary	
Bosnia and Herzegovina	No plans	Not applicable	Not applicable
Bulgaria	No plans	Not applicable	Not applicable
Croatia	No plans	Not applicable	Not applicable
Czech Republic			
UniCredit Bank Czech Republic and Slovakia as	Defined contribution plan	50,000 CZK (approximately €1,900) not applicable to all employees It depends on length of service	Arrangements between the pension fund and employee are made on an individual basis
UniCredit Leasing CZ as	Defined contribution plan	15,000 CZK (approximately €570)	Arrangements between the pension fund and employee are made on an individual basis
UniCredit Services SCpA	No plans	Not applicable	Not applicable
Hungary	No plans	Not applicable	Not applicable
Romania			
UniCredit Bank SA			
UniCredit Consumer Financing IFN SA			
UniCredit Leasing Corporation IFN SA	No plans	Not applicable	Not applicable
UniCredit Leasing Fleet Management Srl			
UniCredit Services SCpA			
UniCredit Services GmbH	Defined contribution plan	Approximately 100 RON (approximately €21) of the monthly salary	For national insurance for retirement is mandatory to be paid by all employee, who should pay 25% from their gross salary For private insurance, the employees decides the amount they would like to pay
Russia	Defined contribution plan	7% of the monthly base salary	7% of the monthly base salary
Serbia	No plans	Not applicable	Not applicable
Slovenia	Defined contribution plan	45%	55%

^A The reported contribution percentages refer to the Defined contribution section of the Fondo Pensione per il Personale delle Aziende del Gruppo UniCredit, this Pension Fund is the unique fund open to new participants.

^B For new hired employees with apprentices contract (pursuant to art. 33 - National Collective Bargaining Agreement of ABI, March 3, 2015) as amended by the Renewal Agreement of 19/12/2019, 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 after recruitment.

WELFARE SYSTEM, 2020

Country	National mandatory welfare system	Voluntary company welfare system
Italy	Yes	Yes
Germany		
UniCredit Bank AG		
Wealthcap Kapitalverwaltungsgesellschaft GmbH		Yes
UniCredit Services SCpA	Yes	
Food & More GmbH		
UniCredit Leasing GmbH		No
UniCredit Direct Services GmbH		
Austria	Yes	Yes
Bosnia and Herzegovina	Yes	No
Bulgaria	Yes	Yes
Croatia	Yes	Yes
Czech Republic	Yes	Yes
Hungary	Yes	Yes
Romania		
UniCredit Bank SA	Yes	
UniCredit Consumer Financing IFN SA		
UniCredit Leasing Corporation IFN SA		No
UniCredit Leasing Fleet Management Srl		
UniCredit Services SCpA		
UniCredit Services GmbH		Yes
Russia	Yes	Yes
Serbia	Yes	Yes
Slovenia	Yes	No

TRANSITION ASSISTANCE PROGRAMMES TO SUPPORT EMPLOYEES^A, 2020^B

Country	The programme includes:				
	Pre-retirement planning for intended retirees	Retraining for those intending to continue working	Severance pay	Job placement services	Assistance in transitioning to non-working life (training, counselling)
Italy	Yes	Yes	Yes	Yes	No
Germany					
UniCredit Bank AG					
Wealthcap Kapitalverwaltungsgesellschaft GmbH	Yes	No	Yes	Yes	No
UniCredit Leasing GmbH					
Food & More GmbH	No	No	Yes	No	No
UniCredit Direct Services GmbH	No	No	Yes	Yes	No
UniCredit Services SCpA	Yes	No	Yes	Yes	No
Austria					
UniCredit Bank Austria AG					
Schoellerbank Aktiengesellschaft	Yes	Yes	Yes	Yes	No
Card Complete Service Bank AG					
UniCredit Leasing (Austria) GmbH	Yes	No	Yes	Yes	No
UniCredit Services GmbH					
Bosnia and Herzegovina	No	No	Yes	No	No
Bulgaria	No	No	Yes	No	No
Croatia					
Zagrebačka Banka DD	Yes	No	Yes	No	No
UniCredit Leasing Croatia doo za Leasing	Yes	No	Yes	No	No
Czech Republic					
UniCredit Bank Czech Republic and Slovakia as	Yes	Yes	Yes	Yes	Yes
UniCredit Leasing CZ as	No	Yes	Yes	Yes	No
UniCredit Services SCpA	No	Yes	Yes	Yes	No
Hungary					
UniCredit Bank Hungary Zrt	Yes	No	Yes	Yes	Yes
UniCredit Leasing Hungary Zrt					
UniCredit Services SCpA	No	No	Yes	No	No
Romania					
UniCredit Bank SA					
UniCredit Consumer Financing IFN SA	No	No	Yes	No	No
UniCredit Leasing Romania IFN SA					
UniCredit Leasing Fleet Management Srl					
UniCredit Services SCpA	Yes	No	Yes	No	No
UniCredit Services GmbH					
Russia	No	No	Yes	Yes	No
Serbia	No	No	Yes	No	No
Slovenia	No	No	Yes	No	No

^A In some cases, the programs are provided only in case of company restructuring/reorganisation.

^B The tables under this paragraph refer to the perimeter defined at page S.37 - Industrial Relations.

Health and safety management⁴

Health and safety at work is a core value, with the ultimate goal of guaranteeing well-being at work through a combination of actions and systems. To reach and maintain this goal, all the legal entities that make up the UniCredit Group have adopted policies, procedures and safeguards for health and safety at work, in compliance with EU directives, local laws, regulations and signed agreements, which ensure to all employees a suitable working environment and working conditions that respect individual dignity.

The Group has adopted an organisation and management framework that guarantees the protection of all personnel in all company workplaces through an adequate and effective company system of identification, assessment, prevention and protection from risks and dangers, and their resolution through monitoring and analysis as listed below:

- > the respect of technical-structural legal standards relating to equipment, workplaces, chemical, physical and biological agents
- > the risk assessment activities and the preparation of the consequent prevention and protection measures
- > organisational activities such as emergencies, first aid, procurement management, periodic safety meetings, consultations with workers' safety representatives and formal joint management-worker committees in the Group's legal entities^A
- > health surveillance activities through the occupational medicine service carried out by the company doctors and drafting of the related protocols
- > information and training activities for all UniCredit Group employees via specific training and refresher modules on topics such as health and safety, emergencies, first aid, work-related stress
- > supervisory activities regarding employee compliance with the procedures and instructions for working safely
- > periodic checks on the application and effectiveness of the procedures adopted.

All employees have various channels at their disposal (e.g. e-mail, tool ticket remedy) with which to report any dangers/ malfunctions at work. The report thus generated is managed and resolved by the relevant function.

With respect to the promotion of employee health, UniCredit Group's welfare offer includes many services. Health care, health prevention programmes and Covid-19 medical services are just a few worth mentioning.

The year 2020 was marked by the Covid-19 emergency to which we were able to respond promptly. Health and safety measures for our employees and customers included:

- > the distribution of more than 40 million personal protective equipment items resulting in adequate stock levels at all our sites
- > the installation of more than 30 thousand protective screens for branches.

In compliance with the local regulations issued and with the support of specialised consultants, the Group defined specific protocols containing all the necessary prevention and protection measures to contain the spread of the Covid-19 infection and to protect the health of employees. In this regard, risk assessment was also updated in order to manage the various emergency phases related to the risk levels found via a monitoring system using specific indices.

In addition to the immediate adoption of specific behaviour and individual protection devices, remote and flexible working was promptly encouraged and extended, where possible, by supplying hardware and software and by upgrading the IT infrastructure accordingly.

⁴ 2020 data represents 100 percent of the reporting perimeter.

^A More information on the presence of formal joint management-worker health and safety committees could be found in the table on page S.45.

FORMAL JOINT MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEES AND WORKERS HEALTH AND SAFETY REPRESENTATIVES^A, 2020

Country	Formal joint management-worker health and safety committee and workers health and safety representatives
Italy	Yes
Germany	Yes
Austria	
UniCredit Bank Austria AG	
Schoellerbank Aktiengesellschaft	
Card Complete Service Bank AG	Yes
UniCredit Services GmbH	
UniCredit Leasing (Austria) GmbH	No
Bosnia and Herzegovina	No
Bulgaria	
UniCredit Bulbank AD	Yes
UniCredit Consumer Financing AD	
UniCredit Leasing AD	No
Croatia	Yes
Czech Republic	
UniCredit Bank Czech Republic and Slovakia as	Yes
UniCredit Leasing CZ as	
UniCredit Services SCpA	No
Hungary	No
Romania	
UniCredit Bank SA	
UniCredit Consumer Financing IFN SA	
UniCredit Leasing Corporation IFN SA	Yes
UniCredit Services SCpA	
UniCredit Services GmbH	
UniCredit Leasing Fleet Management Srl	No
Russia	No
Serbia	No
Slovenia	No

^A The information concerning the presence of workers' health and safety representatives (RLS) refers only to Italy. The information on formal joint management-worker health and safety committees refers to the other countries indicated in the above table.

The formal joint management-worker health and safety committee covers both employees and workers who are not employees but whose work and/or workplace is controlled by UniCredit Group in all legal entities except for UniCredit Services SCpA and UniCredit Services GmbH in Romania.

RATES OF INJURY, 2020^A

Numbers of injuries	2020
Number of fatalities as a result of work-related injuries ^B	0
The number of high-consequence work-related injuries (excluding fatalities) ^C	5
The number of recordable work-related injuries ^D	145
Rates	
Rate of fatalities as a result of work-related injuries ^E	0
Rate of high-consequence work-related injuries (excluding fatalities) ^F	0.03
Rate of recordable work-related injuries ^G	0.96
Hours worked^H	150.598.432

^A This data was drawn from a population that represented 100 percent of the reporting perimeter for 2020. Injuries are recorded as per applicable local law. The methodology used for the collection and reporting of 2020 injuries data complies with the updated GRI Standards 403-9 (2018). In this sense, the principle of comparability cannot be ensured as the previous Integrated Report 2019 data reported used the previous methodology. For more details on previously published data, please refer to the 2019 Integrated Report.

This data reported in the above table refers to the injuries of employees including in the reporting perimeter.

^B It is a death as a result of work-related injury.

^C It is a work-related injury that results in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

^D It is a work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness. Include injuries as a result of commuting incidents only where the transport has been organised by the UniCredit Group.

^E This rate was calculated as follows: (total no. of fatalities as a result of work-related injuries/total hours worked)*1,000,000.

^F This rate was calculated as follows: (total no. of high consequence work-related injuries (excluding fatalities)/total hours worked)*1,000,000.

^G This rate was calculated as follows: (total no. of recordable work-related injuries/total hours worked)*1,000,000.

^H The hours worked reported are the result of an estimation method based on the hours prescribed by the local agreements.

Social and relationship Capital

Customer distribution

NUMBER OF CUSTOMERS BY DIVISION AND COUNTRY AS AT 31 DECEMBER 2020

Commercial Banking Division	Number
Italy	
Retail	7,351,453
Corporate	53,636
Private Banking	128,092
Wealth Management	10,095
Germany	
Retail	1,428,328
Corporate	47,899
Private Banking	48,176
Wealth Management	8,019
Austria	
Retail	1,054,411
Corporate	16,043
Private Banking	33,657
Wealth Management	11,112
CEE Retail Division	
Bosnia and Herzegovina	653,079
Bulgaria	1,054,871
Croatia	1,016,099
Czech Republic and Slovakia	592,348
Hungary	303,588
Romania	851,851
Russia	627,535
Serbia	325,275
Slovenia	64,651
CEE Corporate Division	
Bosnia and Herzegovina	3,637
Bulgaria	11,993
Croatia	5,337
Czech Republic and Slovakia	25,171
Hungary	9,158
Romania	8,661
Russia	6,217
Serbia	4,609
Slovenia	2,563
CEE Private Banking Division	
Bosnia and Herzegovina	313
Bulgaria	1,699
Croatia	2,472
Czech Republic and Slovakia	11,854
Hungary	1,811
Romania	1,551
Russia	1,589
Slovenia	336

Customer Experience

After years of experience and knowledge acquired through gathering insights from customers and prospects, in 2017 UniCredit defined a new approach with the Benchmarking Study which provides us with a view of clients' 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); no mention of UniCredit as survey commissioner (double blind approach); mixed interviews of main and secondary customers
- > a unique and comparable cross-country and segment view of the perception of the bank.

The new 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 table below shows the results of the NPS for UniCredit and its competitors. In 2020, UniCredit is ahead of the competition in 8 countries out of 12 for Individual customers and in 5 countries out of 12 for Corporate customers.

STRATEGIC NET PROMOTER SCORE RESULTS – RETAIL (INDIVIDUAL CUSTOMERS COMPRISING ONLY MASS AND AFFLUENT) 2019-2020

Country	2020	2019	Competitors' results
Italy	28	34	30
Germany [^]	5	- 4	10
Austria	- 8	- 18	17
Bosnia and Herzegovina			
UniCredit Bank ad Banja Luka	61	44	56
UniCredit Bank dd	58	41	49
Bulgaria	30	29	27
Croatia	21	17	20
Czech Republic and Slovakia	56	55	30
Hungary	15	17	18
Romania	59	56	52
Russia	61	58	19
Serbia	45	27	44
Slovenia	57	58	19

[^] Only Affluent clients.

STRATEGIC NET PROMOTER SCORE RESULTS – CORPORATE CUSTOMERS 2019-2020

Country	2020	2019	Competitors' results
Italy	9	10	15
Germany	7	1	-10
Austria	- 11	- 3	1
Bosnia and Herzegovina			
UniCredit Bank ad Banja Luka	41	28	49
UniCredit Bank dd	53	40	53
Bulgaria	25	30	7
Croatia	23	19	29
Czech Republic and Slovakia	9	8	10
Hungary	45	25	29
Romania	59	45	32
Russia	59	46	46
Serbia	48	21	57
Slovenia	6	10	9

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 customer satisfaction.

Customers can submit their complaints through a number of channels including e-mail, written letter or in person at one of our branches. Complaints are then managed locally or centrally depending on the subject and nature of the complaint.

It is also possible to forward a verbal complaint at the Branch. We aim to improve the efficiency of our responses to operational events (errors, delays, malfunctions and churn rate) as we believe that rapid resolutions increase customer satisfaction and strengthen confidence in the bank.

The adequate management of complaints is fundamental to achieving operational excellence and reducing risks. Complaints may highlight areas where service quality (also perceived) can be improved, with positive effects on risk mitigation and customer experience. In addition, effectively and efficiently managing complaints represents an opportunity to re-establish a satisfactory relationship with customers.

In line with our Global Compliance Guidelines - Complaint Management, a complaint is any form of dissatisfaction expressed by current, potential or former customers, which can be clearly identified regarding the manner in which the Group has managed a banking, finance or insurance transaction or service. Each UniCredit legal entity develops and regulates its own complaint management processes and defines the methods and timing applied to settling complaints according to the type of complaint, the means of communication chosen by the customer and to any external legislation provisions in force.

RETAIL DIVISION: NUMBER OF RECORDED COMPLAINTS^A

Country	2020		2019	
	Recorded (written and verbal)	Written	Recorded (written and verbal)	Written
Italy ^B	242,786	58,772	292,959	40,273
Germany	21,443	6,011	26,972	4,412
Austria	40,687	4,730	46,467	4,267
Bosnia and Herzegovina	2,324	1,635	2,102	984
Bulgaria	3,374	3,315	3,482	3,314
Croatia	34,028	10,279	33,607	9,529
Czech Republic and Slovakia ^C	23,260	8,570	19,174	15,743
Hungary	12,472	7,434	10,224	5,964
Romania ^D	6,472	6,472	5,361	3,990
Russia	26,293	19,214	26,427	19,205
Serbia ^E	1,916	1,916	1,411	1,411
Slovenia	1,764	1,186	1,840	1,151

^A In Italy and Austria the complaints refer to Individual customers and Small Businesses while in Germany only to Individual customers. In our CEE 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.

^B Besides UniCredit SpA, 2020 data also includes 26 written complaints from Cordusio SIM SpA. UniCredit SpA data does not include the complaints related to the Intermarket Diamond Business SpA case for which a dedicated customer care campaign was established. Refer to <https://www.unicredit.it/it/chi-siamo.html> for more information.

^C During 2020, it was possible to accurately record the number of written and verbal complaints made at our branches thanks to an enhancement of the measurement methodology which consequently led to an increase in the overall number of complaints, particularly verbal ones.

^D During 2020, as a result of the Covid-19 pandemic and the relative restrictions imposed, among which the limited number of people allowed in branches, the number of verbal complaints was zeroed out.

^E 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 2020^A

Country ^B	Percentage
Italy	22.9%
Bosnia and Herzegovina	100%
Bulgaria	100%
Croatia	100%
Czech Republic	21.4%
Hungary	100%
Romania	100%
Russia	100%
Serbia	100%
Slovakia	87.0%
Slovenia	63.2%

^A 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).

Based on this classification, there are no sparsely settled or economically disadvantaged areas in Austria and Germany.

^B The entire territories of Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Romania, Russia and Serbia were considered to be disadvantaged areas in accordance with an IMF study published in October 2020 which considered these countries emerging markets and developing economies (<https://www.imf.org/en/Publications/WEO/Issues/2020/09/30/world-economic-outlook-october-2020>).

Adherence to legal standards and voluntary codes relating to marketing and communications

UniCredit follows the Code of Marketing Communication Self-Regulation (www.iap.it) disseminated by the Istituto dell'Autodisciplina Pubblicitaria (IAP), which commits its subscribers to transparent and honest advertising practices.

UniCredit is also a member of the Utenti Pubblicità Associati (UPA) which supports the IAP. All UniCredit entities follow the regulations disseminated by these bodies, particularly when local codes do not provide guidance on topics covered by the UPA.

All advertising and communication activities at UniCredit are managed by our Group Identity & Communications department, which is responsible for assuring the effective application of the IAP's code, as well as the oversight of the UniCredit's Supervisory Body.

In advertising related to investment products, all texts are submitted to the Commissione Nazionale per le Società e la Borsa (CONSOB) in Italy so they can be evaluated for regulatory compliance and consistency with the principles of truth and transparency.

MAIN LEGAL STANDARDS AND VOLUNTARY CODES RELATING TO MARKETING AND COMMUNICATIONS ADOPTED BY THE GROUP LEGAL ENTITIES

Country	Description
Austria	Advertising Industry Ethics Code of the Austrian Society for Self - Regulation in Advertising (Werberat)
Bulgaria	Code of Ethics of the Association of Banks in Bulgaria
Croatia	Code of Advertising issued by the Croatian Association of Advertising Agencies
Hungary	Banking Association's Code of Conduct

Sustainable and Responsible Investments (SRI)

Sustainable and Responsible Investing (SRI) and Environmental, Social and Governance (ESG) topics are a major part of our Group wealth management investment strategy. For us SRI means creating value for financial investors through a long-term strategy which integrates financial variables with ESG ones in its assessment of enterprises, institutions and countries.

There is a rigorous fund selection process which in recent years has also included ESG investments. The process aims to cover all classes of funds and also takes into account the internal market view and asset allocation decisions.

Five different categories of ESG investments have been identified, based on customer needs: Exclusion and Norm Based Agreements, ESG integration/Best in class, Thematic Investments, Engagement and Impact Investing. Customers who wish to exclude certain business sectors will be presented with specific funds, while others will be selected for those interested in engagement. This approach reflects our service model: listening to customers and proposing the best investment strategies, matching their objectives with sustainable funds. The funds selected are constantly monitored in relation to risk and performance. In the case of ESG funds, continuous checks must be made to ensure consistency with the approach indicated by the manager during the due diligence phase. If the characteristics for which the funds were selected cease to exist, they are immediately excluded from our buy list.

ESG investments also represent a diversification opportunity for all customers: the identified funds tend to be constructed differently compared to traditional funds and can improve some aspects of the portfolio risk-return profile.

ASSET UNDER MANAGEMENT (AUM) INVESTED IN ESG FUNDS AS AT 31 DECEMBER 2020^A (€M)

Italy	Germany	Austria	CEE
1,925.9	684.9	941.5	239.1

^A The figures reported refer to the funds on deposit. CEE include Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia and Slovakia.

UniCredit SpA, as provider of investment advisory and portfolio management services, is subject to Regulation 2019/2088 from 10 March 2021. In order to meet the requirements of the regulation, UniCredit SpA has defined its approach to the topics covered by this regulation which will be disclosed, in accordance with the regulation, on its public website and in the pre-contractual documentation relating to the aforementioned investment services.

Natural Capital

Environmental performance indicators¹

SCOPE 1: DIRECT GHG EMISSIONS^A (TONS CO₂e), 2019-2020^B

Country	2020	2019
Italy	20,722	17,525
Germany	10,749	15,897
Austria	1,467	1,464
CEE	8,223	10,080
Total	41,211	44,966

^A 2019 figures recast from those published in the previous Integrated Report due to the periodical updates of GHG emission factors aimed at improving comparability and not as a consequence of restatement. For historical data published in the past, please refer to the 2019 Integrated Report.

^B GHG emissions from sources owned or controlled by our Group, which includes direct energy consumption, road business travel and refrigerant gas leakages.

SCOPE 2: INDIRECT GHG EMISSIONS^A, LOCATION AND MARKET-BASED (TONS CO₂e), 2019-2020^B

Country	Location-based		Market-based	
	2020	2019	2020	2019
Italy	63,946	69,586	291	1,030
Germany	49,467	52,226	8,957	8,847
Austria	5,239	5,135	2,318	2,515
CEE	35,914	41,176	42,577	53,681
Total	154,566	168,123	54,144	66,073

^A 2019 figures recast from those published in the previous Integrated Report due to the periodical updates of GHG emission factors aimed at improving comparability and not as a consequence of restatement. For historical data published in the past, please refer to the 2019 Integrated Report.

^B GHG emissions from purchased electricity, steam and heating/cooling consumed by equipment or systems owned or controlled by our Group.

SCOPE 3: OTHER INDIRECT GHG EMISSIONS^A (TONS CO₂e), 2019-2020^B

Country	2020	2019
Italy	1,168	3,867
Germany	516	2,074
Austria	123	593
CEE	715	2,055
Total	2,522	8,589

^A 2019 figures recast from those published in the previous Integrated Report due to the periodical updates of GHG emission factors aimed at improving comparability and not as a consequence of restatement. For historical data published in the past, please refer to the 2019 Integrated Report.

^B GHG emissions from air and rail business travel, from copy paper consumption, and from glass, paper and plastic disposal.

¹ Data includes the full set of legal entities considered in the respective 2020 Integrated Report perimeter (corresponding to a full-time equivalent of more than 80,000) and 2019 Integrated Report perimeter (corresponding to a full-time equivalent of more than 82,000), unless otherwise stated. Country-to-country comparisons may be misleading as different tracking systems should be taken into account.

ENERGY CONSUMPTION PER EMPLOYEE (GJ/CAPITA), 2019-2020

Country	2020	2019
Italy	30	28
Germany	47	48
Austria	25	25
CEE	19	21

COPY PAPER CONSUMPTION PER EMPLOYEE (KG/CAPITA), 2019-2020

Country	2020	2019
Italy	46	53
Germany	17	28
Austria	19	26
CEE	33	48

Approximately 98 percent of copy paper used Groupwide holds an environmental label. In particular, 80 percent of copy paper used Groupwide is Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) certified.

WATER USAGE PER EMPLOYEE (M3/CAPITA), 2019-2020

Country	2020	2019
Italy	15	34
Germany	21	18
Austria	11	11
CEE	10	11

WASTE PRODUCTION PER EMPLOYEE (KG/CAPITA), 2019-2020

Country	2020	2019
Italy	68	77
Germany	316	400
Austria	85	171
CEE	123	188
Group	128	172
of which hazardous	1	1

WASTE BY DISPOSAL METHOD, 2019-2020

Country	Separation and recycling of valuable materials		Incineration		Disposal in landfill		Other treatment	
	2020	2019	2020	2019	2020	2019	2020	2019
Italy	92.48%	96.89%	3.97%	1.62%	3.55%	1.48%	0.00%	0.00%
Germany	71.92%	77.51%	28.04%	22.46%	0.00%	0.00%	0.00%	0.00%
Austria	70.44%	75.39%	29.56%	21.96%	0.00%	0.00%	0.00%	2.65%
CEE	18.30%	17.31%	3.27%	3.62%	74.56%	76.04%	3.87%	1.12%
Group	59.96%	60.35%	14.71%	11.64%	24.11%	26.77%	1.22%	0.57%
of which hazardous	93.04%	91.00%	0.00%	0.20%	0.00%	0.00%	6.96%	8.80%

UniCredit S.p.A.

A joint stock company

Registered Office and Head Office in Milan: Piazza Gae Aulenti 3 - Tower A - 20154 Milano

Share capital Euro € 21,059,536,950.48 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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The Integrated Report and Supplement have been made available at www.unicreditgroup.eu and also available for download by activating the QR code below.



You may also request a copy from: UniCredit - Group Sustainability Piazza Gae Aulenti, 20154 Milan, Italy
e-mail: groupsustainability@unicredit.eu



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Climate change
Demographic change



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Lean and transparent organization



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Employees' development
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