2023 Integrated Report

Unlocking **transformation,** together.

For our clients, our people, and our communities.

Empowering Communities to Progress. UniCredit

Our manifesto

We believe in **Europe's potential.**

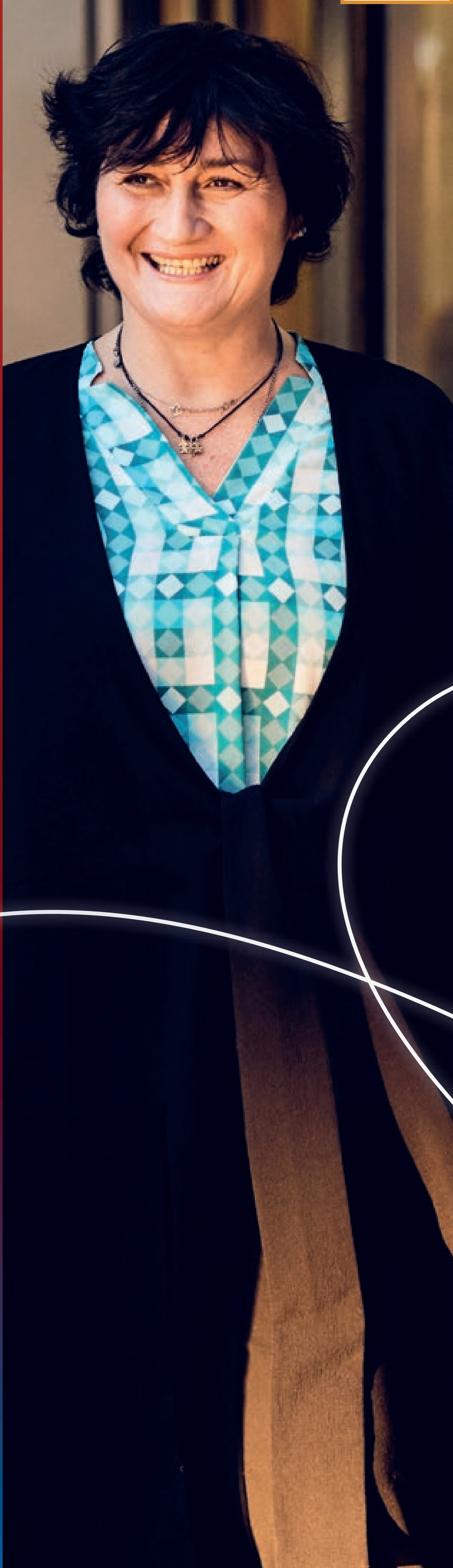
Uniting behind a vision of a
better bank and a better future.
A transformation for our clients,
our people, and our communities.
Demonstrating what it means
to be the Bank for Europe's future.

For everyone, everywhere.

Leading by example

We are empowering communities to progress while becoming the Bank for Europe's future. Because we believe leading by example is the right thing to do, we are setting a new benchmark for banking by embedding sustainability throughout our operations. We are partnering with our clients for a just and fair transition, supporting communities and society with our Social Strategy, steering our behaviour with clear commitments, and enriching our risk and lending approach.

To read more about our Strategy see pages 46–79




For all our stakeholders
and our
collective
future...

For our colleagues
who define
our culture...

Creating an engaging, positive working environment

Our Culture is built on the synergy of our Purpose, our Values of Integrity, Ownership and Caring, and our Ambition. We are creating an engaging and positive working environment to build employee awareness and set the tone for our Culture. We empower our people to progress throughout their professional lives by listening to their needs, valuing and developing their skills, and promoting diversity, equity, inclusion and well-being.

To read more about our impact on Human Capital see pages 86–99

Empowering communities to progress

We have a valuable role to play in improving the lives of people across the continent. We are forging close bonds with our local communities, using their detailed understanding of local practices, economies and cultures to enable individuals, groups and countries to realise their potential. We invest in close relationships with our main stakeholders, creating long-term value and supporting individual and collective growth.

To read more about our impact on Social and Relationship Capital see pages 100–125

For our customers and communities

and their **long-term prosperity...**

For our retail banking customers

who want **quick, easy, accessible** banking...

Meeting the needs and challenges of rapid change

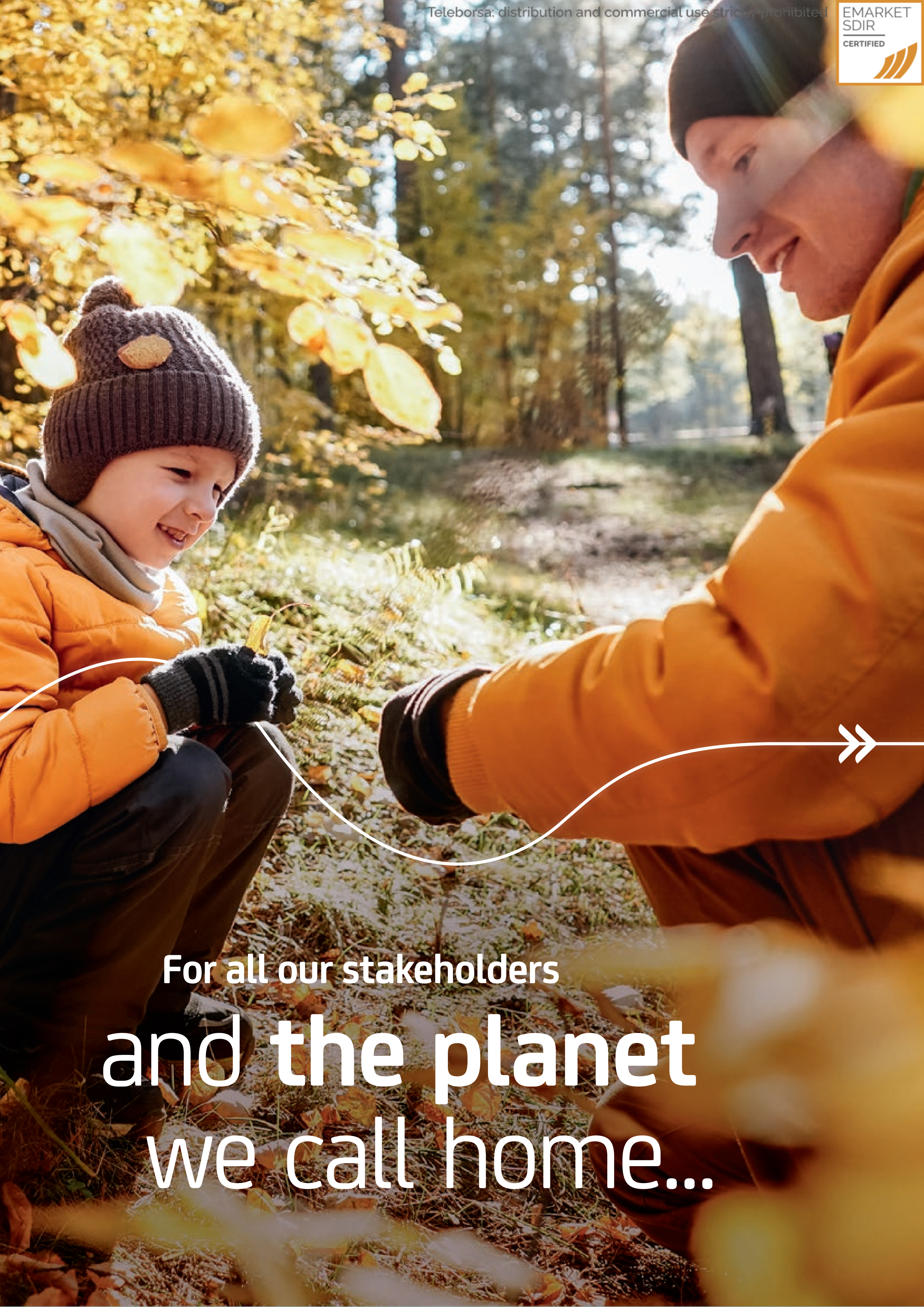
We want every digital interaction with UniCredit to be driven by personalisation, automation and data. In line with our four Digital & Data priorities – pursuing an optimised investment model, bringing core competencies in-house, designing a new way of working, and focusing our client approach on value creation – we are optimising and innovating our systems and processes. Our aim is to provide clients with simple, secure, user-centric solutions that meet the needs and challenges of rapid change.

To read more about our impact on Intellectual Capital see pages 126–137

Making a tangible difference

Our approach to the preservation of plants, animals, air, water, soils and minerals – our Natural Capital – is based on tangible actions that generate direct and indirect impacts. We are committed to minimising negative and maximising positive impacts. Our ambition is to preserve Natural Capital for the benefit of both the communities in which we operate and the Group itself – accompanying our clients on their green transition journey while reducing our own environmental footprint.

To read more about our impact on Natural Capital see pages 138–149


For all our stakeholders
and the planet
we call home...

“At UniCredit,
we are **transforming**
to create value
for everyone, everywhere.”

Andrea Orcel
Chief Executive Officer & Head of Italy UniCredit S.p.A.

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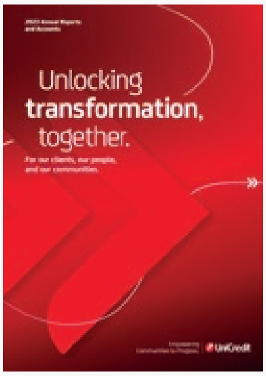


Download our UniCredit 2023 Annual Reports and Accounts

See the microsite

See all the milestones that have helped make this a year of powerful transformation for UniCredit

See the microsite

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 S.p.A. on 24 February 2024 and has been produced by Group Strategy & ESG, in collaboration with the all relevant functions. In line with the requirements of Legislative Decree 254/2016, the process of preparing the Consolidated Non-Financial Statement ("NFS", included in this document) is regulated by a specific policy, issued in 2017 and updated in 2023. As foreseen by Art. 5 of the Legislative Decree 254/2016, this document constitutes a separate report marked with a specific heading, to allow its connection with the NFS required by the regulation.

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

The sustainability information included in the 2023 Integrated Report, including its Supplement, are reported in accordance with the GRI Standards for the full year 2023, and the "Financial Services Sector Disclosures," both issued by the GRI – Global Reporting Initiative. The GRI 1 used is GRI 1: Foundation 2021. The performance indicators reported in accordance to the adopted guidelines are included in the "GRI Content Index" section. The principles contained in the International Framework, published by the International Integrated Reporting Council (IIRC), were also used as the reporting framework. Figures and information relating to the Scope 1, Scope 2 and Scope 3 classes of greenhouse gas emissions have been prepared in accordance with "The Greenhouse Gas Protocol: A Corporate, Accounting and Reporting Standard (Revised Edition, 2004)" as well as the "GRI Sustainability Reporting Standards."

In order to guarantee maximum transparency to the market and to its stakeholders, this Report contains the main policies of the Group, the management models and the results achieved in 2023 relating to the issues expressly referred to by Legislative Decree 254/16 (environmental, social, personnel-related, respect for human rights, anti-corruption, diversity of the members of board and other aspects related to sustainability), as well as the main risks identified connected to the aforementioned issues and the related management methods.

The information in the Report addresses the topics that were identified as material and their associated indicators, which represents its most significant impacts, both positive and negative, on the economy, environment, and people, including impacts on their human rights, or could have a substantial influence on the views and decisions of its stakeholders.
The materiality analysis, updated in 2023, was fundamental to determine the topics to be reported on, in line with stakeholders' needs. Following the analysis of the relevant topics indicated in Art. 3 of the Legislative Decree 254/2016, the use of water, considering the activity carried out and the specific business sector, was not considered significant for the representation in this NFS and therefore is not reported.
The content of this Report refers to the year 2023 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 2022.

Concerning the reporting perimeter, in line with previous years the Legal Entities consolidated on a line-by-line basis by UniCredit S.p.A. 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 2023, the reporting perimeter represents about 99 percent of Group's FTEs and headcount.

Community contribution and initiatives in support of communities included in the "Social and Relationship Capital" chapter include data and information related to UniCredit Foundation – Fondazione di studio in onore del Cavaliere del Lavoro Ugo Foscolo (the "UniCredit Foundation"), not included in the perimeter of the consolidated financial statements.
The data reported in the paragraph of the Supplement "Compliance – Whistleblowing" refers to the Legal Entities currently monitored and considered relevant by Group Compliance. For figures related to staffing and calculations of the Value Added, the perimeter of the Report corresponds to the 2023 consolidated financial statements, unless otherwise indicated. In accordance with GRI 207 (Tax: 2019), taxation data are related to the fiscal year 2022. The information's source of the disclosed data comes from documents reported to the fiscal bodies as required by law. Any conditions that may limit the scope of the data are clearly disclosed throughout the Report.
In addition, a SASB content Index is included, which contains all the indicators of the standard covered by this Report.

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

The NFS included in 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 Art. 3, paragraph 10, of the Legislative Decree 254/2016 are set out in a separate external assurance report. The limited assurance did not cover the information required by Art. 8 of the European Regulation 2020/852 and the application of the instructions provided by SASB. For the fiscal year 2023 and anticipating what will be required in 2024 under ESRS, UniCredit has made some considerations regarding financial materiality. These complement the considerations regarding the impact materiality based on the GRI standards.

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

UniCredit signed the UNEP FI Principles for Responsible Banking (PRB) in 2019. The Group set 3-years targets in 2023 related to the Financial Inclusion and Financial Health Commitment, and disclosed first results achieved in this year. The full PRB Report disclosing the progress made in implementing the principles will be published in line with this deadline. The disclosure aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations related to 2022 was issued in July 2023.

The report also includes the disclosure obligations under Art. 8 of the Disclosures Delegated Act supplementing the EU Taxonomy Regulation (2020/852), which requires financial companies to report eligibility and alignment's key performance indicators (KPIs), for calendar year 2023.

Material topics

In order to guide and support the reading of our Integrated Report, through the icons below you can find a visual representation of the material topics that are presented in our materiality analysis. The same topics are reported in the first page of each relevant chapter. They can be used as a reference while reading the report.

- **Business ethics**
- **Climate and environmental impacts**
- **Digital security**
- **Digitalisation and innovation**
- **Diversity, inclusion and employee engagement**
- **Lean and solid bank**
- **Political and societal changes**
- **Positive impact on society**
- **Responsible tax practices**
- **Value to clients**

UniCredit S.p.A.
A joint stock company

Registered Office and Head Office in Milan:
Piazza Gae Aulenti 3 – Tower A – 20154 Milano, Italy

Share capital Euro €21,133,469,082.48 fully paid in, Fiscal Code, VAT number and Registration number with the Company Register of Milan-Monza-Brianza-Lodi:00348170101

Registered in the Register of Banking Groups and Parent Company of the UniCredit Banking Group, with. cod. 02008.1; Cod. ABI 02008.1

Member of the National Interbank Deposit Guarantee Fund and of the National Compensation Fund

Stamp duty paid virtually, if due – Auth. Agenzia delle Entrate, Ufficio di Roma 1, no. 143106/07 of 21.12.2007

2023 was **a year defined by transformation**

Dear Stakeholders,

2023 was a year defined by transformation. The culmination of a three-year commitment to UniCredit Unlocked that has seen our Bank go from strength to strength. We are now a bank that is profitable and delivers consistent growth, but that is not the total measure of our success.

At UniCredit, true success is measured by the impact we are having across Europe, for the people, businesses, and communities we serve.

With our pan-European footprint and expertise, resources, and reach across 13 countries, we have been able to make a difference in a way other banks cannot.

This is a responsibility we have taken seriously at UniCredit. ESG is the lens that we have used to build and transform our Bank and over the past year, it has guided our decision-making.

In 2023 we have reached €82bn of ESG volumes and continued our commitment to Net Zero by disclosing 2030 targets for three of the most carbon-intensive sectors within our portfolio (Oil & Gas, Power Generation and Automotive) and the most recent addition of the Steel sector.

We were also the first Italian bank to sign up to the Finance for Biodiversity Pledge, calling for and committing to taking ambitious action on biodiversity to reverse nature loss in this decade, and joined the UNEP FI Principles for Responsible Banking Biodiversity community.

We have also stepped up for our 15 million clients who are integral to shaping a world that is fairer, greener, and more sustainable. We have provided clients with the tools, support, and knowledge they need to transition fairly and justly, particularly in high-emitting sectors.

We have not succeeded if we have neglected the social needs of our communities or left anyone behind in pursuit of Net Zero. Over the past year, high inflation and interest rates have posed a great challenge for individuals, families and businesses across Europe and they needed our support more than ever.

That is why we are championing the “S” of ESG at UniCredit. In 2023 we introduced our new Social Strategy to embed the social component of ESG into our overall strategy and reached €8.7bn of social lending. We invested in new projects with potential for long-term success, focused on financial inclusion and education to support vulnerable and disadvantaged people, and empowered our clients to be more socially oriented.

Our transformation has not been solely about unlocking our Bank’s potential, but the potential for others. I believe we have done this.

We all know that meaningful and lasting change cannot be achieved overnight, but ESG will always be a key part of our strategic plan and our business model.

After three years, we are in an even stronger position, with our scale, reach, and commercial momentum, to make a difference now and in the future.

2024 will be about continuing to embed ESG into our plans for growth and leveraging our strengthened position to push even further. To shape a better future for our people and for the planet.

To set a new benchmark and to truly be the Bank for Europe’s future.

Andrea Orcel
Chief Executive Officer UniCredit S.p.A.

A year of powerful transformation

Together, every change we make, every month of the year, throughout all our businesses across all our geographies, all contributes to delivering the biggest transformation in our history.

Review all our milestones online

Read more on the microsite

» January

Becoming the main sponsor of the San Carlo Theatre in Naples
Supporting culture and territorial social growth

Building new hospitals in Angola
UniCredit provided loans for three new hospitals

UniCredit named one of the Top Employers in Europe

UniCredit launched Bank iD service
Making everyday life more convenient for our clients in the Czech Republic

Introducing the euro as Croatia's official currency

UniCredit underwrites €7 billion acquisition of GD Towers from Deutsche Telekom

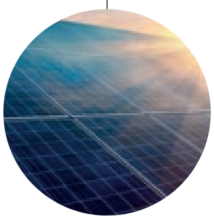
Key to icons

- Strategy
- Finance
- Clients
- People & Culture
- ESG
- Digital & Data
- UniCredit Foundation

February

Net zero targets set for carbon-intensive sectors

100% single-use plastic-free bank
Reducing the use of millions of plastic bottles in a single year



Project financing for Enel's 3SUN photovoltaic Giga Factory
Supporting the expansion of what will become Europe's largest factory of high-performance bifacial photovoltaic (PV) modules

March

UniCredit included as one of the Equileap Top 100 gender equality companies
Positive recognition for our efforts across the bank

Launch of our first Group-wide Volunteering Community
Encouraging our employees to contribute one working day each year

Eni and UniCredit partner around Open-es
An open alliance for sustainable growth and collaboration

2023 Milestones Timeline

April

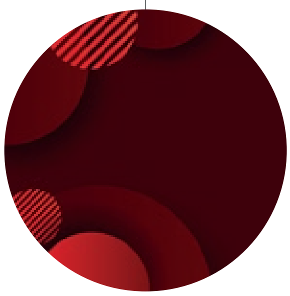
Share buy-back programme
€3.343 million share buy-back programme receives approval

Supporting Gerresheimer's growth plan in Germany
Helping to raise €272 million in capital for High Value Solutions and Medical Devices

May

1Q

Relentless transformation
9th consecutive quarter of profitable growth and best 1Q ever



Growing our partnership with Mastercard
A first for a large commercial bank in Europe – putting in place, an at scale single card multi market strategy

UniCredit Bulbank opens completely cashless branches
Supporting the shift to a cashless society in Bulgaria

» June

2nd tranche of UniCredit per l'Italia
Supporting the disposable income of individuals and households, and liquidity of Italian businesses

Sponsoring Pride parades in Milan, Vienna, and Munich
Reinforcing our strong commitment to diversity, equity and inclusion and support to the LGBTQIA+ community

UniCredit acted as financial advisor to Dufry
Supporting them with the acquisition of Autogrill SpA

2nd edition of our Culture Day
Reflecting on our cultural transformation results

Launch of a Global Bank Insurance platform with Allianz
Aimed to renew the commercial offer of more than 20 insurance products

€292 million IPO for Ferretti
The first ever Hong Kong and Italian dual listing

2023 Milestones Timeline

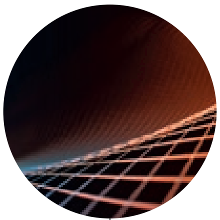
» July

Launch of €1 billion Green Bond for the Federal State of Hesse
Supporting this pioneer in green financing in Germany

UniCredit and Trustpair announce partnership around IBAN check
Tackling fraud in B2B payments to protect our clients

Launch of 'Re-power your future' with Junior Achievement Europe
A €6.5 million programme to empower youth and prevent early school leaving

Another record-breaking set of results
Best 2Q and 1H ever



2Q

MSCI upgrade UniCredit's ESG rating to 'AA'
In recognition of the banks efforts to mitigate social risks and the robust integration of ESG practices

Hidroelectrica IPO in Romania
UniCredit acted as Joint Bookrunner in what was the largest IPO in Europe in 2023

» August

Publication of our Sustainability Bond Report

Setting out how our bonds have funded renewable energy, green buildings and social impact initiatives

Sponsorship of the Louis Vuitton 37th America's Cup

As both a Global Partner and the exclusive Global Banking Partner

» September

Renewing our main partnership for Filarmonica della Scala's 2024 season

Helping to foster musical excellence and culture in Italy and beyond

Installation of an innovative tree irrigation system

At our HQ in Hungary where we are now irrigating around 200 surrounding trees

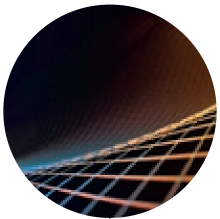
2023 Milestones Timeline

» October

onemarkets Fund celebrates its first anniversary
A family of eighteen funds with €3 billion of assets under management

UniCredit and Alpha Services and Holdings, announce merger
Creating a strategic partnership in Romania and Greece

Continuing to deliver quality profitable growth while investing for the future



3Q

» November

Opening of our Innovation Hub in Germany
Creating a place where employees can actively shape the future of the bank

UniCredit Foundation and Teach For All renewed partnership
Furthering our commitment to boosting education and teaching

The launch of the UniCredit Art Collection website
Making art accessible for all and drawing on our long tradition of supporting arts and culture

Launch of our first ever Kids4Kids & Donation Day
Supporting children in need across Europe

Our inaugural ESG Day
With our mission of Empowering a Just and Fair Transition we fostered new dialogues and raised awareness

Winner of the Global EDGE Certification for gender equity and inclusion
The first pan-European bank to win this certificate

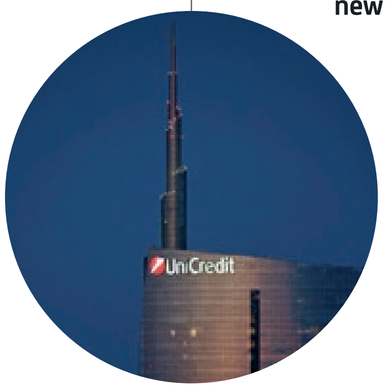
December

Our transformation continues into 2024

4Q

Our transformation journey: record-breaking results, sights set on new heights

€100 million+ Equity Private Placement for D-Orbit
The largest in Italy in 2023



Bank of the Year
In a first for the bank we were hailed as Global 'Bank of the Year' for 2023 by The Banker

UniCredit's ambition is to be the **Bank for Europe's future**

One of the key takeaways from our first ESG Day, an event fostering stakeholder dialogue you can read more about on page 28, was **the need for cathedral thinking**: the concept of laying the foundations of our future world, with an acknowledgement that it may be the generations to come, and not us, who are there to enjoy it. This is **the real definition of sustainability** that we want to foster and support.

Our world faces many challenges and organisations like ours need to step up and help shape a fairer, greener future. We believe that leading by example is the right thing to do. Our commitment to our communities, our people and our planet goes far beyond simply ticking a box – our ESG principles are embedded in everything we do, and one of the five strategic imperatives of our long-term UniCredit Unlocked strategy.

All banks have an important role to play when it comes to ESG – and it is one that goes far beyond lending. But we believe UniCredit is uniquely placed to be a true pioneer in creating behavioural change, helping clients in higher-emitting sectors to transition while exploring how we can integrate ESG into our own day-to-day operations to create a new benchmark in our industry.

Our unique footprint across Europe, with expertise, resources and an on-the-ground presence in 13 countries, means we can make a tangible difference in ways other banks simply cannot match. We are bigger, with a greater presence, and we have a bigger opportunity to drive change.

Our 15 million clients are at the centre of our Bank and our decision-making, and we are directly influenced by their needs. But we also have a responsibility to hold them to the same high standards we set ourselves. It is our responsibility to bring them with us and support them in their own transition as we progress towards our ESG targets.

One of the most powerful ways we can do this is through the financing of environmental initiatives. We are empowering clients and communities alike to progress by supporting renewable energy projects and energy efficiency efforts.

We also want to have a positive social impact in line with our responsibilities as a social actor – assisting our clients and communities in making meaningful progress towards a more sustainable, inclusive, and equitable society in the long term.

Our swift progress against our ambitions is testament to the strength of our commitment – and to the whole Group pulling together in the same direction. We are striving to reduce our direct and indirect environmental impacts while supporting Europe's green transition.

When we joined the Net Zero Banking Alliance in 2021, we set Net Zero targets of 2030 for our own emissions and 2050 for our financed emissions portfolio. Since then, alongside our actions to reduce our own emissions, we have also set additional interim 2030 targets to reduce our financed emissions in three of the most carbon-intensive sectors in our loan portfolio: Oil & Gas, Power Generation, and Automotive.

In January 2024, we added targets for the Steel sector, in alignment with the Sustainable Steel Principles, of which UniCredit is a founder. In the coming months we will establish interim targets for other carbon-intensive sectors, including Real Estate.

In addition, we have now published our inaugural transition plan – as outlined in the Strategy section on page 46. This plan illustrates how we are turning our commitments into actions, making our targets operational, and ensuring all relevant functions of the Bank can contribute.

"Our commitment to our communities, our people and our planet goes far beyond simply ticking a box – our ESG principles are embedded in everything we do."

An event fostering stakeholder dialogue

One of the key takeaways from our first ESG Day was the need for cathedral thinking: the concept of laying the foundations of our future world, with an acknowledgement that it may be the generations to come, and not us, who are there to enjoy it. This is the real definition of sustainability that we want to foster and support.

>12,000

participants (online and in-person)

>14,000

visits to our ESG Day landing page during the event

Group

Read more on the website

Page 28 Read more

In the past two years we have achieved €82bn of ESG volumes and we will keep supporting our clients in their transition towards more sustainable business models, committing to specific ESG penetration targets on Lending, Investment Products and Sustainable Bonds – which you can read more about on page 49.

While financing is traditionally where banks can have the greatest impact, we are also educating our clients and stakeholders on ESG topics and the important role they can play in protecting the planet and its communities.

As the traditional scope of ESG broadens, we are also expanding our focus to embrace nascent topics including biodiversity and the circular economy. We were the first Italian bank to sign up to the Finance for Biodiversity Pledge and we are a member of the Ellen MacArthur Foundation's international charity network to support our approach to accelerating the circular economy transition across our countries.

In 2023, we contributed to the publication of UNEP FI's PRB "Nature Guidance for Banks" and the Finance for Biodiversity Foundation's first paper, "Unlocking the biodiversity-climate nexus". Collaborations like these, especially with other financial institutions, promote the open dialogue needed to truly tackle the challenges the planet is facing.

Our commitment is also in favour of the communities and vulnerable people for whom we provide a wide range of financial education programmes, to increase awareness on economic topics and reduce social gaps. In 2023 we continued to support communities through our Social Strategy focusing on social finance, our own social contribution to our communities, and the support we give our people.

Internally, we continue to work hard to embed ESG in everything we do. This year, UniCredit was the first pan-European bank to win a Global EDGE Certification for gender equity and inclusion. Furthermore, in 2023 we provided ESG training for colleagues at all levels – giving them the knowledge and insights they need to make a meaningful impact and drive positive change with clients and customers.

€82bn

of ESG volumes
Supporting our clients in their transition towards more sustainable business models

Page 49 Read more

We have also taken steps to prevent green and social washing – a serious issue that threatens to undermine ESG initiatives across industries. To safeguard our reputation and mitigate the associated risks, we have extended the scope of our activity to include prevention initiatives including the issuance of ESG product guidelines.

While we are certainly heading in the right direction, challenges remain that we must rise to meet. We recognise, for example, that not all the communities we operate in are at the same stage of their journey – and, in some cases, we will need to evaluate the trade-off between environmental impacts and social repercussions. Both factors are equally important, but we are realistic about their interaction and where we can add the most value.

While we remain steadfastly committed to the transition, it is vital that we also consider the real people who will be impacted by our policies and help businesses to transition in a sustainable manner.

Also on the horizon are new regulations that will call for greater transparency and disclosure of ESG-related data. The EU's Corporate Sustainability Reporting Directive, for example, will apply from next year, and it will take considerable effort for all impacted companies – UniCredit included – to comply. We have already set up a working group to analyse all applicable requirements and define an adaptation plan to be implemented during 2024.

The future of our planet depends on all of us – clients, colleagues, competitors, governments and many other influential bodies and organisations. We must stand together, be prepared to be counted, and make a concerted effort to change our behaviour. UniCredit will continue to lead by example.

Fiona Melrose
Head of Group Strategy & ESG

Who we are

UniCredit is a pan-European Commercial Bank with a unique service offering in Italy, Germany, Central and Eastern Europe.

Our Purpose is to **empower communities to progress**, delivering the best-in-class for all stakeholders, unlocking the potential of our clients and our people across Europe.

Page 22 Read more about our Purpose

Where we operate

15m
customers worldwide

4
coverage regions

13
leading banks

A. Central Europe includes Austria, Czech Republic, Hungary, Slovakia and Slovenia.
B. Eastern Europe includes Bosnia and Herzegovina, Bulgaria, Croatia, Romania, Russia and Serbia.

Our business

Our integrated and sustainable business model is based on local excellence, inspired by our Principles and Values. We are organised across four regions that are supported by central structures, with three product factories and a lean competence centre embedding Digital & Data.

While clients access our services through local banks, our comprehensive offering to meet their needs is created by our three global product factories – Corporate, Individual and Payment Solutions. These factories each deliver best-in-class solutions, developed internally or through our dynamic ecosystem of trusted partners.

In 2023, we've further reinforced our in-house expertise in the factories, rebuilding and enhancing the internal solutions we offer organically, while strengthening our strategic partnerships with industry leading companies. Our global solutions leverage local coverage and the benefits of our Group-wide scale and scope.

Our solutions

Corporate Solutions

Our inherent strengths are an extensive corporate client base with unique SME penetration, as well as unique cross-border positioning that enables us to support clients in their trade, and growth ambitions.

During 2023, we invested further in developing our talent and product expertise to covering all corporates' value added needs with top-notch comprehensive solutions developed in house.

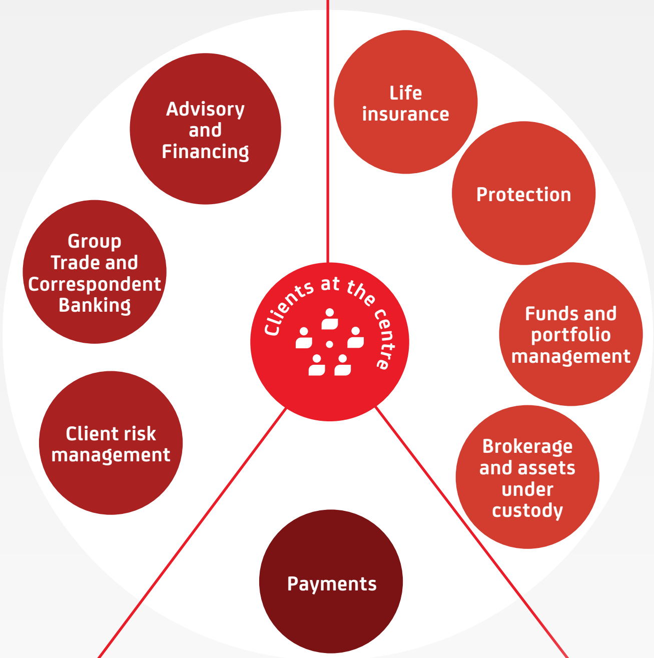
Our Corporate portal is a single-entry point for clients to access our digital product offering, demonstrating the value of our Group-wide scale and scope for us and for our clients.

Individual Solutions

Our inherent strengths are our extensive high-quality products and services offering, strong partnerships with industry leaders, as well as our enormous potential to offer clients innovations that leverage the Group's scale.

During 2023, we have reinstalled our internal asset management factory and issued 18 onemarkets funds in only one year.

Combining our in-house capabilities with best-in-class external expertise (Allianz, Azimut, BlackRock) and products, we are able to offer greater client choice, while our global solutions and platforms (e.g. our Global Non-life insurance platform) are available to all clients across our geographies.



Payment Solutions

Our inherent strengths are our unique pan-European footprint and cross-border positioning, our payments DNA and advanced technology for data usage.

To unlock our full potential, in 2023, we have set up a Group Payments solutions factory that has provided a geographical extension of our advanced International payments offer, almost doubling (vs 2021) the number of corporates with access to our digital portal. We have also entered into an innovative, multi-market partnership with Mastercard. Our strategy is delivering on our vision of being every European client's first choice for payments.

How we create value

In 2023 UniCredit completed Unlocked's first cycle: one that moved our Bank from a laggard to a leader, with a uniquely pan-European footprint, we have delivered overall best-in-class performance while respecting our ESG framework.

Input

Financial Capital Page 80 Read more

We have been delivering quality profitable growth across all regions and offering attractive and sustainable opportunities for our investors, while preserving capital strength and propelling the future

Human Capital Page 86 Read more

We support our colleagues throughout their working lives by strengthening their competencies and promoting diversity, equity, inclusion and well-being

Social and Relationship Capital Page 100 Read more

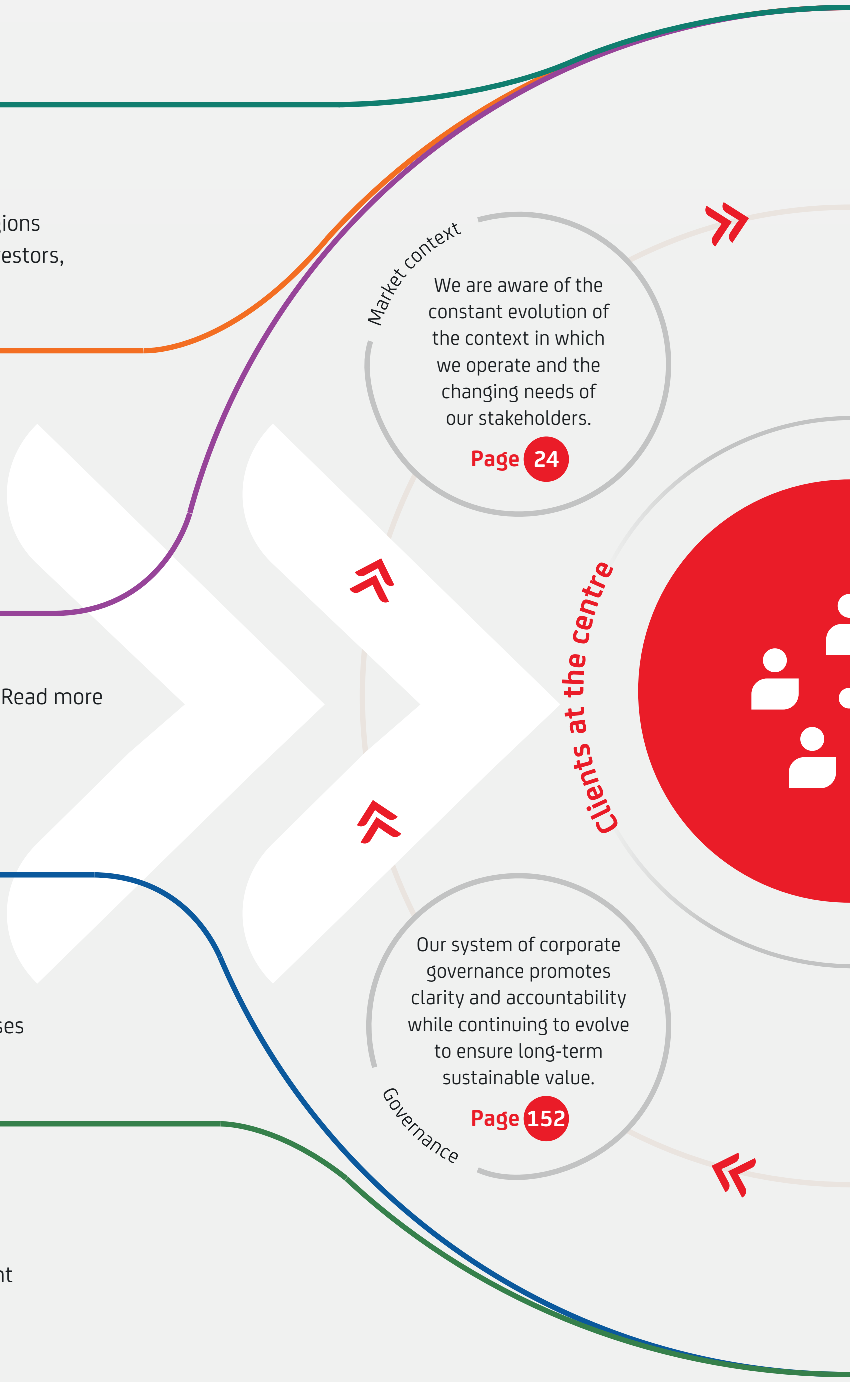
We remain committed to generating a positive impact on communities and promoting Financial Health and Inclusion, focusing on the younger generation and education

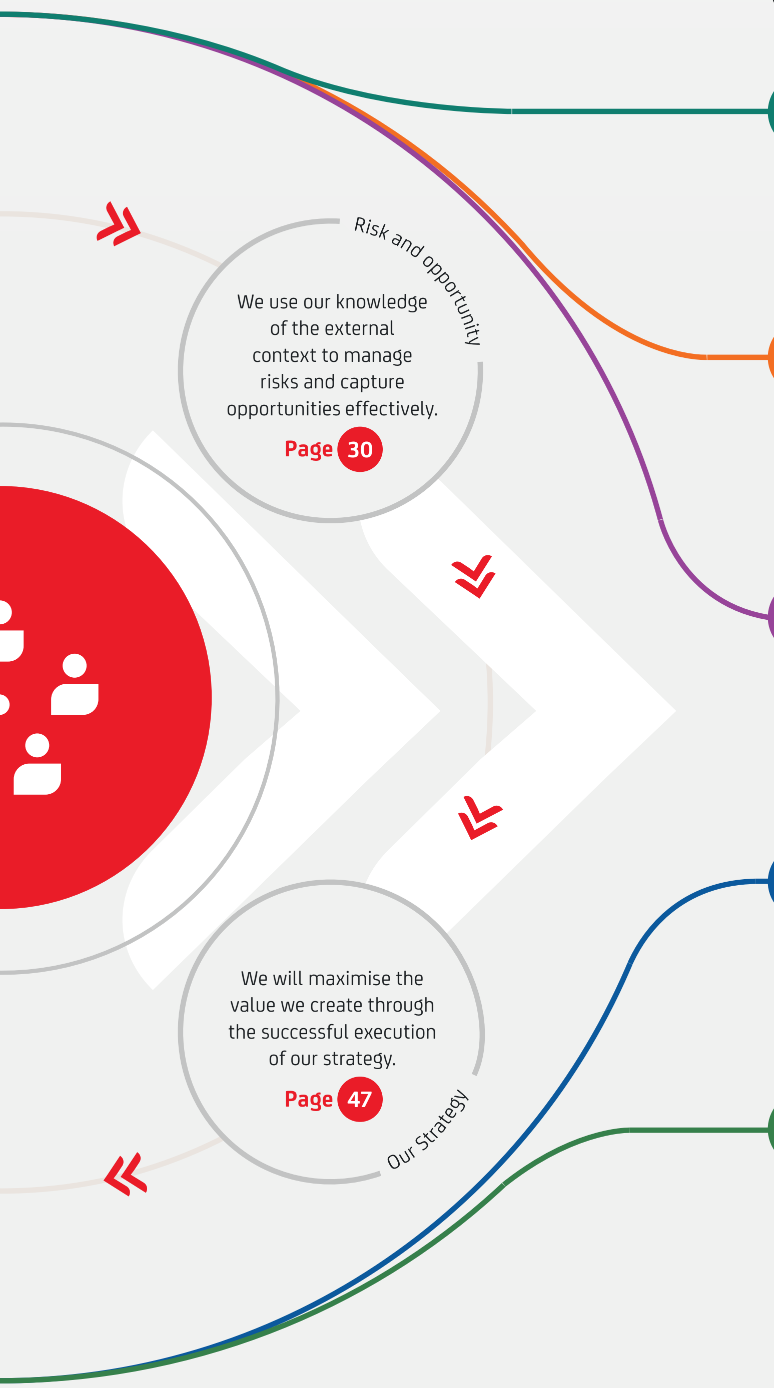
Intellectual Capital Page 126 Read more

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

Natural Capital Page 138 Read more

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





Outcome 2023

Financial Capital

€8.6bn
Net Profit

€409bn
Customers Loans

Human Capital

c.35
Training hours per capita

c.€17m
invested to ensure equal pay for equal work

Social and Relationship Capital

€59.6m
Social contributions

>220,000
Financial Education beneficiaries

Intellectual Capital

+68%
Growth in resources working in Agile

~15%
Digital Global Workforce reskilled

Natural Capital

c.€19bn
Environmental lending volumes since beginning of 2022

-28%
Own GHG emissions (scope 1 and 2, market-based) vs 2021

Our Purpose: Empowering communities to progress

Our Purpose should always be front of mind whenever we make decisions, take actions, or communicate with colleagues, clients and people around us.

We believe that working every single day towards the delivery of our **Purpose** will give us the financial strength to achieve our **Ambition** to be the Bank for Europe's future.

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

Our Values determine how we act and shape the decisions that we make every day

Integrity **Ownership** **Caring**

Building a new Culture: our progress so far

Our profound journey of **Culture Transformation** continues at pace and has been marked by many achievements. We have further demonstrated our commitment by empowering a significant number of our employees to reflect on what our Values mean as an identity – and to explore how that translates into improving the way we serve our clients and communities.

After having initiated our Culture Transformation in 2022, this year we executed our comprehensive plan to bring our Values to life and shape our behaviour to enable Culture change.

This year our **Culture Sponsors, Culture Champions and Network** worked intensively to create and execute many local initiatives in their areas. The outcomes of 50 best-in-class initiatives were presented during the Annual Culture Progress meeting, demonstrating how our Values are lived every day, and our Culture progress overall. The meeting is also an opportunity for collaboration, enabling synergies and sharing of best practices – which is an area where our Culture Network really excels.

The first local initiative to be scaled up globally was the "**Culture Jour Fixes**" initially launched by our team in Germany. By replicating this format, we involved our front-line branch employees in all the banks where UniCredit operates. This was done for the first time in 2023, involving **over 23,000 colleagues from almost 3,000 branches**. It was an essential opportunity for them to reflect on our Values and how they live them in their daily work with clients.

The second local initiative celebrated another successful year and recognised the extraordinary contribution of all our people and more particularly their teamwork by using **Thank you cards** to mark the 2023 winter holiday season Group wide. Launched by UniCredit Hungary, and already adopted in Germany, this best-practice initiative acknowledges the roles our people play through their outstanding work results, unwavering commitment, collaborative efforts, and their dedication in embracing and embodying our core Values.

In addition, the year saw us hold **22 Culture Bootcamp** sessions under our Culture learning pillar. Almost **1,100 employees participated**, taking a moment to reflect on our Values and what can be done to bring them to life through the actions we all carry out every day.

Culture Day

30,000

colleagues participated across all UniCredit countries

Second Culture Day – fully immersive two-day event spread across numerous Group and local formats, as well as unique Metaverse virtual experience

Culture Roadshow

4,000

colleagues participated (physically and virtually) in Bulgaria, Italy, Czech Republic, Hungary, Serbia and Bosnia and Herzegovina Mostar[2]

Continuing with the Culture Roadshow to embed our Culture in all our bank's geographies

Culture Training

c.1,100

colleagues involved in dedicated workshops across the Group[1]

22

bootcamps took place in Italy, Austria and Germany[1]

Culture Learning

Through an innovative training format, our colleagues deep dive into and align themselves with the cornerstones of our Culture, Values and mindset

Culture Jour Fixes in Branch

c.23,000 colleagues from c.3,000 branches took part in a meeting dedicated to understanding and embedding our Culture

Our Culture Network: The Key Driver Of Culture Change

The foundation of our Culture Network is a crucial milestone in our Culture Transformation. Its role is to inspire, connect, drive and act as a multiplier of change. In 2023, as our journey gathered momentum by tackling key topics and processes, and having an impact on Bank departments, our Culture Network welcomed many new members, engaging and motivating **over 1,500 colleagues** to drive our Culture Transformation.

Culture Sponsors
Senior leaders, responsible for designing and enabling Culture activation initiatives

Culture Champions
Motivated colleagues from our Group, selected to inspire, design and roll out Culture transformation initiatives

Extended Culture Network
DE&I Accountable Executives, Compliance Business Agents, Speak-up Ambassadors and Employee Networks

Annual Culture Progress Meeting
Our Annual Culture Progress meeting took place in Belgrade, Serbia in October 2023. This event offers a key opportunity for our Culture Sponsors and Champions to share concrete results and achievements with the Group CEO and Top Management. It is also an opportunity for best practice sharing, cross-fertilisation and collaboration.

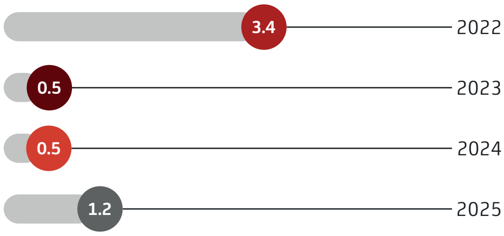
1. Numbers referred to 2023 only, cumulative for 2022-2023 – 33 workshops and 1,800 colleagues.
2. Number referred to 2023 only, cumulative for 2022-2023 – 7,000 people.

The key trends and issues driving our markets

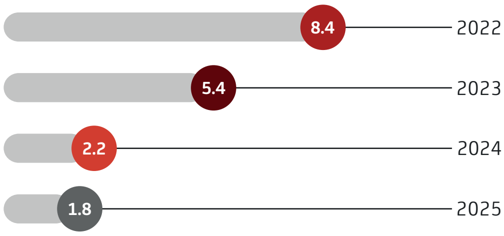
Macroeconomic context

- Economic **growth has slowed** as central banks' interest rate hikes gradually filter through to the economy
- The Eurozone is witnessing a **significant decline in inflation.** Prices for basic consumer goods and food have had the greatest impact on this slowdown
- A **tense global geopolitical situation** is increasing uncertainty across global financial markets and exacerbating humanitarian repercussions
- At COP28, a historic agreement was reached to **transition away from fossil fuels** and reach Net Zero emissions globally by 2050

Euro Area Growth (Real GDP % yoy)[3]



Euro Area Consumer Prices (% yoy)[3]



Stakeholders

Consumers:

- Globally, 64% of consumers are **highly concerned about sustainability,** and their worries are mounting[4]
- 12% of consumers are **willing to pay more for sustainable products**[4]
- More than three quarters (77%) of EU citizens regard **climate change as a very serious problem,** ranking the seriousness of climate change between 7 and 10 on a scale to 10[5]
- Almost 4 in 10 EU citizens say they are **personally exposed to environmental and climate-related risks** and threats[5]

Companies:

- Companies are **broadening their commitments to nature beyond carbon,** with 34% of European companies in the Fortune Global 500 having targets for three or more dimensions of nature[6]
- According to the CDP, Clarity AI latest report on first year EU taxonomy disclosure, of 1,700 NFRD companies that published EU Taxonomy this year, c.600 identified their revenues and spending as part of their transition plans, c.300 have validated science based targets, both of which correlate to **higher taxonomy alignment** overall

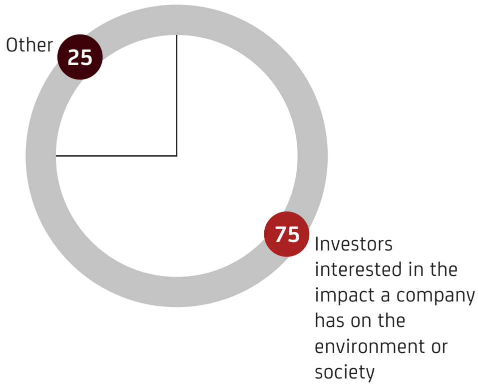
EU citizens who regard climate change as a very serious problem (%)

3. Estimates based on UniCredit Research (February 2024).
4. Bain & Company, The Visionary CEO's Guide to Sustainability, November 2023.
5. European Union, Eurobarometer, Climate Change, July 2023.
6. McKinsey & Company, Companies are broadening their commitments to nature beyond carbon, December 2023.

Investors

– In addition to their interest in how sustainability affects financial performance (outside-in reporting), 75% of investors want to know about the **impact a company has on the environment or society** (inside-out reporting)[7]
– **Nature and Biodiversity** have started to capture investors' attention, as evidenced by their desire to identify investment opportunities in nature conservation or ecological-improvement projects. These are becoming increasingly available to private investors through mechanisms such as debt-for-nature swaps and carbon credits[8]
– **Power generation is of particular interest to investors,** but all mitigations have strong investor support[9]. Solar, smart grid technologies and utility-scale storage are among the top three areas for investment

Investors interested in inside-out reporting (%)



Regulators

EU framework for sustainable growth

2019 → **2021** → **2022** → **2023** → **2024**

2019
EU Green Deal EU to be climate neutral by 2050

2021
European Commission announced the **Renewed Sustainable Finance Strategy** in the framework of the European Green Deal

2022
Disclosure on environmentally sustainable activities **(eligibility)** based on the **Taxonomy Regulation** (Art. 8 – Reg. 2020/852)

European Commission adopted a proposal for a Directive on **Corporate Sustainability Due Diligence**

2023
Disclosure on first set of KPIs for **EBA Pillar 3** regarding climate risks, mitigation actions and institutions' strategy, governance and risk management framework

Additional **reporting requirements for adverse sustainability impacts** at the financial product level apply and for Art. 8 or 9 SFDR products (light and dark green)

2024
Disclosure on environmentally sustainable activities **(Green Asset Ratio)** based on the **Taxonomy Regulation** (Art. 8 and EBA pillar 3)

Application of new rules set out by the **Corporate Sustainability Reporting Directive**, with first reports to be published in 2025 for 2024 data

Industry trends

– **Demand for critical minerals** for clean energy technologies is expected to increase rapidly, by three-and-a-half times to 2030 in the IEA Net Zero Emissions by 2050 Scenario, which shows demand for critical minerals growing[10]
– **Food and agriculture** companies urgently need to raise their ambitions on sustainability and health to build more future-proof and competitive businesses: food companies that seize the initiative can benefit from a potential 15% five-year revenue uplift vs a 43% revenue decline for companies that fall behind, based on a scenario of increasingly aggressive regulation[4]

7. PwC's Global Investors Survey 2023.
8. MSCI, Sustainability & Climate Trends to Watch 2024.
9. BCG, Rockefeller Foundation, 2023 Climate Finance Market Survey.
10. IEA, Critical Mineral Market Review 2030.

Strengthening stakeholder relationships

Listening to the full range of our stakeholders is central to how we work. We continually seek their feedback to **strengthen stakeholder relationships and improve how we meet their needs**.

We encourage our stakeholders to share their views and concerns, and work hard to respond quickly and accurately. Gathering and analysing stakeholder feedback not only provides us with valuable insights into their needs – it also helps us manage the risks and opportunities we face and underpins our drive to achieve long-term sustainability.

In 2023, we continued to leverage a broad range of stakeholder engagement tools:

Dialogue tools with stakeholders

Clients

Channels

- Client satisfaction assessment
- Brand reputation assessment
- Mystery shopping
- Instant feedback
- Focus group, workshops, seminars

Page 100 Read more in the Social and Relationship Capital chapter

Key facts

428,513
clients and prospects interviewed for our client satisfaction survey

Colleagues

Channels

- Internal clients' perceptions of headquarters' services
- Group Intranet Portal
- Departmental online communities

Page 86 Read more in the Human Capital chapter

Key facts

30,000
colleagues participated in the Culture Day across all UniCredit countries

Investors/shareholders

Channels

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

Page 100 Read more in the Social and Relationship Capital chapter

Key facts

284 meetings

25 roadshows with institutional investors

Regulators

Channels

- One-on-one and group meetings, calls

Page 100 Read more in the Social and Relationship Capital chapter

Key facts

Proactive engagement and contribution to the debate on the regulatory framework

Communities

Channels

- Surveys
- Social media

Key facts

c.964,500 followers on social media

Deep dive

ESG Day: Setting a benchmark for stakeholder engagement

Our ESG responsibilities go far beyond how and what we finance. We also have a valuable opportunity to guide our stakeholders and bring them with us as we set new benchmarks for our industry. We want to be pioneers in creating behavioural change – helping clients in high-emitting sectors to transition while looking at how we can integrate ESG into our own day-to-day operations.

Education and engagement will be an important part of that journey, so we need to find new ways to strengthen our relationships with our clients, our people and our shareholders. We are committed to **listening to and learning** from all our stakeholders, to better understand the challenges they are facing – in turn giving us the opportunity to show them how UniCredit can help how they bank.

Hosting our first ESG Day

To make good on our commitment, in 2023 we hosted our inaugural ESG Day. Months in the making, the one-day event saw more than 12,000 participants join either online from all the countries or in-person at our Gae Aulenti and Lampugnano offices in Milan.

At its core, the event was an opportunity to stimulate stakeholder dialogue while continuing to raise awareness of climate change, social inequalities, biodiversity and the circular economy, as well as our own role in fostering the necessary change in mindset.

Attendees included colleagues, clients and partners, alongside a host of renowned experts who dived into a series of engaging discussions covering the full spectrum of ESG topics.

In addition to opening addresses from our CEO and Head of Italy, Andrea Orcel, Head of Group Strategy & ESG, Fiona Melrose, and Joanna Carss, Head of Group Stakeholder Engagement, participants heard keynote speeches from Telmo Pievani, Full Professor at the Department of Biology, University of Padua, and Matteo Ward, sustainable fashion entrepreneur and CEO and co-founder of WRÅD.

One of the key takeaways from Mr. Pievani's opening keynote was the need for **cathedral thinking** – the concept of laying the foundations of our future more sustainable world.

Wide-ranging sessions

Elsewhere, the opening panel session – "The road ahead: Safeguarding the climate in troubling times" – framed an important discussion. Panellists agreed that, amidst the complexity, there is still work to be done to foster transparency, ownership and strong governance when addressing the intricacies of climate change. The ideas of new ESG-focused start-ups – such as digital and AI tools for measuring resource consumption or extracting raw materials with minimal emissions – provided grounds for optimism.

This was followed by a panel called "The social debate: Putting the 'S' centre stage", where participants advocated for a clear multi-stakeholder approach and precise impact measurement for social initiatives, underpinned by education for clients and communities.

12,112
participants (online and in-person)

14,032
visits to our ESG Day landing page during the event

There was a dedicated session on two nascent topics at the heart of UniCredit's future plans: "Bolstering biodiversity and shifting to the circular economy". The discussion focused on the intrinsic link between climate change and biodiversity – as the climate changes, habitats get lost, and so does the biodiversity that relies on those habitats. Ecosystems are tightly interconnected and interdependent, and this balance can be quickly undone.

The event was intersected by two impressive creative interludes – the first an immersive journey through the sights and sounds of climate change, "Silence Makes Noise", and the second an inspirational performance by the AllegroModerato orchestra.

The event continued with a dynamic and interactive format where participants were fully immersed in ESG workshops. Topics included materiality – gathering feedback from clients, NGOs, investors, partners and our colleagues on UniCredit's materiality analysis to support our business strategy and long-term value creation – climate change and transition, circular economy and biodiversity, youth and education, and green- and social-washing prevention strategies.

We also held an interview with Professor Marco Giorgino, Full Professor of Financial Markets & Institutions at Politecnico of Milano, on the relevance that governance could have for the sustainability of a company.

We are already planning our **ESG Day 2024** and look forward to continuing our rich and invaluable stakeholder dialogue throughout the year.

> "The purpose of this event was to enrich our ongoing dialogue with key stakeholders by creating a space for impactful discussions around some of the most critical challenges we all face today. This dialogue is fundamental in helping us fine-tune our approach as we continue our path to be the Bank for Europe's future."

Rossella Iorio
Head of ESG Service Excellence, UniCredit

Read more on the website

Materiality analysis

The creation of long-term value for the Group depends on our ability to meet stakeholder needs. We therefore carry out an annual materiality analysis to make sure we gather and take into account feedback on bank industry topics from a variety of stakeholder sources. This process helps us to identify and address the issues that are most material to stakeholders, including emerging risks.

During 2023, our impact materiality assessment set out our progress toward implementing the 2021 GRI Standards Update. This update guides how we report sustainability information and is helping us modify our analysis to pave the way for the introduction of the new **Corporate Sustainability Reporting Directive (CSRD)**. We have assessed sustainability impacts, risks, and opportunities (IRO) across the environmental, social, and governance matters deemed to be material from a double materiality perspective: impact materiality and financial materiality.

This year's analysis has led us to make some changes to material topics. We have reduced the list of material topics from 14 to 10, in line with our understanding of what is significant to our business and our stakeholders. We have also adjusted the scope of our material inputs to align with external trends. The following material topics, which were presented in our 2022 analysis, have now been merged into single topics: the "Bank Solidity" and "Lean and Transparent Organisation" topics have been merged as "Lean and Solid Bank"; "Employee Empowerment", "Diversity and Inclusion", and "Future of Work" have become "Diversity, Inclusion and Employee Engagement"; and "Business Ethics" and "Fair Business Behaviour" have been brought together as "Business Ethics".

For each material topic, we have identified the related impacts, risks, and opportunities – based on our activities and business relationships, the context in which these take place, and our understanding of the stakeholders most affected.

The list of negative and positive impacts for each material topic informed our impact materiality assessment. Also known as an **inside-out** perspective, this details our impact on people or the environment, which are both key stakeholders. The list of risks and opportunities informed our financial materiality assessment. Frequently referred to as an **outside-in** perspective, this identifies the effects of sustainability matters on our cash flow, financial performance, financial position, access to finance in the short-, medium- or long-term, or cost of capital.

The groundwork for our double materiality perspective involved leveraging different **internal and external sources**.

Internally, we deployed our **new Impact Measurement Model** (see deep dive below) to provide the actual and potential positive and negative impacts resulting from the Bank's activities. These activities were prioritised by involving and listening to the relevant internal functions, as well as our ESG department. The list of IROs and a **dedicated study of the priorities** were submitted to our senior management (GEC members), who were asked to assess the significance to stakeholders in terms of actual, potential, and magnitude of impact as well as the impact on our long-term value creation – in terms of risks and opportunities – to the financial effects in the short-, medium- and long-term.

External views were sourced via the **Datamaran tool**, which allows us to analyse our material topics from a double materiality perspective. The tool indicates impact materiality by leveraging the sustainability reports from industry peers, the most significant laws and directives, and the latest news on our sector in online media and social networks.

Regarding financial materiality, Datamaran takes into account the annual financial reports from industry peers, the mandatory regulations and voluntary initiatives from financial markets, and SASB standards regarding capital.

The outcome of the analysis is depicted in the materiality tornado chart on page 32, where we have aggregated the results from the different internal and external sources for both, impact and financial materiality. Moreover, the IRO table (page 33) lists the results of the internal assessment evaluating actual and potential impact as well as the impact on our long-term value creation – in terms of risks and opportunities.

Deep dive

Impact Measurement Model

In 2023, we developed an Impact Measurement Model (IMM) to measure and disclose our impact on the environment and communities, integrating both direct and indirect impacts on E (Environmental) and S (Social) dimensions.

In order to outline causality links between outcomes and banking activities, the new IMM model builds upon the **Theory of Change** (ToC), which focuses on expected positive outcomes, with negative outcomes taken into account through an impact risks analysis and included in the model as a detriment of the positive outcomes. The perimeter of activities in scope is very extensive and heterogeneous, considering both financial and non-financial interventions and providing a framework to connect impacts at the activity level to the strategic results of the Bank and its overall impact on the goals of relevant stakeholders.

We have developed an internal methodology based on a unique, holistic, and integrated approach that considers current practices and international standards, such as the **UN SDGs**, the **EU Taxonomy**, the **Impact Management Project (IMP) norms**, the **UNEP FI Principles for Responsible Banking**, the **B4SI framework**, and the **Integrated Reporting framework**.
Our ambition is for the IMM to provide **ex-post** assessment and measurement of the impacts achieved by our intervention for the affected stakeholders. At the same time, we aim for it to be a managerial tool for **ex-ante** impact evaluation which will enable us to direct financial resources towards initiatives with greater potential for generating a positive impact.

Materiality tornado chart

The materiality tornado chart, shown below, is a key result of this year's materiality analysis. The chart is a graphic representation of the process of identifying and prioritising material issues by assessing the **severity** of the impacts, risks, and opportunities related to them, thus applying a double materiality approach: inside-out (actual and potential impacts on each material topic) and outside-in (the impact of each material topic on the Bank's growth, performance, and position).

The different internal and external sources have been ranked according to a weighted average approach, where the same weight has been applied to each source. In the chart, each score is classified on a scale from low- (very low) to high+ (very high), and each side of the tornado graph represents one of the impact types, the financial impact and impact materiality have a scoring system from 0-1.

There is a continuity in the prioritisation of material issues compared to previous years. Indeed, this year's materiality analysis results in Digital security being one the most outstanding material issues from both perspectives, impact and financial. This result is indeed answered by our Digital Security Strategy that ensures a suitable level of oversight and protection of digital assets, data, and information. Moreover, in 2023 we established a new organisational structure, integrating Corporate Security into Digital Security.

Page 126 Read more in the Intellectual Capital chapter

More specifically, from the impact materiality analysis, the topics that ranked the highest are Climate and environmental impacts and Positive impacts on society. The several commitments undertaken by our Group represent the answer to these results: the Net Zero progress, the Biodiversity pledge, and the circular economy new initiatives demonstrate our impact towards a more sustainable UniCredit. Moreover, we acknowledge that we have a social role that goes far beyond lending, assisting our clients and communities in making meaningful progress towards a more sustainable, inclusive, and equitable society in the long term.

Page 138 Read more in the Natural Capital chapter and Social and Relationship Capital chapter

From the financial materiality analysis, the topics that ranked the highest are Business ethics and Lean and solid bank. In that regard, our outstanding Group results prove that we keep transforming and structurally improving our Bank with a clear vision, strategy, and quality growth underpinned by capital and operational excellence. We are introducing several initiatives to simplify and delayer our organisation while streamlining our processes.

Page 80 Read more in the Financial Capital chapter

Assessing the severity of impacts, risks, and opportunities relating to material issues

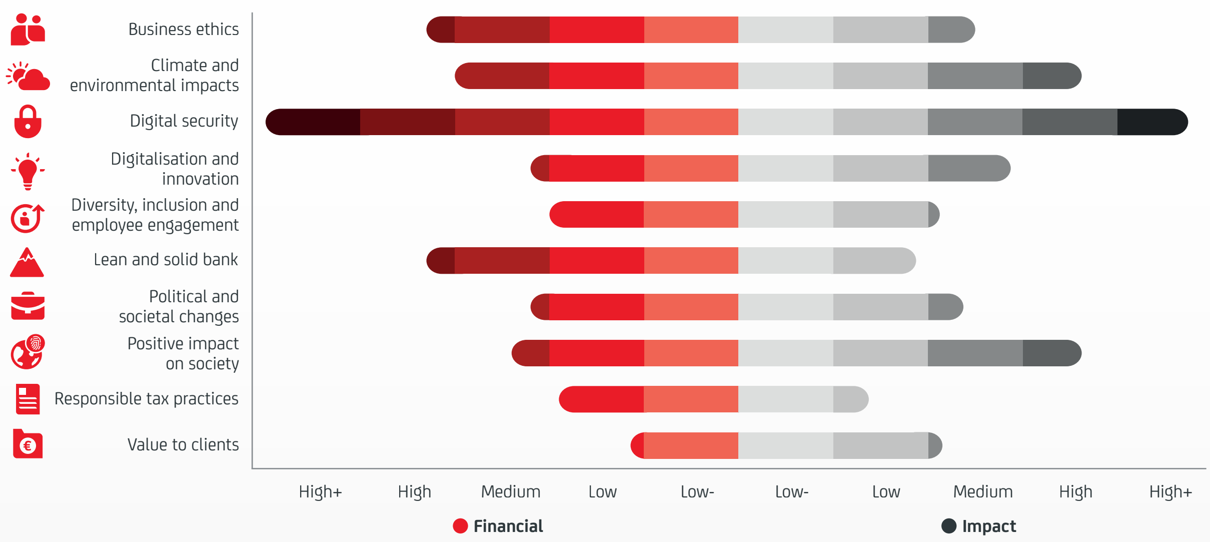


Table of impacts, risks and opportunities

The table of impacts, risks and opportunities, so-called IRO table, is another key result of this year's materiality analysis that will inform our focus and priorities.

For each material topic, we identified the actual and the potential positive and negative impacts directly caused by UniCredit's operations and value chain on people or the environment. This can be seen under "Impact materiality" in the table below, which covers material information about our impacts on sustainability matters.

The table also outlines risks and opportunities that may cause financial effects – for example, an impact on the Bank's cash flow, financial performance, and position in the short, medium and long term. This can be seen under "Financial materiality" in the table below, which covers material information about risks and opportunities resulting from sustainability matters.

The outcome is a list of six impacts (three positives and three negatives), three risks, and three opportunities for each material topic.

1. Digitalisation and innovation

Being proactive, acting promptly and promoting innovation; contributing to social and economic progress and innovation as well as the well-being of countries, developing products and services to support research and innovation-intensive industries, by leveraging analytics, as they become increasingly significant, with positive and negative implications

Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Transformation of the distribution and production model of the Bank, making it more sustainable through greater digitalisation, the adoption of cloud solutions, and the widespread and effective use of analytics and artificial intelligence	Actual	Potential failure to manage innovation and digital transformation processes	Potential
Creation of new technology solutions that enhance the product user experience through personalised services and innovative solutions	Actual	Exclusion of groups that may not be able to adapt to digitalisation (e.g. due to lack of technology, age, sociological context)	Potential
Development of sustainable finance products and services for business growth that support sustainable transition	Actual	Potentially, employees could be impacted if workplaces disappear due to man-machine replacement	Potential

Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Large investments in digital infrastructure are required, yet still risk underdelivering on customer expectations	Medium term	Positioning and recognition by stakeholders, especially customers, as an innovative and digital company	Medium term
Unexpected shifts in client expectations and disruptive technologies	Medium term	Leveraging new technologies and analytics (e.g. big data, machine learning) to enhance the risk management process	Medium term
Loss of market share due to a non-competitive and non-inclusive digital and ESG products offering	Medium term	Development of innovative digital and ESG product offerings which reflect client needs in order to create sustainable long-term value	Medium term

2. Lean and solid bank

Being a stable and solid reference point for all stakeholders by building a long-term foundation for financial stability while supporting all stakeholders in an uncertain environment; being a simple and lean organisation by guaranteeing lean and efficient bank procedures and processes, proposing and offering simple and easy to understand products/services, using effective and clear communications

Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Maximum generation of value and its distribution to shareholders/ stakeholders	Actual	Dissatisfaction of the company's shareholders/stakeholders due to potential reduction in the value of the organisation as a result of poor corporate performance	Potential
Full customer satisfaction in terms of the quality of product or service provided, including adherence to timelines in delivery and transparent communications	Actual	Negative impacts on customers and end users caused by misleading communications and misrepresentation or in terms of product and service presentation	Potential
Positive contribution to the health of economies and socioeconomic well-being	Actual	No contribution or negative contribution to the health of economies or socioeconomic well-being	Potential

Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Uncertain and volatile economic, geopolitical and environmental scenarios affecting our short- and long-term planning	Short term	Strong capital position, with a lean and solid structure increase stakeholder confidence	Short term
Negative market developments can spread from economies, exacerbating the Bank's environment	Short term	Leaner processes can increase our flexibility and speed of response to external challenges	Short term
Bank's internal structures not ready to respond to a constant expansion of the regulatory framework	Medium term	Anticipating the regulatory framework updates can help us expand and strengthen our business	Medium term

3. Diversity, inclusion and employee engagement

Fostering and improving a Culture of inclusion, fairness and respect by promoting equal opportunities in the workplace and valuing employees' well-being so all can maximise their potential; enhancing employees' professional skills and accelerating their professional development through transparent and fair mechanisms; being committed to managing the impacts that global trends such as digitalisation and demographic change have on jobs, ensuring that employees are able to perform new and future jobs well

Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Promotion of employee well-being through the implementation of dedicated well-being activities and benefits within a healthy and stimulating working environment	Actual	Adoption of practices in terms of well-being that do not meet employees' expectations, with consequent impacts in terms of satisfaction and increased turnover	Potential
Respect for diversity and promotion of an inclusive corporate climate through anti-discrimination activities and corporate initiatives	Actual	Negative impacts on employee satisfaction and motivation due to discrimination (related to gender, age, ethnicity, etc.) or other non-inclusive practices	Potential
Improved workers' skills through training and professional development activities, general and technical programmes, also linked to personalised growth and evaluation objectives (e.g. career development plans)	Actual	Failure to meet staff growth and well-being expectations, with a consequent negative impact on staff satisfaction	Potential

Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Low attraction and retention of talent impacts on succession plans and pioneering in new business areas	Medium term	Transform employees into an innovative and tech-oriented workforce, anticipating future trends	Medium term
Disruptive technologies and tough competition may force a significant reskilling of employees	Medium term	Investing in training employees in modern skills can maintain our leadership in evolving market conditions	Medium term
Decrease in people engagement due to lack of incentives in terms of development, inclusion and work–life balance	Medium term	Becoming an employer of choice with widespread diversity, a culture of inclusion and concrete work–life balance solutions which encompass a new, flexible approach	Medium term

4. Climate and environmental impacts

Develop a climate change strategy to manage transition risks and physical risks arising from a changing climate; seizing related opportunities in order to mitigate the impacts on global temperature and to enhance climate resilience as well as ecosystems other than climate

Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Fostering greater awareness and shared commitments related to climate and environmental issues across companies and other organisations	Actual	Exclusion of clients exposed to relevant climate and environmental risks, which in turn might mean loss of financing and economic losses	Actual
Acceleration of business transformation and support for the long-term development of companies	Actual	Unintended environmental consequences given that climate change mitigation actions might negatively impact other ecosystems and social structures (e.g. biodiversity loss due to large renewable energy infrastructures; communities' displacement; land loss)	Potential
Support for projects and activities that foster positive environmental outcomes such as renewable energy and nature-friendly companies, thereby supporting regulations and efforts to enable an effective transition to a low-carbon economy	Actual	Unintended social consequences given that the exclusion of sectors exposed to climate and environmental risks could affect social structures (e.g. job losses)	Potential

Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Reputational risk – the Bank's communications and commitments could potentially be perceived as greenwashing	Short term	Integrating environmental criteria in risk assessment and financing decisions helps mitigate credit and financial risks through a proper evaluation of the climate/environmental risks and inclusion in existing processes and procedures	Short term
Regulatory risk – regulations might quickly change therefore requiring a strong and costly effort for the Bank to adapt and change strategy	Short term	Creation and promotion of innovative financial products focused on green and sustainable investments, thereby contributing to the protection of natural capital through the development and financing of activities not related to the organisation's core business	Short term
Exposure to environmentally-related activities can result in the loss of value of assets in response to environmental crises or changes in environmental policies	Medium term	Foster collaboration among environmental organisations and other stakeholders to develop shared solutions and enhance the effectiveness of initiatives and products	Medium term

5. Business ethics

Basing our business practices on strong ethical fundamentals: respecting and supporting human rights within our sphere of influence and reinforcing a culture of compliance at all levels of our organisation; recognising the importance of environmental, social and governance issues and embedding them into specific business strategies; maintaining high standards for fair business behaviour and responsible procurement practices and expecting senior management and employees to treat all stakeholders with fairness and respect

Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Positive contribution to the achievement of ethical, resilient and solvent institutions	Actual	Failure to maintain a strong ethical corporate culture could lead to internal challenges, such as increased employee turnover, reduced morale, and weakened commitment to fair business practices	Potential
Positive contribution to the health of the economy through access to quality and transparent financial services	Actual	Implementing stringent ethical standards may disrupt traditional market practices, for example, challenging suppliers or competitors that may not be as quick to adapt – this could lead to a complex competitive landscape and introduce uncertainties in the industry	Potential
Awareness and dissemination of the culture of ethics and human rights by the management, employees, business partners and other stakeholders increases responsibility and fair practices across value chains	Actual	An ethical stance may inadvertently contribute to broader economic changes with localised negative effects (e.g. job displacement)	Potential

5. Business ethics continued

Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Risks associated with corporate criminal liability due to unethical business practices, which may result in legal actions or financial penalties	Medium term	Maintain a high reputation and positioning among stakeholders with strong business ethics, by avoiding non-compliance sanctions and contributing to communities' well-being; and differentiate the Bank through ethical branding	Short term
Loss of competitiveness/revenue due to inadequate product and service design, including abusive clauses, wrong target audience, misallocation of customer risk level, etc.	Medium term	Increasing awareness of the importance of human rights and ethics in general within the Bank and client base, helps build a safe workplace for employees	Short term
Reputational risk related to non-compliance with ethical standards, leading to loss of trust among clients, investors, and other stakeholders	Short term	Opportunities to invest in projects and companies aligned with ethical standards and sustainable principles, attracting socially conscious investors and contributing to positive social and environmental impacts	Medium term

6. Political and societal changes

Considering the impacts of political and societal changes on all our banking business activities, in terms of supply and demand for products and services as well as the well-being of clients and colleagues

Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Support and promotion of financial products and initiatives that foster social inclusivity, aligning with evolving societal values	Actual	Changes in political and social regulations may disrupt the Bank's operations or require adjustments	Potential
Financial support for projects or investments that contribute to political stability, enhancing economic development and investor confidence	Actual	Changes in political landscapes may result in the adoption of economic policies that inadvertently exclude certain demographics or industries, potentially leading to economic disparities and limiting opportunities for inclusive growth	Potential
Engagement with community empowerment programmes, contributing to social development and fostering positive relationships with diverse communities	Actual	Political and social change might contribute to the erosion of social cohesion (e.g. tension within communities), with potentially negative implications for the overall well-being in societies where the Bank operates	Potential

Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Political and regulatory risk, affecting the Bank's ability to operate or comply with new requirements	Short term	Invest in socially responsible projects or industries aligned with emerging political and social values, thereby mitigating regulatory and reputational risk	Medium term
Social unrest or dissatisfaction that could harm the reputation and the trust of stakeholders	Medium term	Opportunities for the Bank to advocate for positive social changes that align with ethical and sustainable principles, contributing to long-term stability	Medium term
Challenges related to evolving legal and compliance requirements in response to political and social changes, requiring ongoing monitoring and adaptation and introducing operational risks	Medium term	Manage potential sociodemographic shifts that could impact our business	Medium term

7. Positive impact on society

Understanding the priorities of communities to support sectors and enterprises which can create environmental, social, and economic positive impacts for individuals and the community, fostering a just and fair transition

Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Inclusive financial products and services that cater to underrepresented or marginalised communities, promoting financial inclusion	Potential	Potential over-indebtedness of clients	Potential
Support for community development programmes that can drive positive socioeconomic impacts	Actual	Overreliance on philanthropic efforts may create dependencies within communities, thereby affecting their long-term sustainability	Potential
Contributions to various social causes such as education, health, and community development	Actual	Uneven distribution of resources could result in the Bank's efforts inadvertently leading to certain communities receiving more support than others. This could contribute to disparities and reinforce social inequalities	Potential

Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Risks associated with the financial performance of inclusive products and services such as unexpected costs or lower-than-anticipated rates of adaptation	Medium term	Opportunities to expand financial access and education to underserved communities	Medium term
Reputational risk associated with social washing, with potential negative perceptions if the philanthropic efforts or support initiatives are not effectively communicated or implemented	Short term	Strategic community partnerships, collaborations with local organisations and community groups to create sustainable and impactful programmes	Medium term
A heavy reliance on local economies may lead to vulnerability in the face of economic downturns or regional challenges	Medium term	Establish and promote employee volunteering programmes that contribute to local communities, but also create a positive work environment for employees	Short term

8. Digital security

Building and maintaining an environment in which the confidentiality, integrity and availability of all data and information are protected from relevant cyber threats

Impact materiality

Positive impacts	**Actual or Potential**	**Negative impacts**	**Actual or Potential**
Increase in digital skills, knowledge and opportunities of employees	Actual	Increased difficulty in accessing products and services of vulnerable customers with low digital skills (e.g. elderly people)	Actual
Improved user experience and increased digital accessibility of clients, attracting new customers and solidifying relationships with existing ones	Actual	User resistance to enhanced security management if they perceive them as overly complex or time-consuming, potentially leading to dissatisfaction	Potential
Increase in the Bank's detection and response capabilities and strengthening the cybersecurity of sensitive data and IT infrastructures across the financial industry	Actual	Breach and loss of customer data and poor cybersecurity management	Potential

Financial materiality

Risks	**Timeframe**	**Opportunities**	**Timeframe**
Threat of critical breakdown and cyber attacks to our ICT systems, potentially exacerbated by the increase in smart-working	Short term	Strong and safe ICT systems represent a building block for stakeholder trust	Short term
Increased risk of data breaches (cybersecurity incidents), as the Bank may attract more attention from sophisticated cyber attackers seeking to exploit vulnerabilities	Short term	Opportunities to partner with cybersecurity innovators, fostering collaboration to develop and implement cutting-edge security solutions	Short term
The rapid evolution of digital security technologies as well as regulatory requirements could pose risks in terms of noncompliance and therefore have legal consequences, due to challenges in keeping pace with change	Short term	Enhance the Bank's reputation for trustworthiness, which can be leveraged to increase the customer base and enhance relationships with existing clients	Short term

9. Value to clients

Being close to clients, understanding their needs and promptly developing products and services for families and companies that support their prosperity and growth (e.g. innovation, internationalisation, research and development) and are good value for money

Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Greater financial education leading to an increase in knowledge of participants within the communities	Actual	Misleading advertising and marketing strategies	Potential
Increased customer satisfaction as the Bank meets their expectations	Actual	Failure to satisfy customers and meet their expectations (expectation mismatch)	Potential
Improvement of the user experience	Actual	Over-reliance on the Bank's support for community development may create dependencies among local organisations and with some initiatives	Potential

Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Loss of market share due to a non-competitive products offering	Short term	Develop a product offer and commercial strategy which really reflects client needs in order to create sustainable long-term value	Medium term
Loss of market share and business focus if banking is not driven by client needs	Medium term	Positively differentiate the Bank's brand, attracting clients aligned with these values	Medium term
Over-reliance on supporting local economies may expose the Bank to economic downturns in specific regions, posing risks if local economies face challenges	Medium term	Enhance client loyalty and retention	Short term

10. Responsible tax practices

Respecting and maintaining fair competition, ensuring transparent management of taxation matters, rigorous and accountable reporting of non-financial performance in compliance with public policy practices; protecting and consolidating the corporate reputation against any illegal activities aimed at evading the imposition or payment of a tax

Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Contribution to the creation of an environment of fair competition, encouraging businesses to compete based on innovation and efficiency rather than aggressive tax practices	Actual	The implementation phase of responsible tax practices may initially lead to increased operational costs as the Bank adjusts its strategies and systems, therefore potentially impacting short-term profitability	Potential
Potential contribution to a reduction in national tax evasion, improving overall economic stability	Potential	While the long-term impact is beneficial, in the short term the adoption of ethical tax practices could make the Bank less competitive if competitors use more aggressive tax strategies	Potential
Contribution to the sustainability of public finances, ensuring that the government has sufficient resources to invest in essential public services	Actual	Complex ethical dilemmas could require consideration, such as balancing tax responsibility with the need to preserve competitiveness	Potential

Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Clients who prioritise cost optimisation over ethical considerations may choose competitors with more aggressive tax strategies, leading to potential loss of certain client segments	Medium term	Over the long term, embracing and maintaining responsible tax practices can be a source of competitive advantage, attracting conscientious customers and investors	Long term
Regulatory risk associated with changes in tax laws or regulations, leading to compliance challenges, costs, legal consequences or operational disruptions	Medium term	An improvement in the Bank's corporate reputation would help build trust among investors, customers and other stakeholders	Long term
Risks related to public perception of the company's tax practices, if these are misunderstood or misrepresented by media or advocacy groups	Medium term	Responsible tax practices could facilitate positive engagement with public policies, thereby fostering collaboration with regulatory authorities	Long term

Our Strategy

Our Impacts

Impact on communities: Leveraging our five Capitals to shape a sustainable future for our clients and communities

Our Strategy

Two years into our strategic plan, UniCredit is united around a clear Purpose and Vision: empowering communities to progress while becoming the Bank for Europe's future and setting a new benchmark for banking. It is a transformed bank, moving at unprecedented pace, ready to face and take advantage of the future.

UniCredit Unlocked Plan

- Continuous execution of our **winning strategy** that delivers for our stakeholders
- Relentless focus on **industrial transformation**
- Balancing three financial levers to steer our **financial plan**

Read more in the dedicated Strategy section in our 2023 Annual Report

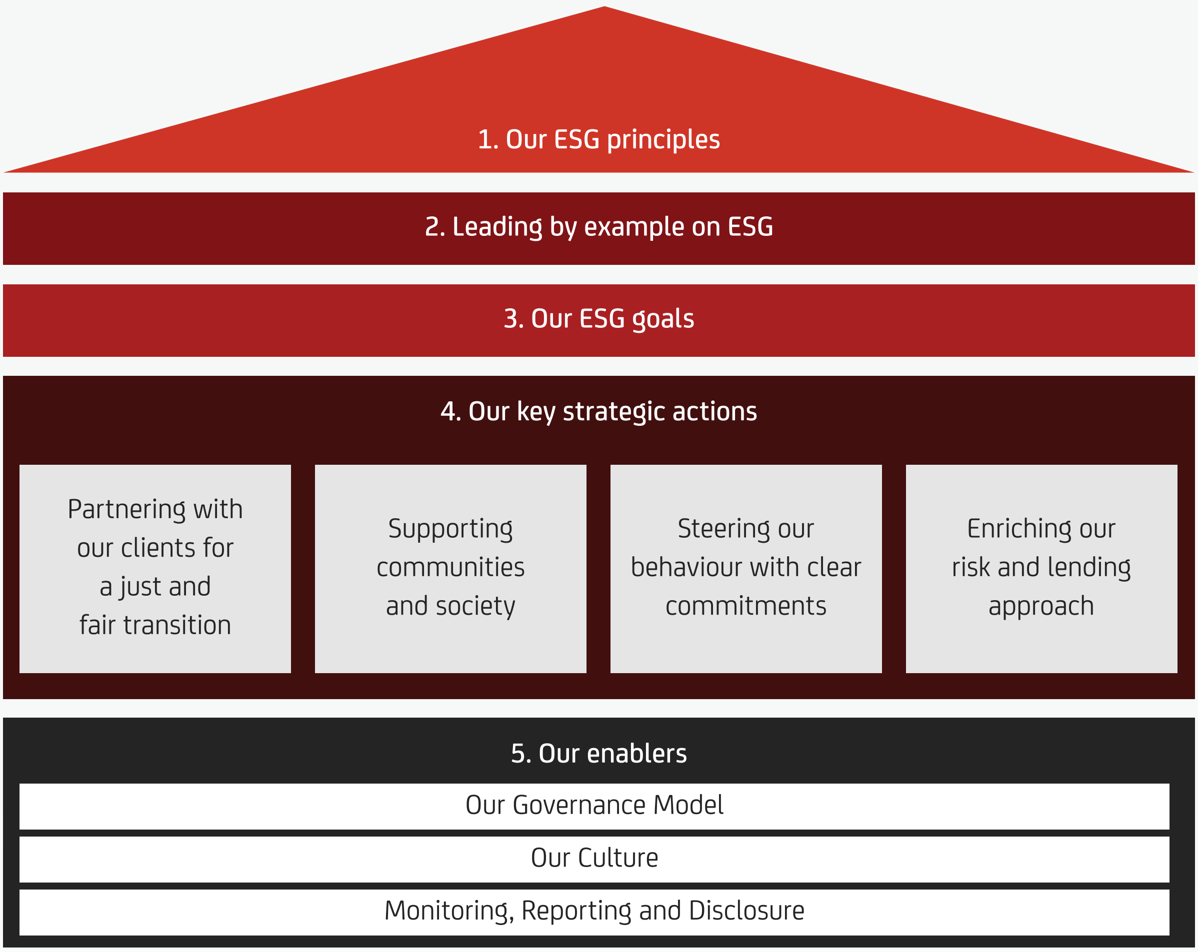
Read more on the microsite

Our ESG Strategy

Embedding **sustainability** in all that we do is one of the five **strategic imperatives of UniCredit Unlocked**. This plan builds on our strong foundations to unlock the potential of our Group, paving the way for the **future** of our Bank and of all our stakeholders, while ensuring that we always **lead by example** and fulfil our Purpose of empowering communities to progress.

Our ESG Strategy is built on strong fundamentals and interconnected elements to deliver value:

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



UniCredit's ESG Strategy is embodied in the Group ESG Roadmap which is our operative tool to work on ESG priorities across the organisation and ensures a common direction, with several workstreams reflecting the key elements described above.

1. Our ESG principles

Rooted in our DNA

Our ESG principles are woven throughout our strategy and they represent the vision we are building together with all the stakeholders to drive change and to support a just and fair transition.

We will continue to work to root ESG principles in our DNA: our Governance Model and our Culture will work as key enablers on this path.

- We will hold ourselves to the highest possible standards so that **we do the right thing** by our clients and society
- We are totally committed to supporting our client in **a just and fair transition**
- We will **reflect and respect the views of our stakeholders** in our business and decision-making process

2. Leading by example on ESG

Environment

Net Zero on portfolio emissions
Net Zero priority sectors in progress (Oil & Gas, Power Generation and Automotive) and new target on Steel sector just set

Our greenhouse gas emissions

28%
reduction vs 2021,
Scope 1 and 2, market-based

Electricity from renewables

90.4%
use on our premises

Social

Corporate citizenship and philanthropic initiatives (FY23)

€59.6m
contribution to communities
vs €36.5m in FY22

Education and awareness (FY22+FY23)

442k
Financial education beneficiaries

196k
ESG awareness beneficiaries

UniCredit Foundation (FY23)

€20m
contributed to empower youth and education opportunities

of which

€12m
Three-year partnership with Junior Achievement Europe and Teach for All to enhance education

Governance

Strong environmental, social and reputational risk management and policies

DE&I Global Policies and Guidelines[1]

Solid DE&I framework
Percentage of women

42% in BoD
46% in GEC
35% in Leadership Team

International presence

33% in BoD
62% in GEC
40% in Leadership Team

>1,000
Employee Networks active members on several diversity traits[2] across Group countries

Training initiatives
focused on ESG, DE&I and inclusive culture

1. On inclusive language, recruitment, gender transition and pronouns in e-mail signature (on voluntary basis).
2. LGBTQIA+, Gender, STEM, Disability, Cultural Diversity, Generations, Caregiving.

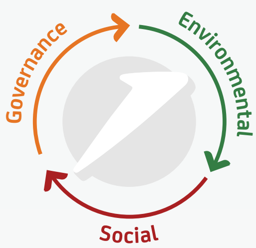
3. Our ESG goals

Our ESG goals and targets

In 2024 we have defined a new set of targets focusing on a more meaningful ESG penetration.

This allows a more transparent view on UniCredit ESG performance over total business, netting out overall market effects not related to ESG.

Our targets are subject to the evolution of ESG regulation, that we expect to further mature in 2024 and beyond.



c.€82bn

ESG Volumes

FY22+FY23 Actual (+c.€26bn in FY23 only)[3]

● FY23 ESG Actual Penetration ● FY24 Target ESG Penetration

ESG Lending[4]

Positive performance with c.€19bn environmental lending and €8.7bn social lending since beginning of 2022

ESG Investment Products[5]

Negative market effect, however improved ESG penetration rate at 48% (c.€90bn stock) at EoY23 vs 46% at EoY22

Sustainable Bonds[6]

€25.4bn since beginning of 2022

3. Managerial vs 150bn target 2022-2024.
4. KPI calculated as ESG new production Including Environmental, Social and Sustainability linked lending, divided by MLT loans new production in given year.
5. Based on Art. 8 and 9 SFDR regulation.
6. KPI calculated as ESG all regions' bonds, including sustainability linked bonds, divided by all regions' bonds for given year.
7. New KPI for 2024 excludes SSA business from both numerator and denominator.

4. Our key strategic actions

Partnering with our clients for a just and fair transition

Partnering with our clients **means being recognised as the bank** that supports them through their just and fair transition by:

- proactively providing the **best support in terms of services and products** to help them define and execute their transition strategy
- **raising clients' awareness and engagement on ESG topics,** also by focusing on ESG advisory set-up and capabilities

Deep dive

Open-es partnership

In March 2023, we announced the partnership with ENI around Open-es, an ecosystem initiative that aims to enhance cross-business collaboration and support companies in measuring and improving their ESG performance.

Open-es is an alliance that brings together entrepreneurial, financial and associative networks, supporting all stakeholders on their sustainable development path through an innovative digital platform.

Launched by Eni in 2021 and currently **involving more than 16,000 companies and 22 partners**, Open-es is an inclusive and collaborative community that is committed to achieving ESG targets.

Our role is to act as a value-chain leader partner in this alliance, thereby playing a **strategic role** in the sustainable development of the Italian corporate sector and, more broadly, with initiatives and solutions aimed at companies of every size.

Our participation in Open-es has once again underlined our ambitions to achieve our Net Zero targets by 2050 providing our corporates clients with a best-in-class tool for mapping and improving their ESG profile, as well as demonstrating our commitment to supporting clients and communities on the path towards a just and fair transition.

In addition **to promoting synergies** for companies in terms of efficient sharing of information, the partnership created by Open-es between the **financial and industrial sectors** also plays a key role in **enabling investments** and **encouraging the concrete actions necessary** for the development of sustainability across the entrepreneurial system.

Open-es
ecosystem sustainability
powered by Eni

Supporting communities and society

We are committed to fulfilling a **social role** which goes far beyond lending, assisting our clients and communities to make meaningful progress towards a more sustainable, inclusive and equitable society in the long term.

We strive to support communities and society, and aim to empower them to make progress through our **Social Strategy**.

Deep dive

UniCredit's Social Strategy

Our strategic social goals

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

Our levers / Key selected initiatives

Social finance

Offer suitable, accessible, fair, and equitable (SAFE) financial products and services

Dedicated lending products to better target vulnerable categories
- Futuro Sociale to support to corporates' social agenda in Italy
- Social impact financing to provide lending with focus on social housing, education and healthcare

Partnerships to enhance our social footprint
- Feelsgood to promote business with positive social impact
- Venice World Sustainability Capital Foundation to promote sustainable territorial development

Own social contribution

Support communities through social projects and donations

UniCredit Foundation to develop **dedicated initiatives** with key focus on youth and education

UniCredit Volunteering to involve and **empower our colleagues** to do good for the causes they believe in and care about most in **charity initiatives**

Banking Academy to support **communities development** by providing financial education initiatives for corporates and individuals

Support to our people

Grant flexibility, well-being and people caring, also promoting diversity, equity and inclusion

Culture programme to execute our comprehensive plan to **bring our Values to life** and shape our behaviour to enable Culture change

DE&I ambitions to **empower Diversity, Equity, Inclusion and well-being** across the organisation

Page 86 Read more in the Human Capital chapter
Page 100 Read more in the Social and Relationship Capital chapter

4. Our key strategic actions continued

Steering our behaviour with clear commitments

In line with our Purpose of empowering communities to progress, and in the context of an evolving external environment, we aim at steering our behaviour through two levers:

– **Enhancing our sector policies framework:** certain sectors and activities require a specialised approach to ensure that transactional and related risks are properly addressed. Our **policy framework** guides our approach towards controversial sectors. We manage **environmental and social risks** through comprehensive policies, covering sectors such as Coal, Oil & Gas, Human Rights and others. These policies are regularly reviewed in order to ensure their continued relevance.

– **Undertaking strategic commitments:** to constantly strengthen our **commitment to foster a fair and just transition** to a more equal and sustainable society, we have decided over the years to adhere to key international and institutional initiatives in order to reach ambitious medium- and long-term sustainability targets. Our **Net Zero pledge** represents a key pillar of our ESG Strategy.

Page 60 Read more in Our transition to Net Zero chapter

Enriching our risk & lending approach

We are further developing our approach to managing climate-related and environmental risks by **measuring and monitoring** (e.g. at portfolio level) other **relevant nature-related factors** in the Group's overall risk framework, such as biodiversity, pollution and water usage.

We have carried out an assessment in order to understand which sectors of our loan portfolio are most exposed to nature-related risks by considering their impact on natural capital.

Page 138 Read more in the Natural Capital chapter

Deep dive

Our commitment to biodiversity

Biodiversity is a topic that is increasingly under the spotlight, both from a regulatory and stakeholder perspective.

Within our Natural Capital framework, we are already making a difference on natural capital-related topics (for example, through our adoption of the Equator Principles and sensitive sector policies, our commitments on human rights and rainforests, and our Climate & Environmental questionnaire, as detailed in the Risk Management chapter). We have signed, as first Italian Bank, the **Finance for Biodiversity Pledge (FfBP)** and are members of the **permanent working group on Nature in the United Nations Environment Programme Finance Initiative (UNEP FI)**.

Through our membership of the FfBP Foundation, we contributed to the publication of the paper **"Unlocking the biodiversity-climate nexus".**

This paper outlines the synergies and trade-offs between climate and nature of a sample of investment/lending solutions that are key to solving the nature and climate crises we face.

The paper also presents recommendations on how to deal with the biodiversity and climate nexus. It is written by financial institutions for financial institutions, including banks, insurers, asset managers and asset owners.

Within the UNEP FI Biodiversity working group, we have also contributed – alongside 34 international banks, but the only one from Italy – to the publication of the **Principles for Responsible Banking "Nature Guidance for Banks"**. This aims to help the banking industry align with the Kunming-Montreal Global Biodiversity Framework (GBF)[8] and address nature and biodiversity loss.

8. The Kunming-Montreal Global Biodiversity Framework was adopted by 196 Parties to the Convention on Biological Diversity at COP15 in December 2022. It is a major milestone in the international effort to halt and reverse the loss of biodiversity and contribute to nature-based solutions.

5. Our enablers

Our Governance Model

The integration of ESG factors in our strategy, business and operations is underpinned through our strong corporate governance.

We will constantly work on **raising awareness** on ESG topics across the organisation and **cascading** knowledge to drive change.

Our **ESG Product Guidelines** are designed to meet this objective as they **provide rules to all Group countries** for the homogeneous **classification and reporting of UniCredit's ESG financial products and services**. The main goal is the prevention of the related risks of greenwashing and social washing.

These rules are periodically reviewed to be aligned to the most recent market practices.

For example, in the last revision[9], we introduced the definition of Transition Financing (in addition to Green and Social), the new setting for exclusion criteria regarding Investment Products valid at Group level, and the definition of criteria and processes for marketing and communication initiatives and campaigns.

Page 152 Read more in the Governance chapter

9. Please visit the ESG and Sustainability section in our Group website to read more about our ESG Product Guidelines.

Our Culture

ESG topics are of fundamental importance to businesses and individuals alike, and play an essential role in our communities and our shared future.

At UniCredit, we are fully committed to providing a fair service to our customers and put sustainability at the centre of everything we do, as a key driver of our strategic plan.

With the aim of **fostering stakeholder listening and engagement,** in November 2023 we organised **our inaugural ESG Day, "Empowering a Just and Fair Transition",** a one-day event dedicated to meetings and discussions on all ESG issues with our internal and external stakeholders.

Page 26 Read more in the Stakeholder Engagement chapter

Furthermore, in order to actively enable the success of our plan, it is crucial that **we equip our people with the knowledge and insights** necessary to make a meaningful impact and drive positive change, therefore we offer a wide programme of training focused on ESG across the Group.

Page 86 Read more in the Human Capital chapter

Monitoring, reporting and disclosure

During 2023, we advanced our commitment to our strategic ESG priorities by continuing the implementation of our ESG Global Architecture, which was already active and in use in Italy, Germany and Austria.

The main driver behind the design of the **ESG Global Architecture** was the necessity to automate ESG data collection to meet different needs:

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

In addition to the backbone functionalities, we worked to **enrich** our infrastructure with features to help **the Network understand a client's situation regarding key ESG dimensions**. For example, the **ESG Cockpit** gives Relationship Managers a unique integrated platform that shows all the ESG-related information of customers, enabling us to seize ESG opportunities and advise clients on ESG.

We are currently **working to roll out** the ESG Global Architecture to **other Group geographies in 2024**.

Page 160 Read more in the Risk Management chapter

ESG ratings and indices

With the support of the Group ESG team, the Group Investor Relations team proactively and reactively interacts with the ESG rating agencies with the aim of communicating and monitoring the Group sustainability strategy, and improving our positioning and disclosure. Our sustainability performance is reflected in the key external ratings.

MSCI	CCC – B – BB – BBB – A – **AA** – AAA	– Rating upgraded to AA as of July 2023. UniCredit included in the Bloomberg MSCI Green Bond Index – Improvements in efforts to manage social risks and robust integration of ESG practices into lending
SUSTAINALYTICS	Severe (100-40) – High (40-30) – Med (30-20) – **Low (20-10)** – Neg (10-0)	– ESG Risk Rating improved at 14.2 from 18.3 as of December 2023 (the lower the better) – Low exposure to and strong management of material ESG issues
CDP	D- – D (Disclosure) – C- – C (Awareness) – B- – **B (Management)** – A- – A (Leadership)	– Positioned within the Management band with B score as of December 2022 – Avg. rating for financial services is B-, for Europe is B and the Global Average is B-
ISS ESG	D- – D – D+ – C- – **C** – C+ – B- – B – B+ – A- – A – A+ **Prime**	– Ranked among the 10% of companies within the sector with the highest relative ESG performance – Score at 54.46 (1 decile rank) as of July 2023. Prime companies are industry sustainability leaders
S&P Global	0 – **65** – 100	– Sustainability score improved to 65 from 64 as of December 2022 – Included in the Dow Jones sustainability diversified indices – Included in the S&P Global Sustainability Yearbook 2022
Moody's ESG Solutions	0-29 (Weak) – 30-49 (Limited) – 50-59 (Robust) – **60-100 (Advanced)**	– ESG score improved at 64 from 60 as of October 2023 – Subscores: 64 (Environment); 62 (Social); 67 (Governance) – Included in the Euronext MIB ESG index
standard ethics	F – FF – FFF – E – **EE+** – EEE	– EE+ top rating in the Italian bank sector. Example of EU excellence in sustainability – Included in the following Standard Ethics indices: European Best in Class, European 100, European Banks, Italian, Italian Banks
INTEGRATED GOVERNANCE INDEX	0 – **73.3** – 100	– First bank in the Top 10 ranking, sixth out of 98 – Included in the Top performer level and in the Top 3 in the financial sector (second place)
FTSE4Good	0 – **4.5** – 5	– Score improved to 4.5 from 3.9 as of July 2023. Ranked in the 93rd percentile of banks – Ratings: 5.0 (Environmental); 3.8 (Social); 4.7 (Governance), higher than sector average – Included in the FTSE4Good Index Series and the FTSE ESG Index Series
REFINITIV	0 – **84** – 100	– 2022 ESG Score improved to 84 from 80 with ranking at 32/1124 from 32/1109 – ESG scores: 87 (Environment); 77 (Social); 94 (Governance) – Score >75 indicates excellent ESG performance and high degree of transparency
Bloomberg	0 – **65.70** – 100	– 2022 ESG disclosure scores: 59.65 (Environmental); 40.51 (Social); 96.81 (Governance)
Bloomberg Gender-Equality Index	0 – **85.56%** – 100	– 2023 GEI score improved to 85.56%, + 2.61 p.p. Y/Y – Score higher than average score in financials sector (74.11%) and in Italian market (78.27%)

International and institutional initiatives

To strengthen and demonstrate our ESG commitments, we have chosen to adhere to significant international and institutional sustainability initiatives that have been established over many years:

Task Force on Climate-related Financial Disclosures (TCFD)	– **2019** Endorsement of Task Force on Climate-related Financial Disclosures (TCFD) – **2020** First standalone report with disclosure aligned with TCFD recommendations
UNEP FI Principles for Responsible Banking (PRB)	– **2019** We signed the UNEP FI Principles for Responsible Banking (PRB) aimed at supporting banks in aligning their business strategy with society's goals – **2020** We joined several working groups organised by UNEP FI in support of PRB implementation. UNEP FI PRB reporting was disclosed – **2021** We signed UNEP-FI commitment to Financial Health and Inclusion – **2022** We joined the permanent working group on Nature
UN Sustainable Development Goals (SDGs)	– **2015** The UN Sustainable Development Goals (SDGs) were published. We have contributed since then by monitoring our progress via measurable KPIs, resulting from the management of material topics and related risks and opportunities
European Banking Authority (EBA)	– **2020** We voluntarily joined the European Banking Authority (EBA) first pilot sensitivity exercise held by banks which aimed at providing a preliminary estimate of sustainable exposures based on EU green taxonomy. Results published during 2Q21
European Hydrogen Forum	– **2021** We became a member of the European Clean Hydrogen Alliance. The Alliance aims at the deployment of hydrogen technologies by 2030
Net Zero Banking Alliance	– **2021** We joined the Net Zero Banking Alliance, the banking element of the Glasgow Financial Alliance for Net Zero (GFANZ) – **2023** We disclosed first-round targets on Oil & Gas, Power Generation and Automotive sector within our path towards Net Zero
Women's Forum	– **2021** Our CEO signed the CEO Champion Commitment Towards the Zero Gender Gap
Sustainable Steel Principles	– **2021** We are among the six global banks that have formed the Steel Climate-Aligned Finance Working Group facilitated by RMI's Center for Climate-Aligned Finance – **2022** We signed the Sustainable STEEL Principles, a climate-aligned finance agreement for the steel sector
Finance for Biodiversity Pledge	– **2022** We signed up to the Finance for Biodiversity, the only international pledge fully dedicated to financial institutions and committed to call on global leaders and to protect and restore biodiversity through their finance activities
Ellen MacArthur Foundation	– **2022** We became Member of the Ellen MacArthur Foundation's international charity network to support our approach to accelerating the circular economy transition across our countries
Impact Europe	– **2023** We renewed our membership to Impact Europe, the unique network at the intersection of finance and purpose, driven by knowledge and focused on impact

Unlocking transformation, together.

For the planet and future generations

In February 2023, taking another crucial step in our Net Zero journey, we announced the disclosure of 2030 targets for three of the most carbon intensive sectors within our loan portfolio – Oil & Gas, Power Generation and Automotive – to reach our Net Zero ambition by 2050. In January 2024, we complemented this first set of goals with targets for the Steel sector, another carbon-intensive sector in our portfolio.

To support the achievement of these goals, we are now publishing our inaugural transition plan, explaining how we are turning our commitment into actions. It includes dedicated initiatives focusing on:

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

Our ambition is to announce the disclosure of targets for further sectors in 2024.

"These targets reinforce our commitment to reach Net Zero on our own emissions by 2030 and on our financed emissions by 2050. This is alongside the action we have taken to drive forward a just and fair transition for all, particularly through green and sustainable financing and advisory activities."

Fiona Melrose
Head of Group Strategy & ESG

Group

Net Zero Progress & Our Inaugural Transition Plan

Our commitment to Net Zero

Climate change is one of the biggest challenges that the world faces, impacting every person on the planet through weather events such as extreme heat, forest fires, severe rainfall and flooding.

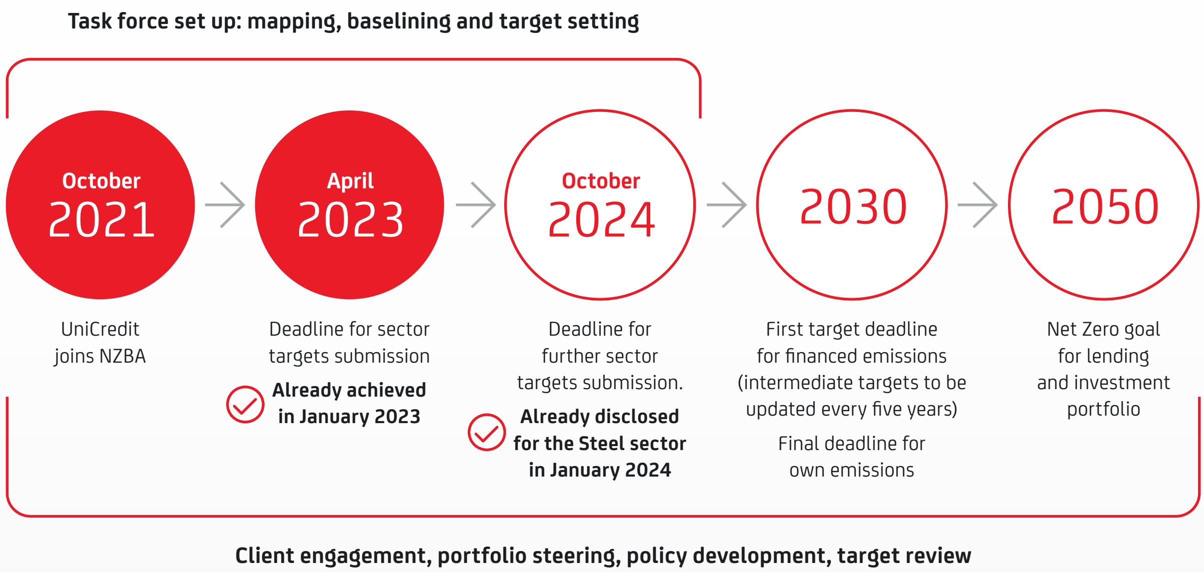
2023 was the warmest year in human history and scientists expect temperatures to continue rising. Concerted action between public and private sectors is critical to a successful energy transition and to the mitigation of impacts and the management of the risks of climate change. In this context, the financial system has an important role in the Net Zero journey, with more than $80 billion in climate finance commitments agreed in COP28.

At UniCredit, we are committed to playing our part. We are striving to reduce our direct and indirect environmental impacts while supporting Europe's green transition. In this context, we committed to Net Zero in October 2021 when **we joined the Net Zero Banking Alliance (NZBA), targeting Net Zero on our own emissions by 2030 and on financed emissions by 2050.**

Since then, we put in place concrete actions to achieve Net Zero on our own emissions. We also set interim 2030 targets to reduce our financed emissions on three of the most carbon-intensive sectors[1] (Oil & Gas, Power Generation, Automotive) in our loan portfolio. We are now complementing this first set of targets with the addition of the Steel sector, in alignment with the methodology and timeline outlined in the Sustainable STEEL Principles, of which UniCredit is a founder.

In the coming months, we will establish Net Zero 2030 interim targets for other carbon-intensive sectors, such as Real Estate. In this further round of target setting, the small and low-materiality sectors will not initially be considered. However, we will continue to monitor them to ensure our approach remains open for future adjustments, if necessary.

Our path towards 2050 Net Zero targets



1. Based on Net Zero Banking Alliance sectors.

Our inaugural transition plan

In line with NZBA requirements and the Glasgow Financial Alliance for Net Zero (GFANZ) recommendations, we are proud to disclose our inaugural transition plan, a further important step in our Net Zero journey.

Since joining the NZBA, we have established our first sectoral targets and identified actions needed to achieve them. In 2023, we dedicated significant effort to designing and setting up the internal engine needed to make our targets operational, involving all the relevant functions of the Bank to deploy the actions identified. The first months of 2024 will focus on turning our commitment into actions, cascading the Net Zero transition plan to the whole Group.

Designing the first version of UniCredit's transition plan has been a **cross-functional strategic exercise,** that also required a deep understanding of the external context and **challenges on the road to Net Zero,** most of which apply to the whole financial sector.

We recognise that financial institutions will only be **effective enablers of the transition if appropriate policies, standards and conditions are in place in the real economy.** This is why we are collaborating with external stakeholders with the aim of clarifying the role of banks and how we can effectively assist our clients. In setting our plan for the years ahead, we are also working to take into account different voluntary frameworks, guidelines and criteria on transition, set by different market-based initiatives and third-sector entities, recognising that **a common framework would simplify execution** and benefit the entire sector.

The landscape is still evolving, with many assumptions still to be made and regulatory requirements to be set. We therefore regard this plan as an **opportunity to provide transparency on the progress we have been making in our journey to Net Zero along with the challenges we have been dealing with** to support our clients in their decarbonisation path.

In addition, we have established a broader ambition to support our clients on a just and fair transition – which means **going beyond Net Zero** to take into account more broadly natural capital (e.g. biodiversity loss) and social aspects (e.g. impact on workers in carbon-intensive sectors, impact on vulnerable categories, etc.). The transition will impact employment, especially in the energy sector, with workers experiencing rapid changes and job insecurity. **Balancing these aspects is a relevant challenge** for the whole financial sector, and this will require adjustments to our strategy in the next years.

Furthermore, in common with the entire financial sector, we are working to **act on challenges linked to data availability and reliability.** We rely on clients and external providers for data on real economy transition, such as clients' transition plans. However, such plans are still nascent, variable in quality and with key data points often missing, with consequent risks of inappropriate transition choices.

Finally, we are not only facing challenges but also opportunities. If investments in clean energy are still below the expected levels to achieve Net Zero, this does nevertheless open up new business opportunities for financial institutions to help companies to decarbonise.

In light of the above-mentioned challenges and opportunities and the dynamic and forward-looking nature of the transition planning exercise, the **UniCredit transition plan will be updated over time** based on the evolution of our overall ESG Strategy and the speed at which we are accompanying our clients in their own transition.

The following sections illustrate the key content of our transition plan, recalled also in other chapters of the Integrated Report (see related references). In line with the GFANZ guidelines for financial institutions, our plan covers:

- Our **foundation** of Net Zero objectives and priorities
- Our **engagement strategy** to foster dialogue with clients and other key stakeholders on transition
- The **implementation strategy** we are deploying to embed Net Zero considerations into our daily activities
- The **Metrics & Targets** we set on Net Zero, and the levers we will use to achieve them, by sector
- How our **ESG governance** supports the transition

Foundation

Our ambition and progress on our own emissions

Even though financed emissions account for most of our climate impact, the management of our own environmental footprint is also key to becoming a Net Zero bank. Our ambition is to reach **Net Zero on own emissions** (Scope 1 and 2, market-based) **by 2030.**

As of 2023, we have **reduced our own GHG emissions by 28% versus 2021** including by procuring electricity from renewable energy sources, improving the energy efficiency of our premises and data centres and promoting sustainable mobility solutions.

Page 138 Read more in the Natural Capital chapter

Our ambition and progress on financed emissions

UniCredit is committed to reducing its financed emissions (Scope 3, Category 15). As mentioned, to prioritise the actions required on our loan portfolio, we first set **interim 2030 targets on Oil & Gas, Power Generation and Automotive,** three of the most carbon-intensive sectors in our portfolio. We have now defined our 2030 targets for the **Steel sector**, and will then set interim targets for other sectors with material impact by October 2024.

Since setting our first Net Zero targets in 2023, emissions **decreased for the Oil & Gas sector, as well as** physical intensity **for the Power Generation sector,** in line with their transition trajectories. Physical intensity remained quite stable for Automotive mainly due to a change in the granularity of data used for emissions baseline estimation. Further details on our progress and action plans by sector are provided in the Metrics & Targets section of this chapter.

Engagement strategy

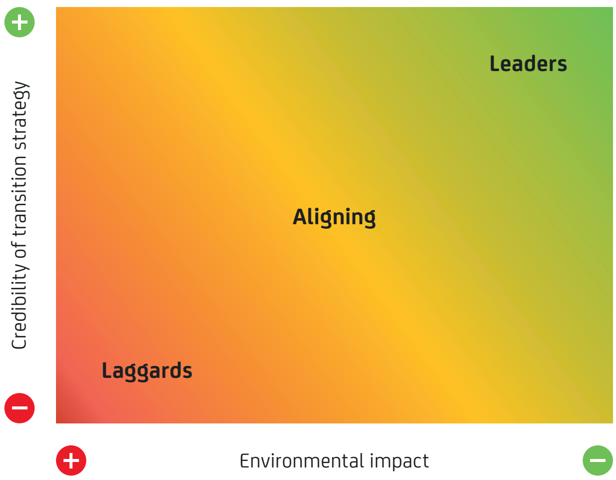
Our engagement strategy outlines how we can most effectively engage key stakeholders in the transition path. These stakeholders include our **clients,** as well as **financial institutions, industry-led associations, regulators, governments, and policymakers.**

Client engagement

Partnering with our clients for a just and fair transition is one of the pillars of our ESG strategic framework and has been at the core of our ESG Strategy for the last few years. Our purpose is to help clients accelerate their transition by providing them with effective advisory, tools and appropriate financing support.

To further tailor our approach to the needs of different clients, we have defined specific **Net Zero clients' engagement strategies**. First, we **clustered our Net Zero clients** based on their actual impact on our financed emissions and on their forward-looking transition strategy, thereby identifying transition leaders, clients aligning to transition, and laggards vis-a-vis transition. The next stage was to set **differentiated engagement strategies** by client cluster and sector, ranging from retaining/expanding our relationship with leaders, to active engagement of aligning clients, and gradual reduction of our support to laggards. In all cases, we regard **green and transition finance as a key lever to assist our clients' transition,** especially for those who are not yet leaders on the transition journey, as explained in the Products and Services section of this chapter.

Net Zero client clusters



To ensure our approach is based on solid ground, one of the key challenges we face is to develop an accurate **understanding of our clients' transition strategy.** To tackle this, we are currently developing a **bespoke approach to reading and interpreting our clients' transition plans,** when available, and to strategically engage with them on their decarbonisation strategy. Based on internationally recognised frameworks and sectoral initiatives on transition planning (e.g. GFANZ, CDP, CA100+), we have selected key qualitative and quantitative elements for evaluating the level of maturity of our clients' transition strategies.

We have already started to test the bespoke approach with pilot cases, and plan to collect this information for our Net Zero sectors' clients based on publicly disclosed documents, ensuring our business is ready to have specific dialogue on these topics. Furthermore, we also plan to rely on external experts to further strengthen our understanding of our clients' transition plans.

This approach represents a fundamental part of our Net Zero engagement strategy to facilitate insightful and data-driven discussions with existing and prospective clients regarding new opportunities to finance their transition and mitigate potential risks.

ESG forms part of the daily dialogue with our clients, both from a strategic and a commercial point of view. We have a **dedicated ESG Advisory team** that supports our business networks across all geographies in assessing and addressing clients' ESG-related needs. Furthermore, at local level we benefit from **dedicated expert roles.** For example, we have set up a team of ESG Experts to support Relationship Managers in the origination and structuring of ESG deals for corporate clients across all Italian commercial regions. Also in Germany we have dedicated supporting roles, such as the Sustainable Finance Experts.

Engaging with other stakeholders

As mentioned, we are operating in a dynamic environment, with the emergence of new, interconnected topics relevant to the transition that are not yet clearly regulated. In this context, **we aim for constant dialogue with key external stakeholders** to ensure a shared approach to reach Net Zero.

This is why UniCredit constantly engages with **sector associations** to help shape financial institutions' role in supporting the real economy transition. For example, we are taking part in NZBA working groups where we provide feedback to set clear guidelines and standards. Furthermore, we maintain active dialogue with **policymakers and regulators** on Net Zero through sector associations such as the Institute of International Finance (IIF), the Association for Financial Markets in Europe (AFME) and the European Banking Federation (EBF), which provide input and feedback on the role of financial institutions in achieving climate goals, on the framework for transition finance and on transition planning.

Likewise, as part of our overall engagement strategy, to strengthen our commitment to green transition over the years we have also actively participated in various **international and national initiatives,** such as the Task Force on Climate-related Financial Disclosure (TCFD) in 2019. Among other examples, we have also published a dedicated standalone TCFD report since 2020 and signed up to the UNEP FI Principles for Responsible Banking (PRB) in 2019.

As we believe that a true transition can only be achieved through a **systemic industry approach,** we maintain constant dialogue with a broader set of stakeholders to understand key trends in the sectors where we have set targets. For example, in the energy sector we understand the importance of **resilience and energy security,** which is why it is one of the topics discussed in our **European Energy Transition Forum.** This forum brings together senior representatives from leading energy companies with international institutional investors. Thanks to our business industry experts, we are able to gain a deeper understanding of our clients' situations, enabling us to develop **360-degree support to clients,** not only on financing but also advising them on which strategic solutions can be adapted to their transition journey. We also act as **facilitators between larger clients, smaller clients and startups** across geographies, enabling connections that help clients in specific sectors sharing best practices in line with their transition strategies.

Engagement strategy continued

More generally speaking, the participation of financial institutions in **industry-led initiatives** is crucial to the provision of the tools required for clients' transition, developing concrete investment projects, and arranging financing. In turn, this fundamental dialogue also enables corporates to understand how to make their projects bankable. Further details on sector-specific initiatives are provided in the Metrics & Targets section of this chapter, where we illustrate our sectoral approach to transition.

To support our clients' transition, we also **partner with institutional stakeholders to channel additional financing.** In 2023, for example, we signed an agreement with the European Investment Fund (EIF), part of the European Investment Bank (EIB) Group, to channel €1bn to small businesses across seven countries in Central and Eastern Europe.

We also strive to **engage locally with industry sectors and other stakeholders** in the countries where we are present. For example, UniCredit Bank Austria is working together with WWF Austria on consistently anchoring sustainability goals in its lending portfolio and is also a partner in Klimaaktiv, alongside 10 other companies in Austria. The Klimaaktiv pact envisions a reduction in greenhouse gas emissions by participating companies of at least 50% by 2030, compared to 2005. Members of the Klimaaktiv pact are regularly and rigorously audited. Annual inspections and robust criteria guarantee that the pact partners meet the requirements for climate-friendly business in a credible manner.

Finally, last November we held our **inaugural ESG Day, "Empowering a Just and Fair Transition"**, a one-day event dedicated to meetings and discussions involving both internal and external stakeholders, including employees, clients and partners, as well as renowned ESG experts. The opening panel session was dedicated to climate change and the green transition, "The road ahead: Safeguarding the climate in troubling times", with the participation of experts from different disciplines, including representatives from NGOs.

Page 26 Read more in the Stakeholder Engagement chapter

Implementation strategy

A key pillar of UniCredit's transition plan is our implementation strategy, which defines how we integrate **Net Zero considerations into all our core business activities and decision-making processes.** There are five main components to this strategy:

1. **Target setting**
to ensure we structurally embed Net Zero into our planning process for the coming years, constantly adjusting our Net Zero trajectory based on the most recent data and effectively cascading it through the organisation

2. **Monitoring**
to effectively track our progress against our targets, and to identify corrective measures in case of deviations

3. **Risk management**
to ensure we adequately manage the different risks (reputational risk, climate and environmental risk and credit risk) linked to our clients' transition to more sustainable business models

4. **Products and services**
to effectively assist our clients' journeys to Net Zero

5. **Supporting tools**
to ensure the organisation has all the relevant information to operate in this space

1. Target setting

In 2023 we disclosed our **first 2030 interim targets** for three of the most carbon-intensive sectors in our portfolio. The process for target definition involved a broad **cross-functional working group** with support from our ESG, Risk Management, Finance and Business functions. It entailed the development of a **dedicated internal methodology** to calculate our emissions baseline and to project its potential future trajectory, based on Net Zero reference market practices (SBTi, PCAF, IEA) and on sector guidelines (e.g. by NZBA). It also required **gathering new information from external and internal data sources** and using tools to model the future evolution of our financed emissions. Once targets were set, they were broken down by division and cascaded to the whole organisation.

While this was a one-off effort, it clearly needs to become **part of our normal activities in future years** to ensure we constantly adjust our targets over time based on our financed emissions' evolution. This is why in 2023 we already started working to embed target setting, breakdown, and cascading activities into our existing planning processes, assigning clear responsibilities within existing governance and setting up adequate tools to systematically gather and model all data required.

2. Monitoring

Monitoring our progress against targets is fundamental to the effective and timely steering of our loan portfolio. To achieve this, we have set up a **dedicated process to track our Net Zero KPIs evolution** vis-à-vis our baseline and targets.

The Net Zero monitoring process demands strong collaboration between all Net Zero involved functions (Risk Management, Finance, ESG, Digital and Business) given high interdependencies between targets breakdown, targets cascading and data strategy. It requires that we not only track the evolution of our exposure on existing clients but also periodically refresh climate data for the calculation of climate impact. In this context, **data strategy is critical** to improve coverage and ensure quality, also leveraging on specialised providers.

Thanks to the new monitoring process we have put in place, we are now able to provide our business functions with dedicated periodic reports on Net Zero impact evolution, including all underlying drivers needed to steer our Net Zero portfolio.

3. Risk management

As a result of our commitment to sustainability, we have been embedding **climate and environmental risks in our risk framework across all the various risk types** (credit risk, financial risks, non-financial risks).

We started to integrate climate factors within our Risk Appetite Framework and our Risk Strategies for managing credit, financial and non-financial risks. We developed a specific methodology and process based on a dedicated climate and environmental questionnaire to determine our clients' position on the transition pathway. We introduced sector-specific policies which commit us to stop financing controversial carbon-intensive activities, such as energy production from thermal coal and the most impactful Oil & Gas operations (e.g. tar sands, fracking, ultra-deep water drilling, arctic extraction, etc.) and to phase out similar financing that had been granted in the past, before the policy came into effect. We continually update our policies to ensure that the most recent evolution of related risks are considered and properly managed.

In 2024, we are further building on this approach by introducing **specific considerations on the three sectors in our portfolio for which we set interim Net Zero targets**, i.e. we:

- Updated our **Oil & Gas policy** by integrating Net Zero provisions as a driver for the reputational risk classification of customers
- Introduced specific KPIs related to our Net Zero targets into our **Risk Appetite Framework** (RAF)
- Included more comprehensive qualitative guidelines to incorporate Net Zero commitments in our **Credit Risk Strategies**
- Embedded **Net Zero client strategies into the credit process** (see Engagement strategy section of this chapter for more details)

Page 160 Read more in the Risk Management and Compliance chapter

Implementation strategy continued

4. Products and services

In line with UniCredit ESG Strategy, in the last few years we have been at the forefront of sustainable lending. We are supporting many of our clients with dedicated products such as green loans (aligned to market standards such as ICMA or EU Taxonomy), green financing in partnership with public entities at local and European level (e.g. Kreditanstalt für Wiederaufbau, European Investment Fund, etc.), Sustainability linked loans and much more.

Moreover, since starting our Net Zero journey we realised that **supporting our clients also with dedicated transition finance is key to reaching our Net Zero ambition.** There are many different definitions of financial products that constitute "transition finance", including those proposed by the International Energy Agency, GFANZ, OECD, and United Nations. Most definitions generally focus on financial offers dedicated to reducing real economy emissions by financing either transitional activities or high emitters transitioning to Net Zero.

We have established our own internal definition of transition finance based on EU Commission recommendations and included it in our **ESG Product Guidelines** at the end of 2023. This is a key enabler to support Net Zero clients that are aligned with our path. Our ESG guidelines apply to all Group countries. They aim to define a comprehensive methodology for the homogeneous classification and reporting of UniCredit's ESG products and services offer, and define the criteria for eligibility. The objective is to protect the Group against greenwashing and social washing risks. The guidelines also require our clients to have certified transition plans in place to access transition finance, so that we ensure that the required financing is dedicated to eligible transition initiatives.

Accounting is a key challenge related to financing transition: in fact, a **transition finance loan may lead to a temporary increase in financed emissions** and move us further away from our targets in the near term. To address this, we are working to provide adequate disclosure of our transition finance volumes in our future reporting. Furthermore, we aim to develop methodologies to quantify medium- to long-term expected benefits in terms of reduced financed emissions.

Finally, to effectively identify which of our products are most effective for our clients, we will continue to leverage our dedicated ESG functions such as the ESG advisory team, which helps business network colleagues analyse clients' ESG needs and identify the most appropriate products to support them.

5. Supporting tools

To provide all involved UniCredit functions with relevant Net Zero information and methodologies needed to effectively implement our transition strategy, we are also **upgrading our supporting tools and introducing new functionalities,** e.g.:

- Introducing **clients' transition plans assessment** functionalities into existing tools
- Displaying **Net Zero relevant data by client** (including their impact, cluster and recommended strategy) to our business network leveraging on existing dashboards
- Enabling business colleagues to **simulate Net Zero impact** at single deal and portfolio level through dedicated tools

The additional functionalities described above were designed during 2023 with the involvement of cross-functional working groups from the ESG, Risk Management, Business and Digital functions, and will be progressively rolled-out and fine-tuned during 2024.

In addition, in March 2023 we announced the **partnership with ENI Open-es,** an alliance that brings together entrepreneurial, financial and associated networks. Open-es supports all stakeholders on their sustainable development path through a digital and innovative platform which aims to equip our clients with a best-in-class tool to enable their decarbonisation path.

Page 47 Read more in the ESG Strategy chapter

Metrics & Targets

Financed emissions

After joining the Net Zero Banking Alliance in 2021, with a Net Zero ambition for our portfolio by 2050, in 2023 we disclosed **our first 2030 targets for Oil & Gas, Power Generation and Automotive,** three of the most carbon-intensive sectors in our portfolio. We are now monitoring our decarbonisation **progress against these targets,** while also disclosing our **first target for an additional carbon-intensive sector, Steel.** By the end of 2024, we will establish Net Zero **2030 interim targets for other material sectors, such as Real Estate.** In this second round of target setting for the NZBA carbon-intensive sectors, the small and low-material sectors will not be considered. However, we will continue to monitor them to ensure our approach remains adaptable for future adjustments, if necessary.

Sector	Scope	Value Chain	Metric	Scenario Benchmark	Baseline		2022YE Progress	2030 Target
					Year	Value		
Oil & Gas	Scope 3 Category 11	Upstream, Midstream, Downstream	Absolute Financed Emissions	IEA NZ 2050 (World)	2021	21.4 $MtCO_2e$	-10% vs. baseline (19.3 $MtCO_2e$)	-29% vs baseline (15.2 $MtCO_2e$)
Power Generation	Scope 1	Power Generation	Emission Intensity	IEA NZ 2050 (Europe)	2021	208 gCO_2e/ kWh	152 gCO_2e/ kWh	111 gCO_2e/ kWh
Automotive	Scope 3 Category 11 Tank-to-wheel	Automotive Manufacturers (Light-duty Vehicles)	Emission Intensity	IEA NZ 2050 (World)	2021	161 gCO_2/ vKm	165 gCO_2/ vKm	95 gCO_2/vKm
Steel	Fixed Boundary System – Scope 1, 2 and 3 (Category 1 and 10)	Crude steel makers	Emission Intensity	IEA NZ 2050 (World)	2022	1.45 tCO_2/ tSteel	-	1.11 tCO_2/tSteel
			Alignment score		2022	-0.69	-	

Metrics & Targets continued

Oil & Gas

Progress so far

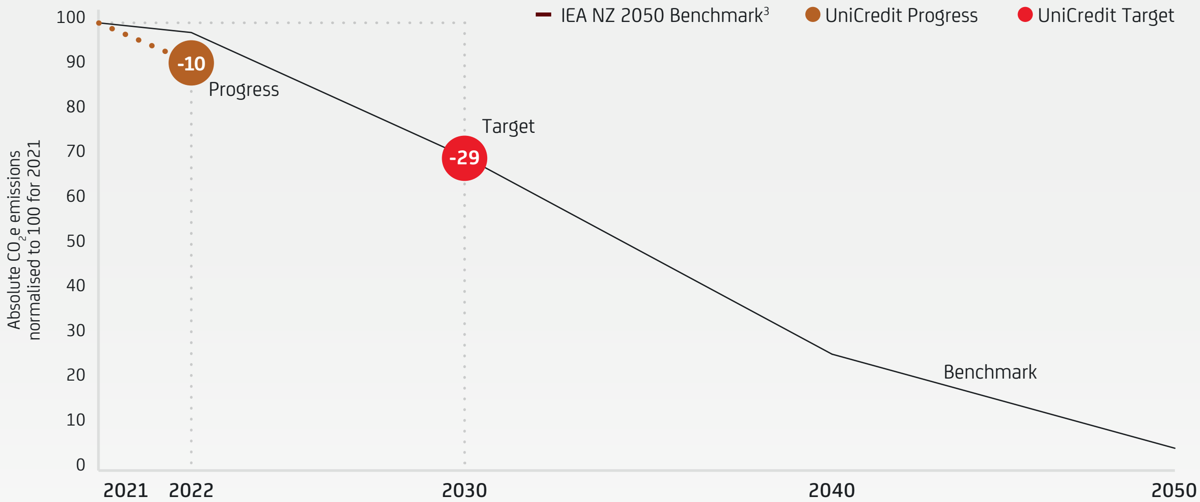
To achieve our target for the sector, we started working on defining how to reduce the impact of our portfolio of Oil & Gas clients. During the last year, our focus has been on further engaging clients with transition strategies to actively support them in their transition path, and on gradually reducing our exposure to clients with high impact sector Scope 3 emissions not aligned to the transition. This approach allows to balance the need to ensure energy security while at the same time shifting to more sustainable energy sources.

As a result, **in 2022 our financed emissions already decreased by 10% vs 2021.** The achieved reduction has been mainly driven by the deleveraging of non-strategic clients, partially counterbalanced by the decrease of the company value of Russian counterparties that increased our share of financed emissions for those clients[2] (coherently with the volatility of the metric).

Key levers for transition

With regard to the Oil & Gas sector, traditional business models are increasingly under pressure because the effects of climate change are worsening, with energy security becoming even more relevant. A key strategic challenge for Oil & Gas companies is aligning existing skills and capital with new requirements of energy transition. As the industry landscape is diverse and there's no "one size fits all", a **collaborative dialogue between companies, shareholders and financial actors** is necessary. As highlighted by the IEA, most Oil & Gas companies are watching the energy transition from the sidelines, with only 1% of total clean energy investment globally coming from Oil & Gas producers. For this reason, the **industry's engagement will be key in the upcoming decades.**

Oil & Gas Financed emissions % of reduction



In scope on balance sheet lending YE2022	Financed emissions baseline YE2021[4]	Financed emissions YE2022 vs YE2021[4]	Financed emissions 2030 Target vs 2021
€5.7bn	21.4 $MtCO_2e$	-10% (to 19.3 $MtCO_2e$)	-29% (to 15.2 $MtCO_2e$)

2. i.e., increase of 'client attribution factor' given by the lending to the client on the client's company value (financed emissions calculation according to PCAF methodology).
3. World scenario, including Oil & Gas only.
4. Computed on portfolio in scope when data available (Scope 3 emissions for midstream companies not computed in line with current literature).

In this scenario, we believe that Oil & Gas players have several opportunities to play a meaningful role in the energy transition to **scale up crucial technologies such as hydrogen, biofuels, and carbon capture, utilisation and storage (CCUS).** At UniCredit, we are working to encourage the industry transition on multiple fronts:

- Engaging with clients to **educate them about transition** and make them aware of the importance of clear transition plans as a pre-requisite for the financing of transition projects
- **Rebalancing our loan portfolio**:
  - Supporting clients investing in alternative, more sustainable fuels
  - Gradually reducing the financing of the most carbon-intensive activities
  - Collaborating in sector-led initiatives and with new ventures for sector technology innovation, even when solutions are not yet fully mature

To sustain our clients' transition, we are supporting companies that are planning to rebalance and diversify their activities, helping them address sector challenges linked to the energy crisis, such as the need to provide energy security.

To support the sector's transition, we are also **promoting sector-based initiatives that facilitate the growth of alternative clean fuels**, such as hydrogen. Since 2021, we have been a member of the **European Clean Hydrogen Alliance,** established by the European Commission to support the development of green hydrogen projects to drive the energy transition. Through this alliance, we successfully contribute to the deployment of low carbon solutions across Europe, working closely with key industry players and regulators. The alliance also enables us to stay abreast with the latest developments in the rapidly growing hydrogen sector.

Supporting sustainable natural gas

To facilitate the transition from fossil-based to cleaner fuels, UniCredit is investing in new climate technologies such as those developed by Tree Energy Solutions (TES). TES is an integrated industrial scale energy transition company leading the way in the production of e-NG (electric natural gas derived from green hydrogen).

e-NG will be produced in areas of low-cost renewable energy where green hydrogen is obtained via water electrolysis. The green hydrogen is then transformed into electric natural gas by methanisation, before the gas is transported using existing infrastructure. TES has announced two e-NG production projects in North America, one in Texas and one in Canada, and has a further pipeline of projects in North America, Middle East and Australia. TES plans to distribute e-NG from the production sites to customers in Europe and Asia by 2028.

One of TES' key projects in Europe is the import terminal in Wilhemshaven, Germany. In the short term, the project will accommodate LNG imports, before transitioning to importing e-NG (electric natural gas) in liquefied form.

TES plans to build several green hydrogen and e-NG production sites across the world, thereby substantially supporting the development of new types of fuel, alternatives to fossil-based ones.

Group

Metrics & Targets continued

Supporting a traditional player's shift from oil to renewables

For years, UniCredit has been supporting more virtuous clients operating in Oil & Gas sector to accompany their transition, helping them reconverting their operations toward activities in the energy sector that rely more on green sources.

For instance UniCredit is a core bank for ERG, with which we have a solid and long-standing relationship with a proven track record for both mergers and acquisitions (M&A) and financing solutions. UniCredit has been at ERG's side throughout its transition from being an oil company to a pure renewable player over the last few years.

We were at the side of ERG since its first Debt Capital Market (DCM) activity in 2017, when we acted as Joint Lead Manager of a €100m privately placed transaction whose proceeds were classified as "general corporate purposes" with specific reference to new investments in renewable energy infrastructure, energy efficiency and refinancing of investments in hydroelectric plants. Around two years later, ERG made its debut on the public bond market with a €500m inaugural Green bond offering, while in the following years the Company continued to adopt the green format, successfully placing additional Green Bonds. As of January 2024, the totality of ERG's outstanding bonds (€1.6bn) are labelled as Green, financing/refinancing eligible green projects under ERG's Green Bond Framework. In line with its status of pure renewable player, ERG is now recognised as an established green bond issuer by the DCM community. Having being involved in all the bond transactions, UniCredit can be considered as the partner of choice for ERG.

UniCredit is also one of the ERG Group core banks for project financing, having successfully supported several ERG projects since the beginning of its business development in the renewables sector (c.460 MW installed capacity in wind/PV sector).

We also supported ERG with other financing instruments, acting for instance as Additional Bookrunner and Mandated Lead Arranger (MLA) of a €600m sustainability-linked Revolving Credit Facility (RCF) that ERG entered into in 2022. The deal was structured around two sustainability KPIs:

– a sustainable environmental KPI based on renewable capacity and
– a sustainable social KPI based on work force's diversity

In the course of its transition journey, ERG has completed many M&A transactions in the renewable energy sector, with UniCredit acting as advisor for the majority of the deals carried out in the last 15 years. Among the most recent deals, in 2022 we acted as sole M&A advisor for ERG's acquisition of seven wind farms from EDP Renováveis, a transaction that allowed the company to further consolidate its position in the Italian wind market. That same year, UniCredit also supported ERG in the acquisition of MP solar, a Dutch solar photovoltaic platform with 18 plants situated across four Italian regions, thus supporting ERG's growth also in the Italian photovoltaic market.

Deals of the type performed with ERG allow us to further support renewables in the Power Generation sector.

Italy

Power Generation

Progress so far

To achieve our target for the sector, we started working on our portfolio of Power Generation clients to define how to reduce our impact. Our focus has been on further growing our financing to clients with credible transition plans and that already have low levels of physical intensity (leveraging more renewables in the production of energy) or clear plans to reduce it, to pursue a climate transition. At the same time, we have started to gradually reduce exposure to those clients with high levels of physical intensity and whose transition strategy is missing or not credible enough.

In 2022 the physical intensity of our loan portfolio achieved the value of 152 gCO_2e/kWh down by 27% vs 2021. The result achieved is well below the target trajectory thanks to the improvement of:

- Data quality that helped a better identification of renewable financing. More than €5bn in our portfolio are related to lending to "pure" renewable companies or dedicated loans to traditional players to support power production from renewables
- Average physical intensity of our client base that is progressively changing the technology mix towards more sustainable sources, consistent with their transition plan

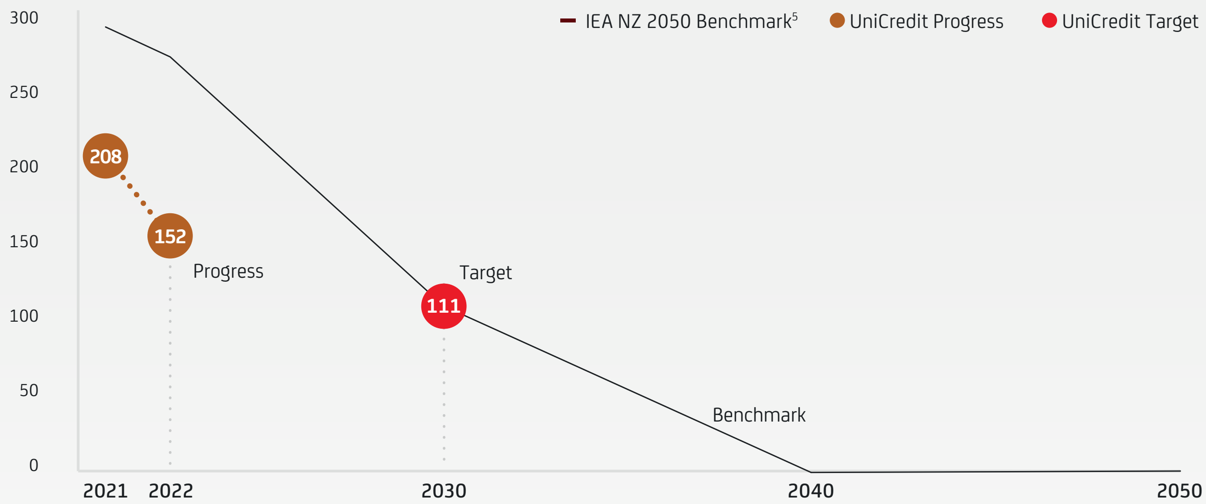
Scaling up renewable energy capacity

Statkraft is a leading company in hydropower internationally and Europe's largest generator of renewable energy. It is 100% owned by the Kingdom of Norway and one of our Nordic Core Clients. Statkraft has an ambitious growth plan for renewable energy in order to achieve a Net Zero future.

As part of this strategy, Statkraft has signed a binding agreement to acquire the Spanish-based renewables business Enerfin from Elecnor Group. The acquisition of Enerfin adds 1.5 GW of operational wind power, wind and solar capacity currently under construction plus a sizeable pipeline of projects in development to Statkraft's portfolio. This reinforces the Norwegian company's position as a major international renewable energy player, and significantly strengthens its position in Spain and Brazil.

Following the announcement of the acquisition, Statkraft successfully issued a €1bn Green Bond, with UniCredit acting as Active Bookrunner. The net proceeds from the bond issue will be used to finance eligible projects as specified in Statkraft's Green Finance Framework.

Power Generation Emissions Intensity (gCO2e/kWh)



In scope on balance sheet lending YE2022 **€10.4bn**	Emissions Intensity Baseline YE2021[6] **208 gCO_2e/kWh**	Emissions Intensity YE2022[6] **152 gCO_2e/kWh**	Emissions Intensity 2030 Target **111 gCO_2e/kWh**

5. Scenario scaled down to European level (excluding Ammonia and Hydrogen).
6. Computed on portfolio in scope when data available.

Metrics & Targets continued

Key levers for transition

For the Power Generation sector, energy transition is taking place in two key ways: on one hand, an **increase in generation from renewable sources with a reduced contribution from coal and other fossil fuel sources;** on the other, ensuring **related infrastructures are upgraded and expanded** to enable the necessary system resilience and flexibility.

Specifically on Power Generation, our strategy is primarily focused on supporting our clients to shift from fossil fuel energy production to more sustainable sources of energy (e.g. pure renewables).

To this extent, our industry experts work with clients that want to **refocus their business model** and also with clients that want to further **invest in renewable energy projects.** For example, we work with utilities that need to rebalance their portfolio of activities/assets on more sustainable technologies. Thanks to our extended network, we are also able to serve pure renewable players through project financing initiatives, especially in wind, photovoltaic and advisory activities.

Through sector-specific events, we are also involved in discussions on how to best approach energy transition. For example, in **Czech Republic and Slovakia, UniCredit is a member of the Solar Association,** the largest professional association of solar energy entrepreneurs to promote technical, legislative and economic conditions for the operation of the renewable energy sector. We are also a partner of **Climate & Sustainable Leaders,** a unique platform in Czech Republic to foster sustainability and climate protection.

Promoting renewables

In line with EDP's commitment to achieve 100% renewables generation by 2030 and reach Net Zero by 2040, in July 2023 the company raised a €3bn sustainability linked Revolving Credit Facility (RCF), with UniCredit acting as Mandated Lead Arranger and Bookrunner. The RCF is a sustainability-linked loan and was structured according to the Sustainability linked Loan Principles of the Loan Market Association, in particular with two ESG KPIs:

- **reduction of Scope 1 and 2 greenhouse gas emissions and**
- **an increase in the percentage of installed capacity from renewable sources within EDP Group**

In addition to this facility, in September 2023 we acted as a Global Coordinator in the issuance of a dual-tranche green senior bond through which EDP managed to raise a total of €1.35bn. Both instruments allow for greater alignment of EDP's financial strategy with its sustainability strategy and reinforce EDP's commitment to decarbonisation, including the fight against climate change and the promotion of renewable energy.

Group

Helping to fund Europe's largest solar panel factory

Acting as Structuring Mandated Lead Arranger, Global Coordinator and Bookrunner, we signed the green loan project financing agreement for an amount of €560m, to finance 3SUN, an Enel Green Power company. Through this financing, 3SUN has secured funding for the expansion of its gigafactory in Sicily (Italy), which is expected to become Europe's largest factory producing high-performance bifacial photovoltaic modules. 3SUN's financing is the largest such arrangement in the energy sector in Italy – and one of the largest in Europe – over the last year and is the first project financing for a solar panel factory of this size in Italy/Europe. The senior term loan benefits from an 80% financial guarantee issued by the Italian Export Credit Agency (SACE) under its Green Guarantee programme, which promotes, among others, projects aiming to mitigate climate change as part of Italy's Green New Deal.

The project has great significance for all of Europe because it strongly promotes the global energy transition, in line with EU green goals, which will enable the EU to become energy independent and not reliant on non-EU producers. The 3 GW of panels that will be produced annually by the gigafactory can generate up to around 5.5 TWh of renewable electricity per year, which from a sustainability perspective has the potential to avoid the equivalent of nearly 25 million tons of CO_2 in their first 10 years of operation.

Similarly, the production generated by the gigafactory's modules have the potential to avoid the purchase of nearly 1.2 billion cubic metres of gas per year, replaced by internally generated renewable energy.

At the same time, the gigafactory also plays a key role from a social perspective. It is expected to create around 900 direct and 1,000 indirect jobs by 2024, and to support the "Ray of Hope" European Commission project aimed at providing Ukraine with enough photovoltaic modules to cover 11,400m^2 of rooftops of several public buildings such as hospitals and schools.

The project is expected to become a model for the development of gigawatt-scale photovoltaic factories in Europe in the coming years.

Group

Metrics & Targets continued

Automotive

Progress so far

To achieve our target for this sector, our focus has been on supporting the transition of our clients, the majority of which have already started on their transition path by defining and disclosing credible Net Zero targets and plans to progressively switch their production from vehicles with internal combustion engines to hybrid and electric vehicles.

In 2022 the physical intensity of our loan portfolio remained quite stable vs 2021 at 165 gCO_2/vkm, showing a slight increase (+2.3% vs 2021).

Our 2022 performance can be explained by two trends that offset each other. On the one hand, we have observed an improvement of the metric thanks to the strong increase of sales of hybrid and electric vehicles of the car manufacturers in our portfolio. On the other hand, this benefit was totally offset by the negative effect caused by an improvement of data used to calculate the emissions (i.e. more granular data of sales per car model and brand by geography enabling a better estimation of the emissions).

We expect an improvement of our metric, already in next the monitoring cycle, thanks to the financing of some specific projects of our clients dedicated to the production of electric vehicles.

Key levers for transition

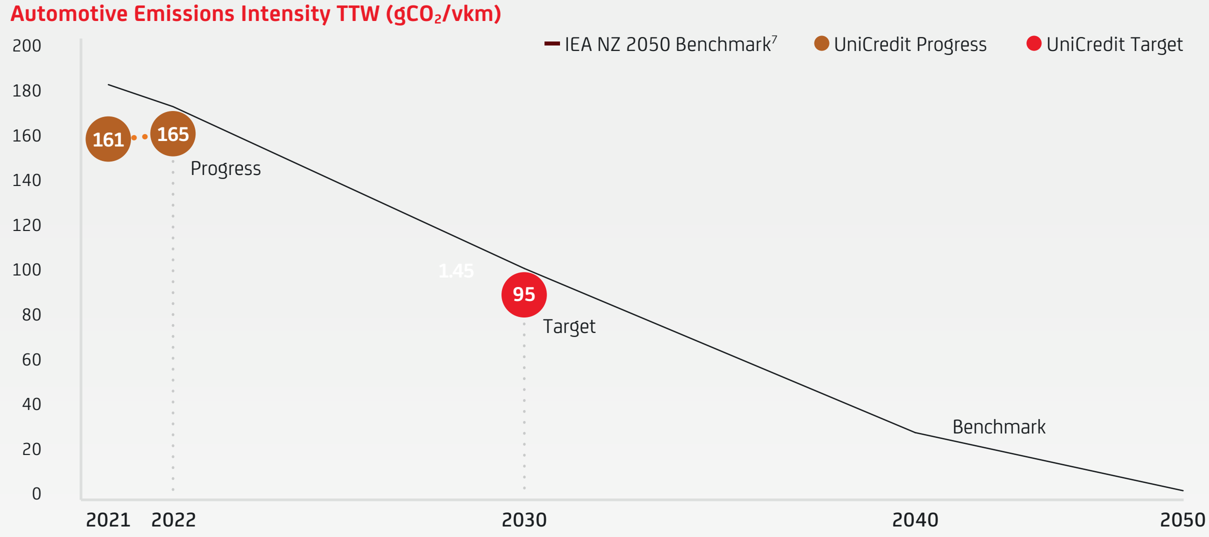
The Automotive sector is a pillar of the global economy and at the same time one of the major contributors to climate change. Road transport in Europe accounts for around one fifth of greenhouse gas (GHGs) emissions. Despite an observed shift towards cleaner road vehicles and fuels, **total GHGs from passenger cars and heavy good vehicles have increased in Europe** due to increasing transport volumes.

Europe, driven by its ambitious Green Deal target, is expected to electrify rapidly, according to McKinsey Quarterly, Transition to Net Zero – Road mobility (August 2022) and the European Environment Agency, Road Transport – Road transport (europa.eu). This will have a significant impact on the entire automotive supply chain, include driving greater demand for e-batteries.

Our strategy for the Automotive sector aims to help our clients seize new market opportunities across their value chain (including EV battery manufacturing, infrastructure management etc) as they **shift towards low-emission vehicles.** We have started to actively work with a range of our clients – including some of the top car manufacturers in the market – to finance specific projects entirely dedicated to electric vehicle production, such as finance for a new dedicated factory.

Our **holistic industry approach** ("In Motion"), combines the expertise of all our specialists along the total automotive value chain, from natural resources to recycling. With the support of the ESG Advisory team, we offer tailor-made sustainable financing for investments into new technology to support the sector in its transformation towards zero emission mobility.

Automotive Emissions Intensity TTW (gCO_2/vkm)



In scope on balance sheet lending YE2022	Emissions Intensity Baseline YE2021[8]	Emissions Intensity YE2022[8]	Emissions Intensity 2030 Target
€2bn	161 gCO_2/vkm	165 gCO_2/vkm	95 gCO_2/vkm

7. World scenario on whole fleet.
8. Computed on portfolio in scope when data available.

Green bond for leading auto manufacturer

In May 2023, Mercedes-Benz Group brought a dual-tranche €2bn green bond to the market – the first EUR green bond issued since April 2021.

UniCredit acted as Bookrunner, Technical Lead, Billing and Delivery Manager of the deal.

Group

New Net Zero target on Steel

Following the definition of the first set of sectoral targets for Oil & Gas, Power Generation and Automotive – which were published in January 2023 – **we have now defined our interim target for the Steel sector** to meet our 2050 Net Zero ambition.

UniCredit is one of the founding members of the **Sustainable STEEL Principles** which were launched in 2022. These principles established a level playing field for green projects by encouraging transparent reporting and providing a clear goal setting methodology for the Steel sector. The Fixed System Boundary coupled with a methodology that addresses both primary and secondary production provides the most comprehensive reporting guide to date.

Following the Sustainable STEEL Principles[9] methodology, the **baseline was calculated** by identifying all **relevant crude steel producing clients**[10] and computing the **exposure weighted emission intensity** and **the alignment score of the Bank's lending portfolio,** taking into consideration the split between primary and secondary steel production. The baseline was calculated for **the on-balance sheet lending exposure** as of **31 December 2022,** in line with PCAF methodology[11], which is consistent with the approach used for the other sectors.

We selected the more ambitious trajectory referenced in the Sustainable STEEL Principles methodology – International Energy Agency (IEA) Net Zero 1.5 2050 Scenario – as the reference benchmark for the definition of the 2030 intermediate target.

GHG emissions data quality was evaluated according to the PCAF scoring methodology.

9. www.steelprinciples.org
10. Value chain includes steel makers' activities related to crude steel manufacture and basic steel processing, steel sales and steel products' production and other business controlled by steel groups. In-scope counterparties producing less than 250 kt/y of crude steel were also included in the reporting, but with negligible impact (less than 0.1% of total exposure).
11. www.carbonaccountingfinancials.com/standard

Metrics & Targets continued

Overview of key design choices

Clients in Scope	Crude steel producers[12]
Activities	– Crude steel making[13] and basic steel processing – Steel sales and steel products production (related to crude steel making Groups)
Emission Scope	Fixed System Boundary (Scope 1, 2 and 3 Category 1 and 10)[14]
Metric	Emission intensity tCO_2/tSteel
Financing Activities	Corporate lending book: on-balance sheet exposure
PCAF Data Quality Score	2.32
Scenario	IEA NZ 1.5 2050 (World)[15]

As recommended by the Sustainable STEEL Principles Association, we defined the baseline and targets for all crude steel Group producers in the Bank's lending portfolio (based on balance sheet exposure). Activities included in scope are:

– Crude steel making and basic steel processing

– Steel sales and steel product production (related to crude steel making Groups)

In line with Sustainable STEEL Principles, the carbon emissions scope follows a **Fixed System Boundary,** which identifies a consistent boundary of activities to be reported on, regardless of whether they are executed by the steel mill itself, a supplier, or off-taker (i.e. regardless of whether they are Scope 1, 2, or 3 emissions of an individual company). This approach takes into account the Steel sector's high degree of variability in emissions, particularly elements of Scope 3, depending on the ownership structure and level of vertical integration.

Exposure-weighted emission intensity in tons of CO_2 emissions per tons of produced steel (tCO_2/tSteel) is the selected metric **to calculate the baseline and set our 2030 interim target.**

The **portfolio alignment score** is an additional metric that we consider, and is calculated according to the Sustainable STEEL Principles' definition. The score enables us to assess the alignment of both the client and the Bank's portfolio to the benchmark pathway scenarios (i.e. IEA Net Zero and MPP TM[16] specific trajectories) that consider the percentage of primary (i.e. iron ore) and secondary (i.e. scrap) steel production.

Baseline estimation

Data	Description
Input data	– Exposure from internal source – Emissions, production, scrap charge from an external data provider
On balance sheet lending (drawn exposure)	EUR 2.2bn
Baseline emission intensity	1.45 tCO_2/ tSteel
Baseline alignment score	-0.69
Scrap Charge %	47%

12. Steel manufacturers that are processing crude steel purchased from third parties (i.e. re-roller) are not considered.
13. Following SSP methodology, also included exposure for Holding, Financial Service and Trading companies, if related to Steel Groups in perimeter, and other supporting business activities controlled by Steel Group.
14. Category 1. Purchased goods and services and Category 10. Processing of sold products. All emissions in the Fixed System Boundary are included, as defined by the Sustainable STEEL Principles.
15. IEA Net Zero 1.5 2050 benchmark is adjusted to the Fixed System Boundary according to the Sustainable STEEL Principles methodology and considering the trajectory split into primary and secondary production. Benchmark is tailored to the UniCredit portfolio scrap charge.
16. Mission Possible Partnership Technology Moratorium.
17. Category 1 and 10.

Considering the selected design elements, the on-balance sheet lending in scope for the sector is €2.2bn, as of 31/12/2022.

We have used the following inputs to calculate the Group emission baseline and alignment score for the Steel sector: production data, emissions data and scrap charge. This data was sourced from the third-party data provider to the Sustainable STEEL Principles Association.

The 2022 baseline emission intensity of the Steel sector, as per the Fixed System Boundary (Scope 1, 2 and 3[17]) **was estimated at 1.45 tCO_2/ tSteel,** which is lower than the value of the selected IEA Net Zero benchmark, equal to 1.51 tCO_2/ tSteel in 2022.

We used the weighted average scrap charge of our portfolio, equal to 47% in 2022, to tailor the IEA Net Zero and MPP TM benchmarks, taking into account the input raw material mix used in the production by our clients, that generates different emission intensities.

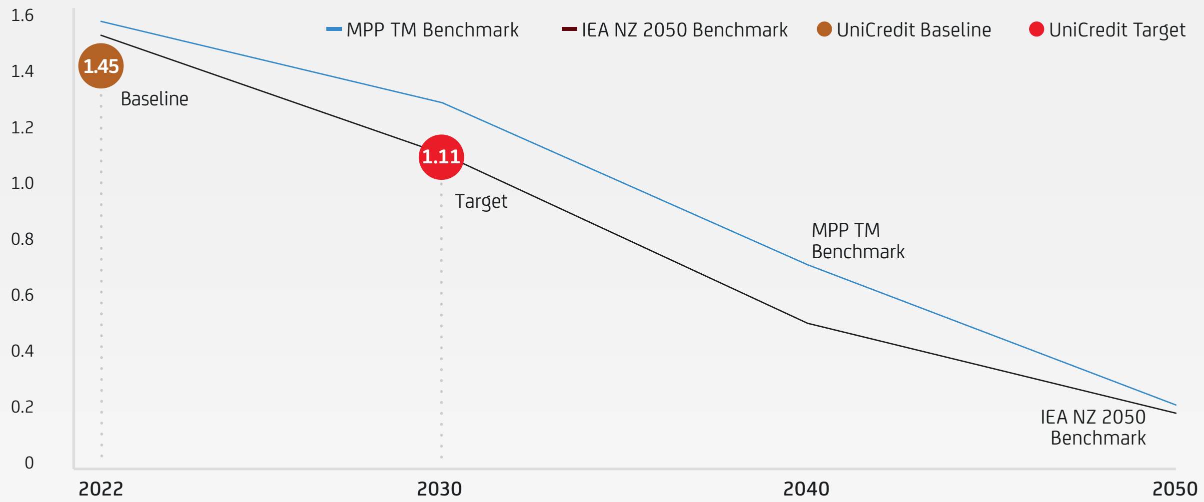
Comparing our 2022 emission intensity with 2022 benchmark values, **the 2022 Bank portfolio alignment score is -0.69.**

Target setting

We selected the **IEA Net Zero 1.5 2050 benchmark**[18] as the reference scenario to set the 2030 intermediate target. Benchmark is based on the UniCredit portfolio scrap charge in 2022.

We are targeting a **2030 emission intensity of 1.11 tCO_2/ tSteel in line with the benchmark** and market practices for the Steel sector, corresponding to an alignment score equal to 0 in 2030[19].

Steel Emissions Intensity (tCO_2/tSteel)



On balance sheet lending YE2022 **€2.2bn**	Emissions Intensity Baseline YE2022 **1.45 tCO_2/tSteel**	Emissions Intensity 2030 Target **1.11 tCO_2/tSteel**

18. IEA trajectory is an enhancement of IEA NZE providing split trajectory and following a fixed boundary approach.
19. According to benchmark tailored on UCG portfolio with 2022 portfolio weighted average scrap charge.

Metrics & Targets continued

Key levers for transition

The decarbonisation of the steel industry to Net Zero requires joint efforts from all stakeholders including regulators, producers, and final customers – which is why **industry-backed initiatives are key to the adoption of a unified standard.** At UniCredit, we believe this is a key step to help the Steel industry transition into a greener future, as we continue to support our clients in their ambitions and engage in strategic industry discussions around the development of concrete investment projects.

In recognition of the importance of collaboration between the financial word and the steel industry, we are taking part in the **Steel Climate-Aligned Finance Working Group** facilitated by RMI's Center for Climate-Aligned Finance. This working group seeks to support decarbonisation in an industry responsible for over 7% of global CO_2 emissions.

Enabling greener steel

Steel is the world's most important engineering and construction material, used in almost every aspect of our lives – from the cars we drive and the buildings we work in, to the homes in which we live and the kitchen appliances we use every day.

But steel is also responsible for over 7% of global CO_2 emissions and the industry is considered as one of the hard-to-abate sectors. The greenest steel globally will be produced by H2 Green Steel in Sweden, from 2026 onwards. This greenfield project will become the first hydrogen-based flat steel mill and is designed to abate up to 95% of CO_2 emissions in comparison with traditional blast furnace steel making. UniCredit has been involved early in the financing process as a 'Pathfinder Bank' to coordinate the lenders' technical and environmental and social due diligence. As one of the leading lenders, we are also engaged as Bookrunner and Mandated Lead Arranger.

Group

Governance

Over the last years, we have continued to evolve our organisation to further integrate climate-related criteria into the Group Strategy. In support of our commitment to Net Zero, the most recent updates to our approach to ESG governance include the establishment of **a dedicated Net Zero project** at Group level, which was initially set up in 2022 and is led by a cross-functional team. This project brings together ESG, Finance, Risk Management, Business and Digital to identify and implement the key actions needed to define and support our transition strategy.

To further highlight its strategic importance, the Net Zero Project – which is divided into two sub-projects: financed emissions and own emissions – is also part of the Group ESG Roadmap.

The Group ESG function works with the relevant bank functions across all aspects of Group Strategy and ESG – and is therefore integral to our Net Zero Governance initiatives.

As a key part of our transition plan, we are working to increasingly **embed Net Zero into our core banking processes**, such as the planning, risk and business processes. As part of this effort, we embedded Net Zero KPIs into our Risk Appetite Framework (RAF), as mentioned before in the Risk Management section.

In terms of our clients, we are leveraging the Bank's existing ESG functions, further promoting crucial capabilities – such as our **ESG advisory experts** – that have pivotal roles in the client engagement process.

To support our enhanced ESG governance processes and maintain our Net Zero momentum, during the year we delivered **dedicated Net Zero training sessions** at Group level for UniCredit internal functions involved in all our operating countries. For the year ahead, our training focus will be on the key skills and knowledge needed for Net Zero decision-making. These modules will include: basic training on Net Zero fundamentals; how to assess clients' transition plans; clients' Net Zero engagement strategies and their implications for the credit process; and transition finance and its applicability for Net Zero clients.

Finally, to ensure the right commitment of the organisation, we also **aligned our remuneration policy to Net Zero objectives**. We introduced Net Zero KPIs in the Sustainability Section of our Top Management long-term performance conditions. The Sustainability Section (non-financial section of the scorecard) has a 20% weight of the overall long-term scorecard.

Page 152 Read more in the Governance chapter

Financial Capital

Financial Capital comprises resources obtained from external providers and generated by our Bank's activities, that are used to support clients' business and bank operations for the medium-long term.

Material topics:

- Lean and solid bank
- Positive impact on society

2023 Results

€8.6bn
Net profit[1]

16.6%
RoTE

15.9%
CET1 Ratio fully loaded

€8.6bn
Shareholder distribution[2]

Targets

2024
Net profit broadly in line with 2023

c.16.5%
RoTE (by 2024)

c.€10bn
Shareholder distribution in line with value creation[3]

1. For FY23: Net profit excludes DTA write-up from TLCF (€893m).
2. FY23 CET1r is net of the accrual for the total FY23 distribution following the new EBA Q&A 2023_6887, i.e. including also the share buy-back not authorised yet by shareholders and supervisor.
3. Of which c.€7.2bn FY23 (Total FY23 distributions less part of first tranche SBB executed within 2023 (€1.4bn)), c.€3bn Interim FY24. Distribution subject to shareholder and supervisory approvals.

FY23 Highlights across our 3 levers

UniCredit Sustainable Excellence
FY/FY

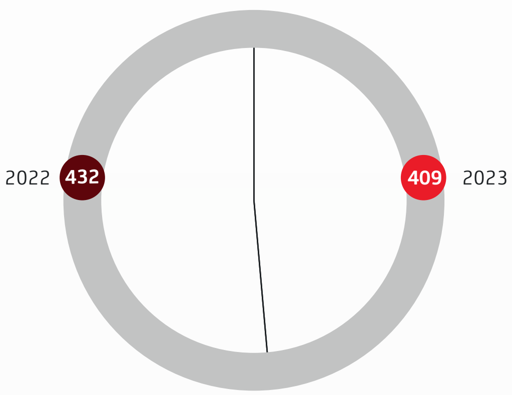
Net Revenue — Quality Growth
+26%
Net Revenue
(Gross Revenue +17%)

Cost — Operational Excellence
39.7%
Cost/Income -7.2p.p.
(Absolute costs -1%)

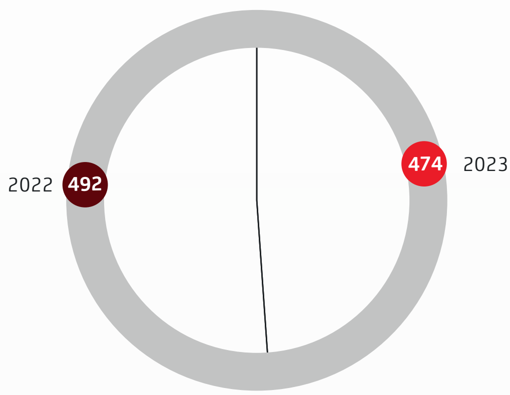
Capital — Capital Efficiency
389bps
Organic Capital Generation 12.0bn
(Net Revenue /RWA 7.9%)

Customer loans and deposits

Customer loans (€bn)
(excl. repos and IC)



Customer deposits (€bn)
(excl. repos and IC)

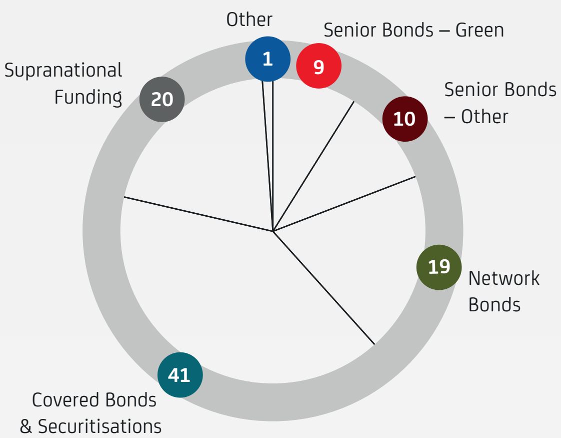


Solid Liquid Position

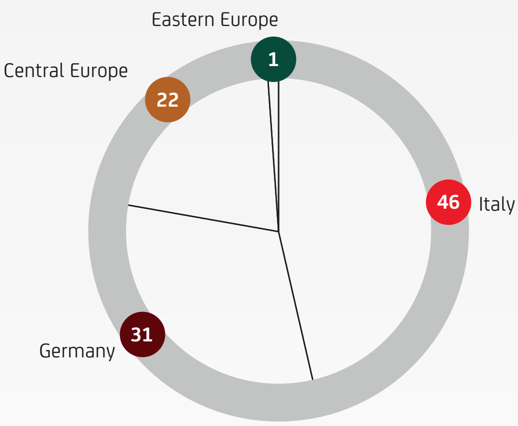
>140%

2023 Liquidity Coverage Ratio

Funding mix by sources 2023 (%)



Funding mix by country 2023 (%)



The Student Housing facilitated by UniCredit

Our Bank continues to be committed to empowering the young generation, giving a new chance to promote more affordable access to accommodations near universities. The project in collaboration with Campus SRL (Fondazione CEUR) enables the acquisition of locations to rent to students at a lower price than the rental market.

The loans disbursed in 2023 amounts to €4.8m for the Ferrara location and the whole project will reach €22.8m, to cover also the cities of L'Aquila and Rome.

The beneficiaries impacted by the first tranche of the project are estimated to be more than 350, having access to cheaper accommodations and facilitating the social need of housing.

The new building will be comfortable and offer comprehensive services, such as a canteen, gym, rooms for study and tutoring, promoting physical and psychological wellness.

Italy

ESG Bonds

11
ESG Bonds

c.€5.8bn
of total amount

Austria	**2** Green Mortgage Covered Bond for total of €1.25bn
Germany	**2** Green Mortgage Covered Bond for total of €1bn
Italy	**2** Green Senior Preferred Bond for total of €1.75bn **1** Social Retail Senior Preferred Bond for total of €0.2bn **1** Green Senior Non Preferred Bond for total of €1bn
Czech Republic	**1** Green Mortgage Covered Bond for total of €0.5bn
Hungary	**2** Green Mortgage Covered Bond for total of €0.1bn

Rating 2023

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

- **Fitch Ratings:** on 17 November 2023, Fitch has affirmed UniCredit S.p.A.'s rating BBB and kept the outlook 'stable'.
- **Moody's:** on 21 November 2023, Moody's has improved UniCredit S.p.A.'s bank deposit rating outlook to 'stable' and kept the senior unsecured outlook 'negative'.
- **S&P:** on 25 October 2023, S&P has upgraded UniCredit S.p.A.'s standalone rating to bbb+, one notch above Italian sovereign.

ESG-linked Revolving Credit Facility

In May 2023, TUI extended its €2.7bn credit lines until summer 2026 and introduced an ESG-link to the financing with ambitious GHG emissions reduction targets, laying the foundation for TUI's profitable growth and sustainable strategy.

UniCredit acted among others as sole Sustainability Coordinator, in a banking group of 19 international banks working together on the €1.65bn RCF, while Kreditanstalt für Wiederaufbau recommitted on the €1.05bn facility.

With the review and confirmation of its ambitious emission reduction targets by the SBTi (Science Based Targets initiative), TUI is setting new standards in the tourism sector.

Targets were defined for each of TUI's three business lines: airlines, hotel and resorts, and cruises. The conditions of the financing are linked to the achievement of these emission reduction targets: by 2030, emissions are to be significantly reduced in TUI airlines (-24%), in the hotel segment (at least -46.2%) and in cruises (-27.5%).

The GHG emissions reduction targets set by TUI shows strong improvement compared to historic performance and provide the sector with a case of third-party validation on the alignment with the 1.5° Paris Agreement.

The progressive ESG structure was implemented for the first time to a complex financing and banking group, while underlining TUI's GHG emissions reduction pathway in a highly relevant industry.

Unlocking transformation, together.

For our clients leading the ECM recovery

Over the last 12 months, we have been involved in seven of the 10 largest Equity Capital Markets (ECM) transactions in our core countries, with our growing reputation as a relevant player in the European ECM arena endorsed by our #2 ECM ranking in these countries.

We acted as Joint Global Coordinator on 13 transactions – up from just five in 2022 – including Eurogroup Lamination's IPO, which was the first ever Hong Kong–Milan dual listing. In Italy, we closed a number of high-profile transactions as Global Coordinator, ranking #3 in the 2023 ECM league table with a 8.5% market share. In Germany, we ended the year as the market #2 – our highest league table position in more than a decade – and boasted a 10% market share with the highest number of transactions printed.

In line with everything client related, this performance has been founded on our ability to combine global reach with local expertise. We are providing competitive, content-led advisory services to clients across the spectrum – from global leaders to mid-cap, local firms.

Germany

Human Capital

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

- listening to their needs
- valuing their skills and designing training and development plans
- promoting diversity, equity, inclusion and well-being.

Page S.69 Read more in the Human Capital supplement

Material topics:

- Digitalisation and innovation
- Value to clients
- Diversity, inclusion and employee engagement
- Business ethics

2023 Results

46% women in Group Executive Committee

35% women in Leadership Team

c.35 training hours per capita

c.€17m invested to ensure equal pay for equal work

Targets

Ambition to achieve gender parity across all organisational levels

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

Foster engagement

Our **Culture** is designed to ensure that we are functioning as we should be, in a way that will ultimately deliver for all. It is built on the synergy of our **Purpose**, **Values** (**Integrity, Ownership and Caring**), and **Ambition**.

Each of these are critical – but it is only when they are mutually reinforcing, with **a team** united behind each equally, that we will achieve success for all our stakeholders.

With this in mind, we are creating an **engaging and positive work environment** to build employee awareness and set the tone for our Culture across all our geographies.

Page 22 Read more about our Purpose

Listening and involving

We have successfully carried forward the **CEO and GEC connect initiative** for the second year. Through a series of small online and in person meetings, mixed groups of talented colleagues representative of the Bank in terms of gender, function, role and seniority take part in free-flowing discussions with CEO/Group Executive Committee (GEC) members. These active listening sessions aim to enable a Culture change based on the implementation of new ideas emanating from each corner of the Bank.

CEO and GEC connect initiative

91
meetings (six with CEO, 85 with GEC members)

799
colleagues involved (55 with CEO, 744 with GEC members)

52%
of colleagues involved were female

Over the past year, we have achieved remarkable results in transforming our Culture, ensuring that our behaviours remain in line with our **Value of Caring**.

At UniCredit, we understand the profound impact we can make by **embracing the 'S' in ESG**, with **volunteering** representing one of the key levers for us to shape and **care for our communities**.

Our colleagues are involved and **empowered to do good** for the causes they believe in and care about most: during the year, they dedicated c.10,000 hours to volunteering, either alone or with other colleagues, to provide support to non-profit organisations and local communities.

In 2023, we launched the **first UniCredit Group-wide Volunteering Community**, where colleagues can share new initiatives as well as experiences and ideas. In less than a year since its official launch, this community has grown impressively, engaging employees from all countries through almost **280 initiatives**. These efforts have supported, directly and indirectly, several thousand beneficiaries across our local communities.

Typical employee activities range from river cleaning and afforestation to financial education and mentorship, as well as serving in canteens and responding to urgent crises.

Furthermore on 5 December 2023, we marked the **International Volunteer Day** for the first time, celebrating our people whose dedication and commitment have vividly demonstrated the power of collective action and the remarkable achievements possible through volunteering. This is the essence of putting our **Value of Caring into action**.

c.10,000
hours dedicated to volunteering by our colleagues

Building a positive work environment

Our **people** are our **greatest asset**, and we are committed to building a **workplace of equal opportunity** and a **positive environment**.

Caring for our people is vital for unlocking our fullest potential. By providing the right support and resources we nourish our collective well-being to **build a truly positive, inclusive, and collaborative workplace**, where everyone is empowered to succeed.

To pursue our Diversity, Equity & Inclusion (DE&I) commitment and address our people needs we have available **global and local tailored initiatives** in every country where our Group is present, offering support and the right knowledge equipment.

We care for our people

Examples of initiatives

Ask for Help

Confidential psychological advice and counselling sessions with specialists, plus a wide range of webinars, workshops and tailored programmes available in all Group countries.

Group

Prevention and healthy lifestyles awareness

Prevention and healthy lifestyles awareness pathway in many of our Group countries (e.g. medical check-ups, nutrition counselling, fertility treatment, sport recreation activities).

Group

'Talento diffuso'

A pilot project aimed to identify the unique talents of each individual and to put them at the service of the organisation, making everyone feel an active part of their own professional development and of the Culture transformation of our Bank.

Italy

Mommies Back initiative

Programme aimed to promote the reintegration of colleagues on maternity leave into work under flexible conditions: the Bank is provided with qualified part-time staff for a limited period of time, while mothers are allowed to smoothly get back to business while taking into account individual needs.

Hungary

Women's Wealth events

Virtual events with various speakers to raise awareness specifically for women on the topic of finance, aimed at bringing women closer to the independent management of finances, especially concerning investments and pensions.

Germany

Enhance skills

Within UniCredit's wider commitment to **empower our people to succeed**, we support our employees' growth by providing a unique and dynamic professional journey, boosting their **strengths**, **know-how and skills**.

Talent attraction

In 2023, we officially launched our **Group Graduate Programme**[1]**,** offering vast opportunities for young people to enter the banking world and work in a forward-thinking, international, and supportive environment.

160

new graduates participated in our Group Graduate Programme in 2023, coming from 19 nationalities and hired in five countries (Italy, Germany, Austria, UK and US)

We continued our **Group Onboarding Path** launched in 2022, aimed to provide a Group framework that introduces global onboarding initiatives common to all employees and leverages existing local onboarding practices. For our **Group Executives**, we have shaped a customised approach to guarantee faster acclimatisation in the role.

4,079

participants (both at Group and local level) benefited from our Group Onboarding Path in 2023

Performance Management

Our Performance Management initiative is an annual Group-wide appraisal and development process that ensures a performance-oriented culture based on **fairness**, **transparency**, and **meritocracy**. It is applied to all employees in the Group. In addition, a **mid-year review** feedback session aims to unlock our fullest potential by cultivating **continuous feedback** at all levels of our organisation. The mid-year review further underlines the importance of a UniCredit Feedback Culture based on our Values of Integrity, Ownership, Caring.

360° feedback

As part of UniCredit's Feedback Culture initiatives, managers receive upward, lateral and downward feedback from colleagues on their soft and leadership skills.

2,000

participants: Group Executive Committee (GEC) members and managers until the third reporting line to GEC

13,000

respondents: participants (through self-evaluation); their direct managers; direct reports (first line); maximum five peers randomly selected

1. Since 2023, all graduate programmes within our Group have been unified under the same framework.

Developing skills

We also revised the **Group Learning and Development Framework** that is part of our **UniCredit University**.

The wide range of **learning and development** opportunities that comprise UniCredit University is designed to meet the current and future skill requirements of our organisation. All colleagues are offered training and learning opportunities to develop what they need to master their responsibilities and to explore the things that inspire and motivate them – with firsthand access to multiple formats designed to **deliver high impact and tangible results**.

c.35

Training hours per capita in 2023

Deep dive

Development opportunities for all employees with UniCredit University

UniCredit University

Since it was first established in 2022, UniCredit University has continued its evolution guaranteeing growth and enrichment paths, enhancing endless learning and development opportunities for all our employees.

UniCredit University is structured to cover two dimensions: Locally by geography, as each offer is created to support the business of the country, addressing local needs and priorities; and Globally by function, as each offer is developed with the aim of disseminating knowledge of the various areas of expertise across all countries of the Group.

Training is delivered via multiple channels: digital, by the UniCredit Global Platform (PLUS) and external platforms; classroom, both in-person across UniCredit Training Centres and virtually; peer-to-peer with colleagues teaching other colleagues, and through on-the-job learning.

UniCredit University provides learning opportunities to four key groups of employees:

All employees	**Learning offer for all, covering regulatory aspects, basic skills and key competencies**
Roles with specific needs	**Training by role, creating upskilling/reskilling training paths associated with individual competencies**
High potential	**Dedicated tailor-made initiatives for Group and local high potential colleagues to sustain our future pipeline**
Executives	**Tailor-made solutions for Executives, ensuring our leaders are equipped to perform at their best to achieve strategic objectives**

Our UniCredit Universities

In 2023, most countries and global functions designed their learning and development offers and have launched their Universities.

	Italy	Germany	CE & EE
Audit			
Client Solutions			
Compliance			
Digital			
ESG			
Finance			
Operations			
People & Culture			
Risk			

Access to both country and function University offers are based on the job role and perimeter

Deep dive

ESG training

Increasingly important to all of us, ESG topics play an essential role in our communities and our shared future.

At UniCredit, we are fully committed to providing a fair service to our customers, putting sustainability at the centre of everything we do.

To actively contribute to the success of our plan, it is crucial that we equip ourselves with the knowledge and insights necessary to make a meaningful impact and drive positive change.

Our ESG learning offer provides extensive and wide-ranging support for our teams across Europe:

Group	Participants	Key Contents
ESG Programme for Group Executives	**151** (reached since November 2022)	ESG regulatory framework, ESG Risks and impacts, Social, Governance, Corporate Purpose and Volunteering
ESG Teach in leveraging internal and external expertise in collaboration with Polimi Graduate School of Management	**1,300** (in person and streaming in 2023)	ESG Strategy, Social, Governance, E and S products and initiatives, Strategic commitments and Impact measurement model, Net Zero fundamentals
Specialist Track for ESG Experts in partnership with SDA Bocconi University	**93** (in person)	Banking regulation, Sustainable finance, ESG ratings, Sustainability measurement framework, Materiality perspective, Reporting on sustainability

Italy	Participants	Key Contents
Sustainable finance online course	**1,304** (in Corporate Division)	Sustainable finance, How to define clients' ESG profiles, ESG products
ESG corporate advisoring certification in partnership with Polimi Graduate School of Management	**230** (in Corporate Division)	Climate change, Social impact finance, Energy transition, Circular economy, Sustainability culture

Germany	Participants	Key Contents
Sustainable Finance Expert in partnership with European Business School	**287** (in Retail/Wealth Management, Corporate and Client Solutions Divisions)	Regulatory requirements, Sustainable finance and real estate, EU taxonomy, NetZero, Biodiversity and circular economy
Teach ins	**808** (across all Divisions)	Sustainable finance, Biodiversity, Energy certificates, Social banking

Austria	Participants	Key Contents
The world of sustainable finance 2023	**551** (in Retail Division)	ESG basic, ESG environment, ESG securities
Sustainability in the Corporate World	**48** (in Corporate Division)	Materiality and risk assessment, Sustainability assessment, Sustainable product offering
ESG Lehrgang – Advice on sustainable investments	**56** (in Private Banking and Wealth Management Division)	ESG and SDGs, Influence and impact of sustainability considerations, Ratings and measurability, The new regulations at EU level
ESG Programme for Senior Executives	**24**	Outside-in perspective and best practices, The Bank's ESG activities

Bulgaria	Participants	Key Contents
Training on ESG for Corporate and Retail	**420** (c.150 in Corporate Division; c.270 in Retail Division)	What is ESG and implementation of ESG factors in the Bank, Green finance, Transaction flagging and reporting
Training on ESG for Corporate – with external provider	**160** (in Corporate Division)	Concrete examples and applicability of ESG strategies in key industries for the Bank

Value diversity, equity and inclusion

At UniCredit, **Diversity, Equity & Inclusion** (DE&I) are a business imperative.

A dedicated **DE&I strategy** is fully integrated in our ESG framework and business agenda, and in place in all the 13 countries where we operate. It aims to ensure a more cohesive approach to developing a positive work environment focused on productivity, personal and professional well-being, and the continuous engagement of our people.

Our **solid DE&I governance** is empowered by:

- Shared **workplace policies**, principles and best practices[2]
- A passionate **DE&I network** across the Group to create synergies and business opportunities, composed of:

14

DE&I Accountable Executives nominated under each GEC member

c.20

DE&I Local Managers appointed in our Group countries

Employee Networks

Voluntary groups of employees that come together based on shared identity or life experiences, building community engagement

Our Networks actively contribute to numerous initiatives which celebrate key DE&I moments, such as **Pride Month**. In June 2023, for the first time, UniCredit was the official sponsor of Pride parades in Austria, Germany and Italy, and also participated in activities in Slovenia, Czech Republic and Slovakia. Around 250 colleagues participated in total.

Deep dive

Employee Networks

>1,000

We currently have more than 1,000 active members in several Employee Networks across our Group countries

LGBTQIA+ (Unicorns Networks)
Promote a more open, inclusive and mutually respectful workplace by stimulating cultural changes for LGBTQIA+ (lesbian, gay, bisexual, transgender, queer, intersex, allies etc.) inclusion.

Gender (Women's Networks: Uwin; F:AST; Women's network; Women to women; UnivHers; PINK)
Foster a workplace culture of inclusivity, empowerment, and equal opportunities. Through community building, professional development and advocacy, we strive to advance gender diversity, creating an environment where every woman can thrive and contribute to our shared success.

STEM (STEM@UniCredit Network)
Build an inclusive and diverse space for those female and male employees who embrace STEM (Science, Technology, Engineering and Mathematics) disciplines and mindset to level up their life and career, regardless of their life-cycle stage.

2. Such as a dedicated DE&I Global Policy is in place to set clear guidelines and principles for employees as well as third parties. It applies to every key moment of the employee journey, from recruiting and onboarding, to learning and development, performance management and compensation, ensuring bias-free, merit and competency-based decisions as well as pay equality, regardless of diversity traits.

Disability (Disability Networks)
Create a safe and empathetic workplace where people with disabilities and their allies can openly discuss the challenges facing them, raising awareness of their unique needs.

Cultural Diversity (REACH-Race, Ethnicity and Cultural Heritage Network)
Promotes awareness of ethnicity, race and DE&I topics as a concrete way to unlock UniCredit's potential, developing best practices and greater understanding, and serving our clients better than ever.

Generations (Future Generation Network)
Foster diversity, visibility, innovation and interaction with each other. We want to make a change and we do not hesitate to work hands-on to do so.

Caregiving (UNI Care Giver Network)
Provide support and a sense of understanding to UniCredit caregivers, offering resources, networking opportunities, and a community where they can share experiences and advice.

DE&I and inclusive culture programmes

These programmes are designed to stimulate a more encompassing mindset and break down biases and barriers, for example:

Unconscious Bias-Conscious Caring Workshop:

around 220 participants took part in two-hour residential/virtual workshops designed to foster cultural diversities, starting from a deep awareness of one's own biases to develop a mindset of inclusion.

WeFly International Cross-company Mentoring programme with Valore D association:

2023 saw the third edition of this programme, which involved 130 international participants from 42 companies, including 50 men and women from UniCredit (25 Mentors and 25 Mentees). The programme aims to equip talented managers with additional career support to boost their strengths and skills.

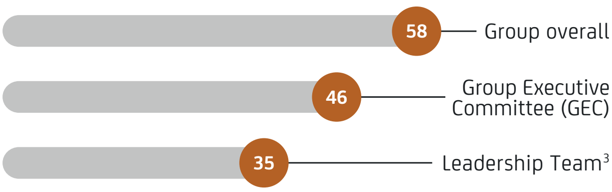
Training on DE&I Policies and Unconscious Bias:

assigned to all Group colleagues in local languages and accessible on PLUS, our global learning platform, the online course is designed to strengthen our culture of inclusion. More than 70% of our colleagues have already completed the training.

Promoting gender parity and inclusivity

Working to achieve gender parity across all levels of our organisation is a key component of our DE&I approach. We have already achieved:

Gender balance – Female representation (%)

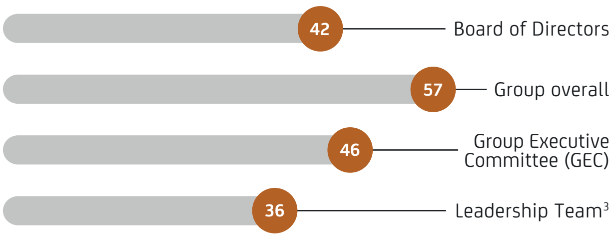


We are also committed to ensuring **equal pay for equal work** by implementing transparent and effective action plans. These include:

- **Allocating c.€100m to gradually close the gender gap in pay** within comparable roles; during 2023, **c.17m have been invested,** leading to a significant **reduction of Gender Pay Gap (GPG)** on comparable roles[4] **to 2.0%**
- Setting **guidelines for our compensation process**
- Including **specific DE&I KPIs to senior leaders** within the annual goal setting process[5]

At UniCredit, we remain committed to creating a **barrier-free and inclusive workplace**, where no one is 'left behind', in order to give our colleagues a voice and a true sense of belonging. Across the Group, our employees represent true diversity, including:

International mindset (%)
(people originating from countries outside of Italy)



4
generations working together

125
countries of birth

Awards

Our efforts around DE&I were recognised by a series of award schemes during 2023, including:

Global EDGE Certification for gender equity and inclusion: first pan-European bank to win a Global EDGE Certification. Ten countries certified: Italy, Austria, Germany, Romania, Croatia, Hungary, Serbia, Cz.Rep., Slovakia, Bulgaria

Unicorns
United in diversity

Nominated **Inclusive Company of the Year** at the Italy Rainbow Awards 2023 for our Company's inclusion policies and **Best LGBT+ Employee Network** (our Unicorns) during Parks Diversity Index

Included in **2023 Bloomberg Gender-Equality,** for the fourth year in a row, with an overall GEI score above the sector and country Italy benchmark

Ranked for the second time in 2023 in **Top 100 Globally for Gender Equality by Equileap:** #2 in Italy (the only bank)

3. This refers to Group Executive Committee and first line reporting to Group Executive Committee.
4. Non-demographic Gender Pay Gap.
5. DE&I KPIs as standalone goal or as part of a broader Sustainability goal among non-financial measures, included in the individual scorecards of senior roles, as one of the elements for their performance evaluation. DE&I KPIs: ensure equal pay for equal work, promote gender parity across all organisational levels, increase cultural and ethnic representation in our staff, boost work life quality, well-being, and flexible working model for our staff.

Unlocking transformation, together.

For the volunteers at the heart of our Group

Volunteering has been at the heart of our social responsibility for many years. In 2023, to make it simpler and more rewarding for as many colleagues as possible to offer their time and skills, we launched our first Group-wide Volunteering Community.

This Community will engage colleagues across our countries to support those that need it the most, either individually or alongside their teams – putting our **Value of Caring into action and transforming our volunteering efforts**.

In less than a year since its official launch, our first **Group-wide Volunteering Community** has grown impressively, engaging employees from all countries in nearly **280 initiatives**.

“Alongside our efforts to protect the environment, we place great emphasis on the ‘S’ in ESG – and volunteering is one of the most important ways we can make a difference to the communities we operate in.”

Siobhán McDonagh
Head of Group People & Culture

Group

280

Our Volunteering Community engages employees from all countries in nearly 280 initiatives

Social and Relationship Capital

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

Page S.78 Read more in the Social and Relationship Capital supplement

Material topics:

- Digitalisation and innovation
- Value to clients
- Positive impact on society
- Lean and solid bank
- Business ethics
- Political and societal changes
- Climate and environmental impacts
- Digital security

2023 Results

€8.7bn
social lending since beginning of 2022

€59.6m
contribution to communities

428,513
feedback comments provided by stakeholders

Targets

15%
ESG lending penetration at 2024[1]

1. KPI calculated as ESG new production including environmental, social and sustainability linked lending, divided by MLT loans new production in given year.

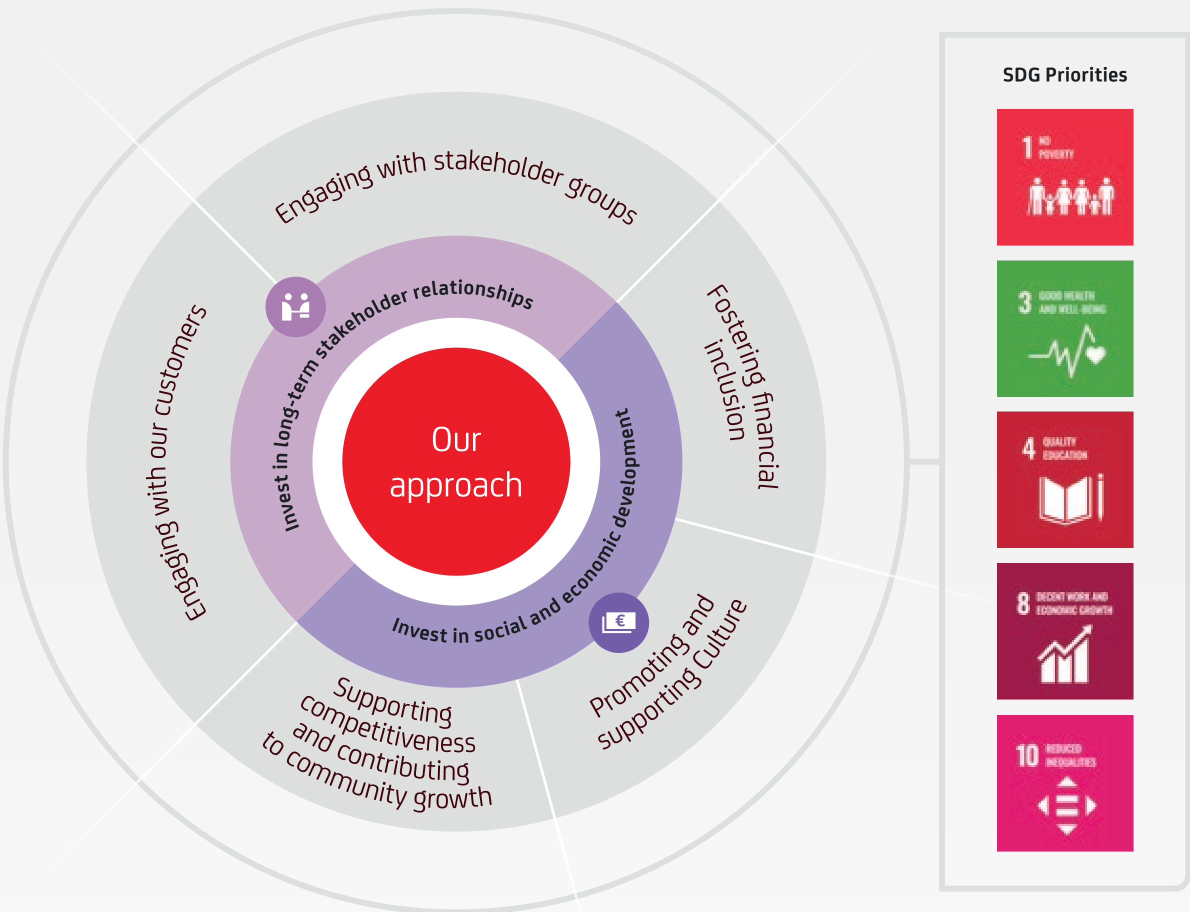
Our approach

Europe continues to be characterised by economic and social challenges, including inflation, conflict and a cost of living crisis. Our industry is a key enabler of change – and we have a valuable role to play in improving the lives of people across the continent.

At UniCredit, we believe that banks should forge close bonds with their local communities, using their detailed understanding of local practices, economies and cultures to enable individuals, groups and countries to realise their potential.

Our goal is to work together with our partners and our customers to empower communities to progress.

Our approach to Social and Relationship Capital



Our Investments
We invest in improving how people live and how businesses operate

Our Goals
We aim at generating a positive impact on society

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

Investing in long-term stakeholder relationships

Engaging with our stakeholders on a deep and meaningful level represents a crucial building block for a relationship based on trust.

Engaging with our customers

While capturing new business opportunities and facilitating stakeholder engagement, the service we provide is measured by identifying and prioritising interventions in areas where improvement is required. Since the beginning of the Covid-19 pandemic, this activity has become even more significant.

Our strategic plan uses the **Net Promoter Score (NPS)** as a key performance indicator. NPS is fundamental to understanding the degree of clients' recommendation and experience of our banking services and this guides our interventions. Starting with key client journeys and touchpoints, the NPS is regularly measured, monitored, analysed and discussed and any written feedback from clients on specific areas is examined.

At Group level in 2023 UniCredit achieved an NPS of 16 among SME, more than two points ahead of competitors.

Among Individuals the NPS across countries was 13. Germany and Eastern Europe kept the advantage, while in Central Europe we are working on catching up with the competition in Austria and Czech Republic. Italy was impacted by a change in methodology.

How we listen to our clients: The net promoter score

Social and economic trends

Branch Network Levers	**Benchmarking interview** (Strategic NPS) Solicited · Global	**TARGET:** To measure the strategic NPS in local markets, to compare the local UniCredit banks' scores to those of competitors and to understand the main drivers **HOW:** Clients (individual and corporate) are randomly involved in the survey by the research provider thus ensuring a fair comparison **Light diagnostics**
	NPS and ad-hoc Interviews (NPS on Client Journey level, Relationship NPS, Jobs to be done – JTBD) Solicited · Local	**TARGET:** To measure the NPS at the moment of truth and highlight specific points of improvement (JTBD) **HOW:** NPS Relationship and instant feedback requested by the local bank from clients. Jobs to be done (JTBD) interviews carried out by the local bank to investigate specific room for improvement on core client needs to define actions
Process and Operation	**Voice of the web** Unsolicited	**TARGET:** To monitor publicly available data on social media and public review platforms **HOW:** By using the listening tool which applies big data and artificial intelligence methodologies
	Internal operational data and client complaints Unsolicited	**TARGET:** To integrate what clients say – expressed by NPS – with what clients do **HOW:** Analysis of operational and behavioural data

Customer relationship in Bulgaria

In 2023 we developed several major initiatives aimed at ensuring we put our clients at the centre of our thinking and processes, based on relevant feedback received from employees, current clients and prospects of the Bank:

Gamified Client Experience training for Retail employees
Gamified training approach in the Code of Talent platform aimed to create and share knowledge and proper professional habits among employees for bringing better customer satisfaction to our clients

Close-the-loop functionality for the NPS of the branches
Well-established working process of action, escalation and track in the system, in which branch managers contact all customers with negative feedback/ intention to decrease/intention to leave the Bank

Client Experience Coach
- Our Client Experience Coach continued to visit branches with lower NPS, or branches that requested this support
- The aim was to support employees' behaviours and in understanding the power of Client Experience
- 15 branches were visited with a positive trend monitored in eight of them after the visit from the Client Experience Coach

All initiatives had an immediate impact on reinforcing the importance of the client experience among branch employees. Webinars for the close-the-loop were conducted, explaining the importance of the process. Both initiatives led to an increase of the level of NPS of the branches.

Bulgaria

Design thinking and **process mapping** are important tools for improving the customer experience. In this way, we analyse processes from the client's perspective, for example by identifying complexities that could be removed and ways in which we could enhance the customer experience through all channels. All the data and feedback collected are analysed to help us redesign processes and improve operations to better meet client needs.

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

Our Group remains committed to strengthening consumer protection and improving awareness. In 2023, for example, Noi&UniCredit – the longstanding partnership in Italy with national consumer associations, which aims to strengthen consumer protection and build customer trust – focused on three key issues: cybersecurity, ESG and prevention of over-indebtedness.

In 2023 we used innovative communication channels such as social networks, web platforms and videos to launch initiatives including:

- "Recognise the Scam" to prevent IT scams, in partnership with Casa del Consumatore
- "SURF – Sustainability, social utility and financial responsibility" to enhance the culture of sustainability, in partnership with Adiconsum

Engaging with stakeholder groups

UniCredit is committed to managing relations with EU authorities and performing our advocacy activities following the highest standards of integrity, transparency, professionalism and cooperation. At EU level, UniCredit is registered in the EU Transparency Register of the European Commission, the Council of the European Union and the European Parliament. Political contributions, including donations and other political spending, in any tangible or intangible form are forbidden.

Regulators

In 2023, we continued our proactive communication and engagement with **regulators at national, European and international levels** in order to enhance the EU sustainable finance framework, increase its usability and facilitate the transition to a low-carbon economy.

We have offered our contributions to the discussions held by EU institutions (EC, EP, EBA and ECB), both on a standalone basis and jointly with banking trade associations, and also contributed to the development of a sustainable financial framework that can meet the needs of all stakeholders.

We have engaged with relevant stakeholders highlighting: the importance of global alignment on the use of prudential tools to address ESG risks, avoid the risk of fragmentation and maintain a risk-based approach to the capital framework; the need for comprehensive and comparable ESG data to support investors' decision-making processes and facilitate banks' risk assessment and disclosure obligations under different pieces of legislation; and the need for a framework that facilitates rather than hinders the financing of the transition to a green and sustainable economy.

2023 Initiatives for regulators

- **EU Green Bond (EuGB) framework**
- **Corporate Sustainability Due Diligence Directive**
- **ESG provisions in the Banking Package legislative proposals**
- **Transition finance**
- **European Sustainability Reporting Standards (ESRS)**
- **Disclosure standards for the EU Taxonomy environmental objectives**

Investors

Investors are increasingly considering ESG factors in their investment decisions. ESG ratings and scores are therefore very relevant, influencing sustainable investor and fund decisions and strategies. Furthermore, many more investors are using internal scoring models to assign ESG scores to define the investable universe.

For this reason, we have strengthened our relationships with external stakeholders such as ESG investors and analysts and ESG rating agencies. We hold dedicated meetings with ESG investors and ESG rating agencies to increase disclosure, the understanding of our ESG approach and improve the positioning of the Group. The proactive management of ESG rating agencies has been achieved through comprehensive and regular disclosure tracking of the progress of ESG strategies. Tangible results of the Group's ESG Strategy implementation are reflected in the key external ratings improvements we received in 2023.

Page 46 Read more in the Strategy chapter

Our Investor Engagement in 2023

284 meetings
25 roadshows

with institutional investors

Deep dive

Engaging with NGOs

We have strengthened our engagement with NGOs and civil society at large, carrying out dedicated initiatives where appropriate to assess any gaps identified in our ESG strategic positioning and highlight the Group's improvements regarding sustainability material topics such as just and fair transition, Net Zero, biodiversity, policy updates (e.g. weapons), STEEL principles and decarbonisation.

During the year, we continuously engaged with NGOs in order to:

- Receive their feedback to update our sector policies
- Share our targets on official commitments before disclosure (for example, Net Zero)
- Participate in and contribute to banking surveys and engagement questionnaires
- Interact on relevant reports and roundtables
- Involve them in our stakeholder engagement initiatives (in particular the ESG Day)

Group

Invest in social and economic development

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

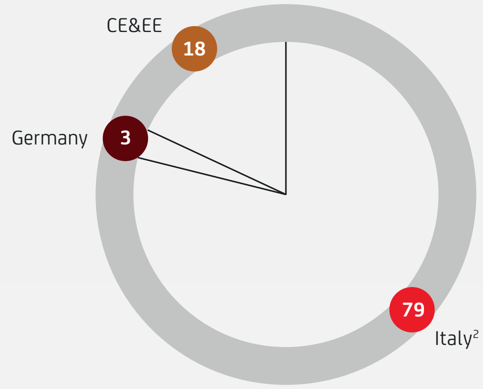
Community contributions

Our contribution to communities 2023

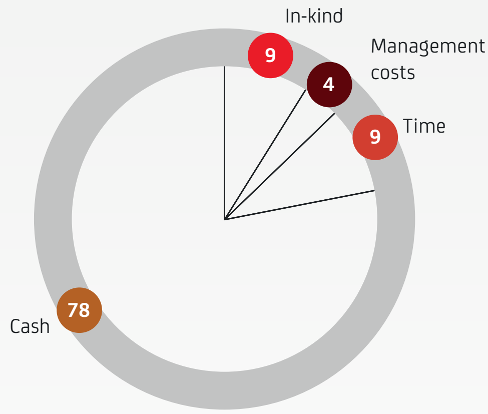
€59.6m

As measured by the Business for Societal Impact (B4SI) reporting framework

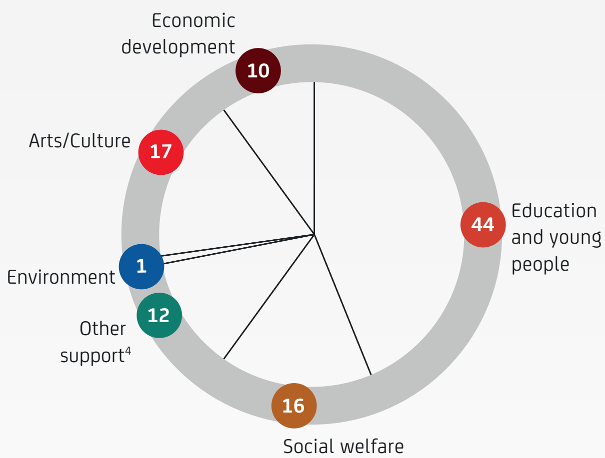
By geography, 2023 (%)



By Type, 2023[3] (%)



By Focus, 2023[3] (%)



2. Includes also UniCredit Foundation.
3. Management costs are attributed proportionally based on contributions by focus.
4. Other support refers to emergency relief, health, and other activities that cannot be classified.

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 improve personal financial skills, enabling people and businesses to make responsible decisions.

The Principles for Responsible Banking Commitment on Financial Health and Inclusion

As a signatory bank of the PRB Commitment on Financial Health and Inclusion, we have also set new targets for 2025 related to the group of clients we have identified as the most relevant strategic target, namely young people (meaning people aged 17 to 30).

In the first data collection of actual data for the selected indicators in 2023, we reviewed in detail figures and processes, also implementing specific tools and reports to collect and consolidate it.

To align figures and ensure consistency across all the countries, some adjustment was required, thus resulting in a change of the official targets previously communicated.

New targets are more challenging for both indicators, estimating a greater growth compared to the baseline.

Our strategic PRB indicators of financial inclusion for young people

New customers from young people, per month (2023)

35.5%

Target

2023 Actual	2023	2024	2025
35.5	36.2	37	37.7

Young customers with two or more active UniCredit financial products, from different categories (2023)

12.6%

Target

2023	2024	2025
12.3	12.6	13

2023 Actual: 12.6

Group

Our customised solutions offer

Low income and vulnerable individuals and families

- Discounted accounts with basic functionalities and debit cards for people with reduced personal financial management abilities and clients who have basic banking needs (transactional products such as BasisKonto, Libretto One, My Genius Green, My Genius Base)
- Dedicated product for citizens coming from Ukraine or clients of Ukrainian nationality – an ordinary current account for consumers, with economic benefits for refugees/asylum seekers
- NEW: 'MicroCredito di Libertà' (Italy only): an agreement signed between the Minister for Equal Opportunities and the Family, ABI, Federcasse, Ente Nazionale per il Microcredito (ENM) and Caritas Italiana, to facilitate the granting of financing, in the form of social microcredit, in favour of women who are victims of gender-based violence.
- The Project aims to emancipate these women from forms of economic subordination through guaranteed financing – at 100% of the amount disbursed – by a specially established guarantee fund with public resources from the Department of Equal Opportunities called the Guarantee Fund for Social Microcredit.
- Social microcredit financing is intended for the purchase of goods or services necessary to meet one's own basic needs or those of household members, excluding an abusive spouse or partner, and including, but not limited to: medical expenses, rental fees, expenses for retrofitting one's main home and energy upgrading, fees for access to essential public services such as transportation and energy services, expenses necessary for access to schooling and training

Young people

- Simplified opening process for single parents, free savings account and student account with cards and student loans, guaranteed first home mortgages for young people

People with disabilities

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

Microcredit

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

Microcredit[5]

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

>9,300

disbursed loans for a total amount of c.€177m

76%

of cumulative inclusiveness index[6] representing the product level of financial inclusion (Italy only)

c.52%

beneficiaries are start-ups (Italy only)

Financial education

In 2023 we continued to carry out several financial education and awareness initiatives across our countries, focusing on priority target beneficiaries such as the young, women and vulnerable individuals, while also using new communication channels such as social networks and web platforms.

Group level results 2023

>202,300

beneficiaries of financial education initiatives (of which more than 75% are young and more than 20% are women)

>146,100

beneficiaries of financial and ESG awareness initiatives (of which more than 60% are women)

5. Cumulative data, from 2017 to the end of 2023.
6. It represents the microcredit's beneficiaries who have at least one of the following vulnerability characteristics: high risk (Standard & Poor's vulnerable risk clusters from B to CCC), NewCos (three years of life or less on the date of disbursement of the loan), young (less than 30 years old), compulsory school education level, foreigner, unemployed or inactive.

Banking academy initiatives 2023

Impact of Startup Your Life:
the financial, entrepreneurial and sustainability education programme that aims to develop the employability of Italian high school students

>26,200

students involved in 430 schools

+34%

average increase in knowledge compared to when beginning the programme

77%

of the female students involved declared that they had approached economic and financial subjects thanks to this programme

75%

of participants showed greater awareness of environmental and social sustainability issues at the end of the course

Empowering Women: Conversazioni Sul Denaro (Money Talks)

An innovative financial education project in its third edition aiming at overcoming gender stereotypes and supporting the financial empowerment of women

The Conversazioni sul Denaro programme has involved over **41,000** participants in Italy. The project's goal is to improve financial skills and education on money management, by using different levers such as in-person and online talks held with relevant stakeholders, and online financial education courses.

+64%

average increase in knowledge compared to when the programme started

+49%

knowledge level improvement (pre- vs post-intervention assessment) on the topics of risk-return tradeoff and interest rates

+108%

knowledge level improvement (pre- vs post-intervention assessment) on the topics of insurance policy and supplementary pension

Stakeholders' Capacity Building On Sustainability

Road To Social Change (third edition) is a project in collaboration with Politecnico di Milano/ Tiresia, POLIMI Graduate School of Management, AICCON, Fondazione Italiana Accenture ETS and TechSoup. Its aim is to support SMEs and Non-Profit Organisations in integrating the three ESG dimensions in their sustainability journey to generate both an environmental and social impact, in line with advanced governance models

As with previous editions, a new professional profile, certified by the POLIMI Graduate School of Management, the **Social Change Managers**, has been developed, creating a unique community of change enablers with sustainability at their core and a clear focus on ESG issues such as ecological transition, the generation of positive social impact, evolved governance models, measurement systems, taxonomies, digitalisation, and impact finance.

>1,800

participants representing Profit, Non-Profit and Institutions, have been involved in the Impact of Road To Social Change programme

+61%

knowledge level improvement on the topic of generating social impact

69%

of the Social Change Managers trained declared an increase in their skills

Deep dive

UniCredit Foundation: equipping Europe's students with the essential tools to build a better future for themselves

In line with UniCredit's overarching social Strategy, the UniCredit Foundation is fully committed to equipping Europe's students with the essential tools to build a better future for themselves and their communities. This commitment is underscored by the Group funding allocation to the Foundation increasing from €4m in previous years to €20m for 2023.

This increase has enabled the Foundation to make important progress in turning its strategy into action – making a real difference in more ways than ever before.

As education is a long-term process that requires sustained commitment and support, alongside greater responsibility, this enhanced budget has given greater confidence to plan ahead and target support to the Foundation's priorities (School, Job and University) via four distinct channels of action:

Establishing partnerships

Entered three-year partnerships with global education network organisations to deliver sustainable outcomes across our operating countries.

Working at grassroots level

Supported, grassroots initiatives through a dedicated Call for Education, thanks to an in-depth knowledge of our teams and networks in individual countries and regions to address local educational issues.

Creating opportunities

Offered scholarships, research grants, and awards to provide young people with opportunities for high-level specialisation abroad, fostering a research environment that contributes to advanced knowledge, impactful initiatives and quality publications.

Engaging with our people

Encouraged our people to take advantage of a range of opportunities available to enhance their own lives and those of others across the world.

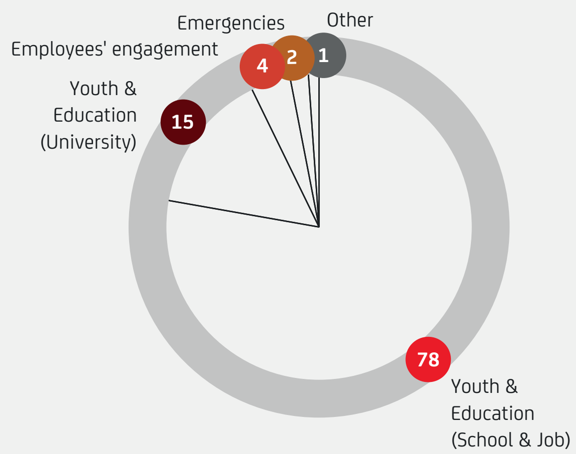
€20m

Total resources committed in 2023

+600,000

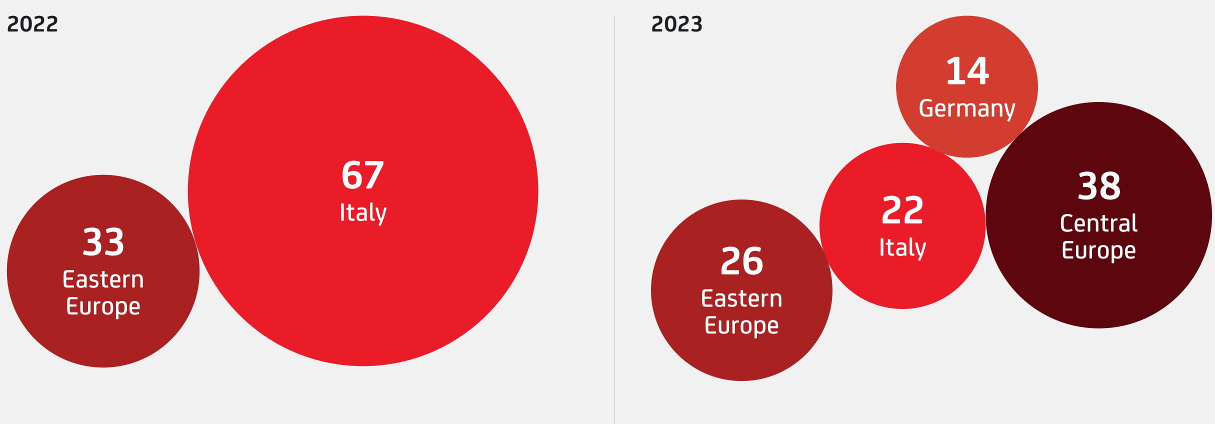
Targeted students being trained over the period 2023-26

Investments by intervention area (%)



Expansion in geographical distribution reached in 2023. Focus on School and Job investments (%)

- **Italy**
- **Germany**
- **Central Europe** (Austria, Czech Republic, Slovakia, Hungary, Slovenia)
- **Eastern Europe** (Bosnia and Herzegovina, Bulgaria, Croatia, Romania, Serbia)



Main initiatives of the Foundation

School & Job

In 2023 UniCredit Foundation launched two three-year partnerships with global educational networks to promote educational equality and tackle early school leaving, and supported grassroots initiatives through a dedicated Call for Education.

Junior Achievement (€6.5m)

The partnership covers 10 countries where we operate (Austria, Bulgaria, Czech Republic, Germany, Hungary, Italy, Serbia, Slovenia, Slovakia and Romania). It aims to equip the most vulnerable youth with the skillset and mindset to build thriving communities, with early interventions in order to reduce school drop-out and to support their transitions from learning to earning. Adolescents and young adults (age 10-19) will be inspired, empowered and mobilised to see new possibilities for themselves and increase their awareness about the long-term benefits of education, while being inspired to find careers they are passionate about.

Teach For All (€5.5m)

The partnership operates in six UniCredit countries (Italy, Germany, Austria, Slovakia, Romania and Bulgaria). It recruits and trains promising teachers who are committed to teaching in marginalised schools for at least two years. Through ongoing training and development, these teachers become strong classroom leaders and determined advocates for their students. Through this commitment and boosted support, UniCredit Foundation and Teach For All will combat educational disparities experienced by children throughout Europe and prevent early school drop-out rates among youth, by giving young people the quality of education they deserve to seek new opportunities and fulfil their career ambitions. UniCredit Foundation and Teach For All's partnership builds upon the strong relationship between the network of independent partner organisations and the UniCredit Group, first established in 2022.

Call for Education (€3.2m)

The call is aimed at identifying and supporting programmes combating educational disadvantage in 10 different European countries where UniCredit operates (Austria, Bosnia and Herzegovina, Croatia, Czech Republic, Germany, Hungary, Italy, Serbia, Slovakia and Slovenia). Out of a total of 175 candidates, 18 programmes dedicated to secondary school students (age 11-19) implemented by non-profit organisations have been awarded almost **€3.2m**.

The selected projects will focus on the following goals:

- tackling early school leaving
- encouraging university attainment
- acquiring adequate skills to enter the job market

University

The Foundation strives to support the best talents in the fields of economics and finance by launching scholarships, research grants and research awards in the countries in which the Group operates.

Through the scholarships, the Foundation finances the specialisation abroad of talented students, funding PhD programmes, masters and summer schools (also for UniCredit employees) at the top international universities. The research grants also encourage the best brains to return home, retaining young talents in Europe and supporting research in the field of economics and finance. In 2023 UniCredit Foundation invested around **€2.0m** to support European students with scholarships and fellowships at the most prestigious international universities.

In 2023 the Foundation established an Educational Lab to carry out research on education in our operating countries. Under this framework, we launched:

- a Visiting Researcher Programme to bring seven researchers from locations in the Bank's extensive European network to Harvard University in 2024–2025 **(€0.5m)**
- two Education Research Grants on education and the first Annual Report on Education **(€0.5m)**

Employees' engagement

In line with UniCredit's values, the Foundation is also dedicated to involving Group employees in social initiatives.

Among these:

- The 21st edition of the **Gift Matching Program (GMP)** to engage employees in charitable initiatives across all Group countries. This is an historic initiative for the Foundation, aimed at promoting the development of a culture of solidarity within UniCredit and boosting colleagues' engagement and a sense of belonging. Groups of UniCredit employees promote projects of their choice run by non-profit organisations – and the Foundation doubles their donations. During the 2023 edition, the GMP continued to make an additional contribution to initiatives aimed at fostering educational equality.
- A framework through which our people can donate funds to help communities affected by **humanitarian emergencies.**
- **Summer school scholarships** that can improve employees' skills and knowledge, with the number of scholarship schemes doubling from 10 to 20 in 2023.

€0.9m

allocated to employees' engagement activities for 2023

UniCredit and Cariverona Foundation: Tomorrow's UniCredit Award

For the 18th ArtVerona modern and contemporary art fair, UniCredit and Cariverona Foundation, with the cooperation of Urbs Picta, launched a prize which contributes to the achievement of an artistic residency in Italy or abroad for a creative space that allows the winning artist and/or collective of artists the opportunity to come into contact with different cultural, artistic and scientific experiences, to develop a research project focused on biodiversity and urban regeneration, with the production of a work (or cycle of works) as the final output.

Italy

c.€9m

invested in cultural initiatives by UniCredit, in 2023

Promoting and supporting culture

UniCredit is proud to support arts and culture as an engine of social, economic and sustainable development, with a focus on youth and education. Our collaborations are built on a shared commitment to social issues, embodying UniCredit's pan-European aim to strengthen bonds with its communities, helping to improve quality of life and togetherness.

The Group has continued to support its established partnerships, such as with the Teatro San Carlo in Italy, as well as renewing its support for national examples of excellence including the Filarmonica della Scala and Arena Foundation in Italy, Bavarian State Opera and Kunsthalle Munich in Germany.

The partnership with Teach for All is empowering communities in seven core markets, designing an innovative, global initiative to reimagine education systems, engaging UniCredit employees across Europe. This is complemented by continued cooperation with other bodies, such as our 10-year relationship with Osservatorio Permanente Giovani-Editori.

Launch of the new UniCredit Art Collection website

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

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

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

UniCredit Start Lab: A strong shift towards ESG ambitions

In Italy, since 2009, we supported highly innovative start-ups and SMEs through UniCredit Start Lab, a business platform operating in Italy, with the aim of identifying and supporting the business growth of the best innovative Italian businesses

Impact innovation vertical

Vertical Selection Board to strengthen the social component of ESG

300

Scouting of high potential start-ups, of which 300 with impactful ambitions out of the 560 part of the platform

Examples of start-ups with a social purpose

Digital platforms: to strengthen skills and development of employees, women and younger generations leveraging on individual caring experiences

Digital health: digital health solutions supporting modern fragilities of people

Fighting unemployment: solutions to fight Italian youth unemployment with a focus on women and underdeveloped territories

Supporting migration: solutions offering support, training and job matching opportunities to migrants

Women leaders

Two days to strengthen the Governance component of ESG. Support young women founders and managers in growing their tech projects through workshops and investor meetings

20 Women-led start-ups involved in 2023

18 Funds

42 1-to-1 Meetings

ESG Tech Day

"Il futuro sostenibile" – to strengthen energy transition projects

Part of a series of ESG Tech Days, to support:

- start-ups with high ESG standards through investors and corporate connections
- corporate and investors in scouting business opportunities on sustainability

c.80 Investor and corporate participants

5 Start-ups and scale-ups involved

Italy

Read more on the microsite

Supporting competitiveness and contributing to community growth

Continuous interaction with stakeholders is fundamental for community growth. Only by remaining close to our stakeholders can we truly understand their needs and evolve our efforts to meet them.

For example, as a partner in the Italian Alliance for Sustainable Development (Alleanza Italiana per lo Sviluppo Sostenibile (ASviS)), we contributed to organising the Sustainable Development Festival in Italy to help increase awareness of ESG topics, in line with issues raised by our stakeholders. This initiative constitutes a single, widespread and inclusive campaign comprising hundreds of events organised online and with hybrid formats throughout the country.

UniCredit per L'Italia: we care for our clients

UniCredit put in place a new plan for tangible and effective measures to support Italian families grappling with inflation and, at the same time, enterprises providing new resources for the development of specific sectors and territories, Unicredit remains committed to the country and its communities.

Close to families and individuals

Offering cost control on current accounts, flexibility on mortgage repayments for Individuals, free instalments on credit card payments based on ISEE and bonus to families to cope with a newborn.

Close to enterprises

New plafond to support Italian enterprises on tourism and ZES areas, a moratorium on loans to enterprises, POS commissions reduced to zero for one year for merchants on all transactions less than €10.

Families and individuals

1. Mortgage flexibility

The client holder of Mutuo UniCredit and other mortgage loans with a flexibility module, having exercised the option, are still granted the possibility to re-determine the client's mortgage instalment on an ongoing basis. These clients can suspend the re-payment of the principal for 12 months, postpone payment up to a maximum of three instalments and reduce the monthly instalment extending the repayment plan up to a maximum of 48 months. Our clients can submit their requests to our branches to benefit from these measures.

UniCredit branches are always available to find the best and most suited solution to meet and further needs of our clients.

2. Support to incomes less than €25k with free of expenses installment

In order to cope with their daily expenses, holders of a Flexia Card with an Equivalent Economic Situation Indicator (ISEE) of less than €25k – or clients that open a new card – will be granted the opportunity to ask at their branch or through UniCredit Direct by 30 September for a remodelling of their Flexia Credit Card payments by an instalment charge up to 31 December, 2023 with no commissions and a zero interest rate.

The ISEE certification will be required in order to grant the discount starting from the month following the client's request.

3. A €500 bonus for new borns from 1 January, 2023 until 30 September, 2023

UniCredit offers a €500 bonus to all clients who will open a new loan of at least €10k, in UniCredit branches or through UCD, to cope with their daily family expenses.

To obtain the bonus the clients just have to submit the New Born Certificate when submitting their requests.

4. Current account cost

Since 1 April, with increasing interest rates in the market, UniCredit has maintained its commitment to reducing the current account cost to roughly 4.5 million of clients, restoring previous conditions and allowing clients an average estimated saving of around €50 per year.

Enterprises

5. Support tourism and ZES areas

UniCredit will allocate a dedicated €6bn Plafond (upper limit) of new financing to all enterprises (Retail and Corporate) to support tourism and ZES areas.

The enterprise will be able to request a loan and repay only the interest during a pre-depreciation period of 36 months.

6. Moratorium for enterprises

Extension of UniCredit moratorium. Enterprises that have not benefited from public guarantees, with a MLT loan with UniCredit, will be eligible to benefit from a moratorium for the principal share up until 31 December.

7. POS commissions zeroing

Due to the steady increase of card payments, we are supporting retailers with a turnover less than €1m by offering zero POS fees for 12 months on payments of less than €10 through a POS machine.

Italy

Main initiatives:
To Support Companies Through Public Funds

Italy

Fondo Garanzia PMI and Garanzia Italia SACE Beni Strumentali – Nuova Sabatini European Investment Bank (EIB) programmes – Eventi calamitosi/Sisma, Resto al Sud initiatives

€8.1bn
granted

27,871
supported companies

Central and Eastern Europe (CE&EE)

COSME, SME initiative, Easi Umbrella, Linked risk sharing

€73.1m
granted

429
supported companies

Invest EU

€101m
granted

49
supported companies

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

€1.26bn
granted

175
supported companies

Snapshot:
Our Support to Sector-Specific Companies

Start-up

Italy (Start Lab)

690
participating companies

68
supported companies

>€21m
contributed by stakeholders

>€99m
since 2017

Germany

464
supported companies

€36.2m
granted

CE&EE

328
supported companies

€15.36m
granted

Social housing

CE&EE

12
supported companies

€228m
granted

Project Finance

Italy

11
projects

€630.3m
granted

Germany

10
projects

€909m
granted

CE&EE

2
projects

€140m
granted

Third sector

Italy

1,700
new clients

€108.3m
granted

Tourism

Italy

3,856
supported companies

€455.4m
granted

CE&EE

17
supported companies

€3m
granted

Agriculture

Italy

4,816
supported companies

€632.1m
granted

CE&EE

2,656
supported companies

€880.3m
granted

Impact financing

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

Highlights on main outputs

c.351

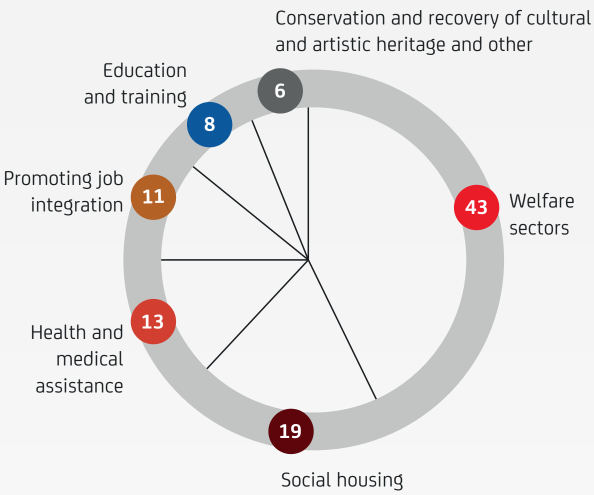
projects for a total amount of

c.€572.1m

cumulative disbursed loans

Loans disbursed by sector (%)

In Italy 256 projects received loans totalling €373.3m



Projects with pay for success[7] (PFS)

58%

of projects matched with PFS mechanism

c.€2.8m

of allocated amount for PFS since the launch of Impact Financing in 2017

7. The recognition of further economic benefits, in terms of donations or repayment of interest, to clients that demonstrate they have achieved a clear, shared and measurable social impact.

Direct impacts achieved in 2023[8]

89%

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

88%

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

79%

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

86%

of reporting organisations would recommend UniCredit as a lender

Indirect impacts achieved in 2023[8]

All financed projects reached or exceeded targets of their achievements (output):

1,858
beds (117% of target)

383,141
medical health services (130% of target)

4.9m
meals (243% of target)

1.36m
beneficiaries reached[9]

100%
of beneficiaries reached in welfare are at risk of poverty

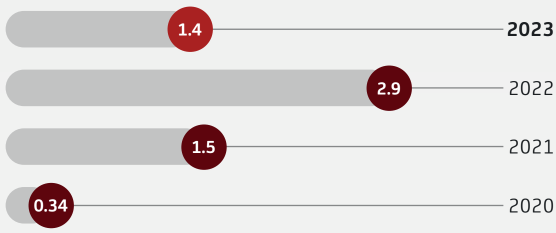
92%
experienced some positive change on one or more social dimensions (vs a target of 80%)

1,863
jobs created, of which 633 job inclusions of disadvantaged people

Cumulative achieved results 2020-2023

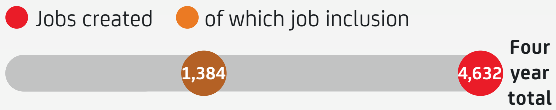
Beneficiaries reached (m)

Four year total: 6,196,519

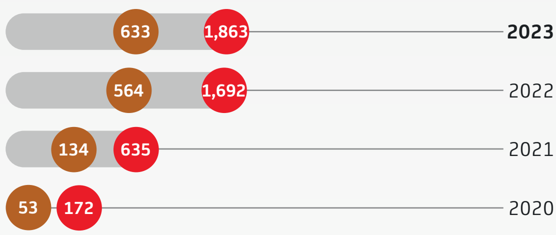


2023: 1,361,445
2022: 2,941,072
2021: 1,547,497
2020: 346,505

Jobs created (000)



Four year total: 4,362 (of which **1,384** job inclusion)



2023: 1,863 (of which 633 job inclusion)
2022: 1,692 (of which 564 job inclusion)
2021: 635 (of which 134 job inclusion)
2020: 172 (of which 53 job inclusion)

8. Data refers to 106 initiatives that during 2023 provided reporting related to 2022 results.
9. Were reached in the following sectors: 7% health, 88% welfare, 5% education and training.

216,000+

Total cumulative students trained over the period 2022–2026

2,000+

Total cumulative teachers selected and trained over the period 2022-2026

Unlocking transformation, together.

For the teachers who are changing futures

More than any other single intervention, education has the power to reduce inequalities and transform lives.

Our three-year **€5.5 million** partnership with global education network **Teach For All** aims to promote **fairness in education – nurturing collective leadership in young people** and, in the long term, transforming society. **Teach For All** is a global network of 61 independent, locally led and funded partner organisations whose stated shared mission is to "expand educational opportunity around the world by increasing and accelerating the impact of social enterprises that are cultivating the leadership necessary for change".

Active in six of our operating countries – Austria, Bulgaria, Germany, Italy, Romania and Slovakia – **our partnership focuses on training educators to work in underserved schools in order to alleviate educational disparities and cut dropout rates**.

Building on the robust existing relationship established between Teach For All and the UniCredit Group in 2022 – which has already trained and supported 592 teachers and improved the educational experiences of over 40,600 students – our new and extended partnership will train over **2,000 extraordinary teachers**, providing education to over **216,000 students** by 2026. In addition, Teach For All's network partners will develop the leadership skills of more than **3,600 alumni** and more than **10,870 system-wide teachers**. In 2023, our employees also played their part by volunteering their time and expertise to support Teach For All's efforts, and many more will be engaged in the years to come.

> "We are proud of this partnership with UniCredit Foundation. Its support will be instrumental in helping us to scale our work and develop a pipeline of teacher-leaders who continue to change educational outcomes for some of the most marginalised students in Europe. Together, we are committed to ensuring that every child has access to opportunities to fulfil their potential and shape better futures for themselves and the world."

Wendy Kopp
Co-Founder and CEO, Teach For All

Group

Intellectual Capital

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

Material topics:

- Digitalisation and innovation
- Value to clients
- Climate and environmental impacts
- Digital security
- Political and societal changes
- Lean and solid bank
- Diversity, inclusion and employee engagement
- Positive impact on society

2023 Results

+68%
Growth in resources working in Agile

~15%
Digital global workforce reskilled

50%
Data accessibility achieved

Targets

380
Applications to be decommissioned by 2024

5,200
Colleagues participating in Digital & Data upskilling in 2022-2024

Our approach

In 2023, Digital Banking services played an increasingly pivotal role in how we manage the "last mile" of the customer journey.

Our aim is that every interaction should be driven by personalisation, automation and data, rather than perception. The transformation in our approach is taking place within a new regulatory environment characterised by higher expectations around resiliency and cybersecurity, in line with regulations such as the Digital Operational Resilience Act (DORA).

We have taken important steps in executing and implementing our Digital & Data Strategy – achieving our targets and revitalising our end-to-end digital footprint in accord with the goals defined in our Group industrial plan, UniCredit Unlocked, and with our ambition to be the Bank for Europe's future.

Our progress so far

During 2023, driven by our four Digital & Data priorities, we continued to evolve our operations, leveraging the strong foundations established over the last two years.

Our focus has remained on bringing our Group closer together, accelerating our digital transformation, attracting and retaining talents and core competencies, growing our scale and expanding our scope for the benefit of all our stakeholders.

Our Digital & Data priorities

			2023 progress
1	Optimised investment model	We are working towards reducing complexity and implementing a leaner governance, while also pursuing the simplification of our digital and operational services. These actions will support more efficient development of new applications and strengthen our customer proximity	– In 2023 we completed our journey of rationalisation of our investment model to facilitate our digital transformation enabled by the merger of UniCredit Services. For instance we introduced the Project Execution Monitoring (PEM) a new milestone in our pursuit of simplification aiming to foster data-driven decision-making and enhance collaboration throughout our organisation
2	Core competencies in-house	The digital transformation process goes hand in hand with prioritising an upskilled workforce and bringing core competencies in-house through dedicated training and new hires	– Further updated our digital role framework, in line with our target operating model – 237 new hires, of which 95% in technical roles such as Software & Platform Engineer, Architecture & Infrastructure Engineer, Cyber Engineer, Data & Analytics Engineer
3	New way of working	Our way of working is enabling us to increase efficiency in terms of both shorter development times and costs. Furthermore, it facilitates the maximisation of reusable components, creating economies of scale in the development process of digital services and products	– 49% of the effort for software development projects delivered in Agile – Enhancement of our Applications and Data Platforms to maximise the reuse of components, to standardise processes and to accelerate time-to-market, enriching our Ecosystem with new innovative and critical features and functionalities and continuing to migrate and to build new services on them
4	Client approach focused on value creation	We are structuring our services around products and functions which work together to deliver quality at speed and value for our clients	– Considerable investment to strengthen and extend our UniCredit Customer Experience (UCX) platform and services, offering our customers an unparalleled digital journey – Introduction of innovative and advanced Digital services for Caring and Bankinsurace, for instance our new Genius extended offer, with special focus on native green and sensitive to protection customers

The year also saw us shift gears – preparing for the second phase of our digital transformation under our new Group Digital & Information Officer, Ali Khan. The change will see us focus increasingly on the delivery of new and innovative digital solutions, based on leading-edge technologies such as cloud, data and AI, having laid a robust foundation over the first few years of the UniCredit Unlocked strategic plan.

With this in mind, in 2023, we placed particular emphasis on **Digital Solutions, Digital Education and Cybersecurity.**

Furthermore, we continue to promote diversity and inclusion in our digital organisation, actively advocating for diversity and inclusion and creating more opportunities for all colleagues in the field. For example, in 2023 we celebrated the "International Girls in ICT Days" event which included the participation of top digital woman managers. This event featured a panel discussion on what it takes to succeed in a digital environment and how we can support young women in acquiring the right skills to become both digital users and technology creators.

We structured our actions along three axes:

Digital Solutions

We aim to offer unparalleled digital services that are more accessible and personalised, along with a state-of-the-art user experience across all channels and devices. These are designed to elevate what we do to deliver unique solutions, rather than simple products.

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Digital Education

We bring our core competencies back in house to optimise our digital infrastructure, applications and processes, while developing and growing our digital culture, skills, and talents.

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Cybersecurity

We are committed to improving our approach to security and cyber – reinforcing our capabilities to prevent, detect and respond to increased cyber threats, while increasing our security knowledge and awareness for customers and colleagues.

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Digital Solutions

In 2023 our Digital Solutions continued to lay the foundations for a more sustainable future, retaining the focus on data-driven digital services that allow us to optimise our operations and improve the user experience.

A key priority has been the simplification and the rationalisation of the **digital user experience** for our people and clients, in both Corporate and Retail segments, proposing **new innovative up/cross digital service catalogues** and eliminating redundant steps or processes.

We have placed greater emphasis on **Digital Caring** through our revamped Genius programme, offering a wider set of digital services in areas including **insurance.** In addition, we are increasing our focus on implementing a new way of working and a new delivery model, particularly in Agile and DevOps, to support improved people engagement and collaboration.

To optimise our operations, we also placed greater emphasis on the **reuse of components** and on the extension of our Digital Application and Data Platforms.

We have continued to enrich our Ecosystem with additional innovative and critical features and functionalities, while also creating new services or migrating existing ones onto them. This has enabled us to **minimise time-to-market,** standardise and automate our processes and, at the same time, to increase the efficiency and quality of our services.

"On our journey towards a fully digitally native and data-driven customer experience, we have created a solid foundation for standardised digital products, which can be reused across our geographies and are a central part of our unique customer experience."

Luboslava Uram
Head of Digital Solutions

Digital Education

Within the framework of the UniCredit Digital University, we offer a variety of learning products, leveraging multiple channels to meet a range of needs and ambitions.

UniCredit Digital University also helps us **embed Group Values** in our teams, for example through workshops with participants from all the Group's operating countries. Furthermore, it allows us to develop partnerships with external communities through initiatives such as "SheTech" and "Meet Up", encouraging the sharing of best practices through bootcamps while also inspiring young female colleagues specialised in STEM.

For our colleagues working in the Digital and Information context, the university offers reskilling as well as upskilling programmes. Our **reskilling programme** facilitates the digital transformation of the Bank and is designed to support professional role changes, while our **upskilling programme** is designed for those who want and need to improve, update and develop their technical competencies, through paths designed for each particular job role. We also reviewed job roles during the year, defining core competencies for each role, together with SME (Subject Matter Experts). Both the reskilling and the upskilling paths include virtual and physical classrooms with teachers, as well as a self-learning mode, thanks to learning platforms that offer a great variety of technical courses.

"In the rapidly evolving digital and technology space, continuous learning and innovation are essential.

UniCredit Digital University plays a vital role in unlocking the talent of our people, empowering them to reach their full potential and drive our success."

Giovanni Damiani
Head of Group Digital Governance

For all UniCredit colleagues, the Digital University provides a range of **educational formats for sharing knowledge** about cutting-edge technologies. Our most successful formats include our **Digital Pitches** (live web-streaming presentations by external or internal experts), and our **Talks** (live web-streaming lectures). All these formats have been accessed by a significant number of UniCredit colleagues.

Moreover, the University leverages a **partnership with SDA Bocconi's DEVO Lab**, thanks to which it shares Academic Researches and "in person" opportunities (events, bootcamps, presentations) on forefront digital technologies with colleagues of the Digital perimeter.

In 2023, close collaboration between colleagues from the Digital and Legal Departments enabled UniCredit Digital University to develop an **internal course** dedicated to the topic of Digital Accessibility. This course was made available on the Group learning platform in Italian, English and German. A shorter podcast is also available in these three languages, and a course in Italian Sign Language version is now available.

The course's objective is to create awareness about disability, highlighting the importance of planning, designing and developing digital products that are accessible to everyone, regardless of their (dis-)ability.

The course also highlights how accessibility is not only a legal requirement, but supports inclusion across the business, which in turn enhances Group Culture.

Python bootcamp with SheTech

In 2023, UniCredit partnered with SheTech, a non-profit organisation aiming to bridge the gender gap in the world of technology and digital, to organise a Python bootcamp for young STEM professionals.

On 30 September 2023, at UniCredit HQ in Milan, 50 young women under 35, including 10 UniCredit professionals, met to learn about and boost their knowledge of the Python programming language.

The bootcamp was an excellent opportunity to promote education, talent, inclusion, and technical expertise.

UniCredit's mentors Joanna Pamphilis, Barbara Vecchio, and Esmeralda Faccioli Pintozzi, together with Chiara Brughera, the Managing Director of SheTech, shared precious professional insights and inspirational talks.

Feedback from the participants was overwhelmingly positive, with many praising the quality of the training and the opportunity to learn and grow in the tech and digital world.

88% of the participants were inspired by the women in tech present at the event.

The event was one of the many successful examples of UniCredit's commitment in empowering communities to grow.

Italy

Cybersecurity

In 2023 cybersecurity continued to be among the most important topics in our materiality matrix, and it was highlighted in both the Strategic UniCredit approach and Stakeholders' relevance dimensions.

To manage cyber threats correctly and appropriately, we focus on three key areas: strengthening governance and oversight, increasing employees' and customers' risk awareness and enhancing threat identification and management.

Governance and oversight

In 2023 we established a new organisational approach, **integrating Corporate Security into Digital Security.** This new approach was identified as the ideal solution to enable the adoption of **an efficient and cohesive security strategy** at Group scale, handling a wider range of threats. Its main advantages include the simplification and optimisation of overheads, empowering E2E ownership and accountability, increasing reactiveness in our decision-making processes, optimising processes, policies and procedures, and increasing our ability to protect our employees and customers across the Group.

The updated Group Security Strategy **was approved in September by UniCredit's Board of Directors,** assisted by the Board Committees. The Board also oversees the overall execution of the Group Security Strategy and the management of major security issues. Furthermore, it approves reports from Internal Audit and other functions responsible for assessing security. We incorporate a selection of **dedicated cyber risk KPIs** in the Group's Risk Appetite Framework (RAF) which is submitted on a quarterly basis to the Board. Our Group Security Strategy is also monitored periodically, both internally and through a third-party assessment on an annual basis.

Security awareness

With digital playing an ever-increasing role in all our lives, a strong and deep-rooted security culture is more important than ever. As employees are our first line of defence, raising their awareness of the key issues is a vital step in fostering enhanced security throughout the Group.

Our main initiatives to support employees focus on:

- **Training**, through the UniCredit University Security, as part of UniCredit Digital University, leveraging an innovative e-learning catalogue distributed Group-wide and released in a coordinated way in all geographical areas. We delivered a total of **32 training courses between 2020 and 2023.**
- **Awareness**, through Group phishing simulations, internal communication, and webinars at Group level. Internal phishing campaigns aim to assess the susceptibility of our employees to phishing attacks, and to create a proactive and security-conscious culture. We carried out a total of eight exercises in 2023, and made the challenges twice as difficult compared to 2022.

We also focus on increasing our **customers' risk awareness,** engaging and inspiring them through social media and our range of communication channels.

During the year we raised awareness among customers, stakeholders, and colleagues by developing internal and external initiatives to coincide with various relevant events. For example:

- We developed initiatives to reflect World Password Day (May) and then, to an even greater extent, during **European Cybersecurity Month (October).** To support this latter event, we launched our annual video campaign with a video on phishing and carried out a series of internal communication activities for the benefit of Group colleagues in collaboration with UniCredit Digital University.
- We supported the **CERTFin cybersecurity awareness campaigns,** together with other main Italian financial institutions and banks.

Threat detection and response

Detection processes and the capabilities of our Security Operation Centre work continuously to manage cybersecurity incidents. In 2023, we increased the scope of coverage and information managed by the Global SOC and also implemented **the holistic monitoring of intelligence sources** for Digital and Corporate topics. ICT security incident management activities aim to ensure prompt detection of, and an adequate response to, ICT security incidents, minimising negative impacts to business operations and ensuring the best possible levels of information confidentiality, integrity, and availability. The process is directly linked to crisis management, guaranteeing the activation of appropriate levels of communication and support when necessary.

Our ongoing commitment to enhanced monitoring ensures the security of our operations without disrupting the experience for our employees and customers. Our approach is to implement security controls and monitoring seamlessly, in a transparent way for the end user.

A seamless user experience is one of the main goals of our strategy – and this was ably demonstrated by two specific projects in 2023:

- **Secure Internet Access** to manage all the user web traffic in a more scalable and sustainable way.
- **Passwordless authentication** that enables authentication on laptops through biometrics (fingerprint or face recognition) or PIN, avoiding the use of passwords.

> "We remain committed to establish sustainable security services across the organisation, continuously looking for improving resilience and performance. One of the main priorities is to continue to secure the UniCredit environment for the whole Group, while consolidating our "security by design" approach."
>
> **Gianluca Pometto**
> Head of Group Security

1 Optimised investment model
2 Core competencies in-house
3 New way of working
4 Client approach focused on value creation

Table of main 2023 initiatives

Area	Description	Output KPIs
Digital Solutions Priority 1 3 4	**UCX Consumer Finance Italy** An optimised credit origination process developed under our UniCredit Customer Experience (UCX) programme aimed at providing a unique and seamless digital experience across all devices and channels for our retail clients. Deployed on our new cloud digital platform, the service was developed using an Agile methodology and its modular components are scalable to other e-banking segments thus optimising investments, while process automation features ensure efficiencies. In 2023 a migration has been performed to the new global state-of-the-art platform based on UCX technology stack and enablement of Third Parties network (UniCredit and Allianz agents) to the sale of Personal Loans resulting in a relevant increase of efficiency and effectiveness (Time to Yes reduction).	– Time to Yes: 61 minutes cross channel; 15 minutes for branch – Time to Cash: 289 minutes cross channel; 179 minutes for branch – 270 Users Stories created in 2023
Digital Solutions Priority 1 2 4	**UC Hedge** An online platform facilitating SME and corporate clients in the end-to-end management of foreign exchange (FX) risk, alleviating their operational needs. Currently available in Italy and Germany, the service was developed using an Agile methodology, while the code was produced entirely in-house. Deployed on our new cloud digital platform, its universal, modular components are scalable to any country and e-banking segment. Functional enhancements done in 2023 to the platform include: Platform upgrade to newer release, Flexi forward execution with Take-Up, Risk analysis enhancements, Smart data import, Multicurrency landing page, Retrieval of MtM (Mark to Market) figures from Front Office systems. Expires report and rollout of the first version in Austria in December 2023.	– 500+ Pitched Clients – 400+ live demo sessions/virtual classes performed – 135 Signed Contracts
Digital Solutions Priority 3 4	**Design Studio** Development of Innovative, Customer-Centric Digital Solutions which provide clients with a seamless interaction with the Bank and its partners. Qualities such as empathy, vision, creativity, groundedness and openness are key features of the design process. In 2023, Design Studio has focused on consolidation UX/UI capabilities and embedding design thinking into the product innovation cycle.	– 23 Team colleagues with Design Studio competencies – Three innovative new products designed in 2023 – In 2023, 49 customers tested the solutions through interviews and 470 through survey

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Table of main 2023 initiatives

Area	Description	Output KPIs
Digital Solutions Priority 1 3 4	**Genius Care** Genius Care is the new unique Italian product for individuals, which includes current account, debit card (bio/digital), online banking and "MyCare Famiglia" insurance module. The product has been developed on the Global UCX platform, to maximise future synergies and reusability of components. The initiative will simplify individuals' current account catalogue from 5 to 2 accounts and will contribute to protection positioning, simplifying customers' experience and the access to insurance, also enabling up/cross selling actions. It will also boost the switch to bio/digital cards and the digitalisation of customers, reducing paper-based processes.	– 589,000 Customer target baseline (330,000 existing and 259,000 new to Bank), of which 70% sensitive to protection – Simplification of private account catalogue from 5 to 2 accounts – Target 7.7% account conversion from traditional to Genius Care accounts
Digital University Priority 2	**UniCredit Digital University** A platform to enhance our in-house digital capabilities, offering on the one hand general courses related to cutting edge technology for all employees to increase their digital awareness, and on the other, providing professional and technical development paths for colleagues working in the Digital & Data perimeter.	– 29 development paths, one for each digital role – 3 proficiency levels (beginner, competent and proficient) for each development path – 280 reskilled colleagues – 2,400 upskilled colleagues – 10 Digital Pitch events, with 800+ participants on average – 4 Data Talks with 660+ participants on average – 2 bootcamps with 250+ attendees in person and remotely
Group Security Priority 2 4	**Cybersecurity – Awareness and Training** Development of security proficiency, considering that security threats, increasing in terms of frequency, scale and sophistication, require increasingly strong skills and specific expertise. The aim is to keep Group Security going in the twofold direction of internalising/hiring external experts and upskilling/reskilling internal people while creating an environment that reinforced the development of the principles of culture and identity. In 2023 the training and awareness programme has been approved by CEO, the phishing campaign increased in complexity, moreover higher convergence of training and awareness for Corporate and Digital security topics and awareness sessions with universities have been fulfilled. In particular, we systematically exploit external occasions related to security threats to raise awareness among customers, stakeholders, and colleagues. The most important event was the European Cybersecurity Month (October). During ECSM we launched our annual video campaign and carried out a series of internal communication activities for the benefit of Group colleagues in collaboration with UniCredit University Digital.	– 32 training courses for our employees between 2020 and 2023 (4 new in 2023), 320,000 hours of training – Dedicated training and induction for Top Management (BoD and GEC members) – 2023 European Cybersecurity Month (October): number of impressions for cybersecurity contents on internal social media: 48,500; number of participants/connections to dedicated webinars: 1,500

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Area	Description	Output KPIs
Group Security Priority 4	**Cybersecurity – Threat Detection & Response** Cybersecurity incident management activities aim to ensure prompt detection of, and an adequate response to, cybersecurity incidents, minimising negative impacts (i.e. on business operations, regulatory impacts) and contributing to ensure the best possible levels of information confidentiality, integrity and availability. In 2023 the scope of coverage and information digested by the Global SOC has been increased and a holistic monitoring of intelligence sources for Digital and Corporate topics has been implemented.	– **All major Legal Entities covered by Global Security Operations Centre (SOC)**
Group Security Priority 1 4	**Cybersecurity – Security Global Services & Products ("Secure Internet Access")** Proxy Cloud aims to manage all the user web traffic in a more scalable a sustainable way, overcoming on-premise proxy architecture challenges due to the Company cloud adoption and Remote Work strategies which are increasing the number of concurrent connections and quantity of data that are being processed by the proxies. In 2023, the cloud proxy adoption for major Legal Entities has been on track: after having completed the 2022 pilot, all eligible users have been enabled for on-premises and remote use cases. Moreover, in September 2023 the "Proxy Cloud Extension" initiative has been launched, currently on track, aimed to adopt the same technology in CE&EE Legal Entities.	– **100% bank users with secure internet access in major Legal Entities**
Group Security Priority 1 4	**Cybersecurity – Single Sign-on (SSO) and Authentication** Passwordless authentication introduces strong two-factor authentication on laptops. It enables authentication through biometrics (fingerprint or face recognition) or PIN, avoiding the use of passwords. In 2023 the integration of applications in SSO reached 65% of onboarded applications in scope and Biometric Authentication has been introduced, allowing users to access laptop in passwordless mode while improving the level of security through multiple-factor based authentication.	– **65% applications integrated in SSO, in line with end of 2023 target**
Group Security Priority 1 4	**Cybersecurity – Holistic Security Approach** The convergence of Corporate and Digital Security as an holistic approach proved to be the best approach enabling the adoption of an efficient and cohesive security strategy at Group scale, handling a wider range of threats.	– **100% of integrated corporate security departments**

Unlocking transformation, together.

For our retail banking customers who want quick, easy, accessible banking

In 2023 we brought a range of game-changing developments to retail banking customers across mobile banking, cards, investments and loans – making banking quicker, easier and more accessible.

Standardising and improving the customer experience
We are particularly focused on further improving our customer experience by creating a new digitally native experience that is **consistent from end to end** across different devices and all channels, to meet the need for simplification, interoperability and automation.

This is being developed on our new customer experience platform, UCX, which uses the new architectural principles of **composable software development** to standardise customer experience across countries.

Simplifying the loan application process
We introduced new digital features to simplify and speed up the loan application process for all our clients – whether they are new or longstanding, and whether they prefer to interact in-branch, online or through our mobile app. For example, thanks to improvements to our UCX platform, we have **reduced the average time it takes to get a credit evaluation** confirmed to around **60 minutes** on all channels – with times as fast as 16 minutes when using assisted channels, such as in branches.

We have also **reduced the number of fields required** to be filled in to just 10 and reduced the number of clients required to produce income documentation to under 20%, thanks to the introduction of income models that determine affordability based on information already available to the Bank.

Fully online account opening
Our new account opening process makes it easier and more convenient for customers to open new accounts entirely online – and even via comparison portals like Germany's Check24 – in just a few minutes. This process is available 24/7, so customers can open new accounts wherever and whenever is convenient for them.

Change on the cards
We rolled out a series of new innovations around card products this year. For example, the Genius Pay prepaid card is an instant digital card built on the Bank's state-of-the-art UCX architecture, providing customers with a unified digital journey across all channels. We also enriched the functionalities of our regular card services – adding instant virtual card issuance, digital wallet enrolment, card delivery and PIN setting.

Digital investments
In Germany, we introduced a **fully digital and paperless process for customers to manage their investments** right from contract creation and advisory through to reporting. We provide advanced analytics, in-depth scenario analysis, portfolio optimisation and customised on-demand reports, ensuring our teams are fully equipped to hold effective conversations with customers about their investments.

In Italy, we added new features enabling our team to use advanced risk metrics and analytics when performing their preliminary assessment of clients' investment portfolios – improving risk assessment and monitoring.

New features and a new look for mobile banking
We rolled out visual improvements to the Homepage, Product Area, Payment Area, and More sections of the mobile app. The refreshed design has been configured to **simplify interaction for customers** – making it quicker and easier to address their needs, while providing a more engaging user experience for customers looking into our insights, features, and products.

Group

Natural Capital

We all have a role to play in protecting the Earth's natural resources and the countless ways in which they make human life possible. It is therefore vital that we monitor the impacts the Bank's activities have on Natural Capital.

Page S.83 Read more in the Natural Capital supplement

Material topics

- Digitalisation and innovation
- Value to clients
- Climate and environmental impacts
- Political and societal changes
- Diversity, inclusion and employee engagement
- Positive impact on society

2023 Results

c.€19bn
environmental lending volumes since beginning of 2022[1]

28%
reduction in own GHG emissions (scope 1 and 2, market-based) vs 2021

90.4%
electricity consumption from renewable energy[3]

Targets

15%
ESG lending penetration at 2024[2]

Net Zero
own emissions by 2030

Net Zero
portfolio emissions by 2050

1. Data includes ESG-linked lending.
2. KPI calculated as ESG new production including environmental, social and sustainability linked lending, divided by MLT loans new production in given year.
3. Data refers only to buildings where energy consumption invoices are in UniCredit's name.

Embedding Natural Capital within our strategy

Plants, animals, air, water, soils, minerals: these six components of **Natural Capital** are interconnected. In line with our strategic approach, we integrate biodiversity considerations into our business operations, in addition to climate-related initiatives, to ensure we are taking tangible actions to preserve Natural Capital.

Natural Capital Framework

UniCredit's approach to Natural Capital preservation is based on tangible actions which generate direct and indirect impacts. We are committed to limiting negative and generating positive impacts to preserve Natural Capital to the benefit of the communities in which we operate and ourselves.

Double materiality

Our strategic approach is based on **the double materiality** concept which considers both an **inside-out and an outside-in** perspective.

Page 26 Read more in the Stakeholder Engagement chapter

We recognise that our activities can have both positive and negative impacts on natural resources and the environment. This understanding enables us to manage and contain potential negative impacts that can harm the planet and communities while also influencing the market towards the necessary transition to more sustainable practices.

Inside-out perspective

Manage the direct and indirect impacts that our operations and lending have on the environment

Indirect impacts

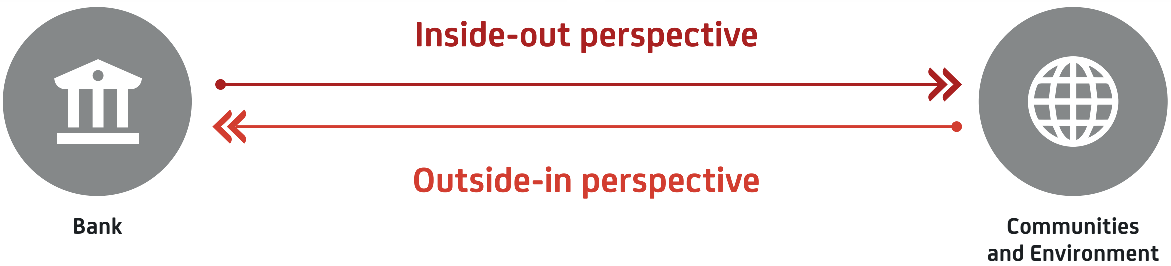
Accompany our clients on their **green transition journey** by:

- Assessing and monitoring **our portfolio exposure** towards most nature-related sectors
- Identifying and evaluating the **impacts** on nature
- Adopting a sector **policy** framework
- Defining the journey towards **Net Zero on portfolio emissions**

Direct impacts

Reduce our **environmental footprint** by:

- Steering our behaviour towards **Net Zero on own emissions**
- Procuring electricity from **renewable sources**
- Improving **energy and space efficiency**
- Fostering the **circular economy** and efficient **use of resources**



Outside-in perspective

Prepare to **measure** the business consequences of ecological stress and the associated socioeconomic transition and take advantage of **emerging opportunities**

- Executing our Group **strategy**
- Correctly managing **climate and environmental risks**, in line with the agreed Risk Appetite Framework (RAF) and the ECB climate stress test requirement

Our approach

Indirect impacts

UniCredit's strategy incorporates identifying and understanding **climate and environmental risks (C&E)** and **opportunities** that the Bank may encounter. C&E factors are related to the quality and functioning of the natural environment and its systems (Natural Capital) and include factors such as climate change, biodiversity, energy consumption, pollution, and waste management.

Risk

Within the Bank's Risk Management function, the management of C&E risks has become increasingly significant and strategically important, undergoing a substantial transformation in recent years aimed at considering factors other than climate, such as biodiversity and circular economy. This is embedded across the three main risk management pillars, **credit**, **financial and non-financial risks**, with the aim of identifying, measuring, monitoring and managing C&E risk impacts, for both **transition and physical risks**.

Policies and Net Zero

UniCredit adopts policies and procedures relating to direct and indirect engagement with new or existing counterparties taking into account their strategies to mitigate and reduce environmental risks.

Over the last few years, we have introduced sector-specific policies that commit us to stop financing controversial carbon-intensive activities, such as energy production from thermal coal and the most impactful Oil & Gas operations. In 2023, also in line with our Net Zero commitment, we updated our Oil & Gas sector policy to enable the prudential and progressive adoption of the Net Zero provisions.

Moreover, in line with our commitment to the Net Zero Banking Alliance, we progressed with our path towards Net Zero on portfolio emissions: i. complementing our first set of Net Zero targets with the addition of the Steel sector, ii. monitoring our progress on target achievement for the Oil & Gas, Power Generation and Automotive sectors, and iii. defining and announcing our inaugural transition plan.

Advisory and opportunities

Alongside safeguarding our portfolios and assets from climate-related risks, we actively engage and support corporate clients in **transitioning to a lower-carbon business model**, fully exploiting **green business opportunities**. We aim to help our clients achieve a just transition, ensuring fairness throughout the process.

Our ESG Advisory Team is a multi-disciplinary solutions team focused on enabling clients to create long-term stakeholder value by integrating sustainability into their strategic decisions and assessing the impact of **sustainable finance market principles and practices**, as well as **applicable regulations**.

Furthermore, our ESG Global IT architecture represents a key enabler for compliance with **regulatory disclosure requirements** as well as gathering environmental information published by our counterparties. In particular, our IT architecture helps us integrate data on the eligibility and alignment with **EU Taxonomy** objectives, which play a key role in international frameworks that contribute to the protection and restoration of nature.

Page 160 Read more in the Risk Management chapter

Page 60 Read more in Our transition to Net Zero chapter

Direct impacts

We hold ourselves to the same standards that we expect from our partners, and we have established well-defined objectives to contain our environmental footprint. This includes procuring electricity from **renewable sources**, improving the **energy and water efficiency** of our premises and data centres, adopting **circular economy** solutions in **resource management,** promoting **sustainable mobility solutions,** and **sourcing responsibly.**

Our approach is supported by the implementation of Environmental Management Systems across the Group. While UniCredit S.p.A. is registered according to the EMAS Regulation spanning over 2,300 sites, we hold other environmental certifications in our countries.[4]

4. In addition to the EMAS certification in Italy, the Group holds: ISO 14001 Environmental Management System certification for UniCredit Bank of Austria, UniCredit Bank Czech Republic and Slovakia, a.s., and UniCredit Bank AG Germany; ISO 50001 and ISO 45001 for UniCredit Bank Czech Republic and Slovakia, a.s.

Renewable energy sourcing

Renewable energy sourcing is a crucial step on our path towards **Net Zero on our own emissions** along with space optimisation, energy efficiency, and heating systems transformations.

We continue to progress with our green energy procurement approach, with an increase in electricity procured from renewable sources in 2023. Moreover, we are the first bank in Italy to have closed a corporate PPA (Power Purchase Agreement) to fulfil the energy demand of our data centres. This agreement will strengthen UniCredit's Group-wide Green Energy Procurement strategy, serving as a best practice across our geographies.

Energy and space efficiency

In addition to renewable sourcing, we are also committed to **improving space and energy efficiency** in our buildings. In 2023, we introduced a **new Smart Office Workplace Policy** to improve the quality of the built office environment with a focus on hybrid solutions, health, well-being, and sustainability. Furthermore, in light of the hybrid way of working in our headquarters and the reduced office attendance by employees, we optimised our **HQ footprint** by releasing selected buildings and creating newly refurbished spaces. In most of our buildings, we have consolidated our efforts in applying **smart energy control systems, improved thermal insulation, adapted temperature settings for heating and cooling, and improved the algorithms that manage Heating, Ventilation, and Air Conditioning (HVAC) and lighting controls**, optimising both energy consumption and workplace comfort.

In the coming years, we are planning to **transform a significant number of fossil fuel heating systems** into highly efficient electrical heat pumps or district heating.

The **Group's guidelines** for dedicated energy management measures, launched at the end of 2022 in response to the global energy crisis, already helped us improve our energy consumption in 2023.

Resources management and awareness

Moreover, in an effort to prevent and mitigate various potential negative environmental impacts, alongside energy efficiency, we have introduced measures to optimise the **use of limited natural resources and to foster a circular economy**.

We have started to monitor **Water Usage Effectiveness** (WUE), the ratio between the use of water in data centre systems (e.g. water loops, adiabatic towers, humidification), and the energy consumption of IT equipment. We have also launched several projects aimed at **reusing and rethinking our redundant furniture**.

In addition, as part of our holistic and integrated procedures, through our **Supplier Qualification Process**, which includes a sustainability questionnaire, we screen centrally selected new suppliers using socioenvironmental criteria.

Our approach is leading to a more sustainable workplace, where increased awareness of these critical topics plays a crucial role. Colleagues across the Group are actively involved in our commitments and engaged in our daily efforts to achieve a green transition.

Our progress so far

Indirect impacts

EU Taxonomy Survey

We introduced an EU Taxonomy Survey, which is integrated within the digital solutions offered to our clients. This aims to assess the sustainability of new transactions, retrieve clients' EU Taxonomy KPIs, and create new business opportunities. By translating regulatory requirements into a guided path, we can support clients on their **sustainable transition journey**

Financing energy efficient and green solutions

Bulgaria

Green Leasing is a specially developed product for the purchase of electric cars through financial leasing, offered together with a dedicated insurance: €14m granted in 2023, for a total stock monetary value equal to €20m

Italy

- Continuing bridge funding for clients who use the 110% bonus on **energy-efficient refurbishment** promoted by the government: €199.5m granted in 2023, for a total stock monetary value of €0.4bn
- Progressing with Mutuo UniCredit Sostenibilità Energetica, a solution to finance the purchase of properties with class A or higher rating and restructuring to achieve better **energy efficiency:** €89.4m granted in 2023, for a total stock monetary value of €0.5bn

Promoting sustainable financial instruments

10
own Green Bonds issued since 2021

c.€5.6bn
total amount of Green Bonds

Hungary
2
Green Mortgage Covered Bonds: 1 issued in September 2021 for €0.06bn and 1 issued in September 2023 for €0.047bn

Italy
3
Senior Green Bonds: 2 issued in June 2021 and November 2022 for €1bn each and 1 issued in November 2023 for €0.75bn

Czech Republic
1
Green Mortgage Covered Bond: Issued in June 2023 for €0.5bn

Germany
2
Green Mortgage Covered Bond: Issued in September 2021 and September 2022 for €0.5bn each

Austria
2
Green Mortgage Covered Bond: 1 issued in May 2022 for €0.5bn and 1 issued in February 2023 for €0.75bn

Page 80 Read more in the Financial Capital chapter

Our transition to Net Zero

In 2023, we set 2030 interim targets on Oil & Gas, Power Generation and Automotive, which are three of the most carbon-intensive sectors in our loan portfolio. We have now defined our 2030 targets for the Steel sector, and will establish Net Zero 2030 interim targets for other carbon-intensive sectors by October 2024.

Group

Page 60 Read more in Our transition to Net Zero chapter

Natural Capital and biodiversity

As a preliminary step, the Group is evaluating sources, methodologies and frameworks to effectively address the key challenges related to biodiversity and nature.

The Bank developed, with the support of an external provider, a sector-level heatmap of the loan portfolio. Our aim was to assess which sectors are most exposed to nature-related risks looking at their impact on nature. The assessment is based on a synthetic score assigned to single counterparties, with the perspective of inside-out evidence, i.e. a summary of the impact that a single company can cause to the ecosystem in which it is located and carries out its activities.

The analysis leverages on several data sources, including multiple internationally recognised databases of environmental data, and was conducted to ascertain the environmental impact by leveraging **20 granular KPIs for the five principal environmental factors.** The assessment considered both sector-specific metrics and those pertaining to our clients' headquarters as well as local operating units.

Synthetic and factor-specific scores were produced for each counterpart and aggregated to produce the sector-level heatmap of the loan portfolio, allowing the assessment of impact and materiality. UniCredit will keep monitoring the evolution of the materiality of the risks related to natural capital and ensure dedicated policies are in place to mitigate potential impacts.

The environmental factors, evaluated within the synthetic score attribution through granular KPIs both at industry level and company-specific, are listed below.

Biodiversity loss and ecosystem degradation: Land use practices are a key driver of biodiversity loss as agricultural value chains have the most direct (and often largest) impact on ecosystems and biodiversity through land use and management. Granular KPIs that have been analysed covered four of five direct pressures on biodiversity loss identified by IPBES 13

Pollution: Air, soil and water pollution and their effects are closely linked to biodiversity and ecosystem services, for example, via acidification, ecotoxicity, photochemical oxidant formation, freshwater and marine water eutrophication and ozone-depleting emissions

Water usage: Mismanagement or underdevelopment may mean that accessible water is polluted or unsanitary for human consumption. Economic water scarcity can also result from unregulated water use for agriculture or industry, often at the expense of the general population

Waste management: Solid and hazardous waste and wastewater are all different categories of the total quantity of waste produced by a business

Energy efficiency: The efficient use of energy to produce goods and services, reducing energy consumption and associated pollution

Direct impacts

Space optimisation

Our new agile building layouts enable us to release space as we refurbish, reducing our **building's footprint**

Headquarter Space Optimisation Projects (sqm saved)

26,000
Italy

67,000
Germany

9,600
Austria

1,500
Slovakia

Energy management

- Heating and cooling systems' **working hours reduction** and sustainable **temperature set-point**
- **Lighting time frame reduction** and **signage turn-off** during night hours
- **Old HVAC system replacement** and **LED lighting implementation**

Local measures

- **Photovoltaic panels** have been installed in Austria, Hungary and Slovakia
- In Italy, we are progressing with the implementation of a project aimed at **groundwater wells to free cooling units of both CED and HVAC systems**[5]

Electricity procurement

90.4 100%

of total electricity consumption was from **renewable sources**[6]

100%

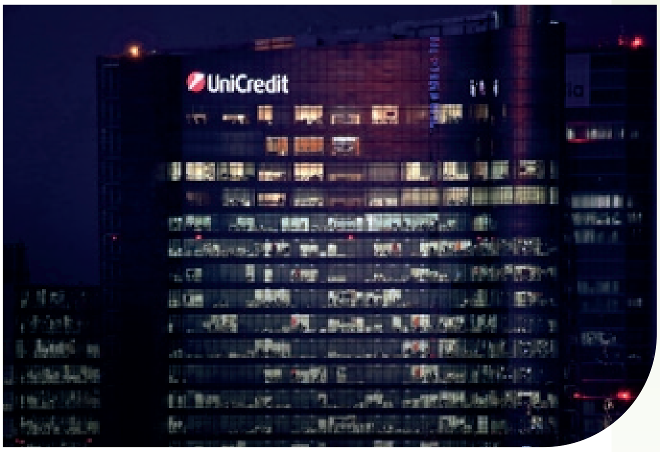
Thanks to space optimisation and energy management initiatives, we have already achieved tangible results[5]

-12%
in total energy consumption vs 2022

-16% of natural gas consumption vs 2022

-10% of electricity consumption vs 2022

-15.6% of district heating vs 2022



5. Free cooling is the process of lowering the air temperature in our data centres by using naturally cool water instead of mechanical refrigeration.
6. Data refers only to buildings where energy consumption invoices are in UniCredit's name.

Mobility initiatives

Bikes:

- We provide **bike storage in every main building of the Group,** as well as **electric bike charging stations** for employees in Italy, Germany, Russia and Slovakia

Cars:

- In Italy, thanks to our mobile app **carpooling** service for employees, by the end of 2023, more than 15,000 km of travel has been shared (over 1,250 km per month)
- In Austria, there is a renewed Car Policy focused on **hybrid and electric vehicles,** which has led to an approximate 10% reduction in the total number of company cars. Going forward, all new vehicles will be electric or hybrid
- In Germany, a renewed Car Policy means that only **electric vehicles** can now be ordered as company cars. By 2028, UniCredit Bank GmbH's entire vehicle fleet will be electric

Resources management and circularity

- In Italy, a pilot project aimed at donating redundant furniture has been developed with **Croce Rossa Italiana** and we have already donated more than 900 pieces of furniture
- In Austria, 700 pieces of furniture were donated to Caritas thanks to the **"My Desk is Doing Good 2.0"** initiative, while over 7,000 pieces of IT and mobile equipment were donated to AfB Gmbh[7]
- In Germany, around 8,000 items of furniture no longer needed by our teams due to relocations in Hamburg and Munich have been given a **new life**

Responsible sourcing

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

c.100%

of centrally purchased IT equipment holds environmental labels either ISO Type 1 or ISO Type 3

30

completed audits of external service providers since 2014

100%

of our copy paper supply holds an environmental label

Raising awareness

- For the 16th consecutive year, UniCredit took part in the **WWF Earth Hour call,** switching off our lights in 35 buildings across 12 of our operating countries for 60 minutes, to show symbolic support for the planet and to raise awareness of environmental issues
- We are actively engaged in the **Principles for Responsible Investment's (PRI) Real Estate Advisory Committee** to help accelerate the sustainable transition of the real estate sector
- We are part of the **Principles for Responsible Banking (PRB) Biodiversity community,** a capacity-building programme aimed at fostering awareness of the importance of biodiversity and its impact on ecosystem services, as well as recognising biodiversity loss as a risk to both businesses and the financial sector
- As we have hit our zero plastic targets across each of our locations in 2022, this year saw us place particular emphasis on spreading **plastic-free communication and awareness** across our internal and external channels. We focused on monitoring targets in all our premises, which confirmed good progress in our canteens, cafeterias, vending and coffee machines

Page 53 Read more about the two papers we have published together with FfBP and UNEP

7. AfB GmbH is Europe's largest non-profit IT company. As a refurbisher, it creates jobs for people with disabilities by refurbishing and remarketing used IT and mobile devices.

Unlocking transformation, together.

For our partners moving to more sustainable practices

To support its transition to more sustainable practices, UniCredit provided leading European energy company ČEZ Group with a €320 million credit facility with interest linked directly to its ESG rating. In recent years ČEZ Group has moved into the top 15% of companies in the world in ESG ratings according to the CSR Hub rating aggregate.

Loans with ESG parameters accounted for 20% of the long-term investment loans provided by our corporate banking services in the Czech Republic and Slovakia. As a result, in 2023 we were also named Best ESG bank in the Czech Republic by Euromoney magazine.

"UniCredit is our partner in the field of sustainability, which is not only beneficial for the climate, but also a significant competitive advantage over companies that do not devote themselves to this area as intensively as we do."

Martin Novák
Board member and CFO, ČEZ Group

Czech Republic and Slovakia

Read more on the microsite

Governance, Risk and Compliance

Living and acting sustainably: Our way to lead

Governance

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

Governance model

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

These include appointing and removing Directors, appointing members to the Board of Statutory Auditors, granting a mandate for external auditing to an audit firm and approving all associated fees.

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

Governance model evolution

Evaluation of governance model

Ever since its incorporation, UniCredit has adopted the traditional governance model, which is the default option envisaged by Italian law for corporations. Although this set-up has over time been efficient, the developments in the economic and regulatory context, the challenges that banks face today, the demands from market players and Regulators for an effective corporate governance ground the need for reassessing the Company's governance model.

Beneficial characteristics of the one-tier model

As a result of the evaluations performed, the Board of Directors, in its meeting held on 31 July 2023, resolved to adopt the one-tier corporate governance system, in lieu of the traditional one. This model further improves the quality of the current governance, ensuring a greater effectiveness of controls through the integration of the control body within the Board and fully enhancing the role of the members of the control body through their direct participation in the Board's decision-making processes.

Board resolution in favour of new model

The Board of Directors therefore resolved to submit to the approval of the UniCredit Shareholders' Meeting the adoption of the one-tier corporate governance system and the consequent amendments to the Articles of Association, which resolved them on 27 October 2023.

1. For more information refer to the annual Report on corporate governance and ownership structure and the 2024 Group Remuneration Policy and Report available in the Governance section of our website (www.unicreditgroup.eu/en/governance.html).

One-tier model structure

Such a governance model is characterised by the presence of a Board of Directors, which performs the strategic supervision and management functions, and an Audit Committee – established within the Board – which performs control functions.

Next steps towards full adoption and implementation

The aforementioned amendments to the Articles of Association shall become effective upon the first renewal of the corporate bodies to which they apply following the mentioned Shareholders' Meeting, except for Clause 20, concerning the procedures for the election of corporate bodies, which shall apply from the date of the notice convening the Shareholders' Meeting called to resolve on the appointment of the new corporate bodies. The first renewal of the Board of Directors will be resolved at the Shareholders' Meeting called to approve the financial statements for the year 2023.

Desirable profile and list

In line with international best practices, milestones for the upcoming renewal of UniCredit's corporate bodies are the identification of:

– a theoretical qualitative-quantitative profile deemed to be optimal with respect to the goals outlined in the applicable rules, and
– the Board of Directors list ensuring a balanced composition of knowledge, skills and experience; promoting inclusion and diversity across age, gender and geographical areas; adequately reflecting the size and operational complexity of UniCredit Group.

Our forthcoming one-tier model

Traditional Model → **One-tier Model**

Traditional Model

Board of Directors
strategic steering and oversight function (e.g. votes on strategic matters)

Board of Statutory Auditors
controlling functions

One-tier Model

Board of Directors
strategic steering and oversight function (e.g. votes on strategic matters)

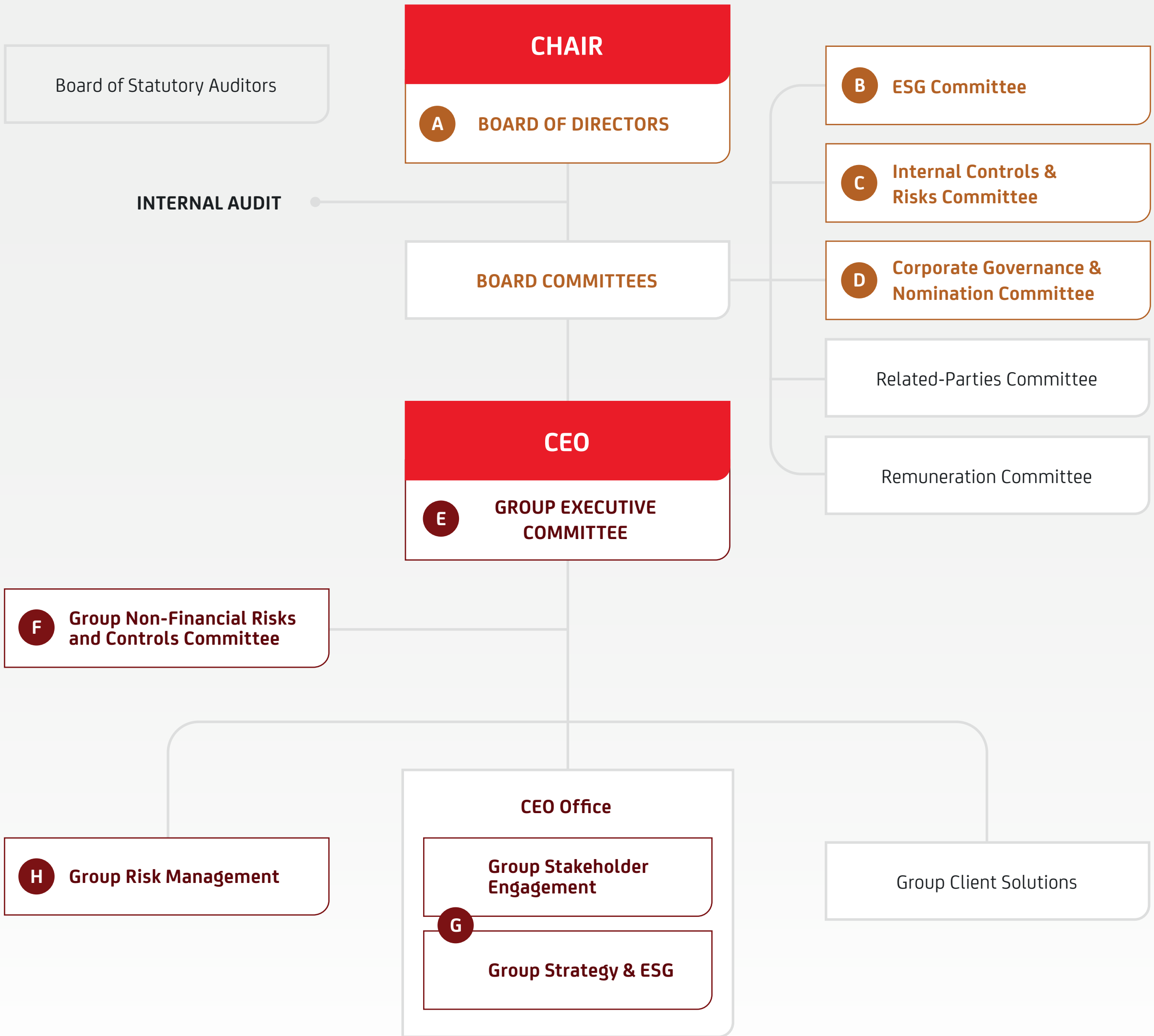
Audit Committee
controlling functions

ESG governance and management

Our sustainability governance has been significantly strengthened in recent years at both steering and execution levels, underpinning the drive to further integrate ESG criteria into the Group's overall business strategy.[2]

Organisational and governance structure, focus on ESG components

(As at the approval date of this report; traditional governance model)



2. For more information on functions involved in the governance and management of climate-related issues, see our 2022 TCFD Report, pages 11-16, available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2022/UC_TCFD_TOT_2022_ENG.
3. Also includes the Group CEO Staff.
4. This includes the coordination and publication of the Group Integrated Report, UniCredit's TCFD Report, the implementation of the Principles for Responsible Banking-UNEP FI and related reporting. Moreover, the function co-coordinates the Group's conversion project towards implementation of the Corporate Sustainability Reporting Directive (CSRD) together with the Group Finance function.
5. For more information refer to the Social and Relationship chapter and to the website of the Foundation https://www.unicreditgroup.eu/en/microsites/unicreditfoundation.html.

Corporate bodies oversight

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

B **The ESG Committee (ESGC)** supports the Board of Directors in fulfilling its responsibilities with respect to the ESG components integral to the Group's business strategy and sustainability over time. See Focus for further details.

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

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

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

Steering and coordination

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

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

G **The Group Strategy & ESG and Group Stakeholder Engagement** functions work together as a **CEO Office,**[3] handling all important initiatives for the CEO. These initiatives include strategy development, M&A, the integration of ESG criteria into our business operations, stakeholder management and dealing with regulatory affairs.

The Group ESG function, part of Group Strategy & ESG, steers the definition and implementation of the Group's ESG Strategy. It ensures the ESG framework is consistent with the Group's principles and Purpose and with relevant international standards and practices.

Moreover, the function is tasked with, inter alia, developing the social agenda and related proposition, monitoring and disclosing the Group's ESG impacts and results, and with overseeing the adoption of relevant policies and standards.[4] The function's activities are divided into three offices – **ESG Strategy and Implementation; ESG Service Excellence; ESG Metrics, Policies and Disclosure.**

H **The Group Risk Management** function supports the CEO in defining the Group Risk Appetite proposal, which is to be shared with the GEC, the IC&RC and submitted for approval to the Board. This process occurs in coordination and in alignment with the yearly budget plan. The function ensures the overall climate risk framework definition at Group level and supports local implementation. Within the various risk areas, dedicated employees and functions have been devoted to the integration of climate topics within risk management activities and the effective dissemination of the relative knowledge. Such functions include **Climate Risk and Risk Governance** which oversees climate-related and environmental risks, and **Climate & Environmental Credit Analysis** which manages the integration of climate and environmental factors within the credit risk cycle.

Furthermore, the Group Risk Management functions issue, for related competent topics, credit risk opinions to support the Group Transactional Committee sessions in the discussion and approval (based on the delegated powers) of credit transactions.

Implementation and execution

Dedicated ESG teams and experts. ESG matters are embedded across our Group through dedicated teams and experts in several Group functions which manage ESG topics in line with their areas of competency. Examples include the ESG Advisory team, ESG offices supporting business divisions in the main Group geographies, and the ESG Digital and Group Real Estate ESG, Innovation Projects & Monitoring functions.

The Compliance and Regulatory Affairs functions also have resources dedicated to ESG-related issues.

Additionally, an important role is played by **UniCredit Foundation,** the corporate foundation of UniCredit Group. Its Purpose is to unlock the potential of Europe's next generation. The Foundation's mission is to empower young people across Europe by providing equal opportunities in education and supporting their personal and professional development.[5]

ESG Committee in focus

The ESG Committee (ESGC) supports the Board of Directors in fulfilling its responsibilities with respect to the ESG components integral to the Group's business strategy and sustainability. It also provides opinions and support to the other Board Committees so as to ensure the alignment of Group policies with UniCredit's ESG principles and objectives. In particular, it cooperates with the Internal Controls & Risks Committee (IC&RC) in addressing ESG risk-related matters, such as climate and environmental risks.

In order to fulfil its role and to provide guidance and support to managers, it regularly holds discussions with the Heads of Functions in charge of specific ESG-related areas such as Group Strategy & ESG, Group Risk Management and Group Stakeholder Engagement. Moreover, the Committee is active in organising dedicated training on ESG matters, in which relevant managers may participate.

As part of its information-gathering, consultative and proposition-making actions, in 2023 the Committee supported the Board of Directors in its appraisal of a broad spectrum of ESG topics from strategy and targets, to reporting and disclosure.

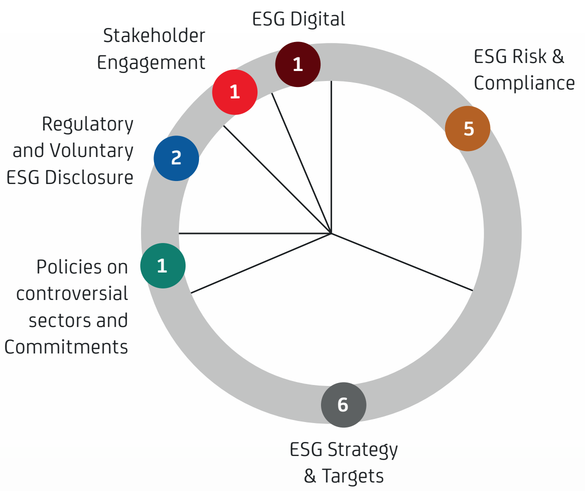
2023 ESGC activities

9 Meetings held

16 Items reviewed

6 Main thematic areas of work

Number of items reviewed[6]



Items include

- **ESG Risk & Compliance**
  - Risk Appetite Framework: ESG KPIs
  - Climate and Environmental Risk roadmap
  - Greenwashing prevention
- **ESG Strategy & Targets**
  - Net Zero commitment: priority sector targets and strategy progress
  - Overview of Group countries' maturity on energy transition and the green finance market
  - Group Social Strategy
- **Policies on controversial sectors and Commitments**
  - Update on Policies application
- **Regulatory and Voluntary ESG Disclosure**
  - Task Force on Climate-Related Financial Disclosure Report
  - Integrated Report
- **Stakeholder Engagement**
  - Stakeholder Engagement
- **ESG Digital**
  - ESG Data Architecture and Digital

Two joint ESGC and IC&RC meetings on:

Climate and Environmental Risk roadmap
Risk Appetite Framework: ESG KPIs

ESGC composition[7]

Chair 1 — Other members 2

6. Some items were discussed in multiple meetings.
7. The Chair of the Board of Directors and the Chair of the Board of Statutory Auditors and, on a rotating basis, another Statutory Auditor, are invited to attend ESGC meetings including training sessions.

Dedicated ESG training for corporate bodies

Training on sustainability related topics plays an important role in ensuring the effectiveness of our ESG Strategy and oversight of related matters. Dedicated sessions were held throughout the year for the Board of Directors, the ESGC and the IC&RC and included the contributions of external experts.

Page 86 Read more on training at other levels of ESG governance, refer to the Human Capital chapter

Sessions for the Board

- Focus on climate-related and environmental risk: supervisory authorities' expectations
- Emerging topics on sustainability: Natural Capital and Biodiversity
- Bancassurance: Outlook, organisation and strategies on the Italian market

Sessions for the ESGC

- Circular Economy and Valuing Natural Capital: trends and relevance for the banking sector

Joint sessions for the ESGC and IC&RC

- Climate and Environmental risk regulatory context and market practices
- Opportunities and constraints with ESG data and the European ESG regulatory framework

Case study

Commitment on Financial Health and Inclusion governance

As part of our social strategy, UniCredit has been an active member of the UNEP FI working group of signatory banks of the Principles for Responsible Banking (PRB) Commitment on Financial Health and Inclusion, defining a common set of core indicators for target setting. UniCredit set two Group-wide targets in 2023 to improve the financial inclusion of our clients, targeting young people.

1. Commitment on Financial Health and Inclusion signed by UniCredit's CEO (Corporate bodies oversight)
2. Group ESG engaged the 14 Group geographies to select indicators according to specific local contexts, for the purpose of target setting based on starting baselines (Steering and coordination; Implementation and execution)
3. Group ESG finalised Group targets, based on the contributions received from the countries (Steering and coordination)
4. Indicator selection and targets definition process shared with the Group Executive Committee and the ESG Committee, and communicated externally (Corporate bodies oversight; Steering and coordination)
5. Group ESG consolidates quarterly progress of local and Group targets, leveraging the ESG Dashboard data collection process (Steering and coordination; Implementation and execution)
6. Progress on targets to be shared with the Group Executive Committee and the ESG Committee (Corporate bodies oversight; Steering and coordination)

Steering and execution Corporate bodies oversight | Steering and coordination | Implementation and execution

Page 100 Read more in the Social and Relationship chapter

Board composition

The UniCredit Board of Directors meets the suitability requirements established by the applicable provisions, as well as qualitatively and quantitatively matching the theoretical profile approved by the Board itself. The personal qualities of the Directors match the theoretical profile approved by the Board of Directors.[8]

Board in numbers (As at the approval date of this report; traditional governance model)

Balance of the Board of Directors

1 CEO executive

11 Non-executives

Average Tenure Length

4.7 years

2023 Board Attendance Rate

95%

Renewal Rate (%)

Continuity 58 | Renewal 42

Board Gender Balance (%)

Male 58 | Female 42

Geographical Mix (%)

Italy 67 | Other countries 33

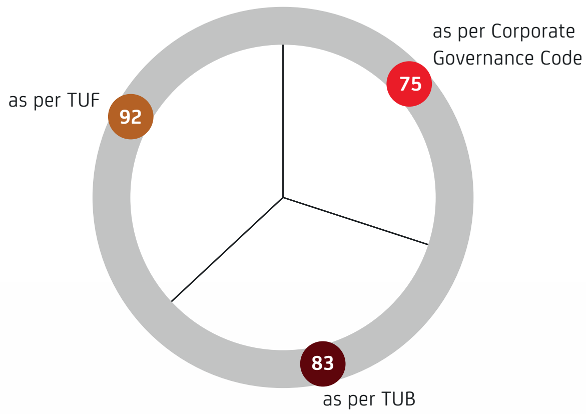
Other countries: Austria, Germany, Spain, United States of America.

Age Group (%)

<50 8 | 50-65 67 | >65 25

8. Refer to the annual Report on corporate governance and ownership structure, available in the Governance section of the Company website (https://www.unicreditgroup.eu/en/governance/our-governance-system.html), for more information.

Board Independence (%)



TUB: Legislative Decree No. 385 dated 1 September 1993
TUF: Legislative Decree No. 58 dated 24 February 1998

Directors' Competencies (%)

International Experience 100

Financial & International Markets 92

Banking Governance 58

Banking Business 67

Legal & Regulatory 67

Strategic Planning 83

Risk & Control 58

Accounting & Audit 58

Sustainability (ESG) 75

Digital & Technology 33

2024 Remuneration Policy sustains our ESG strategy

Our 2024 Group Remuneration Policy has been developed to support the accomplishment of the UniCredit Unlocked plan, of which the ESG strategy of the Group is a key component.

A core set of our ESG targets are embedded in the CEO's performance scorecard to foster the alignment of management with the Group's current and future ESG ambitions.

The current strategy foresees an updated set of Group ESG KPIs and business targets:

ESG business penetration[9]:

- Percentage of ESG lending[10] new production on overall Medium/Long Term lending new production: Group 2024 target set at 15%;
- Percentage of Sustainable bonds[11] on all bonds[11]: Group 2024 target set at 15%;
- Percentage of ESG Assets under Management stock on Total Assets under Management stock: Group 2024 target set at 50%.

DE&I ambitions:

- Gender parity across our organization and a more diverse, inclusive and sustainable workplace, in accordance with Italy G20 Women's Forum CEO Champion Commitment 'Towards the Zero Gender Gap';
- c.€100 million allocated to ensuring equal pay for equal work by 2024.

Net Zero:

- Progress vs. Net Zero commitments on four of the most carbon intensive sectors within the portfolio which include Oil & Gas, Power Generation, Automotive and Steel, recently added (see the Strategy chapter for more details).

These ESG commitments, also subject to the evolution of ESG regulation, have been included in the 'Sustainability' section of the CEO and Top Management scorecards[12] as long-term additional performance conditions, consistently with their outlook.

The entire section on 'Sustainability' will have a weight of 20% in the CEO and Top Management long-term scorecard within the 2024 Group Incentive System rules.

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

9. As disclosed to the market within the 2023 Fixed Income presentation.
10. Including Environmental, Social and Sustainability linked lending.
11. For corporates and financial institutions, excluding Sovereign, Supranational and Agency Long Term Credit.
12. For further details on the 2024 CEO scorecard refer to the 2024 Group Remuneration Policy and Report.

Risk Management

Risk Management and Compliance are integral to everything we do and how we do it. Our Risk Appetite Framework has been designed to mitigate risks – balancing sustainability objectives with the long-term growth of our business.

The Risk Appetite Framework is defined by the CEO, with the support of the Group Risk Management function. The Framework is shared with the Group Executive Committee and the Internal Controls & Risk Committee before being submitted to the Board of Directors for approval. The Directors consider the Framework in the context of annual and multi-year budget plans relating to the Group Planning, Finance, Shareholding and Investor Relations functions.

During 2023, we continued to evolve the Framework in order to enhance our approach to risk management, placing greater focus on climate-related risks and cyber threats, further embedding ESG factors and improving transparency.

Climate Risk Management

1. Business strategies and processes

Embedding sustainability in everything we do is one of the five strategic imperatives of UniCredit Unlocked, a plan that leverages on our solid foundations to unlock the potential of our Group. It is paving the way for the future of our Bank and of all our stakeholders, while ensuring that we always lead by example and fulfil our Purpose of empowering communities to progress. In line with our strategic approach, we integrate biodiversity considerations into our business operations, in addition to climate-related initiatives, to ensure we are taking tangible actions to preserve Natural Capital.

Please see the Natural Capital section for further information on how our approach is based on the double materiality concept, which considers both an inside-out and an outside-in perspective.

1.1. Identifying impacts

The Group commits to managing both the direct and indirect impacts that our operations and lending have on the environment.

Our outside-in perspective requires us to prepare to measure the business consequences of ecological stress and the associated socioeconomic transition and take advantage of emerging opportunities by:

- Executing our Group strategy
- Correctly managing climate and environmental risks, in line with the agreed Risk Appetite Framework (RAF) and the ECB climate stress test requirement

It is important to note that our climate strategy is founded on the identification and awareness of all the climate-related risks and opportunities that the Bank may encounter.

Regarding climate-related risks, including both transition and physical risks, we identify, analyse and assess these risks with the aim of incorporating them into our comprehensive risk management framework.

For an overview of each identified climate-related risk, its potential impacts, the corresponding time horizons (short-, medium- and long-term) and the actions undertaken to monitor and mitigate these risks, please refer to the table in the supplement section.

To properly assess the potential impacts of climate-related risks for the Group, we run climate scenario analysis and stress testing.

1.2. Identifying opportunities

We have identified several potential opportunities arising from the transition to a low-carbon economy that have an impact on both on Group business and operations. These opportunities are described in the table below:

Segment	Opportunity	Time Horizon
Business – Individual Solutions	Increase our environmental retail product offering in the areas of renewable energy and energy efficiency lending, in alignment with the most recent European regulations	Medium term
	Continue to align our investment product strategy with the latest regulations so that we can best conform with our customers' sustainability appetites	Medium term
Business – Corporate Solutions	Develop adequate tools to identify the ESG profile of corporate clients and provide them with the best solutions for a just and fair green transition	Short term
	Advise clients to take advantage of strategic initiatives and subsidised finance options to facilitate the achievement of their decarbonisation goals	Short term
	Further expand our product and services offering to support our clients in improving their sustainability profiles	Medium term
	Continue to focus on providing advisory and debt arrangement services in the main energy transition sectors to support our clients' energy transition journey	Medium term
Operations	Reduce the environmental impact of our buildings and IT assets (offices, branches, data centres) by leveraging electricity from renewable sources and optimising energy and space efficiency	Short term

1.3. Investments – enablers for implementation

Our global framework for ESG-related information is supported by a central IT architecture that acts as a key enabler for compliance to regulatory disclosure requirements as well as enhancing Risk Management processes and our business steering, monitoring and reporting framework.

All the ESG data collected have been integrated into the ESG Global infrastructure – a single data framework that allows ESG data to be integrated with other risk information, ensuring the uniqueness of the information and its use for different purposes.

To turn this concept into reality, we have created a new integrated ESG ecosystem that involves the development of three main new assets:

- Survey /Front-End, which has a dual function. It enables the submission of customers' surveys to retrieve ESG KPIs in the origination phase; and it also makes key ESG information available to the Network, through the ESG KPIs cockpit (an important tool in the steering of Business and Credit Strategies)
- Calculation Engine, that will identify the green loans
- The Sustainability Data Repository, which will collect information, to manage reporting and data exploration activities

This architecture will be introduced to all Group countries via a phased roll-out plan.

2. Risk management

We recognise Climate and Environmental risk factors as crucial elements in safeguarding our clients' portfolios and assets from climate-related risks. To achieve this goal, we are integrating climate and environmental factors into our risk management processes and procedures. Climate Risk Management encompasses the identification, measurement, and monitoring of these risks as well as the implementation of mitigation measures. We actively engage and support corporate clients in transitioning to a lower carbon business model, fully exploiting green business opportunities. Furthermore, we aim to assist our clients in achieving a just transition, ensuring fairness throughout the process.

2.1. Risk identification

Our annual risk identification process is a comprehensive framework that proactively identifies all potential risks the Group may encounter. The primary outcome of this activity is the risk inventory, which comprises a comprehensive list of the quantitative and qualitative risks to which the Group is or may be exposed. The risk identification process enables us to assess which risks are, or are likely to be, material considering their exposures. Material risks are determined annually using a quantitative approach that involves assessing the risk level against the materiality threshold.

In line with the European Banking Authority's (EBA) eight and the European Central Bank's (ECB) nine expectations, our risk identification process covers ESG risk dimensions. These are assessed through the lenses of physical and Transition risk drivers, considering that these could positively or negatively affect the risk types already incorporated in our risk management framework.

ESG risks pertain to any adverse financial consequences that may arise for the Group due to the existing or prospective impacts of ESG factors on our counterparties or invested assets:

- Climate and Environmental (C&E) factors are related to the quality and functioning of the natural environment and its systems and include factors such as climate change, biodiversity, energy consumption, pollution and waste management
- Social and Governance factors, to which we have assigned an impact on reputational risk, revolve around the rights, well-being and interests of individuals and communities and include governance arrangements for the environmental and social factors in the policies and procedures of counterparties

In line with the Recommendations of the Task Force on Climate-related Financial Disclosures (2017), climate-related risks can be divided into two major categories: (1) risks related to the transition to a lower-carbon economy and (2) risks related to the physical impacts of climate change, described in detail below.

Transition risks

Transition risks refer to the risks arising from the transition to a lower-carbon economy, which may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, pace and focus of these changes, **transition risks** can pose different levels of financial and reputational risk for organisations.

- **Policy and Legal Risks:** stemming from continuously evolving policy actions, attempting to either constrain actions that contribute to the adverse effects of climate change or seeking to promote adaptation to climate change, and from litigation or legal risks
- **Technology Risk**: arising from technological improvements or innovations that support the transition to a lower-carbon, energy-efficient economic system and that can have a significant impact on organisations to the extent that new technology replaces old systems and disrupts some parts of the existing economic system
- **Market Risk:** relating to the potential shifts in supply and demand for certain commodities, products and services
- **Reputational Risks:** resulting from changing client or community perceptions of the organisation's contribution to or detraction from the transition to a lower-carbon economy

Physical risks

Physical risks refer to the risks related to the physical impact of climate change. These types of risk can be event-driven (acute) or long-term shifts (chronic) in climate patterns and, as such, their effects can be felt both in the short- and medium-/long-term horizon.

- Acute physical risks are event-driven, including increased severity of extreme weather events (e.g. droughts, floods, etc.)
- Chronic risks refer to longer-term shifts in climate patterns (e.g. sustained higher temperatures)

2.2. Transmission channels

The connections between climate risk drivers and the risks faced by banks are referred to as transmission channels. The likelihood and magnitude of the impact of climate risk drivers can be affected by a number of additional variables. These include: the geographic location of the bank, the assets or exposures involved, the interactions and interdependencies between transmission channels and climate risk drivers that can amplify impacts and mitigating measures that can reduce or offset impacts.

Understanding these transmission channels is crucial for assessing the impact of climate risk drivers in our risk management framework. The table below illustrates the climate-related risk drivers, relevant transmission channels and risk types that may be affected.

Climate-related risk drivers	Transmission channels	Risk types potentially impacted
Physical risk drivers – Acute – Chronic **Transition to low carbon Economy risk drivers** – Policy changes – Technological changes – Behavioural/consumer preferences changes – Client or community perception changes	– Carbon price/carbon tax – New climate-related regulations – Stranded assets – Damages to property – Shifts in prices and asset values – Increased volatility of asset prices – Lower asset performance – Operational disruption – Productivity changes – Losses of business opportunity – Dispute, claims – Interest rates level – Changes in individuals' habits – Changes in clients' expectations – Political decisions – Energy Performance Certificates – Insurance availability/affordability/pricing	– Credit risk – Market risk – Liquidity risk – Operational risk – Reputational risk – Business risk – Real Estate risk – Inter-risk diversification

2.3. Integration of climate risk into risk framework – short-/medium-/long-term impacts

With particular reference to the identification and monitoring of climate-related risks, an annual materiality analysis aimed at assessing the relevance of climate-related risk drivers with respect to the various risk families considered and their potential impact for the Group is carried out under the normative and economic perspectives for both the short-term and medium-/long-term horizons. This exercise, performed through scenario analysis, envisages the full coverage of risk types and the integration of forward-looking elements and is used to identify how the risk types (e.g. Credit risk, Market risk, etc.) are impacted by transition and physical risks for the considered time horizons, as well as an assessment of the capital adequacy to check the Group resilience for the medium-/long-term horizon. The result of the short-term assessment over the 12-month time horizon is also adopted in the context of the materiality assessment process prescribed by the internal risk identification process.

From a methodological perspective, the estimate of the climate risk impact on each risk is performed considering the existing Bank's loans, assuming over the time horizon an exposure reallocation in terms of industry/sector and EPC according to credit risk strategies (in line with ECB Climate Stress Test) on Credit risk side. No profit generation is considered.

The set of climate scenarios considered for the analysis is provided by a qualified external provider and is meant to assess and quantify potential vulnerabilities through analyses in stressed conditions for the short- and medium-/long-term horizons. The main climate assumptions are embedded in the scenarios in terms of transition policies and level of emissions/temperature are consistent with the NGFS/IEA's ones to ensure consistency with scientific climate change pathways to properly assess the impact of physical and Transition risk drivers.
The scenarios are extended with a more comprehensive set of variables (climate and macroeconomic related) disaggregated at higher level of granularity, which is better fitting our stress testing models framework.

In particular, a Central Scenario (namely, Baseline), which considers the current political context, the central macroeconomic outlook and climate assumptions similar to the IEA STEPS scenario incorporating policies deemed sufficiently credible to materialise into action, as well as two polarised stressed scenarios with very low probability of occurrence, are considered.

The scenarios' narratives for 2022 climate-risk scenario analysis are described below

Baseline	Delayed transition	No further action
Central scenario	**Transition risk stressed scenario**	**Physical risk stressed scenario**
Narrative: Projection of commitment and measures currently adopted by different countries. Climate assumptions aligned with the IEA's Stated Policies Scenario	Narrative: Governments are not ramping up efforts to limit global warming by 2030. Therefore, a more stringent policy is required to achieve similar climate outcomes by 2050, resulting in greater economic impacts. Aggressive and uncertain carbon taxation policies cause substantial inflationary pressures, stranded assets and financial instability. Government carbon tax revenues are sufficient to cover the fiscal costs of the transition	Narrative: Expanding fossil fuel demand and government failure to meet stated Nationally Determined Contribution (NDC) commitments lead to higher emissions than in the baseline

The polarised stressed scenarios are modelled as deviations from the Baseline scenario's macroeconomic outlook and, as such, are meant to capture climate risk driven outcomes, with varying mixes of physical (main driver of No Further Action scenario) and Transition risk (main driver of Delayed Transition scenario).

The following heatmap depicts the results of the 2022 climate-risk scenario analysis for the short- and medium-/long-term horizons, in terms of the impacts on the components of the capital adequacy ratio under the economic perspective.

2022 climate-related risks materiality assessment (short- and medium-/long-term horizons)

	Delayed Transition				No further actions		
	Short Term	2030	2040	2050	2030	2040	2050
Credit risk	ML	ML	H	MH	ML	MH	H
Market risk	L	M	M	M	ML	ML	ML
Operational & Reputational risks	L	L	L	L	L	ML	ML
Business risk	L	L	ML	ML	L	L	L
Real Estate risk	L	L	MH	MH	ML	ML	M

L Low impact ML Moderately low impact M Moderate impact MH Moderately high impact H High impact

The short-term (ST) column refers to the impact for each risk type considering the maximum impact of the two stressed climate scenarios. The same exercise is carried out in the medium-/long-term horizon (i.e. 2030, 2040 and 2050) to isolate transition and physical risk drivers. Credit risk is the most affected component and reaches its peak in 2050 in the scenario with no climate policies ("No further Action scenario"), which embeds a lower economic growth and rise in the frequency of extreme natural events with consequent increase of default rate and depreciation of real estate collateral. Moderate/moderately high impacts are estimated also for Credit risk, Real Estate risk and Market risk driven by Transition risk, reaching their peak in 2040.

In terms of expected credit losses, the impacts due to climate risk are mitigated thanks to:

- low amount of exposure in vulnerable sectors at Stage 2 (at 2022 year-end c.1.8 % of Total Gross Loans)
- short average maturity for loans in Stage 2, four years on average for vulnerable sectors
- limited amount of exposures collateralised by properties located in geographic areas subjected to moderately high physical risk (e.g. flood, wildfire), 2.1% of the real estate exposure with an average LTV of 37%

The outcomes of the 2022 short-term materiality assessment performed within the standard Internal Capital Adequacy Assessment Process (ICAAP) framework, complemented by further concentration analyses and stress scenarios, suggest a limited impact of climate-related risk drivers. Similarly, the first outcome of the liquidity impact of climate-related risks reveals a limited materiality of the exposures to these risks also in Internal Liquidity Adequacy Assessment Process (ILAAP). According to the long-term assessment, the capital position of the Group is adequate considering the potential impact of climate-related risks also on a longer time horizon.

The ongoing 2023 climate-risk scenario analysis preserves the methodological approach applied in 2022 climate-risk scenario analysis and considers updated climate scenarios.

2.4. Integration of climate risk into the Risk Appetite Framework (RAF)

Our Risk Appetite provides an integrated view of business and risk strategy, ensuring the execution of our strategic plan within the risk capacity we are willing to assume. It establishes the Group's desired risk profile, driving short-term and long-term strategic objectives, and is supervised by the UniCredit Board of Directors.

The Risk Appetite Framework (RAF) is composed of three key elements:

– **Risk Appetite Statement (RAS)** provides a strategic view of and guidance on the target risk profile and is expressed via qualitative statements
– **Risk Appetite Dashboard** quantitative KPIs with related targets and risk tolerance thresholds for managing proactive risk
– **Risk Strategies** ensure the cascading of the Risk Appetite to more granular levels via operational indicators, limits and controls

Since 2020, dedicated RASs have been drawn up regarding C&E risks, including the definition of our commitment to assist our clients in a just and fair transition and the continuous integration of C&E risks within the Risk Management framework. Dedicated quantitative C&E risk-related KPIs have been included in the Risk Appetite Dashboard since 2022, addressing both transitional and physical C&E risks and including Net Zero. These KPIs are regularly monitored and reported in the RAF reports. After one full year of monitoring, we added risk tolerance thresholds to these KPIs in 2023.

High Transition risk exposure KPI: aimed at measuring the Bank's exposure to the largest counterparties that appear more vulnerable along the transition path towards a lower-carbon economy, based on information gained through the Climate and Environmental Questionnaire.

– **Fossil fuel-related exposure KPI** focused on a group comprising counterparties in certain classes, as set out in our Oil & Gas and Coal policies
– **Physical risk KPI** designed to measure potential damages that extreme climate-related acute physical risks events could cause to the Bank's collateral portfolio. The KPI is monitored at Group level and during 2023 was cascaded to certain major Legal Entities

Being an integral part of the Group Risk Appetite monitoring process, C&E KPIs are subject to an escalation process (in the case of risk tolerance threshold breaches) with related corrective/mitigation actions to be defined, when needed. The Group Board of Directors is informed of the breach and remedial actions (if any) on a quarterly basis through the periodical information sharing process.

For 2024 further enhancement of RAF are foreseen, for example extending the coverage of portfolio for Transition risk and the introduction of Net Zero KPIs for the first three priority industries considered in the Bank Net Zero Journey (Oil & Gas, Power Generation and Automotive).

No breach in any of the defined thresholds occurred in 2023.

2.5. Integration of Transition risk into credit portfolio – CRS and Counterparty level

We have been working to identify, measure, monitor and mitigate Transition risk. The Transition risk of the portfolio is measured with different metrics, which also include the distribution of the credit portfolio by industry.

We have developed a comprehensive approach to assess and manage Transition risk; the Risk Management framework is fully consistent with the RAF and is based on three pillars:

- Specific Reputation Risk Policies (see dedicated section within Non-Financial Risks)
- Dedicated industry steering signals, based on relevant Climate & Environmental factors included in the Credit Risk Strategies framework
- Assessment at single client level, leveraging a dedicated C&E questionnaire

Credit Risk Strategies, which are reviewed at least once a year, are a particularly important tool for ensuring inclusion of the relevant C&E factors in the overall credit risk strategy. Industry steering signals (underweight, neutral, overweight) and related industry limits embed all relevant C&E factors, leveraging a heatmap based on Transition risk scores by economic activity (integrating C&E questionnaire where available).

Further principles are also integrated within qualitative guidelines (including Net Zero indication) the business to assess and mitigate the risks for each specific industry. The cascading to the Legal Entities of the Group, together with the monitoring and escalation processes at local and holding level, steer different credit portfolios in alignment with the RAF.

To determine the extent to which the Bank's Credit counterparties are exposed to C&E risks, the C&E questionnaire is based on a set of both cross-industry questions (in total 11 considering the different sections) and industry-specific questions (an additional two for specific sectors), measuring qualitative and quantitative current and forward-looking key indicators across three main dimensions:

- **C&E exposure:** five questions facilitate an analysis of the current level of exposure of the Economic Group under assessment: (i) level of GHG emission (Scope 1, 2 and 3); (ii) Water consumption; (iii) Energy consumption; (iv) Waste production and recycling; (v) Alignment to EU Taxonomy
- **C&E vulnerability:** four questions enable an analysis of the climate change management maturity level on a forward-looking basis, covering: (i) Company's investment plan to shift to lower emission level business model; (ii) GHG emissions reduction target
- **Economic impact:** two questions allow us to analyse the potential impacts on corporate clients' financial and industrial performance in terms of cost and revenues

Three steps to determining the questionnaire result

Questionnaire

11 cross-industry and two industry-specific C&E related qualitative-quantitative questions

Scoring and Weighting

Questions and answers converted into homogeneous scores on a scale from 1 to 5 and weighted by relevance to enable differentiation

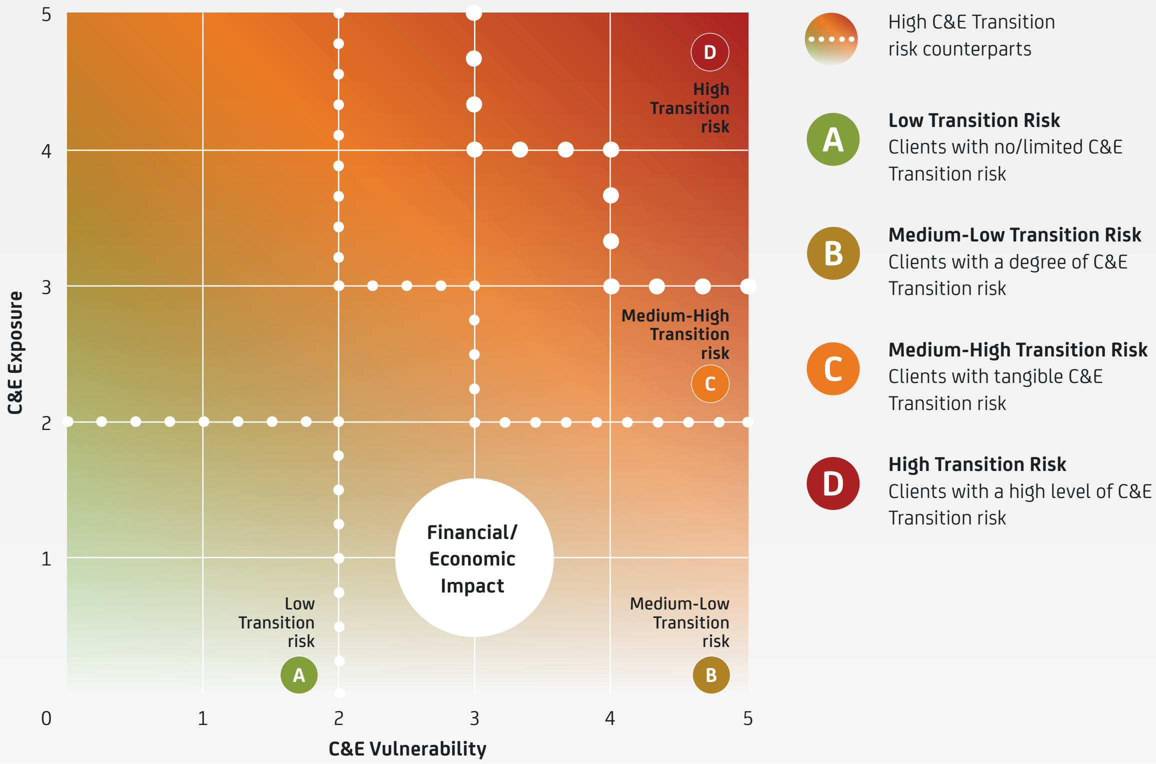
Results and Matrix

The sum of weighted score positions each counterpart on the Transition risk Assessment matrix

Transition Risk Matrix in detail

1. Calculation of question-specific indicators based on the answers provided (a penalty system is in place and applied when information could not be gathered)
2. Conversion of indicators, related to single questions, to standardise the scores of different responses and guarantee comparability of results
3. Weighting of question-specific scores according to a pre-defined table (that takes into account the relevance of the questions) and calculation of the summary score for the different dimensions:
   a. Sum of question-specific scores (and penalties if necessary) for each question in the Exposure cluster; the result is plotted on the vertical axis of the matrix
   b. Sum of question-specific scores (and penalties if necessary) for each question in the Vulnerability cluster; the result is plotted on the horizontal axis of the matrix
4. Determination of C&E score ratings (1-Low; 2-Medium-Low; 3-Medium-High; 4-High Risk), as shown in the matrix below

Matrix scoring methodology



c.1,000
approximate number of counterparties mapped by the C&E Questionnaire

40%
approximate corporate portfolio coverage

The results

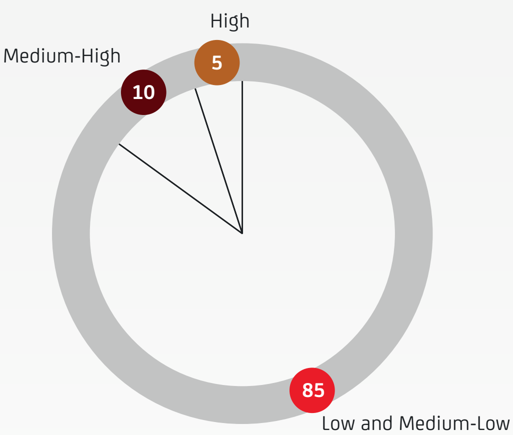
The results of the C&E assessments are integrated in the files submitted to credit committees, allowing them to effectively take climate and environmental factors into account during the credit decision phase.

A specific process, factoring in Transition risk and physical risk evaluation (together with reputational risk and Net Zero whenever relevant) has been designed and cascaded to the Group Legal Entities in order to address the inclusion of C&E considerations into the overall evaluation of the client. Leveraging on Transition risk score, the process application results in specific strategies (in terms of eligible products) to steer the corporate portfolio's exposure fostering the clients' green transition and reducing at the same time the Bank's exposure to C&E risks.

In cases where the client is assigned "high" or "very high" Transition risk score, the strategy requires the client either adopts a majority of or exclusively ESG products, respectively. Outcome of physical risk assessment at counterparty level is meant to complement the strategy with the request of physical risk mitigation action whenever deemed necessary.

Following the consolidation of data as of 31 December 2023, the following are the values relating to Transition risk:

Risk of our clients (approximate %)



2.6. Data strategy

We have defined a comprehensive data strategy, integrating internal data with data from external providers. In order to achieve the right balance between the punctual recovery of KPIs and the impact on business, leveraging both external providers and internal customer surveys, we have used the different scores available according to a prioritisation strategy. This will naturally favour the use of point data, collected through customer surveys, over proxies.

The data strategy must be flexible over time and able to take into account the evolution of regulation and Bank experience.

Our consideration of C&E factors for the Corporate portfolio followed a clear road map. This began in January 2021, with the submission of the C&E questionnaire to all files discussed in the Holding Credit Committees, with a coverage, in terms of EAD, of around 35%. The following year, it was extended to include the Local Credit Committees. This enabled us to achieve a coverage of around 40%. Through the acquisition of data from the external provider, coverage rose to more than 90% of the Corporate portfolio, across the different geographies of the Group.

The collection of data acquired from the external provider has also enabled us to broaden the spectrum of available indicators, including KPIs relevant to both regulatory disclosure and managerial activities (e.g. Transition and Physical counterparty risk, the ESG score, with its components, GHG emissions, Top 20 polluters information).

2.7. Transition risk at collateral level

To measure and track Transition risk associated with assets accepted as collateral to fulfil regulatory obligations (Pillar 3, EU Taxonomy, Stress Tests) and meeting managerial needs, a collection of Energy Performance Certification (EPC) data has been conducted in the various Group Legal Entities:

- For the **Stock,** where the data couldn't be punctually retrieved, the group leveraged on external specialised providers, which developed an estimation model
- For the **new flows,** the following Transition risk KPIs will be mandatorily collected and properly taken in consideration during organisation phase:
  - EPC LABEL (WITH FLAG INDICATING ESTIMATED/REPORTED)
  - PED (KWH/SQM)
  - CO_2 EMISSIONS
  - EPC ISSUANCE YEAR

Such information has been integrated into the ESG Global IT infrastructure and is available on the local mortgage platforms.

2.8. Physical risk in the credit portfolio

Physical risk is carefully monitored for both corporate portfolio and individual collateral assets, involving the assessment of a wide range of hazard events. **Corporate risk** monitoring leverages external provider support, and the risk **represents around the 8% of the portfolio.**

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

The approach envisages:

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

c.0.1% estimate of the impact of the fair value*

*Data as at 31 December 2023

2.9. Financial risk

With regards to financial risks (Market risk, Liquidity risk and Counterparty Credit risk), we have implemented several concrete initiatives to further integrate C&E risk into the financial risk management framework. The key pillars of our approach include:

- An overall methodological approach for incorporating C&E drivers within the Financial risk framework has been further refined, leveraging a combination of assessment methodologies already employed by the Bank. The methodological framework measures Transition and Physical risks within the Financial risk relevant perimeter. For this purpose both internal (transition) risk scores as well as externally sourced scores are applied. For the purpose of Transition risk these scores are further complemented by industry scores to further increase the data coverage. For the relevant market risk perimeter (Corporates & Financials single names) in the trading book a coverage of around 80% (generally higher for transition than for physical risk) can be accomplished while for the investment portfolio relevant perimeter (Corporates & Financials) for Transition risk a very high coverage (>90%) and for physical risk about 50% coverage can be obtained, similarly also for the purpose of counterparty credit risk and liquidity risk (CBC).
- C&E KPIs are included within Market Risk Strategy in line with Group ESG Strategy; a dedicated limits and warning levels are applied. Specifically:
  - Granular Market Limits (GMLs) for Equities and Credit exposure vs High Transition and Physical Risk Score in the Trading Book
  - Granular Market Limits (GMLs) for Non-Sovereign Debt securities exposure vs high Transition and Physical Risk Score in the Investment Portfolio, i.e. in the Banking Book
  - Early Warning for Sovereign Debt securities exposure vs high Transition and Physical Risk Score in the Investment Portfolio, i.e. in the Banking Book
  - Stress Test Warning Levels (STWL) on dedicated climate scenarios
- The assessment of C&E drivers is incorporated into the process for evaluating new financial products within the Bank. When assessing new products, Legal Entities are responsible for verifying whether any C&E risk is embedded in the product's payoff/structure and for ensuring consistency with Group's ESG Strategy by involving the local competent function if needed.
- Specific inclusion and exclusion criteria for investment process and Transaction due diligence in coherence with Coal and Oil & Gas sector polices.

Integration of C&E risks in the monitoring and reporting of financial risks

Concerning Monitoring and Reporting, the Financial Risk department monitors and reports monthly to competent corporate governing bodies the concentration towards Climate Risk with reference to equity risk and corporate and financial bonds in the trading book, corporate and financial bonds in the investment portfolio, counterparty credit risk exposures and counterbalancing capacity. The monitoring framework includes Physical and Transition risks within the Financial Risk relevant perimeter complemented also by an analysis with respect to physical risk hazards. Additionally, also a Carbon Footprinting analysis for the corporates and financial bonds in the investment portfolio is included. In April 2022, the Market Risk stress testing programme was enhanced with a dedicated Climate risk scenario which extends the ECB short-term disorderly transition scenario. Moreover, since October 2022, the monthly reporting and monitoring framework has been enhanced by incorporating transition and physical risks and in December 2022 the Climate risk stress test scenarios were further increased. In September 2023 scenarios were further updated. Scenarios mainly focusing on Transition risk as well as scenarios focusing mainly on physical risk are included.

Identifying C&E risks in financial risks

The materiality for financial risk is assessed via the standard ICAAP framework as described earlier and is complemented by further concentration analyses and stress scenarios. Based on these assessments, combined also with qualitative considerations on UniCredit's trading business model, there appears to be no materiality of C&E drivers on market risk exposures. Similarly, the first outcome of the liquidity impact of climate risks reveals a limited materiality of the exposures to these risks also in ILAAP.

Climate risk could cause material net cash outflows or depletion of liquidity buffers, mainly stemming from the financial impact on the held assets of a changing climate (i.e. physical risk) or the institution's financial loss that can result, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy (i.e. Transition risk). According to the definition of physical and transitional risk, the transmission of climate risk to liquidity comes through the following channels:

- **Counterbalancing Capacity (CBC):** risk premia on securities of carbon-intensive issuers (transitional risk) or issuers particularly exposed to extreme climate events (physical risk) could increase, deteriorating the market value of the liquidity buffer;
- **Deposits**: withdrawals of deposits mainly due to high liquidity needs and credit losses that could stem from corporate clients with high CO_2 emissions, which could have to adapt their technologies and production plants to more carbon-neutral economies (transitional risk) or from customers hit by severe weather events (physical risk), which reduce profitability and potentially increase credit risk and liquidity needs;
- **Undrawn credit and liquidity facilities**, whose usage might increase for the same reasons listed for deposits;
- **Market valuation** changes on derivatives transactions climate-related price shocks and increased market volatility may result in increased derivative exposures and related margin-calls.

Additionally, the Transition risk might appear if UniCredit itself fails in adapting its practices to the new climate regulations, thus leading to reputational impacts. Such a risk is regularly monitored through the name crisis scenario of the liquidity stress test.

To assess the materiality of the liquidity risk arising from climate factors related with deposits and committed lines, UniCredit's customers are classified according to a climate risk score defined through an internal questionnaire of acquired by external information providers. A stressed liquidity outflow ratio is applied on those customers labelled with high or medium-high risk. The potential deterioration or the value of the counterbalancing capacity or the change in the value of derivatives (generating margin calls) is estimated by applying specific climate scenarios to the most relevant market variables.

The above-described effects are applied to the short-term and structural liquidity risk metrics. The resulting impact is compared with the internal inherent risk severity thresholds.

In general, longer-term effects (on the balance sheet structure) are minor both for transitional and physical risk, as the liquidity structure of the Bank balance sheet is sound and ensures enough time to absorb potential climate-related changes. As far as the short-term effects (direct impacts on liquidity) are concerned, the exposure to physical risk is negligible. On transitional risk, the potential adverse liquidity impacts for the Group are classified as medium-low according to the internal scale.

As far as social and governance aspects are concerned, they are addressed for various risk pillars via policies. These policies also stipulate that all the subjects that establish a relationship with UniCredit Group must satisfy at least a set of social/governance minimum requisites as reported in the paragraph dedicated to social and governance risk. These inclusion criteria aim to effectively ex-ante avoid social/governance related risks generally and specifically also for liquidity risk.

2.10. Non-financial risk

Non-financial risks can be influenced by environmental factors in general and by the climate change in particular in two different ways:

Reputational Risk – Risk for the Group of being perceived and criticised for supporting activities and projects through its financial products and services that harm the environment and contribute to worsening the climate change scenario

Operational Risk – Risk for the Group of facing temporary disruption or unavailability of key premises (e.g. data centres, operational centres, headquarters) or for the discontinuity of services suffered by some of its third-party service providers due to adverse extreme climate conditions

The Bank has implemented adequate processes to mitigate the above-mentioned risks. These are described below:

Reputational Risk

The Group defines Reputational Risk as the current or prospective risk to earnings and capital resulting from the negative perception of the Financial Institution's image by various stakeholders including clients, shareholders/investors, regulators, employees, debt-holders, market analysts, civil society, NGOs, media and other relevant parties.

The management of Reputational Risk relies on:

1. Setting clear general rules and guidelines for:
   - defining the profile of relationships (with clients as well as with other relevant counterparties such as suppliers) and operations (mainly financial support, but also investments and other financial services offered) that the Group is able to manage and develop
   - defining the profile of what the Group does not consider to be in line with its principles and reputational standards. These rules and guidelines are designed to ensure alignment with laws, internal and external regulations, best practices within the sector and to reflect the sensitivity of the Group
2. Setting additional specific rules and guidelines for sectors considered sensitive (Coal, Oil & Gas, Defence, Nuclear, Mining, Water Infrastructures)
3. Requiring for each relationship the evaluation of the conformity to the rules and guidelines mentioned above
4. Ensuring respect of the rules mentioned above for each operation and performing a specific Reputational Risk Assessment involving Reputational Risk and other competent functions in cases of potential deviation
5. Setting conditions, controls or limitation, where deemed necessary, in order to reduce the material residual Reputational Risk for Group, regardless of the sector connected to the case
6. Independently from the sector, evaluation of the Liability/Litigation Risk that can derive from supporting a deal which could produce a negative environmental or social impact, when the deal is under the Equator Principles (EP)
7. Taking the right decisions at the right level of authorisation in cases of potential reputational risk

In addition, we have signed specific commitments regarding Tobacco and Deforestation.

The provisions are renewed on a continuous basis, taking into account the evolution of the market and the sensitivity of the Group towards these sectors.

For each sensitive sector, the policy covers the following aspects:

- The scope of the sector (type of subjects and activities)
- The forbidden activities (activities that the Group is not available to support with its financial products and services, e.g. controversial weapons, nuclear weapons, coal-related activities, oil & gas activities in the Arctic region)
- The classification of the clients

The six sensitive sectors identified

As of end of 2023, the Group, in its continuous monitoring of the market and stakeholder's expectations, has identified six "sensitive sectors" for which it has adopted a dedicated additional set of provisions and rules described in specific internal regulations. These are listed below:

- **Coal**
- **Oil & Gas**
- **Mining**
- **Water Infrastructure**
- **Nuclear** (for energy generation)
- **Defence** (including nuclear weapons)
- **All the sector/all the relationships**

Fossil Fuels

Environmental

Sensitive

Group Reputational Risk Framework

A Reputational Risk Assessment is requested

We have defined a process for assessing Reputational Risk (RepRisk), identifying cases where a dedicated assessment is necessary.

On schedule

A. Annual Clearance

e.g. Whenever a customer is subject to the annual credit review

On event

B. Reputational Clearance

Whenever an event, related to a customer, occurs and the event itself could impact UCG reputation

e.g. The customer is involved in a scandal of public interest and the event is also covered by the media which give due information

e.g. The customer is accused by the judiciary of having violated the anti-money laundering law

C. Single Deal Approval

When a customer, belonging to one or more "sensitive sectors" is requesting a financial support for a project or a general financing

e.g. The customer ask for a letter of credit to export weapons in a foreign country

e.g. The customer operating in the Oil & Gas sector ask for general financing

Classification in the Coal sector

	Provisions	General Financing: General Financing	General Financing: Sustainability linked RCF	Project Financing: Green Activities Financing	Project Financing: Coal-related Activities	Project Financing: Other Activities	Other: Basic Banking	Other: Advanced Banking
Full Support	– No coal developer (no increase in coal business since September 2020) AND – Current revenues from coal ≤ 25% AND – Phase out by 2028	A	A	A	C	A	A	A
Green Financing	– No coal developer (no increase in coal business since September 2020) AND – Phase out in line with National Energy & Climate Plan	C	B	B	C	C	A	C
Phase-out	– Coal developer (increase in coal business since September 2020) OR – Phase out plan missing OR – Phase out plan beyond the National Energy & Climate Plan target date	C	C	C	C	C	C	C

The classification of clients:

A **Class A** – Clients completely in line with the provisions and for which the Group is available to provide full financial support

B **Class B** – Clients partially in line with positive transitions and moving in the right direction. We can support these clients with financial products and services, but will refrain from providing other types of financial products and services that do not align with the transition towards more sustainable practices

C **Class C** – Clients not aligned with the provisions of the Group or moving in a different direction and for which the Group in not able to provide any kind of financial support. In these cases a phase-out of the relationship may be considered

Classification in the Oil & Gas sector

	Provisions	General Financing		Dedicated Purpose Financing/ Transactions Financing					Other	
		General Financing	Sustainability linked RCF	Green Activities Financing	Controversial Oil & Gas-Rrelated Activities Financing	Oil-related Activities Financing	Gas-related Activities Financing	Other Activities Financing	Basic Banking Services	Advanced Banking Services
Full Support	– Current revenues from Unconventional Oil & Gas activities ≤ 25% AND – Current revenues from Arctic Oil & Gas activities ≤ 25% AND – Not relevant for Net Zero	A	A	A	C	A	A	A	A	A
Transition Support	– Current revenues from Unconventional Oil & Gas activities ≤ 25% AND <50% AND – Current revenues from Arctic Oil & Gas activities ≤ 25% AND <50% OR – Relevant for Net Zero	C	B	B	C	C	A	A	A	A
Phase-out	– Current revenues from Unconventional Oil & Gas activities >50% OR – Current revenues from Arctic Oil & Gas activities >50%	C	C	C	C	C	C	C	C	C

Annual Clearance Applicability

– Medium and Large Corporate Segment (turnover > €50 m) or CIB Division

– Upstream and Midstream and owners, operators, subcontractors or suppliers of Key Components/Infrastructures/Services (including companies in the juridical group, i.e. >25%)

The decision-making bodies responsible for assessing cases of Reputational Risk can vary according to the relevance of the case and alignment with the policy provisions.

Cases where we envisage a potential high relevance in terms of Reputational Risk are brought to the attention and decision of the Group Non-Financial Risks Committee (GNFRC) chaired by the Group CEO.

Similar structures have been established at local level within each Legal Entity of the Group. At Local Level, RRO and GNFRC are collapsed in the LNFRC (Local Non-Financial Risk Committee), chaired by the Local CEO.

Cases where reputational risks are deemed to be of significant relevance within a specific Legal Entity are submitted to the Holding Company for further validation via a Non-Binding Opinion (NBO).

A RepRisk decision taken at local level also requires an NBO by the Holding Company in two specific situations:

- When the case, authorised by the Local NFR Committee, presents a High RepRisk and has to be submitted to a Group Credit Committee (GCC or GTCC)
- When explicitly requested by the policy. For example, Green Project Financing in the Oil & Gas or Coal sectors, granted to a B Class client, requires an NBO to double-check that the Green project is currently aligned with the EU Taxonomy

Whenever further scrutiny of a case is deemed necessary, Legal Entities can ask the Holding Company for an NBO in cases outside the two mentioned above.

Any unplanned and unforeseen situations related to a specific relationship or deal and not aligned with the standard provisions of the policy are evaluated case by case. Expert judgement is required for evaluating the alignment of the case with our general principles on Reputational Risk. Any decisions must diligently consider the provisions of the applicable policy and the characteristics and context of the case under examination.

Exposure towards high GHG emitters

Exposure towards NACE sectors having the highest GHG Intensity (>1,000tCO_2e/m€).

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

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

16%

of Corporate portfolio

NACE code	NACE description	% on Non-Financial Corporate FY23[1]	% on Non-Financial Corporate FY22
A01	Agriculture & Livestock	1.53%	1.50%
B05-B09	Mining	0.67%	1.20%
C19	Petroleum	0.61%	0.70%
C20	Chemicals	1.71%	1.90%
C23	Non-metallic minerals	1.19%	1.20%
C24-C25	Metals	4.12%	4.50%
D35	Electricity & Gas	5.51%	5.50%
H50	Water transport	0.68%	0.80%
Total		**16.01%**	**17.00%**

1. Group exposure (GCA) equal to €224 bn as at 31 December 2023. Exposure equal to €241bn as at 31 December 2022.

Decisional bodies on RepRisk (Holding and Legal Entities)

Decision makers/number of cases in 2023: → Types of cases discussed:

1,880 transactions evaluated in 2023

GNFRC

Group CEO with selected GEC members
28 cases

Cases[2] with **High RepRisk** or with **RepRisk appetite yet to be set**

Group RepRisk Office

Head of NFR and Heads of Specialist Functions
68 cases

Cases[3] with **High RepRisk** or with **appetite already set in previous decisions**

Local RepRisk Office/Local NFRC

Local Committees
514 cases

Cases with **High RepRisk** with **no need of a Group NBO**

RepRisk Function and Specialist Functions

Head of RepRisk and Specialist Functions
1,270 cases

Cases with **Low or Medium RepRisk** or when **explicitly requested by the police**
(e.g. client classification in A, B, C classes for Coal)

Proponent Business

Cases **in line with the provisions and allowed by the policy** (no deviations)

2nd level Controls performed by RepRisk Function

Relationship Deals

Specialist Functions: ESG, Financial Crime, Sanctions, Anti-money Laundering, Media and Communication, Legal

2. Including both decisions for UC S.p.A. and NBO for other Legal Entities.
3. Including both decisions for UC S.p.A. and NBO for other Legal Entities.

Operational Risk

For all Legal Entities, the Group carries out an annual assessment aimed at identifying critical locations where unavailability could harm business continuity (e.g. data centres, headquarters, operational centres).

In 2023, 103 buildings were selected. Each location is classified according to current risks from extreme adverse climate conditions (such as floods and wildfires) that could affect it.

Scenario analysis

High | Medium-high

10 buildings

BC Backup building assessment

Medium-low | Low

93 buildings

Regarding the 10 buildings potentially exposed to high or medium-high risk, in 2023, the related business continuity plan was assessed to check the effectiveness of protection in cases of adverse climate conditions.

Wherever the business continuity plan highlighted the inadequacy of the backup building (e.g. exposed to the same risk as the primary location), a new backup location was defined. For one building the acknowledgment of the risk has been raised to the Management Board of the Legal Entity in line with Business Continuity procedures, considering that additional mitigants were not identified.

Moreover, in 2023, exposure to the perceived risk in a scenario of +4°C in 2030 has been considered. In this case, eight additional buildings have been identified currently not exposed to such risks but potentially exposed to them considering this additional scenario. Dedicated KPIs have been put in place in collaboration with Group Real Estate to monitor future climate events comparing them with the location's history, with the aim to put in place immediate actions in case of climate risk exposure worsening.

To assess the resilience of third-party service providers with regard to climate change, the Third Party Assessment (performed during onboarding of new suppliers, then yearly) has been enhanced by also considering the business continuity plans adopted to manage potential adverse climate events.

2.11 Human Rights initiatives in 2023

We strengthened our support for human rights in three key ways:

- Engaging and supporting stakeholders through participation in international working groups and forums
- Compliance with section 54 of the UK's Modern Slavery Act 2015
- Launching a project to enhance our vendor qualification process, leveraging ESG assessments performed by an external provider and evaluating labour and human rights risks among other sustainability risks in our supply chain

6,100+ hours

During the year, almost 7,000 people received training on human rights, through over 6,100 hours of training

Digital Risk Management

During 2023, we continued to develop a number of initiatives to reinforce the Group's Digital (ICT and Cyber) defences. These included:

How we managed Digital Risk in 2023

Digital defence initiatives

Digital Risk appetite:
The mission of the Function (Digital Risk) responsible for ICT and Cyber Risks evolved to be responsible for the group-wide evaluation, monitoring and supervision of digital risks to enable UniCredit as a safe, secure and resilient digital bank

Digital Risk dashboard:
Digital Risk dashboards are fed by a variety of 2nd level Controls (Risk Assessment, Control monitoring) on Group and Local Digital processes, monthly discussed with Group Senior Management and quarterly shared in the Group Non-Financial Risk Committee

Digital Risk scenario analysis:
Enforcement of the Digital Risk scenarios to increase their effectiveness, and coverage, deepening 2022 analysis and leveraging on both threat landscape and audit outcomes

Third Party Cybersecurity Risk: Enforcement of the Cyber Risk control framework on third parties with the aim to assure its implementation in all Legal Entities and identify possible fine tunings

Risk and Control Self-assessment:
In 2023, a process has been enforced stating the Digital Risk over the tolerance level need to be approved by the Executive Officer together with remediations' actions

Compliance
Our approach

At UniCredit Group, compliance with all relevant legislation is essential to our reputation as a business, the confidence of our customers and our ability to deliver on our commitment to sustainability. Furthermore, compliance also plays a leading role in promoting a culture which reflects the Group's fundamental values and principles.

We manage compliance through dedicated functions in each relevant geography, coordinated at Group level, under the responsibility of the Group Compliance Officer. The Compliance function is embedded in the second-level internal control system. Its aim is to prevent and manage the risk of regulatory non-compliance and conflicts of interest.

By competence area, the function monitors alignment to ESG regulatory requirements, provides advice, carries out controls through a risk-based approach, and integrates ESG topics into existing frameworks and processes.

Our compliance teams support their colleagues in other functions regarding regulatory requirements and work alongside them to monitor and supervise the risks of non-compliance. This is especially important for new products, processes, business initiatives, commercial campaigns, marketing materials and incentive systems. The Compliance function also sets rules of conduct, guidelines, standards and the Code of Conduct.

Managing the risk of non-compliance

Group Compliance monitors the management of non-compliance risk through a risk-based approach. Its activities and priorities are focused on the areas, standards, processes, and procedures most at risk of non-compliance, based on the ongoing assessment of Group activities and the regulatory framework and corporate environment.

Consistent with this approach, our monitoring of the risk of non-compliance covers the most relevant regulations around all corporate activities (except for those laws and regulations falling within the scope of Risk Management).

Our approach to regulations around all corporate activities

Focus on Customers

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

Advisory to Bank Functions on Regulatory Requirements

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

Rules and Regulations

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

Our progress so far

During the year, our compliance focused on four key activities.

Greenwashing risks

New requirements related to sustainability, including providing support on the business activities impacted by new regulations, with a focus on greenwashing risks (monitoring laws and updating internal frameworks in relevant areas)

Internal controls and framework

Updating relevant internal controls and written framework (Global Policy/Risk Framework on Benchmark Regulation (BMR) and Product Governance)

Advising the business

Advising the business on products, manufacturing, and marketing materials

Culture and training
With a focus on ESG

Tone from the Top: round table with Top Management on preventing greenwashing, notably by using a real-life example to help clients understand potential greenwashing risks. We also cascaded a specific communication campaign to all Group employees

Mandatory training (all Group employees): we developed new ESG training which provided an overview of the legislative framework around sustainable investment. This included a deep dive on taxonomy regulation and SFDR (Sustainable Finance Disclosure Regulation), as well as IDD (Insurance Distribution Directive) and MiFID II (Markets in Financial Instruments Directive) Regulations. The training emphasised the main ESG risks, with a focus on greenwashing (completion rate 98.6%)*

Training for compliance population: we implemented MiFID II Investor protection training for our compliance teams. This covered all relevant aspects of ESG and how we can support investment advice, including how investment services impact the distribution of ESG products

*ESG training is not included in the number of Compliance training hours

In addition, we made key improvements in the Governance (G) pillar of ESG by implementing a new Global Vendor Registry (GVR) tool. This has enabled us to create a unique anti-corruption registry of third parties engaged by the Group and allowed us to automate anti-corruption due diligence within the decentralised process.

To support the Social pillar (S) of ESG, we updated our whistleblowing policies (Global Policy 511 and IR 741).
The changes enabled us to implement the regulatory changes introduced by the Directive (EU) 2019/1937, adopted in Italy by Legislative Decree 24/2023, which extended whistleblower protections to encourage people to report any violations.

28,233
hours of training group-wide in 2023 dedicated to "ESG in Financial Products Distribution"

30%
Increase in Compliance training hours

81%
Increase in Anti-Corruption training hours

Annexes

GRI Content Index

GRI Standard/ Other Source	Disclosure	Location And Notes	Omission
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	UniCredit SpA Piazza Gae Aulenti 3 – Tower A – 20154 Milano 2023 Integrated Report: 3 2023 Annual Reports and Accounts 2023 Report on Corporate Governance and Ownership Structure	
	2-2 Entities included in the organization's sustainability reporting	2023 Integrated Report: 2-3[A] 2023 Annual Reports and Accounts; Notes to the consolidated accounts – Part A – Accounting Policies; A.1 – General, Section 3 – Consolidation scope and methods.	
	2-3 Reporting period, frequency and contact point	2023 Integrated Report: 2-3 The frequency of this publication is set as annual, in accordance with the provisions of Legislative Decree 254/2016. For any information related to this Report you can write to groupsustainability@unicredit.eu. This document is also available on the ESG and Sustainability section of UniCredit Group website (www.unicreditgroup.eu).	
	2-4 Restatements of information	2023 Integrated Report: 2-3	
	2-5 External assurance	2023 Integrated Report: A.13-A.16	
	2-6 Activities, value chain and other business relationships	2023 Integrated Report: 24-25; 46-59; 107-123; 146-147; 152-155; S.69 2023 Annual Reports and Accounts	
	2-7 Employees	2023 Integrated Report: 35; 51; 54; S.69-S.73 The following types of employees do not apply to the Group: non-guaranteed hours employees, workers who are not employees and whose work is controlled by the organization.	
	2-8 Workers who are not employees	This type of employees does not apply to the Group.	
	2-9 Governance structure and composition	2023 Integrated Report: 152-159 2023 Report on Corporate Governance and Ownership Structure	
	2-10 Nomination and selection of the highest governance body	2023 Integrated Report: 152-159; S.50-S.52 2023 Report on Corporate Governance and Ownership Structure	
	2-11 Chair of the highest governance body	2023 Integrated Report: 152-159 2023 Report on Corporate Governance and Ownership Structure	
	2-12 Role of the highest governance body in overseeing the management of impacts	2023 Integrated Report: 26-43; 101-106; 152-159; 176-177; S.50-S.52; S.67-S.68	
	2-13 Delegation of responsibility for managing impacts	2023 Integrated Report: 152-159; S.50-S.52 2023 Report on Corporate Governance and Ownership Structure	
	2-14 Role of the highest governance body in sustainability reporting	2023 Integrated Report: 2-3; 152-159; 2023 Report on Corporate Governance and Ownership Structure	
	2-15 Conflicts of interest	2023 Integrated Report: S.60-S.66 2023 Report on Corporate Governance and Ownership Structure	
	2-16 Communication of critical concerns	2023 Integrated Report: 152-159; S.50-S.52; S.65-S.66 2023 Report on Corporate Governance and Ownership Structure	
	2-17 Collective knowledge of the highest governance body	2023 Integrated Report: 152-159	
	2-18 Evaluation of the performance of the highest governance body	2023 Integrated Report: S.52 2023 Report on Corporate Governance and Ownership Structure	

A. The following legal entities have been included in the reporting perimeter: UniCredit SpA, UniCredit Factoring SpA, UniCredit Leasing SpA, UniCredit Bank AG, UniCredit Direct Services GmbH, UniCredit Leasing GmbH, Wealthcap Kapitalverwaltungsgesellschaft mbH, UniCredit Bank Austria AG, Card Complete Service Bank AG, Schoellerbank Aktiengesellschaft, UniCredit Services GmbH, UniCredit Bank DD, UniCredit Bank ad Banja Luka, UniCredit Bulbank AD, UniCredit Consumer Financing EAD, UniCredit Leasing EAD, Zagrebačka Banka DD, UniCredit Leasing Croatia doo za Leasing, UniCredit Bank Czech Republic and Slovakia as, UniCredit Leasing CZ as, UniCredit Bank Hungary Zrt, UniCredit 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.

GRI Standard/ Other Source	Disclosure	Location And Notes	Omission
	2-19 Remuneration policies	2023 Integrated Report: 152-159 2023 Report on Corporate Governance and Ownership Structure 2024 Group Remuneration Policy and Report	
	2-20 Process to determine remuneration	2023 Integrated Report: S.52 2023 Report on Corporate Governance and Ownership Structure 2024 Group Remuneration Policy and Report	
	2-21 Annual total compensation ratio	The total compensation ratio of the CEO to the average Group employee is 115x as at December 2023[B]. The CEO's total compensation, the highest within the Group, is represented in accounting/cashflow view as per Consob tables and includes fixed and variable equity compensation at fair value. The average Group employee total compensation includes fixed and variable compensation and has been calculated considering annual gross salary for all employees (also for part-time employees). In 2023 the total annual compensation[C] for the organization's highest-paid individual (the CEO) increased by c.46% vs. 2022 in accounting/cashflow view as per Consob tables (the percentage increase is higher than the nominal compensation increase as it reflects the very substantial share appreciation of the equity fair-value component). The percentage increase in the total annual compensation[C] of the highest-paid individual (the CEO) was c.9.9 times the percentage increase in the total annual compensation of the average Group employee (i.e. c.5%).	
	2-22 Statement on sustainable development strategy	2023 Integrated Report: 4-5; 14-17	
	2-23 Policy commitments	2023 Integrated Report: 22-23; 47-53; 160-177; S.53	
	2-24 Embedding policy commitments	2023 Integrated Report: 152-159; 176-177; 180; S.53 The Code of Conduct clarifies that employees are expected to behave with honesty and integrity and to perform their duties with due skill, care and diligence; it also ensures that they remain aware of the potential internal and external disciplinary actions, legal actions and sanctions that may follow misconduct and unacceptable behaviour. In this respect the Internal Audit determines, within audit engagements included in the annual risk based audit plan, whether the Company's risk management, control and governance processes, as designed and implemented by Management, are adequate and functioning properly about, among others: employees' actions in compliance with policies, standards, procedures and applicable laws and regulations as well as about behaviors in line with Company's integrity policies and values contributing to prevent conduct and/or reputational risks.	
	2-25 Processes to remediate negative impacts	2023 Integrated Report: 20-21; 47-55; 138-147; S.53-S.66 UniCredit encourages the stakeholders to share their views and concerns, and work hard to respond quickly and accurately. For example clients can submit their complaints through several channels including email, 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.	
	2-26 Mechanisms for seeking advice and raising concerns	2023 Integrated Report: 86-97; S.61-S.62; S.65-S.66	

B. The total compensation ratio of the CEO's to the median Group employee, excluding Austria, calculated as gross salary and variable compensation, is 148x as at June 2023 (2023 CEO's total compensation at December 2023, as per Consob tables, equity fair value included).

C. 2023 CEO's total compensation as per Consob tables, equity fair value included.

GRI Standard/ Other Source	Disclosure	Location And Notes	Omission
	2-27 Compliance with laws and regulations	2023 Integrated Report: S.60-S.66 2023 Annual Reports and Accounts No relevant fines were imposed in 2023 for non-compliance with environmental laws or regulations.	
	2-28 Membership associations	2023 Integrated Report: S.46-S.49	
	2-29 Approach to stakeholder engagement	2023 Integrated Report: 26-43; 86-88; 102-106; S.67-S.68	
	2-30 Collective bargaining agreements	2023 Integrated Report: S.73	
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	2023 Integrated Report: 20-21; 26-43; 160-179; S.67-S.68	
	3-2 List of material topics	2023 Integrated Report: 26-43; S.67-S.68	
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 26-43; 89-90; 144-147; 160-179; S.67-S.68	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2023 Integrated Report: Determination and distribution of Value Added; S.1	
	201-2 Financial implications and other risks and opportunities due to climate change	2023 Integrated Report: 67-78; 160-176; S.53-S.59; UniCredit Group Disclosure (Pillar III) as at 31 December 2023	
	201-3 Defined benefit plan obligations and other retirement plans	2023 Integrated Report: S.75 2023 Annual Reports and Accounts	
Indirect economic impacts			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 19-21; 26-43; 100-125; S.67-S.68	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	2023 Integrated Report: 100-125	
	203-2 Significant indirect economic impacts	2023 Integrated Report: 100-125	
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 26-43; 180-181; S.53-S.59; S.61	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	2023 Integrated Report: S.60-S.61	
	205-2 Communication and training about anti-corruption policies and procedures	2023 Integrated Report: 181	

GRI Content Index

GRI Standard/ Other Source	Disclosure	Location And Notes	Omission
Anti-competitive behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 26-43; 180-181; S.67-S.68; S.63	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2023 Integrated Report: S.62-S.63 2023 Annual Reports and Accounts	
Tax			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 32; 43; S.38-S.45 2023 Annual Reports and Accounts 2022 Country by Country Reporting	
GRI 207: Tax 2019	207-1 Approach to tax	2023 Integrated Report: S.38-S.45	
	207-2 Tax governance, control, and risk management	2023 Integrated Report: S.38-S.45	
	207-3 Stakeholder engagement and management of concerns related to tax	2023 Integrated Report: S.38-S.45	
	207-4 Country-by-country reporting	2023 Integrated Report: S.42-S.43	
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 26-43; 138-147; S.67-S.68; S.83-S.85	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	2023 Integrated Report: S.84 In 2023, the total copy paper consumption amounted to 1,739,048 kg, out of which 73% is recycled.	
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 26-43; 138-147; S.67-S.68; S.83-S.85	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	2023 Integrated Report: S.84 In 2023, direct energy consumption amounted to roughly 231,585 GJ. The main fuels used were natural gas (97%), followed by diesel (about 2%) and crude oil and petroleum products (1%). Indirect energy consumption amounted to roughly 1,270,040 GJ of which district heating accounted for 11% and electricity for about 89%. Electricity consumption included self-produced energy from photovoltaic plants in Austria, Hungary, and Italy. Figures do not include energy consumption at leased assets for which we do not have operational control.	
	302-3 Energy intensity	2023 Integrated Report: S.84	
	302-4 Reduction of energy consumption	2023 Integrated Report: 146; S.84 Reduction of energy consumption (direct and indirect, as indicated above for GRI 302-1) vs. 2022 amounted to roughly 209,463 GJ. 2022 figures restated from those published in the 2022 Integrated Report. For more information refer to page S.84	
Water and effluents			
	303-3 Water withdrawal	2023 Integrated Report: S.84 In 2023, the total water withdrawal from public water mains or other water services providers amounted to roughly 1,220,259 m^3.	

GRI Standard/ Other Source	Disclosure	Location And Notes	Omission
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 26-43; 138-147; S.67-S.68; S.83-S.85	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	2023 Integrated Report: S.83 Gases included in the calculation: CO_2, CH_4, N_2O, HFCs; Sources for emission factors: – DEFRA, UK Government GHG Conversion Factors for Company Reporting (2023)[D], for stationary combustion, business travel and refrigerant gas leakages.	
	305-2 Energy indirect (Scope 2) GHG emissions	2023 Integrated Report: S.83 Gases included in the calculation: CO_2, CH_4, N_2O; Sources for emission factors: – DEFRA, UK Government GHG Conversion Factors for Company Reporting (2023)[D], for district heating – IEA (2023), 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), 2022 European Residual Mixes, V.1.0 (2023), for electricity consumption – Market Based method. AIB does not report emission factors for gases other than CO_2; Scope 2 Market-based emissions are therefore expressed in tons of CO_2; however, the percentage of methane and nitrous oxide has a negligible effect on total GHG emissions (CO_2 equivalent) as inferred from the relevant technical literature.	
	305-3 Other indirect (Scope 3) GHG emissions	2023 Integrated Report: S.83-S.84 Gases included in the calculation: CO_2, CH_4, N_2O; Sources of emission factors: – CEPI, CEPI statistics (2022), for copy paper use – DEFRA, UK Government GHG Conversion Factors for Company Reporting (2023)[D], for business travel and waste disposal; Sources of emission factors for energy consumption at leased assets not within operational control: – DEFRA, UK Government GHG Conversion Factors for Company Reporting (2023)[D], for stationary combustion and district heating consumption – Association of Issuing Bodies (AIB), 2023 European Residual Mixes, V.1.0 (2023), for electricity consumption – Market-Based method. AIB does not report emission factors for gases other than CO_2; Market-based emissions are therefore expressed in tons of CO_2; however, the percentage of methane and nitrous oxide has a negligible effect on total GHG emissions (CO_2 equivalent) as inferred from the relevant technical literature – IEA (2023), Emission Factors www.iea.org/statistics (all rights reserved; as modified by UniCredit S.p.A.) for electricity consumption where appropriate.	

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GRI Standard/ Other Source	Disclosure	Location And Notes	Omission
	305-4 GHG emissions intensity	2023 Integrated Report: S.83-S.84 In 2023, the Scope 1 emissions intensity amounted to roughly 0.37 tons of CO_2e per FTE; the Scope 2 emissions intensity (location based) amounted to roughly 1.43 tons of CO_2e per FTE; the Scope 2 emissions intensity (market-based) amounted to roughly 0.30 tons of CO_2e per FTE; the Scope 3 emissions intensity amounted to roughly 0.42 tons of CO_2e per FTE.	
	305-5 Reduction of GHG emissions	2023 Integrated Report: 138; S.83-S.84	
	305-6 Emissions of ozone-depleting substances (ODS)	GHG emissions resulting from refrigerant gas leakages have been calculated and included in Scope 1 emissions.	
	305-7 Nitrogen oxides (NO_x), sulfur oxides (SOx), and other significant air emissions	No other significant air emissions have been identified.	
Waste			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	2023 Integrated Report: 26-43; 138-147; S.67-S.68; S.83-S.85	
	306-2 Management of significant waste-related impacts	2023 Integrated Report: 138-147	
	306-3 Waste generated	2023 Integrated Report: S.84-S.85 In 2023, the total amount of waste produced was roughly 8,131,148 kg, out of which: – paper and cardboard: 3,049,730 kg (of which 0 kg of hazardous); – plastic: 115,959 kg (of which 0 kg hazardous); – glass: 18,114 kg (of which 0 kg hazardous); – toner: 37,984 kg (of which 313 kg hazardous); – electrical and electronic appliances: 68,840 kg (of which 34,720 kg hazardous); – batteries: 428 kg (of which 307 kg hazardous); – oils: 22,386 kg (of which 0 kg hazardous); – filter materials: 6,480 kg (of which 390 kg hazardous); – other waste: 4,811,226 kg (of which 100,873 kg hazardous).	
	306-4 Waste diverted from disposal	2023 Integrated Report: S.84-S.85 The 2023 data on waste management complies with the reporting requirements of GRI Disclosures 306-4, articles a, b, c. With regards to article d of the same disclosure, the differentiation between on-site and off-site waste management is not relevant with regard to the Group's activities (almost entirely off-site waste management). It should be noted that much of the waste is delivered on the basis of specific reuse agreements (e.g., paper). Furthermore, municipal waste is managed in accordance with local provisions.	
	306-5 Waste directed to disposal	2023 Integrated Report: S.84-S.85 The 2023 data on waste management complies with the reporting requirements of GRI Disclosures 306-5, articles a, b, c. With regards to article d of the same disclosure, the differentiation between on-site and off-site waste management is not relevant with regard to the Group's activities (almost entirely off-site waste management).	

GRI Standard/ Other Source	Disclosure	Location And Notes	Omission
Supplier environmental assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 26-43; 138-147; S.67-S.68	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	2023 Integrated Report: 143; 147 In UniCredit, 100% of centrally selected new suppliers are screened using socio-environmental criteria	
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 26-43; 86-97; S.67-S.69	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	2023 Integrated Report: 89 ; S.70-S.71	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	2023 Integrated Report: 51; 88	
Labor/management relations			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 26-43; 144-147; S.67-S.69	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	2023 Integrated Report: S.74	
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 26-43; S.67-S.69	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	2023 Integrated Report: S.76-S.77	
	403-2 Hazard identification, risk assessment, and incident investigation	2023 Integrated Report: S.76-S.77	
	403-3 Occupational health services	2023 Integrated Report: S.76	
	403-4 Worker participation, consultation, and communication on occupational health and safety	2023 Integrated Report: S.76	
	403-5 Worker training on occupational health and safety	2023 Integrated Report: S.76	
	403-6 Promotion of worker health	2023 Integrated Report: S.76	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2023 Integrated Report: S.76	
	403-9 Work-related injuries	2023 Integrated Report: S.77 The following type of employees do not apply to the Group: – workers who are not employees and whose work is controlled by the organization.	

GRI Standard/ Other Source	Disclosure	Location And Notes	Omission
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 26-43; 86-97; 157; S.67-S.69	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	2023 Integrated Report: S.73	
	404-2 Programs for upgrading employee skills and transition assistance programs	2023 Integrated Report: 89; S.76	
	404-3 Percentage of employees receiving regular performance and career development reviews	2023 Integrated Report: 89	
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 26-43; 86-97; S.67-S.69	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2023 Integrated Report: 158	
	405-2 Ratio of basic salary and remuneration of women to men	2023 Integrated Report: 97; S.72	
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 26-43; 86-97; S.67-S.69	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	2023 Integrated Report: Our global policies allow zero tolerance against harassment, sexual misconduct, bullying and acts of retaliation. Under these policies, in 2023 24 reports were received and investigated throughout the Group for which two disciplinary sanctions were taken.	

GRI Standard/ Other Source	Disclosure	Location And Notes	Omission
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: Stakeholder & Engagement (materiality analysis) 26-43; Business model, Social & relationship capital, 100-123	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	2023 Integrated Report: Stakeholder & Engagement, 26-27; Social & relationship capital, 100-123	
GRI-G4 Financial Services Sector Disclosures: Local communities	FS13 – Access points in low-populated or economically disadvantaged areas by type	2023 Integrated Report: S.82 S.82	
	FS14 – Initiatives to improve access to financial services for disadvantaged people	2023 Integrated Report: Social & relationship capital, 107-108	
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 26-43; 138-147; S.67-S.68	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	2023 Integrated Report: 143; 147 In UniCredit, 100% of centrally selected new suppliers are screened using socio-environmental criteria, including compliance with International Labor Organization (ILO) conventions	
Public policy			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: Stakeholder & Engagement (materiality analysis), 26-43; Business model, 18-19; Social & relationship capital, 102-106; S.67-S.68	
GRI 415: Public Policy 2016	415-1 Political contributions	2023 Integrated Report: Social & relationship capital, 102-106; S.60 'Political contributions in any tangible or intangible form are forbidden.'	
Customer Privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 26-43; S.60-S.66; S.67-S.68	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2023 Integrated Report: S.66 In 2023 UniCredit Italy received six complaints for privacy-related issues reported by the competent authorities. Nine cyber security incidents with data exposure were recorded. Out of these, one was caused by cyber-attack on third party and eight by ICT error/malfunctioning or operational exposure. ICT error/malfunctioning incidents were resolved by fixing the ICT issues, while cyber-attack on third party incident response was managed with the respective third party and impact on regulations was managed according to relevant policies and laws.	

GRI Standard/ Other Source	Disclosure	Location And Notes	Omission
Product portfolio			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: Stakeholder & Engagement (materiality analysis), 26-43; S.67-S.68	
GRI-G4 Financial Services Sector Disclosures: Product portfolio	FS6 – Portfolio for business lines	2023 Integrated Report: S.82 (customer distribution); 2023 Annual Reports and Accounts	
	FS7 – Monetary value of products and/or services designed to deliver a specific social benefit	2023 Integrated Report: Social and relationship capital, 109-111, 122-123	
	FS8 – Monetary value of products and/or services designed to deliver a specific environmental benefit	2023 Integrated Report: Strategy, 49-51; Natural capital chapter, 138-147	
Political and social changes			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 24-25; 27; 30-32; 39; 101-123; S.67-S.69	
Digitalisation and innovation			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 26-43; 126-135; S.67-S.69	
Lean and transparent organisation			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 18-19; 26-43; S.67-S.69	
Value to client			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Integrated Report: 26-43; 100-123; S.67-S.69 2023 Annual Reports and Accounts	

Making the connection with 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	413-1; 414-1
	Principle 2 – Business should make sure they are not complicit in human rights abuses	
Labour	Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	2-7; 2-30; 401-1; 401-2; 402-1; 404-1; 404-2; 404-3; 405-1; 405-2; 406-1
	Principle 4 – Businesses should uphold the elimination of all forms of forced and compulsory labour	
	Principle 5 – Businesses should uphold the effective abolition of child labour	
	Principle 6 – Businesses should uphold the elimination of discrimination in respect of employment and occupation	
Environment	Principle 7 – Businesses should support a precautionary approach to environmental challenges	2-27; 201-2; 301-1; 302-1; 302-3; 302-4; 303-3; 305-1; 305-2; 305-3; 305-4; 305-5; 305-6; 305-7; 306-3; 306-4; 306-5; 308-1
	Principle 8 – Businesses should undertake initiatives to promote greater environmental responsibility Principle 9 – Businesses should encourage the development and diffusion of environmentally friendly technologies	
Anti-corruption	Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery	2-23; 2-26; 205-1; 205-2

SASB indicators index – Commercial Banks sector[A]

Topic	Code	References
Data Security		
	FN-CB-230a.1	2023 Integrated Report – GRI Content Index page 190
	FN-CB-230a.2	2023 Integrated Report – Risk Management chapter page 195; Intellectual Capital chapter page 131
Financial Inclusion & Capacity Building		
	FN-CB-240a.1	2023 Integrated Report – Social and Relationship Capital chapter pages 107-123
	FN-CB-240a.4	2023 Integrated Report – Social and Relationship Capital chapter pages 108-109
	FN-CB-410a.1	Annual Reports and Accounts 2023 – Consolidated financial statements – Notes to the consolidated accounts: (i) Part B – Balance Sheet, Assets: – Section 2 – Financial assets at fair value through profit or loss – Item 20 – Tables 2.2-2.4-2.6; – Section 3 – Financial assets at fair value through other comprehensive income – Item 30 – Table 3.2; – Section 4 – Financial assets at amortised cost – Item 40 – Table 4.3. (ii) Part E – Information on risks and related hedging policies: – Section 2 – Risks of the prudential consolidated perimeter – 2.1 Credit risk – Quantitative information – Table B.1
	FN-CB-410a.2	2023 Integrated Report – Our Strategy chapter page 51 2023 Integrated Report – Risk Management chapter pages 160-178
Business Ethics		
	FN-CB-510a.1	2023 Integrated Report – Supplement Compliance chapter page S.63 Annual Reports and Accounts 2023 – Consolidated financial statements – Notes to the consolidated accounts – Part E – Information on risks and related hedging policies – Section 2 – Risks of the prudential consolidated perimeter – 2.5 Operational risks – B. Legal risks
	FN-CB-510a.2	2023 Integrated Report – Supplement Compliance chapter pages S.65-S.66
Systemic Risk Management		
	FN-CB-550a.1	UniCredit Group website link https://www.unicreditgroup.eu/en/investors/financial-reporting/financial-reports.html – (G-SIBs Disclosure) Latest available score in bp at www.bis.org/bcbs/gsib/
	FN-CB-550a.2	Annual Reports and Accounts 2023 – Consolidated financial statements – Notes to the consolidated accounts – Part E – Information on risks and related hedging policies – Section 2 – Risks of the prudential consolidated perimeter – 2.2 Market risk – Stress test, 2.4 Liquidity risk and 2.6 Other risks Pillar III – Credit Risk – Counterparty risk exposure – Stress testing – https://www.unicreditgroup.eu/en/investors/financial-reporting/pillar-3-disclosures.html Description of new methodologies of climate risk management in TCFD report (https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/sustainability-reports/2022/UC_TCFD_TOT_2022_ENG.pdf)

A. These indicators were taken into account where applicable. The limited audit did not cover the application of the instructions provided by the Sustainability Accounting Standards Board (SASB).

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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

To the board of directors of
UniCredit S.p.A.

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "Decree") and article 5.1.g) of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2023 consolidated non-financial statement of the UniCredit Group (the "Group"), which is included in the integrated report drawn up, also to comply with the requirements of articles 3 and 4 of the Decree (the "Integrated Report"), prepared in accordance with article 4 of the Decree and approved by the board of directors on 29 February 2024 (the "NFS").

Our procedures did not cover the information set out in the "*EU taxonomy regulation*" section of the Supplement to the Integrated Report required by article 8 of Regulation (EU) 852 of 18 June 2020.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of UniCredit S.p.A. (the "Parent") for the NFS

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the Decree and the Group's business and characteristics, to the extent necessary to enable an understanding of the Group's business, performance, results and the impacts it generates.

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The directors’ responsibility also includes the design of an internal model for the management and organisation of the Group’s activities, as well as, with reference to the aspects identified and disclosed in the NFS, the Group’s policies and the identification and management of the risks generated or borne.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the Decree’s provisions.

Auditors’ independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards, the IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. During the year covered by this report, our company applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors’ responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the Decree and the GRI Standards. We carried out our work in accordance with the criteria established by “International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information” (“ISAE 3000 revised”), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the bank’s personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

1. Analysing the material aspects based on the Group’s business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the Decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the Decree.
3. Comparing the financial disclosures presented in the NFS with those included in the Group’s consolidated financial statements.

4. Gaining an understanding of the following:
   - the Group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the Decree;
   - the entity's policies in connection with the aspects set out in article 3 of the Decree, the achieved results and the related key performance indicators;
   - the main risks generated or borne in connection with the aspects set out in article 3 of the Decree.

   Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).

5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

   Specifically, we held interviews and discussions with the management personnel of the Parent, UniCredit S.p.A., and personnel of UniCredit Factoring S.p.A., UniCredit Leasing S.p.A., UniCredit Bank AG, UniCredit Bank Austria AG, UniCredit Bank Czech Republic and Slovakia, A.S., Zagrebacka Banka D.D., UniCredit Bulbank AD, UniCredit Bank Hungary Zrt and UniCredit Bank S.A.. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

   Furthermore, with respect to significant information, considering the Group's business and characteristics:
   - at Group and subsidiaries level:
     a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence,
     b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
   - we held videoconferences with the management of UniCredit S.p.A., UniCredit Factoring S.p.A., UniCredit Leasing S.p.A., UniCredit Bank AG, UniCredit Bank Austria AG, UniCredit Bank Czech Republic and Slovakia, A.S., Zagrebacka Banka D.D., UniCredit Bulbank AD, UniCredit Bank Hungary Zrt and UniCredit Bank S.A., which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2023 consolidated non-financial statement of the UniCredit Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.

Our conclusion does not extend to the information set out in the "*EU taxonomy regulation*" section of the Supplement to the Integrated Report required by article 8 of Regulation (EU) 852 of 18 June 2020.

Milan, 11 March 2024

KPMG S.p.A.

(signed on the original)

Domenico Donato
Director of Audit

Supplement

Determination and distribution of Value Added

Items		2023 €/m	2022 €/m
10	Interest income and similar revenues	33,919	16,339
20	Interest expense and similar charges	-19,571	-5,715
40	Fees and commissions income	8,247	8,105
50	Fees and commissions expense (excluded external networks' expense)	-1,595	-1,375
70	Dividend income and similar revenues	305	437
80	Net gains (losses) on trading	2,264	859
90	Net gains (losses) on hedge accounting	-201	367
100	Gains (Losses) on disposal and repurchase of:	410	457
	a) financial assets at amortised cost	199	133
	b) financial assets at fair value through other comprehensive income	145	133
	c) financial liabilities	66	191
110	Net gains (losses) on other financial assets/liabilities at fair value through profit or loss:	-502	563
	a) financial assets/liabilities designated at fair value	-735	1,139
	b) other financial assets mandatorily at fair value	233	-576
130	Net losses/recoveries on credit impairment relating to:	-663	-2,061
	a) financial assets at amortised cost	-661	-2,031
	b) financial assets at fair value through other comprehensive income	-2	-30
140	Gains/Losses from contractual charges with no cancellations	-13	-3
160	Net premiums	0	0
170	Other net insurance income/expenses	0	0
230	Other operating expenses/income	972	601
250	Gains (Losses) of equity investments (gains or losses on disposal)	-12	202
280	Gains (Losses) on disposal of investments	11	33
320	Profit (Loss) after tax from discontinued operations	0	3
	A. TOTAL ECONOMIC VALUE GENERATED	**23,571**	**18,812**
190	b) other administrative expense (excluded indirect taxes and duties and donations)	-2,529	-2,492
	ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS	**-2,529**	**-2,492**
190	a) staff expense (included external networks' expense)	-6,925	-6,251
	ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES AND SUPERVISED WORKERS[A]	**-6,925**	**-6,251**
340	Minority interests	-27	-15
	ECONOMIC VALUE ATTRIBUTABLE TO MINORITY SHAREHOLDERS	**0**	**-15**
	Net profit attributable to shareholders[B]	0	0
	ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS	**-666**	**0**
190	b) other administrative expense: indirect taxes and duties	-666	-596
190	b) other administrative expense: contributions to resolution funds and deposit guarantee	-829	-1,005
300	Tax expense (income) related to profit or loss from continuing operations: current tax, adjustment to current tax of prior years, reduction of current tax for the year	-1,023	-1,079
	ECONOMIC VALUE DISTRIBUTED TO PUBLIC BODIES & INSTITUTIONS	**-2,518**	**-2,680**
190	b) other administrative expense: donations	-1	-1
	Net profit allocated to the charitable funds	0	0
	ECONOMIC VALUE DISTRIBUTED TO COMMUNITY	**-1**	**-1**
	B. TOTAL ECONOMIC VALUE DISTRIBUTED	**-12,000**	**-11,439**
	C. TOTAL ECONOMIC VALUE RETAINED	**-11,571**	**-7,373**

A. The economic value distributed to employees and supervised workers excluded expenses for financial advisors.
B. For the proposals to the Shareholders' Meeting on the distribution to shareholders please refer to the specific Board of Directors' reports in relation.

EU Taxonomy Regulation

The following tables display the disclosure obligations under Article 8 of the Disclosures Delegated Act supplementing the EU Taxonomy Regulation (2020/852), which requires financial companies to report eligibility and alignment's key performance indicators (KPIs), for calendar year 2023.

In particular, actual data provided by counterparties is necessary to assess our Taxonomy-related KPIs, such as eligibility and alignment, for financial and non-financial undertakings. The collection of non-financial disclosures (NFDs) was done with the support of an external provider. The resulting **green asset ratio (GAR) – turnover based is 1.16% of total GAR assets (€551 billion)** and is mainly explained by exposures contributing to the climate change mitigation objective. However, limited data availability has been a constraint in this year's disclosure, which reduced the percentage of alignment and did not make it representative of the overall effort toward the green transition.

Our calculation approach:

- We have provided no disclosure related to four environmental objectives (water and marine resources, circular economy, pollution, and biodiversity and ecosystems), considering that no actual information directly published by counterparties is available
- For financial corporations, alignment is not reported, considering that financial corporations are only required to report on eligibility
- For counterparties that did not report the CCM and CCA breakdown in their mandatory non-financial disclosure, it has been not possible to report values under the respective columns (CCM and/or CCA). In that case, we have included the KPIs in the sum column ('TOTAL CCM + CCA')
- Households and local governments: for eligibility KPIs, we considered the entire portfolio of mortgage loans, with assets subject to energy efficiency rules. For alignment KPIs on the households' portfolio, we focused on the "Acquisition" perimeter under Delegated Regulation 2021/2139 (excluding the "Renovation" perimeter under Delegated Regulation 2021/2139, and "Motor vehicles" due to a lack of specific information related to the identification of "green loans"). For this portfolio, we identified the share of "green loans", applying the criteria of the aforementioned Regulation
- Off-balance sheet exposures: we have only included NFRD undertakings, excluding exposures to central governments, central banks, and supranational issuers. We have reported on a restricted perimeter since, especially for Asset Under Management, data availability is still low. Indeed, the Asset Under Management perimeter only includes segregated accounts, collective investment funds, insurance products, and assets under advisory. Furthermore, reporting of flow for Assets Under Management is not available.

EU Taxonomy Regulation Tables

In the following tables representation, the columns have been spilt to improve legibility and improve alignment against our accessibility criteria. To address this needs, the header columns and rows have been repeated for easier comprehension.

Annex VI – Template for the KPIs of credit institutions

Template 0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

Main KPI	Total environmentally sustainable assets (€m)	KPI Turnover Based	KPI Capex Based	Coverage over total assets	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Green Assets Ratio (GAR) stock	5,862	1.16%	1.78%	69.27%	43.77%	30.73%

Additional KPI	Total environmentally sustainable activities (€m)	KPI Turnover Based	KPI Capex Based	Coverage over total assets	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Summary of KPI - GAR Flow*	1,168	1.00%	1.81%	5.09%	NA	NA
Summary of KPI - Trading book						
Summary of KPI - Financial Guarantees	93	5.59%	14.86%			
Summary of KPI - Assets Under Management	342	3.54%	8.03%			
Summary of KPI - Fees and commissions income						

* The KPIs are calculated based on the total gross carrying amount of new business.

Template 1 Assets for the calculation of GAR - Turnover based (€m) 31/12/2023

		Total gross carrying amount (€m)	Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator						
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	171,208	99,377	5,811		3,617	1,358
2	**Financial undertaking**	37,835					
3	**Credit institutions**	21,098					
4	Loans and advances	13,175					
5	Debt securities, including UoP	7,462					
6	Equity instruments	462					
7	**Other Financial corporation**	16,737					
8	**Of which investment firms**	201					
9	Loans and advances	0					
10	Debt securities, including UoP	201					
11	Equity instruments						
12	**Of which management companies**	422					
13	Loans and advances	5					
14	Debt securities, including UoP						
15	Equity instruments	417					
16	**Of which insurance undertakings**	591					
17	Loans and advances	170					
18	Debt securities, including UoP	56					
19	Equity instruments	364					
20	**Non-Financial undertakings**	33,523	8,674	2,491		297	1,358
21	Loans and advances	30,851	8,279	2,332		290	1,300
22	Debt securities, including UoP	2,538	389	158		8	57
23	Equity instruments	134	6	2		0	0
24	**Households**	91,851	90,609	3,317		3,317	
25	Of which loans collateralised by residential immovable property	90,971	89,728	3,317		3,317	
26	Of which building renovation loans	231	231				
27	Of which motor vehicle loans	649	649				
28	**Local governments financing**	7,999	94	3		3	
29	Housing financing	14	3				
30	Other local government financing	7,985	91	3		3	

Template 1 Assets for the calculation of GAR - Turnover based (€m) (continued) 31/12/2023

		Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	32	32			105,499	6,377		3,617	1,358
2	**Financial undertaking**					4,868				
3	**Credit institutions**					4,662				
4	Loans and advances					3,030				
5	Debt securities, including UoP					1,529				
6	Equity instruments					103				
7	**Other Financial corporation**					207				
8	**Of which investment firms**					0				
9	Loans and advances					0				
10	Debt securities, including UoP									
11	Equity instruments									
12	**Of which management companies**					1				
13	Loans and advances					1				
14	Debt securities, including UoP									
15	Equity instruments					0				
16	**Of which insurance undertakings**					94				
17	Loans and advances					18				
18	Debt securities, including UoP					11				
19	Equity instruments					66				
20	**Non-Financial undertakings**	32	32			9,928	3,058		297	1,358
21	Loans and advances	32	32			9,400	2,794		290	1,300
22	Debt securities, including UoP					522	262		8	57
23	Equity instruments	0				6	2		0	0
24	**Households**					90,609	3,317		3,317	
25	Of which loans collateralised by residential immovable property					89,728	3,317		3,317	
26	Of which building renovation loans					231				
27	Of which motor vehicle loans					649				
28	**Local governments financing**					94	3		3	
29	Housing financing					3				
30	Other local government financing					91	3		3	

Template 1 Assets for the calculation of GAR - Turnover based (€m) (continued) 31/12/2023

	Total gross carrying amount (€m)	Climate Change Mitigation (CCM)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
31 Collateral obtained by taking possession: residential and commercial immovable properties	384	363	19		19	
32 **Assets excluded from the numerator for GAR calculation (covered in the denominator)**						
33 **Financial and Non-Financial undertaking**	291,099					
34 **SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations**	191,765					
35 **Loans and advances**	190,119					
36 of which loans collateralised by commercial immovable property	50,235					
37 of which building renovation loans						
38 Debt securities	1,395					
39 Equity instruments	251					
40 **Non-EU country counterparties not subject to NFRD disclosure obligations**	5,201					
41 Loans and advances	5,198					
42 Debt securities	2					
43 Equity instruments	1					
44 **Derivatives**	1,925					
45 **On demand interbank loans**	6,996					
46 **Cash and cash-related assets**	3,477					
47 **Other categories of assets (e.g. Goodwill, commodities etc.)**	76,240					
48 **TOTAL GAR ASSETS**	551,328	99,740	5,830		3,636	1,358
49 **Assets not covered for GAR calculation**	244,641					
50 **Central governments and supranational issuers**	119,861					
51 **Central banks exposure**	67,506					
52 **Trading book**	57,274					
53 **Total assets**	795,969					
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations						
54 **Financial guarantees**	1,658	199	92		2	51
55 **Assets under management**	9,650	1,036	342		2	249
56 Of which debt securities	272	39	7		0	4
57 Of which equity instruments	9,377	997	335		2	245

Template 1 Assets for the calculation of GAR - Turnover based (€m) (continued) 31/12/2023

	Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
31 Collateral obtained by taking possession: residential and commercial immovable properties					363	19		19	
32 **Assets excluded from the numerator for GAR calculation (covered in the denominator)**									
33 **Financial and Non-Financial undertaking**									
34 **SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations**									
35 **Loans and advances**									
36 of which loans collateralised by commercial immovable property									
37 of which building renovation loans									
38 Debt securities									
39 Equity instruments									
40 **Non-EU country counterparties not subject to NFRD disclosure obligations**									
41 Loans and advances									
42 Debt securities									
43 Equity instruments									
44 **Derivatives**									
45 **On demand interbank loans**									
46 **Cash and cash-related assets**									
47 **Other categories of assets (e.g. Goodwill, commodities etc.)**									
48 **TOTAL GAR ASSETS**	32	32			105,862	6,396		3,636	1,358
49 **Assets not covered for GAR calculation**									
50 **Central governments and supranational issuers**									
51 **Central banks exposure**									
52 **Trading book**									
53 **Total assets**									
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations									
54 **Financial guarantees**	1	1			221	95		3	57
55 **Assets under management**	0	0			1,389	342		2	249
56 Of which debt securities					40	7		0	4
57 Of which equity instruments	0	0			1,348	335		2	245

Template 1 Assets for the calculation of GAR – Capex based (€m) 31/12/2023

		Total gross carrying amount (€m)	Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator						
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	171,208	102,895	8,819		3,532	2,601
2	**Financial undertaking**	37,835					
3	**Credit institutions**	21,098					
4	Loans and advances	13,175					
5	Debt securities, including UoP	7,462					
6	Equity instruments	462					
7	**Other Financial corporation**	16,737					
8	**Of which investment firms**	201					
9	Loans and advances	0					
10	Debt securities, including UoP	201					
11	Equity instruments						
12	**Of which management companies**	422					
13	Loans and advances	5					
14	Debt securities, including UoP						
15	Equity instruments	417					
16	**Of which insurance undertakings**	591					
17	Loans and advances	170					
18	Debt securities, including UoP	56					
19	Equity instruments	364					
20	**Non-Financial undertakings**	33,523	12,192	5,499		212	2,601
21	Loans and advances	30,851	11,341	4,956		203	2,486
22	Debt securities, including UoP	2,538	779	490		9	116
23	Equity instruments	134	73	53		0	0
24	**Households**	91,851	90,609	3,317		3,317	
25	Of which loans collateralised by residential immovable property	90,971	89,728	3,317		3,317	
26	Of which building renovation loans	231	231				
27	Of which motor vehicle loans	649	649				
28	**Local governments financing**	7,999	94	3		3	
29	Housing financing	14	3				
30	Other local government financing	7,985	91	3		3	

Template 1 Assets for the calculation of GAR – Capex based (€m) (continued) 31/12/2023

		Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	120	88		0	108,084	9,806		3,532	2,601
2	**Financial undertaking**					2,994				
3	**Credit institutions**					2,814				
4	Loans and advances					2,016				
5	Debt securities, including UoP					746				
6	Equity instruments					52				
7	**Other Financial corporation**					180				
8	**Of which investment firms**									
9	Loans and advances									
10	Debt securities, including UoP									
11	Equity instruments									
12	**Of which management companies**					1				
13	Loans and advances					1				
14	Debt securities, including UoP									
15	Equity instruments					0				
16	**Of which insurance undertakings**					93				
17	Loans and advances					18				
18	Debt securities, including UoP					10				
19	Equity instruments					65				
20	**Non-Financial undertakings**	120	88		0	14,387	6,486		212	2,601
21	Loans and advances	118	86		0	13,242	5,770		203	2,486
22	Debt securities, including UoP					1,069	661		9	116
23	Equity instruments	2	2			75	55		0	0
24	**Households**					90,609	3,317		3,317	
25	Of which loans collateralised by residential immovable property					89,728	3,317		3,317	
26	Of which building renovation loans					231				
27	Of which motor vehicle loans					649				
28	**Local governments financing**					94	3		3	
29	Housing financing					3				
30	Other local government financing					91	3		3	

Template 1 Assets for the calculation of GAR – Capex based (€m) (continued) 31/12/2023

	Total gross carrying amount (€m)	Climate Change Mitigation (CCM)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
31 Collateral obtained by taking possession: residential and commercial immovable properties	384	363	19		19	
32 **Assets excluded from the numerator for GAR calculation (covered in the denominator)**						
33 **Financial and Non-Financial undertaking**	291,099					
34 **SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations**	191,765					
35 **Loans and advances**	190,119					
36 of which loans collateralised by commercial immovable property	50,235					
37 of which building renovation loans						
38 Debt securities	1,395					
39 Equity instruments	251					
40 **Non-EU country counterparties not subject to NFRD disclosure obligations**	5,201					
41 Loans and advances	5,198					
42 Debt securities	2					
43 Equity instruments	1					
44 **Derivatives**	1,925					
45 **On demand interbank loans**	6,996					
46 **Cash and cash-related assets**	3,477					
47 **Other categories of assets (e.g. Goodwill, commodities etc.)**	76,240					
48 **TOTAL GAR ASSETS**	551,328	103,258	8,837		3,551	2,601
49 **Assets not covered for GAR calculation**	244,641					
50 **Central governments and supranational issuers**	119,861					
51 **Central banks exposure**	67,506					
52 **Trading book**	57,274					
53 **Total assets**	795,969					
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations						
54 **Financial guarantees**	1,658	414	246		2	97
55 **Assets under management**	9,650	1,498	759		7	410
56 Of which debt securities	272	47	18		0	13
57 Of which equity instruments	9,377	1,450	740		7	397

Template 1 Assets for the calculation of GAR – Capex based (€m) (continued) 31/12/2023

		Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
31	Collateral obtained by taking possession: residential and commercial immovable properties					363	19		19	
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**									
33	**Financial and Non-Financial undertaking**									
34	**SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations**									
35	**Loans and advances**									
36	of which loans collateralised by commercial immovable property									
37	of which building renovation loans									
38	Debt securities									
39	Equity instruments									
40	**Non-EU country counterparties not subject to NFRD disclosure obligations**									
41	Loans and advances									
42	Debt securities									
43	Equity instruments									
44	**Derivatives**									
45	**On demand interbank loans**									
46	**Cash and cash-related assets**									
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**									
48	**TOTAL GAR ASSETS**	120	88		0	108,447	9,825		3,551	2,601
49	**Assets not covered for GAR calculation**									
50	**Central governments and supranational issuers**									
51	**Central banks exposure**									
52	**Trading book**									
53	**Total assets**									
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations									
54	**Financial guarantees**	1	1			445	248		4	101
55	**Assets under management**	16	16		0	1,932	775		7	410
56	Of which debt securities	3	3			54	22		0	13
57	Of which equity instruments	13	13		0	1,878	753		7	397

Template 2 GAR sector information – Turnover based (€m) 31/12/2023

Breakdown by sector – NACE 4 digits level (code and label)		Climate Change Mitigation (CCM) Non-Financial corporates (Subject to NFRD) Gross carrying amount (€m)		Climate Change Adaptation (CCA) Non-Financial corporates (Subject to NFRD) Gross carrying amount (€m)		TOTAL (CCM + CCA)* Non-Financial corporates (Subject to NFRD) Gross carrying amount (€m)	
			Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCM + CCA)
A2.10	Silviculture and other forestry activities	0	0	0	0	0	0
C16.10	Sawmilling and planing of wood	0	0	0	0	0	0
C20.11	Manufacture of industrial gases	0	0	0	0	0	0
C20.14	Manufacture of other organic basic chemicals	8	0	0	0	8	0
C20.15	Manufacture of fertilisers and nitrogen compounds	0	0	0	0	0	0
C20.16	Manufacture of plastics in primary forms	3	0	0	0	3	0
C22.11	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	1	0	0	0	1	0
C22.19	Manufacture of other rubber products	0	0	0	0	0	0
C22.21	Manufacture of plastic plates, sheets, tubes and profiles	0	0	0	0	0	0
C22.23	Manufacture of builders ware of plastic	0	0	0	0	0	0
C22.29	Manufacture of other plastic products	6	5	7	7	7	7
C23.20	Manufacture of refractory products	0	0	0	0	0	0
C23.31	Manufacture of ceramic tiles and flags	0	0	0	0	0	0
C23.32	Manufacture of bricks, tiles and construction products, in baked clay	0	0	0	0	0	0
C23.51	Manufacture of cement	94	6	0	0	94	6
C23.61	Manufacture of concrete products for construction purposes	0	0	0	0	0	0
C23.63	Manufacture of ready-mixed concrete	0	0	0	0	0	0
C23.69	Manufacture of other articles of concrete, plaster and cement	0	0	0	0	0	0
C23.70	Cutting, shaping and finishing of stone	0	0	0	0	0	0
C23.99	Manufacture of other non-metallic mineral products n.e.c.	4	1	0	0	4	1
C24.10	Manufacture of basic iron and steel and of ferro-alloys	64	29	0	0	64	29
C24.20	Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	5	1	0	0	5	1
C24.42	Aluminium production	29	0	0	0	29	0

* The sum of the values in this column is not comparable with the total of the NFC disclosed in Template 1 Assets for the calculation of GAR. This is because the latter includes not only the sum of CCM and CCA, but also the KPIs for the counterparties that have not provided a distinction between CCM and CCA in their disclosure.

Template 2 GAR sector information – Turnover based (€m) (continued) 31/12/2023

Breakdown by sector – NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)*	
		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
		Gross carrying amount (€m)		Gross carrying amount (€m)		Gross carrying amount (€m)	
			Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCM + CCA)
C25.11	Manufacture of metal structures and parts of structures	3	0	0	0	3	0
C25.12	Manufacture of doors and windows of metal	12	0	0	0	12	0
C25.50	Forging, pressing, stamping and roll-forming of metal; powder metallurgy	7	3	0	0	7	3
C25.61	Treatment and coating of metals	0	0	0	0	0	0
C25.62	Machining	1	0	0	0	1	0
C25.71	Manufacture of cutlery	0	0	0	0	0	0
C25.93	Manufacture of wire products, chain and springs	0	0	0	0	0	0
C25.99	Manufacture of other fabricated metal products n.e.c.	0	0	0	0	0	0
C26.11	Manufacture of electronic components	59	25	0	0	59	25
C26.12	Manufacture of loaded electronic boards	1	0	0	0	1	0
C26.30	Manufacture of communication equipment	3	0	0	0	3	0
C26.40	Manufacture of consumer electronics	0	0	0	0	0	0
C26.51	Manufacture of instruments and appliances for measuring, testing and navigation	6	0	0	0	6	0
C27.11	Manufacture of electric motors, generators and transformers	11	8	0	0	11	8
C27.12	Manufacture of electricity distribution and control apparatus	0	0	0	0	0	0
C27.20	Manufacture of batteries and accumulators	3	3	4	4	4	4
C27.32	Manufacture of other electronic and electric wires and cables	4	1	0	0	4	1
C27.40	Manufacture of electric lighting equipment	0	0	0	0	0	0
C27.51	Manufacture of electric domestic appliances	8	1	0	0	8	1
C27.90	Manufacture of other electrical equipment	40	24	0	0	40	24
C28.11	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	48	7	0	0	48	7
C28.12	Manufacture of fluid power equipment	0	0	0	0	0	0

* The sum of the values in this column is not comparable with the total of the NFC disclosed in Template 1 Assets for the calculation of GAR. This is because the latter includes not only the sum of CCM and CCA, but also the KPIs for the counterparties that have not provided a distinction between CCM and CCA in their disclosure.

Template 2 GAR sector information – Turnover based (€m) (continued) 31/12/2023

Breakdown by sector – NACE 4 digits level (code and label)	Climate Change Mitigation (CCM) Non-Financial corporates (Subject to NFRD) Gross carrying amount (€m)	Of which environmentally sustainable (CCM)	Climate Change Adaptation (CCA) Non-Financial corporates (Subject to NFRD) Gross carrying amount (€m)	Of which environmentally sustainable (CCA)	TOTAL (CCM + CCA)* Non-Financial corporates (Subject to NFRD) Gross carrying amount (€m)	Of which environmentally sustainable (CCM + CCA)
C28.13 Manufacture of other pumps and compressors	2	0	0	0	2	0
C28.14 Manufacture of other taps and valves	5	1	0	0	5	1
C28.15 Manufacture of bearings, gears, gearing and driving elements	2	1	0	0	2	1
C28.22 Manufacture of lifting and handling equipment	2	2	0	0	2	2
C28.24 Manufacture of power-driven hand tools	4	0	0	0	4	0
C28.25 Manufacture of non-domestic cooling and ventilation equipment	21	0	0	0	21	0
C28.29 Manufacture of other general-purpose machinery n.e.c.	0	0	0	0	0	0
C28.30 Manufacture of agricultural and forestry machinery	0	0	0	0	0	0
C28.49 Manufacture of other machine tools	0	0	0	0	0	0
C28.92 Manufacture of machinery for mining, quarrying and construction	1	0	0	0	1	0
C28.93 Manufacture of machinery for food, beverage and tobacco processing	19	3	0	0	19	3
C28.96 Manufacture of plastics and rubber machinery	0	0	0	0	0	0
C28.99 Manufacture of other special-purpose machinery n.e.c.	49	7	0	0	49	7
C29.10 Manufacture of motor vehicles	824	85	0	0	824	85
C30.11 Building of ships and floating structures	202	26	0	0	202	26
C30.12 Building of pleasure and sporting boats	24	0	0	0	24	0
C30.20 Manufacture of railway locomotives and rolling stock	10	8	0	0	10	8
C30.91 Manufacture of motorcycles	41	4	0	0	41	4
C33.12 Repair of machinery	0	0	0	0	0	0
C33.15 Repair and maintenance of ships and boats	0	0	0	0	0	0
C33.17 Repair and maintenance of other transport equipment	144	85	0	0	144	85
D35.11 Production of electricity	661	473	0	0	661	473
D35.12 Transmission of electricity	144	141	0	0	144	141
D35.13 Distribution of electricity	149	118	0	0	149	118

* The sum of the values in this column is not comparable with the total of the NFC disclosed in Template 1 Assets for the calculation of GAR. This is because the latter includes not only the sum of CCM and CCA, but also the KPIs for the counterparties that have not provided a distinction between CCM and CCA in their disclosure.

Template 2 GAR sector information – Turnover based (€m) (continued) 31/12/2023

Breakdown by sector – NACE 4 digits level (code and label)		Climate Change Mitigation (CCM) Non-Financial corporates (Subject to NFRD) Gross carrying amount (€m)	Of which environmentally sustainable (CCM)	Climate Change Adaptation (CCA) Non-Financial corporates (Subject to NFRD) Gross carrying amount (€m)	Of which environmentally sustainable (CCA)	TOTAL (CCM + CCA)* Non-Financial corporates (Subject to NFRD) Gross carrying amount (€m)	Of which environmentally sustainable (CCM + CCA)
D35.21	Manufacture of gas	10	1	0	0	10	1
D35.22	Distribution of gaseous fuels through mains	77	64	0	0	77	64
D35.30	Steam and air conditioning supply	1	1	0	0	1	1
E36.00	Water collection, treatment and supply	48	28	0	0	48	28
E37.00	Sewerage	0	0	0	0	0	0
E38.11	Collection of non-hazardous waste	34	1	0	0	34	1
E38.21	Treatment and disposal of non-hazardous waste	14	6	0	0	14	6
E38.32	Recovery of sorted materials	1	1	0	0	1	1
E39.00	Remediation activities and other waste management services	0	0	0	0	0	0
F41.10	Development of building projects	23	13	0	0	23	13
F41.20	Construction of residential and non-residential buildings	174	1	0	0	174	1
F42.11	Construction of roads and motorways	68	29	0	0	68	29
F42.12	Construction of railways and underground railways	37	11	0	0	37	11
F42.13	Construction of bridges and tunnels	0	0	0	0	0	0
F42.21	Construction of utility projects for fluids	2	0	0	0	2	0
F42.22	Construction of utility projects for electricity and telecommunications	186	25	0	0	186	25
F42.91	Construction of water projects	0	0	0	0	0	0
F42.99	Construction of other civil engineering projects n.e.c.	0	0	0	0	0	0
F43.13	Test drilling and boring	1	0	0	0	1	0
F43.21	Electrical installation	1	1	0	0	1	1
F43.22	Plumbing, heat and air-conditioning installation	0	0	0	0	0	0
F43.29	Other construction installation	2	0	0	0	2	0
F43.91	Roofing activities	0	0	0	0	0	0
F43.99	Other specialised construction activities n.e.c.	2	0	0	0	2	0
H49.10	Passenger rail transport, interurban	14	0	0	0	14	0
H49.20	Freight rail transport	190	140	0	0	190	140

* The sum of the values in this column is not comparable with the total of the NFC disclosed in Template 1 Assets for the calculation of GAR. This is because the latter includes not only the sum of CCM and CCA, but also the KPIs for the counterparties that have not provided a distinction between CCM and CCA in their disclosure.

Template 2 GAR sector information – Turnover based (€m) (continued) 31/12/2023

Breakdown by sector – NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)*	
		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
		Gross carrying amount (€m)		Gross carrying amount (€m)		Gross carrying amount (€m)	
			Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCM + CCA)
H49.31	Urban and suburban passenger land transport	71	57	0	0	71	57
H49.41	Freight transport by road	1	0	0	0	1	0
H49.50	Transport via pipeline	0	0	0	0	0	0
H50.10	Sea and coastal passenger water transport	7	1	0	0	7	1
H50.20	Sea and coastal freight water transport	51	0	0	0	51	0
H52.21	Service activities incidental to land transportation	105	57	0	0	105	57
H52.22	Service activities incidental to water transportation	0	0	0	0	0	0
H53.10	Postal activities under universal service obligation	33	0	0	0	33	0
H53.20	Other postal and courier activities	30	0	0	0	30	0
J61.10	Wired telecommunications activities	31	1	0	0	31	1
J61.20	Wireless telecommunications activities	4	1	0	0	4	1
J61.90	Other telecommunications activities	33	2	0	0	33	2
J62.01	Computer programming activities	2	0	0	0	2	0
J62.02	Computer consultancy activities	12	6	0	0	12	6
J62.03	Computer facilities management activities	0	0	0	0	0	0
J62.09	Other information technology and computer service activities	1	0	0	0	1	0
J63.11	Data processing, hosting and related activities	1	0	0	0	1	0
L68.10	Buying and selling of own real estate	181	8	0	0	181	8

* The sum of the values in this column is not comparable with the total of the NFC disclosed in Template 1 Assets for the calculation of GAR. This is because the latter includes not only the sum of CCM and CCA, but also the KPIs for the counterparties that have not provided a distinction between CCM and CCA in their disclosure.

Template 2 GAR sector information – Turnover based (€m) (continued) 31/12/2023

Breakdown by sector – NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)*	
		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
		Gross carrying amount (€m)		Gross carrying amount (€m)		Gross carrying amount (€m)	
			Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCM + CCA)
L68.20	Rental and operating of own or leased real estate	1,729	212	14	14	1,729	212
L68.32	Management of real estate on a fee or contract basis	103	16	0	0	103	16
M71.11	Architectural activities	0	0	0	0	0	0
M71.12	Engineering activities and related technical consultancy	1	0	0	0	1	0
M71.20	Technical testing and analysis	0	0	0	0	0	0
M72.11	Research and experimental development on biotechnology	0	0	0	0	0	0
M72.19	Other research and experimental development on natural sciences and engineering	5	4	0	0	5	4
N77.11	Rental and leasing of cars and light motor vehicles	52	2	0	0	52	2
N77.39	Rental and leasing of other machinery, equipment and tangible goods n.e.c.	272	28	0	0	272	28
Q87.10	Residential nursing care activities	1	0	0	0	1	0
Q87.20	Residential care activities for mental retardation, mental health and substance abuse	0	0	0	0	0	0
Q87.30	Residential care activities for the elderly and disabled	0	0	0	0	0	0
R90.02	Support activities to performing arts	0	0	0	0	0	0
R91.02	Museums activities	0	0	0	0	0	0

* The sum of the values in this column is not comparable with the total of the NFC disclosed in Template 1 Assets for the calculation of GAR. This is because the latter includes not only the sum of CCM and CCA, but also the KPIs for the counterparties that have not provided a distinction between CCM and CCA in their disclosure.

Template 3 GAR KPI stock – Turnover based
% (compared to total covered assets in the denominator)
31/12/2023

	Proportion of total assets covered	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator						
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21.509	18.025	1.054		0.656	0.246
Financial undertakings	4.753					
Credit institutions	2.651					
Loans and advances	1.655					
Debt securities, including UoP	0.937					
Equity instruments	0.058					
Other Financial corporation	2.103					
Of which investment firms	0.025					
Loans and advances	0.000					
Debt securities, including UoP	0.025					
Equity instruments						
Of which management companies	0.053					
Loans and advances	0.001					
Debt securities, including UoP						
Equity instruments	0.052					
Of which insurance undertakings	0.074					
Loans and advances	0.021					
Debt securities, including UoP	0.007					
Equity instruments	0.046					
Non-Financial undertakings	4.212	1.573	0.452		0.054	0.246
Loans and advances	3.876	1.502	0.423		0.053	0.236
Debt securities, including UoP	0.319	0.071	0.029		0.001	0.010
Equity instruments	0.017	0.001	0.000			0.000
Households	11.540	16.435	0.602		0.602	
Of which loans collateralised by residential immovable property	11.429	16.275	0.602		0.602	
Of which building renovation loans	0.029	0.042				
Of which motor vehicle loans	0.082	0.118				
Local governments financing	1.005	0.017	0.001		0.001	
House financing	0.002	0.001				
Other local government financing	1.003	0.017	0.001		0.001	
Collateral obtained by taking possession: residential and commercial immovable properties	0.048	0.066	0.003		0.003	
Total GAR assets	69.265	18.091	1.057		0.659	0.246

Template 3 GAR KPI stock – Turnover based (continued)
% (compared to total covered assets in the denominator)
31/12/2023

	Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator									
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.006	0.006			19.135	1.157		0.656	0.246
Financial undertakings					0.883				
Credit institutions					0.846				
Loans and advances					0.550				
Debt securities, including UoP					0.277				
Equity instruments					0.019				
Other Financial corporation					0.037				
Of which investment firms									
Loans and advances									
Debt securities, including UoP									
Equity instruments									
Of which management companies					0.000				
Loans and advances					0.000				
Debt securities, including UoP									
Equity instruments					0.000				
Of which insurance undertakings					0.017				
Loans and advances					0.003				
Debt securities, including UoP					0.002				
Equity instruments					0.012				
Non-Financial undertakings	0.006	0.006			1.801	0.555		0.054	0.246
Loans and advances	0.006	0.006			1.705	0.507		0.053	0.236
Debt securities, including UoP					0.095	0.047		0.001	0.010
Equity instruments	0.000				0.001	0.000			0.000
Households					16.435	0.602		0.602	
Of which loans collateralised by residential immovable property					16.275	0.602		0.602	
Of which building renovation loans					0.042				
Of which motor vehicle loans					0.118				
Local governments financing					0.017	0.001		0.001	
House financing					0.001				
Other local government financing					0.017	0.001		0.001	
Collateral obtained by taking possession: residential and commercial immovable properties					0.066	0.003		0.003	
Total GAR assets	0.006	0.006			19.201	1.160		0.659	0.246

Template 3 GAR KPI stock – Capex based
% (compared to total covered assets in the denominator)
31/12/2023

	Proportion of total assets covered	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator	21.56	18.73	1.60		0.64	0.47
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21.509	18.663	1.600		0.641	0.472
Financial undertakings	4.753					
Credit institutions	2.651					
Loans and advances	1.655					
Debt securities, including UoP	0.937					
Equity instruments	0.058					
Other Financial corporation	2.103					
Of which investment firms	0.025					
Loans and advances	0.000					
Debt securities, including UoP	0.025					
Equity instruments						
Of which management companies	0.053					
Loans and advances	0.001					
Debt securities, including UoP						
Equity instruments	0.052					
Of which insurance undertakings	0.074					
Loans and advances	0.021					
Debt securities, including UoP	0.007					
Equity instruments	0.046					
Non-Financial undertakings	4.212	2.211	0.997		0.038	0.472
Loans and advances	3.876	2.057	0.899		0.037	0.451
Debt securities, including UoP	0.319	0.141	0.089		0.002	0.021
Equity instruments	0.017	0.013	0.010			0.000
Households	11.540	16.435	0.602		0.602	
Of which loans collateralised by residential immovable property	11.429	16.275	0.602		0.602	
Of which building renovation loans	0.029	0.042				
Of which motor vehicle loans	0.082	0.118				
Local governments financing	1.005	0.017	0.001		0.001	
House financing	0.002	0.001				
Other local government financing	1.003	0.017	0.001		0.001	
Collateral obtained by taking possession: residential and commercial immovable properties	0.048	0.066	0.003		0.003	
Total GAR assets	69.265	18.729	1.603		0.644	0.472

Template 3 GAR KPI stock – Capex based (continued)
% (compared to total covered assets in the denominator)
31/12/2023

	Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator	0.02	0.02		0.00	19.67	1.78		0.64	0.47
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.022	0.016		0.000	19.604	1.779		0.641	0.472
Financial undertakings					0.543				
Credit institutions					0.510				
Loans and advances					0.366				
Debt securities, including UoP					0.135				
Equity instruments					0.010				
Other Financial corporation					0.033				
Of which investment firms									
Loans and advances									
Debt securities, including UoP									
Equity instruments									
Of which management companies					0.000				
Loans and advances					0.000				
Debt securities, including UoP									
Equity instruments					0.000				
Of which insurance undertakings					0.017				
Loans and advances					0.003				
Debt securities, including UoP					0.002				
Equity instruments					0.012				
Non-Financial undertakings	0.022	0.016		0.000	2.609	1.176		0.038	0.472
Loans and advances	0.021	0.016		0.000	2.402	1.047		0.037	0.451
Debt securities, including UoP					0.194	0.120		0.002	0.021
Equity instruments	0.000	0.000			0.014	0.010			0.000
Households					16.435	0.602		0.602	
Of which loans collateralised by residential immovable property					16.275	0.602		0.602	
Of which building renovation loans					0.042				
Of which motor vehicle loans					0.118				
Local governments financing					0.017	0.001		0.001	
House financing					0.001				
Other local government financing					0.017	0.001		0.001	
Collateral obtained by taking possession: residential and commercial immovable properties					0.066	0.003		0.003	
Total GAR assets	0.022	0.016		0.000	19.670	1.782		0.644	0.472

Template 4 GAR KPI flow* – Turnover based
% (compared to total covered assets in the denominator)
31/12/2023

	Proportion of total assets covered	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator	5.09	5.93	0.82	0.00	0.30	0.33
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5.900	5.925	0.819		0.298	0.329
Financial undertakings	2.884					
Credit institutions	1.894					
Loans and advances	1.424					
Debt securities, including UoP	0.412					
Equity instruments	0.564					
Other Financial corporation	0.995					
Of which investment firms	0.133					
Loans and advances						
Debt securities, including UoP						
Equity instruments						
Of which management companies	0.186					
Loans and advances	0.170					
Debt securities, including UoP						
Equity instruments	0.184					
Of which insurance undertakings	0.487					
Loans and advances	0.487					
Debt securities, including UoP						
Equity instruments						
Non-Financial undertakings	1.389	2.326	0.539		0.177	0.329
Loans and advances	1.338	1.958	0.498		0.177	0.315
Debt securities, including UoP	0.523	0.742	0.413		0.200	0.134
Equity instruments						
Households	0.726	3.882	0.278		0.278	
Of which loans collateralised by residential immovable property	0.798	3.789	0.278		0.278	
Of which building renovation loans	0.237	0.114				
Of which motor vehicle loans	0.145	0.818				
Local governments financing	0.900	0.168	0.219		0.219	
House financing						
Other local government financing	0.900	0.168	0.219		0.219	
Collateral obtained by taking possession: residential and commercial immovable properties	0.576	0.244				
Total GAR assets	5.897	5.927	0.819		0.298	0.329

* The flow calculation has been interpreted as a delta stock approach at a transaction level, between T (31/12/2023) and T-1 (31/12/2022), identifying only new transactions originated during this period.

Template 4 GAR KPI flow* – Turnover based (continued)
% (compared to total covered assets in the denominator)
31/12/2023

	Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator	0.01	0.01	0.00	0.00	1.00	0.00	0.30	0.33	5.09
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.665	0.593			0.999		0.298	0.329	5.900
Financial undertakings									2.884
Credit institutions									1.894
Loans and advances									1.424
Debt securities, including UoP									0.412
Equity instruments									0.564
Other Financial corporation									0.995
Of which investment firms									0.133
Loans and advances									
Debt securities, including UoP									
Equity instruments									
Of which management companies									0.186
Loans and advances									0.170
Debt securities, including UoP									
Equity instruments									0.184
Of which insurance undertakings									0.487
Loans and advances									0.487
Debt securities, including UoP									
Equity instruments									
Non-Financial undertakings	0.665	0.593			0.719		0.177	0.329	1.389
Loans and advances	0.665	0.593			0.671		0.177	0.315	1.338
Debt securities, including UoP					0.487		0.200	0.134	0.523
Equity instruments									
Households					0.278		0.278		0.726
Of which loans collateralised by residential immovable property					0.278		0.278		0.798
Of which building renovation loans									0.237
Of which motor vehicle loans									0.145
Local governments financing					0.219		0.219		0.900
House financing									
Other local government financing					0.219		0.219		0.900
Collateral obtained by taking possession: residential and commercial immovable properties									0.576
Total GAR assets	0.665	0.593			0.999		0.298	0.329	5.897

* The flow calculation has been interpreted as a delta stock approach at a transaction level, between T (31/12/2023) and T-1 (31/12/2022), identifying only new transactions originated during this period.

Template 4 GAR KPI flow* – Capex based
% (compared to total covered assets in the denominator)
31/12/2023

	Proportion of total assets covered	Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator	5.09	6.84	1.54	0.00	0.30	0.66
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5.089	6.839	1.538		0.302	0.658
Financial undertakings	2.884					
Credit institutions	1.893					
Loans and advances	1.424					
Debt securities, including UoP	0.412					
Equity instruments	0.056					
Other Financial corporation	0.990					
Of which investment firms	0.013					
Loans and advances						
Debt securities, including UoP						
Equity instruments						
Of which management companies	0.000					
Loans and advances	0.000					
Debt securities, including UoP						
Equity instruments	0.000					
Of which insurance undertakings	0.004					
Loans and advances	0.004					
Debt securities, including UoP						
Equity instruments						
Non-Financial undertakings	1.389	2.946	1.258		0.021	0.658
Loans and advances	1.337	2.822	1.152		0.021	0.635
Debt securities, including UoP	0.052	0.124	0.106		0.000	0.022
Equity instruments						
Households	0.726	3.882	0.278		0.278	
Of which loans collateralised by residential immovable property	0.710	3.789	0.278		0.278	
Of which building renovation loans	0.002	0.011				
Of which motor vehicle loans	0.015	0.082				
Local governments financing	0.090	0.011	0.002		0.002	
House financing						
Other local government financing	0.090	0.011	0.002		0.002	
Collateral obtained by taking possession: residential and commercial immovable properties	0.001	0.002				
Total GAR assets	5.090	6.841	1.538		0.302	0.658

* The flow calculation has been interpreted as a delta stock approach at a transaction level, between T (31/12/2023) and T-1 (31/12/2022), identifying only new transactions originated during this period.

Template 4 GAR KPI flow* – Capex based (continued)
% (compared to total covered assets in the denominator)
31/12/2023

	Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator	0.04	0.02	0.00	0.00	8.94	1.81	0.00	0.30	0.66
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.037	0.017		0.000	8.936	1.812		0.302	0.658
Financial undertakings					1.497				
Credit institutions					1.466				
Loans and advances					1.163				
Debt securities, including UoP					0.266				
Equity instruments					0.037				
Other Financial corporation					0.031				
Of which investment firms									
Loans and advances									
Debt securities, including UoP									
Equity instruments									
Of which management companies					0.000				
Loans and advances					0.000				
Debt securities, including UoP									
Equity instruments									
Of which insurance undertakings					0.004				
Loans and advances					0.004				
Debt securities, including UoP									
Equity instruments									
Non-Financial undertakings	0.037	0.017		0.000	3.547	1.532		0.021	0.658
Loans and advances	0.037	0.017		0.000	3.410	1.416		0.021	0.635
Debt securities, including UoP					0.136	0.116		0.000	0.022
Equity instruments									
Households					3.882	0.278		0.278	
Of which loans collateralised by residential immovable property					3.789	0.278		0.278	
Of which building renovation loans					0.011				
Of which motor vehicle loans					0.082				
Local governments financing					0.011	0.002		0.002	
House financing									
Other local government financing					0.011	0.002		0.002	
Collateral obtained by taking possession: residential and commercial immovable properties					0.002				
Total GAR assets	0.037	0.017		0.000	8.938	1.812		0.302	0.658

* The flow calculation has been interpreted as a delta stock approach at a transaction level, between T (31/12/2023) and T-1 (31/12/2022), identifying only new transactions originated during this period.

Template 5 KPI off-balance sheet exposures stock – Turnover based
% (compared to total eligible Off-Balance-Sheet assets)
31/12/2023

	Climate Change Mitigation (CCM)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling
Financial guarantees (FinGuar KPI)	11.985	5.560		0.116	3.045
Assets under management (AuM KPI)	10.741	3.544		0.022	2.575

	Climate Change Adaption (CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds		Of which enabling
Financial guarantees (FinGuar KPI)	0.031	0.030			
Assets under management (AuM KPI)	0.000	0.000			

	TOTAL (CCM + CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling
Financial guarantees (FinGuar KPI)	12.016	5.590		0.116	3.045
Assets under management (AuM KPI)	10.741	3.544		0.022	2.575

Template 5 KPI off-balance sheet exposures stock – Capex based % (compared to total eligible Off-Balance-Sheet assets) 31/12/2023

	Climate Change Mitigation (CCM)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling
Financial guarantees (FinGuar KPI)	24.96	14.82		0.13	5.84
Assets under management (AuM KPI)	15.52	7.86		0.08	4.25

	Climate Change Adaption (CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds		Of which enabling
Financial guarantees (FinGuar KPI)	0.03	0.03			
Assets under management (AuM KPI)	0.17	0.17			0.00

	TOTAL (CCM + CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional/ adaptation	Of which enabling
Financial guarantees (FinGuar KPI)	25.00	14.86		0.13	5.84
Assets under management (AuM KPI)	15.69	8.03		0.08	4.25

Template 5 KPI off-balance sheet exposures flow – Turnover based
% (compared to total eligible Off-Balance-Sheet assets)
31/12/2023

	Climate Change Mitigation (CCM)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling
Financial guarantees (FinGuar KPI)	13.652	7.663		0.153	4.842
Assets under management (AuM KPI)					

	Climate Change Adaption (CCA)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which enabling
Financial guarantees (FinGuar KPI)	0.054	0.054		
Assets under management (AuM KPI)				

	TOTAL (CCM + CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling
Financial guarantees (FinGuar KPI)	15.238	7.900%		0.360	5.748
Assets under management (AuM KPI)					

Template 5 KPI off-balance sheet exposures flow – Capex based
% (compared to total eligible Off-Balance-Sheet assets)
31/12/2023

	Climate Change Mitigation (CCM)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling
Financial guarantees (FinGuar KPI)	28.380	22.130	0.000	0.161	6.308
Assets under management (AuM KPI)					

	Climate Change Adaption (CCA)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which enabling
Financial guarantees (FinGuar KPI)	0.054	0.054		
Assets under management (AuM KPI)				

	TOTAL (CCM + CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional/ adaptation	Of which enabling
Financial guarantees (FinGuar KPI)	30.198	22.439		0.385	6.899
Assets under management (AuM KPI)					

Additional disclosure on Nuclear and Gas related activities

The following tables disclose the eligibility, non-eligibility, and alignment of nuclear energy and fossil gas related activities in accordance with Article 8(6), (7) and (8) of the amended Disclosures Delegated Act as of 1 January 2023. The nuclear energy and fossil gas-related activities' KPIs have been computed by using the most recently available data and key performance indicators of our counterparties. Data availability for this year's disclosure resulted to be very low. Moreover, data only refers to NFRD undertakings with mandatory disclosure. Considering limited data availability as well as qualitative and quantitative gaps affecting Nuclear and Gas templates, this year's disclosure might not provide a complete and precise representation.

Template 1 Nuclear and fossil gas related activities

		Nuclear energy related activities	YES/NO
1	4.26	Funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	NO
2	4.27	Funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	NO
3	4.28	Funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	YES

		Fossil gas related activities	YES/NO
4	4.29	Funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels	YES
5	4.30	Funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	YES
6	4.31	Funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	YES

Template 2 Taxonomy-aligned economic activities (denominator) – Turnover based (€/000)

	Economic activities	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)	
		Amount (€/000)	Percentage (%)	Amount (€/000)	Percentage (%)	Amount (€/000)	Percentage (%)
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	3,619	0.001			3,619	0.001
8	**Total applicable KPI***	3,619	0.001			3,619	0.001

* The total applicable KPI considered for the denominator is the Total GAR Assets.

Template 2 Taxonomy-aligned economic activities (denominator) – Capex based (€/000)

	Economic activities	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)	
		Amount (€/000)	Percentage (%)	Amount (€/000)	Percentage (%)	Amount (€/000)	Percentage (%)
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	851	0.0002			851	0.0002
8	**Total applicable KPI***	851	0.0002			851	0.0002

* The total applicable KPI considered for the denominator is the Total GAR Assets.

Template 3 Taxonomy-aligned economic activities (numerator) – Turnover based (€/000)

	Economic activities	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)	
		Amount (€/000)	Percentage (%)	Amount (€/000)	Percentage (%)	Amount (€/000)	Percentage (%)
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	3,619	100			3,619	100
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	3,619	100			3,619	100

Template 3 Taxonomy-aligned economic activities (numerator) – Capex based (€/000)

	Economic activities	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)	
		Amount (€/000)	Percentage (%)	Amount (€/000)	Percentage (%)	Amount (€/000)	Percentage (%)
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	851	100			851	100
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	851	100			851	100

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities – Turnover based (€/000)

	Economic activities	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)*	
		Amount (€/000)	Percentage (%)	Amount (€/000)	Percentage (%)	Amount (€/000)	Percentage (%)
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	33,104	0.006			8,744	0.002
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3,290	0.001			3,290	0.001
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	147	0.000			147	0.000
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	19,157	0.003			14,729	0.003
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	55,698	0.010			26,910	0.005

* The Nuclear and Gas templates from non-financial corporations and the related data distribution across CCM, CCA, and/or the sum did not facilitate our disclosure.

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities – Capex based (€/000)

	Economic activities	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)*	
		Amount (€/000)	Percentage (%)	Amount (€/000)	Percentage (%)	Amount (€/000)	Percentage (%)
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	14,603	0.003			5,007	0.001
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,835	0.001			2,835	0.001
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	173	0.000			173	0.000
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	44,105	0.008			30,449	0.006
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	61,716	0.011			38,464	0.007

* The Nuclear and Gas templates from non-financial corporations and the related data distribution across CCM, CCA, and/or the sum did not facilitate our disclosure.

Template 5 Taxonomy non-eligible economic activities (€/000)

	Economic activities	Turnover		Capex	
		Amount (€/000)	Percentage (%)	Amount (€/000)	Percentage (%)
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI			801	0.0001
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	6,032	0.0011	9,385	0.0017
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	6,032	0.0011	10,186	0.0018

Information on Tax Management

The UniCredit Group's approach to taxation is described in the **Global Policies** adopted internally and made available to employees; chief among them are the **Code of Conduct** and the **Tax Strategy** document of the UniCredit Group (available also at the following link: https://www.unicreditgroup.eu/en/governance/our-governance-system.html) which defines the guidelines and principles of UniCredit Group for the management of tax matters and associated risks (both financial and reputational).

Specifically, this latter document was prepared in line with the Group's Values, stated in the Code of Conduct, which also reflect international best practices; it shall be read and applied in the context of the other policies and procedures issued by UniCredit and by the Group Companies.

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

i. foster a **Culture of tax compliance and awareness** of relevant tax laws throughout the Group, also including organisational units not directly working within the tax departments of the Group;

ii. **compliance with form and substance of all relevant tax laws,** regulations and practices applicable in every jurisdiction where the Group carries out its business;

iii. establishment of relations of mutual **trust, cooperation and transparency with tax authorities** in the various jurisdictions where the Group operates, including through participation in projects of cooperative compliance;

iv. prohibition from using **aggressive tax planning** and from using tax avoidance schemes grounded on the so-called Base Erosion and Profits Shifting (provided for by the OECD) as well as on all regulations aimed at countering such phenomena (e.g. regulations pertaining to so-called hybrid entities or structures and, more generally, all the regulations aimed at implementing EU Directives);

v. application of a tax strategy that is **consistent with the general rules of the Group** in its approach to risk and the Values on which it is based;

vi. use of professional **risk management standards for all risks associated with tax** and ensuring that the procedures applied each time to that end are appropriate.

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

- in the United Kingdom, since 2010 the Group has adopted the Code of Practice on Taxation for Banks issued by UK Tax Authorities (HMRC) and is unconditionally committed to full compliance with it
- in Italy, since 2016, UniCredit S.p.A. has been voluntarily participating in the Italian Tax Co-operative Compliance Scheme, as per articles 3-7 of Italian Legislative Decree No.128/2015, with the Italian Tax Agency. The Bank is therefore included in the list of entities admitted to the scheme which is published and freely available on the Italian Tax Agency's website (https://www.agenziaentrate.gov.it/portale/web/guest/schede/agevolazioni/regime-di-adempimento-collaborativo/elenco-societa-ammesse-al-regime-imprese)
- in Austria, the potential participation in the local "Horizontal Monitoring" regime is under analysis
- in Germany, UniCredit Bank AG obtained the certification of its Tax Compliance Management System, in accordance with the IDW PS 980 Standard. Said certification, issued by an independent auditor, is not related to a cooperative tax compliance legal regime.

Tax Governance, Risk Control and Management

The Board of Directors of the parent entity defines UniCredit's tax strategy by vesting tax management powers in the Group Chief Financial Officer and the Head of Group Tax. Each Group company makes sure it has a specific internal tax function or, in the case of small-sized entities, an internal manager vested with tax management powers. During 2023, for various Italian subsidiaries, a process of centralisation of tax services was implemented in the parent company aimed at optimising and ensuring full governance of tax management processes (harmonising processes of best practice levels and improving synergies among resources).

The tax function is responsible for defining domestic, international and supranational tax scenarios and implementing appropriate and effective procedures to properly fulfil tax obligations and ensure the Group is taxed correctly.

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

Governance is also exercised through intense reporting by the various Legal Entities to the parent company on the most relevant aspects of tax compliance.

The tax function in the various Group companies undertakes to ensure that its employees receive continuous training (basic, advanced and specialist).

With a view to spreading knowledge and Culture for the correct management and mitigation of any tax risks, the tax function of the parent company provides or organises tax training courses for the benefit of the other functions of the Bank or Group. In 2023, several trainings have been delivered internally to correctly guide the internal functions of UniCredit S.p.A. affected by regulatory changes.

Committees involving the tax functions of the main Italian and foreign subsidiaries of the Group are also periodically convened to discuss and share information and issues relevant to the Group and establish guidelines.

Considering the complexity of tax legislation, to ensure the achievement of the objectives described above, various Group companies, primarily UniCredit S.p.A., have adopted an **effective internal tax risk control system** (Tax Control Framework – TCF), included in the context of the corporate governance system, which guarantees constant monitoring of any tax risks that could potentially concern them.

Specifically, the TCF of the parent entity, UniCredit S.p.A., provides for:

i. a clear division of roles and responsibilities between corporate bodies and functions, with appropriate skills and experience;

ii. adequate processes to detect, measure, manage and control tax risk, ensuring compliance with the relevant procedures at all levels of the company;

iii. specific procedures to correct any shortcomings detected and activate the necessary corrective actions.

An integral part of the TCF is firstly the mapping of tax risks inherent to all company processes and which is necessarily updated on a continuous basis by virtue of the changes both in the Bank organisation and tax legislation. In total transparency, this document was also shared with the Revenue Agency to which, as usual, it was formally sent most recently in March 2023.

In addition to this, transparency towards the Revenue Agency is reflected in formal discussions, numerous also in 2023, sharing positions in which the Bank has intercepted risks of a tax nature in its operations.

The system for assessing the effectiveness of tax compliance, as well as the analysis of the outcomes of such assessment and further to the analysis performed by the Revenue Agency, is also implemented through a system of internal controls and assessments by bodies such as:

- **Internal Audit**
- the **Board of Directors,** as well as the **Internal Controls and Risks Committee (IC&RC), the Board of Statutory Auditors and the Supervisory Auditors for Legislative Decree No.231/2001**, are informed of and receive a report on the status of the control system, the tax controls carried out and relevant findings, the measures taken to correct any shortcomings and the scheduled activities. The findings and assessments made by the governing body are then shared with the Italian Tax Agency
- **Compliance** establishes the method of conducting and monitors the second level controls performed by Tax Compliance, in its capacity as specialist of the compliance function as per CL No.285/2013 of the Bank of Italy; Tax Compliance, set up in 2014 to monitor the risk of non-compliance with tax laws applicable to the Bank, performs second level controls which are formalised and planned as part of a specific framework outlining the risks, operations to be audited, outcomes of controls, level of risk, etc.
- the structure of the controls set out in the above framework, approved by the Italian Tax Agency at the time of the admission to the Co-operative Compliance Scheme, is constantly reviewed and shared with the Italian Tax Agency. Every year, the latter presents the outcomes of the audits of the control system and the rulings held in a final report and compliance letter, both of which contain the Agency's report on the in-depth investigations conducted either at the Bank's request or of the Agency's own initiative.

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

- as some tax crimes have been included in UniCredit S.p.A.'s Organisational 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 internal regulations, mainly those outlined in the Code of Conduct, including any conduct that could constitute tax fraud or attempted tax fraud or is intended to facilitate tax fraud by third parties
- participating in the Co-operative Compliance regime, the Bank is obliged to report any crimes that could result in tax non-compliance to the Italian Tax Agency as soon as it is formally informed about them.

Through its tax function, the Bank actively participates in meetings hosted by **trade and other associations** of which it is a member and that promote initiatives intended to develop best practices for tax management. In 2023, the parent company took part in a forum set up – together with the Revenue Agency – by all the Italian companies in the Co-operative Compliance regime and which meet periodically to address issues of common interest and find operational solutions aimed at improving the regime.

During the year, the Group further strengthened its compliance with various **international regulations**, aiming at a timely application of regulatory provisions and risk governance, supported by continuous regulatory monitoring of future developments (e.g. Pillar 2). The Bank defines an analytical and methodological approach aimed at intercepting the relevant cases, according to the organisational complexity of the Group. These methodological guidelines are generally transposed into the Global Policies and Local Process Regulations to give a common direction within the Group and, in some cases, they are also accompanied by training courses for employees to increase awareness of these issues.

Regulations related to the automatic exchange of information

The Group has adopted the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS) globally.

With specific reference to the FATCA regulations, UniCredit has complied with the requirements specified by Notice 2023-11 issued by the Internal Revenue Services – IRS. In particular, the Notice required financial institutions to report reportable account holder by using alternative reporting codes instead of US Tax Identification Numbers (TIN) in case the latter were not on file. The Notice also required financial institutions to attempt to collect US TINs from account holders that had not previously provided it to UniCredit.

Similarly, for the purposes of the CRS regulations, UniCredit has brought forward an annual remediation of TINs from account holders who previously didn't report them to the Bank.

With reference to DAC 6 (European Directive 2018/822) regulations in force since 25 June 2018, UniCredit maintains specific analytical activities and control systems designed to detect reportable arrangement.

Hybrid mismatch – ATAD II

With reference to the ATAD II regulation (European Directive 2017/952), the Bank is required to intercept specific transnational transactions that have determined, starting from 1 January 2020, an undue double tax advantage linked to the so-called hybrid mismatches, to cancel any identified tax advantages, even unintentionally obtained, in the context of the tax return.

For this purpose, the Bank defined an operating methodology suitable for identifying and analysing the transactions potentially capable of generating the so-called hybrid mismatches. The results of this analysis were reported in the UniCredit S.p.A. income tax return.

Transfer Pricing – TP

According to transfer pricing legislation, flows deriving from intercompany transactions must be carried out at market value in compliance with the arm's-length principle.

In this regard, the UniCredit Group adopted a policy framework on transfer pricing aimed at regulating intragroup cross-border transactions in line with both national legislation and with the OECD Guidelines.

The purpose of these policies is to ensure that UniCredit Group Entities comply with the arm's-length principle and are able to properly recognise income attributable to cross-border transactions between associated enterprises. In this respect, the TP policies are based on the separate entity approach principle according to which, in defining the contractual terms, the Group Legal Entities must be considered as independent entities operating on the market without any restrictions deriving from belonging to the same Group. Such is also applied to foreign branches, and therefore the term intercompany is applicable also to transactions involving foreign branches. In light of the above, a specific TP policy is in place in the UniCredit Group, regulating the intercompany transactions to be carried out according to the same conditions and terms as if the same transactions had been carried out between unrelated parties under comparable circumstances.

In relation to transfer pricing matters, in 2022 UniCredit S.p.A. signed an **Advance Pricing Agreement** with the Italian tax authorities regarding the pricing methodologies for intercompany financial transactions (i.e. senior loans and financial guarantees).

Non-cooperative and low-tax jurisdictions

The UniCredit Group attributes a major importance to the international measures adopted to fight the illegal tax practices deriving from the utilisation of low-taxed jurisdictions. In this context, UniCredit is committed to monitoring and mitigating the risks deriving from the activities/transactions that are carried out with the involvement of entities/individuals resident in certain non-cooperative jurisdictions.

In order to manage the tax risk associated with operations with the aforementioned jurisdictions, the UniCredit Group has adopted a policy that defines rules and principles aimed at maintaining a high assessment and knowledge of the tax risk in the management of critical cases highlighted in the policy itself, that is:

- the acquisition of assets in tax haven jurisdictions
- the offer to the client of business solutions with the involvement of tax haven jurisdictions (so-called active role)

When the aforementioned conditions materialise, the transaction at risk is submitted to the scrutiny of the competent tax structures for their appropriate assessment through a non-binding opinion process.

Finally, UniCredit S.p.A. monitors the evolution of international tax legislation with the aim of countering the erosion of the tax base and the shifting of profits from high-tax countries to low-tax countries (with an effective tax rate below 15%) with the continuous commitment to adhere to those principles.

Pillar 2 – Global Minimum Tax

As of fiscal year 2024, the UniCredit Group will comply with the regulatory framework resulting from the adoption of the so-called Global Minimum Tax (Pillar 2).

This legislation aims at ensuring that the worldwide profits of multinational groups are subject to tax at a rate not lower than 15% in every jurisdiction in which the groups operate.

The rules have been firstly designed by the Inclusive Framework of the OECD and then implemented in the European Union through the EU Council Directive 2022/2523 of 14 December 2022. The Pillar 2 rules provide that, if in certain jurisdictions where the UniCredit Group operates the effective tax rate (given by the ratio between adjusted accounting results and adjusted corporate income taxes paid in that jurisdiction) falls below 15%, then the UniCredit Group will be required to pay an additional tax (so-called top-up tax) to reach the 15% tax rate threshold.

For the first three years a simplified regime (Transitional Safe Harbor – TSH) was introduced; in this way the multinational groups involved may avoid undergoing the complex effective tax rate calculation as determined by the Global Anti-Base Erosion (GloBE) rules if certain requirements are met at jurisdictional level.

For further details, refer to the paragraph 11.8 Other information, Notes to the consolidated accounts, Part B – Consolidated balance sheet – Assets, Section 11 – Tax assets and tax liabilities – Item 110 (Assets) and Item 60 (Liabilities).

Controlled Foreign Companies – CFC

Legislative Decree 142/2018 implemented in Italy the content of Directive 2016/1164/EU (known as ATAD Directive) and the related amendments regarding Controlled Foreign Companies (CFC).

The CFC regime restated the current domestic law with Art. 167 of the Italian Income Tax Consolidated Act (known as TUIR) with the aim of taxing the profits made by controlled foreign companies with a privileged tax regime in the state of residence and, at the same time, holders of certain categories of income, without carrying out an actual effective economic activity.

Consequently, an Italian company that controls, directly or indirectly, these companies is required to consolidate the resulting taxable income, in proportion to the percentage of shareholding held, regardless of whether the profits have been distributed or not. In particular, the CFC rules apply to subsidiaries that jointly meet the following conditions:

a. effective taxation lower than 50% of the effective tax rate that such companies would apply if they were resident in Italy (effective tax rate)

b. more than a third of the revenues derive from "passive income" (e.g. dividends, royalties, interest and provision of services and the sale and purchase of goods with low added value)

Exception from CFC rules can be obtained in advance by submitting a specific ruling to the Italian tax authorities, in which it is demonstrated that the subsidiary (or permanent establishment) carries out in its state of residence an effective economic activity through the use of personnel, equipment, assets and premises.[1]

For the year 2022 (last corporate tax return submitted), UniCredit S.p.A. has taxed nine subsidiaries for transparency. No tax was due.

Country by Country Report (CbCR)

In the current economic and social environment, tax transparency towards stakeholders regarding the company's contribution to economic growth at national and global level is becoming increasingly more important.

Starting from Fiscal Year (FY) 2016, the UniCredit Group submits the CbCR to the Italian Revenue Agency (Agenzia delle Entrate) pursuant to Law 208/2015. The Italian Revenue Agency, in turn, exchanges the data with other jurisdictions with which an agreement for exchange of information is in force. The CbCR is based on Action 13 of the BEPS project and is aimed at reacting to aggressive tax planning and profit shifting to low tax jurisdictions.

The CbCR includes a set of accounting (e.g. revenues, profit/loss before tax) and tax information (e.g. income tax paid on a cash basis) aggregated on a jurisdictional basis. It is worth noting that the last available CbCR data relates to all Group entities/ branches for FY 2022 as the official deadline to submit the report is 31 December of the following FY (31 December 2023 for FY 2022).

Due to the different methodologies, the information reported in the OECD Action 13 CbCR (tax CbCR) is different from the CRD IV CbCR.

TTC and CbCR have a different perimeter: TTC is a limited perimeter of Legal Entities and relates to FY 2023, while CbCR refers to 2022 and includes all consolidated and controlled Group Legal Entities. TTC also provides an overview of all taxes (not only corporate income taxes) paid on a cash basis by the Group both as taxes borne and collected as tax agent.

This model is aligned with GRI 207 1-4 standard.

Below are the main rules according to which the tax CbCR is prepared:

- the figures do not consider the consolidation adjustments for the intercompany transactions
- the foreign branches data are reported in the jurisdiction in which the branch is located and not in the jurisdiction of the head office
- stateless entities are treated separately. In particular, they are Legal Entities that are not considered resident in any tax jurisdiction (e.g. partnerships) and are taxed at the level of the shareholder and not as a separate entity. Therefore, the amount included in the related line is also distributed in the country in which shareholders have tax residence.

1. Pursuant to Art. 167, paragraph 5 of the TUIR. This is in line with the ATAD Directive which, in its Art. 7(2), allows for the exclusion of transparency taxation if the controlled foreign company carries out a substantial economic activity supported by personnel, equipment, assets and premises, as evidenced by the surrounding and pertinent facts.

Country-by-Country Reporting 2022 (Values in € thousands)

Tax jurisdiction	Revenues			Profit (loss) before income tax	Income tax paid (on cash basis)	Income tax accrued – current year	Stated capital	Accumulated earnings	Number of employees	Tangible assets other than cash and cash equivalents
	Unrelated party	Related party	Total							
Austria	1,494,391	1,354,233	2,848,625	-1,269,052	-59,587	-20,198	1,790,612	2,761,753	4,366	591,918
Bermuda	-194	0	-194	-222	0	0	11	69,939	0	0
Bosnia and Herzegovina	186,163	505	186,668	78,477	-8,653	-8,315	110,635	356,716	1,613	51,345
British Virgin Islands	0	0	0	0	0	0	0	0	0	0
Bulgaria	438,446	131,021	569,466	262,588	-11,303	-7,495	148,945	1,341,961	4,623	181,247
Canada	0	0	0	0	0	0	0	0	0	0
Cayman Islands	13	0	14	-59	0	0	40	-128,667	0	0
China	13,877	2,035	15,912	-7,938	764	0	169,879	0	40	170
Croatia	424,734	185,293	610,028	236,576	-1,608	-66,151	862,116	897,819	3,584	291,363
Czech Republic	613,278	371,360	984,638	380,164	-31,006	-78,211	413,185	2,985,475	2,534	176,680
France	13	45,823	45,836	25,225	-4,984	-5,425	40	31	46	63
Germany	8,653,222	-3,573,258	5,079,964	885,053	101,669	-535,940	3,462,044	3,509,976	9,577	2,585,414
Greece	163	612	774	-3,139	0	811	0	0	0	0
Hong Kong	8,928	3,228	12,155	1,047	0	0	0	0	33	87
Hungary	1,005,732	65,401	1,071,133	248,966	-11,377	-34,822	68,307	798,482	1,959	105,188
Ireland	41,990	68,065	110,055	631	-5	0	1,032	28,882	0	0
Italy	10,070,142	1,057,406	11,127,548	3,756,443	-79,052	-10,769	23,267,126	24,066,611	33,520	4,598,264
Japan	1,059	97	1,155	31	0	-95	0	0	0	0
Latvia	0	0	0	-21	0	0	4,266	-2,957	0	0
Luxembourg	111,120	118,468	229,587	53,100	-954	-9,474	153,280	0	93	124,995
Netherlands	0	0	0	0	0	0	0	0	0	0
Poland	1,342	39,115	40,457	782	-1,014	23	1,602	-932	7	1,021
Romania	762,407	107,216	869,623	264,308	-40,899	-42,876	277,369	889,951	5,416	146,183
Russian Federation	1,641,470	760,228	2,401,698	481,893	-158,636	-178,245	540,033	2,105,157	3,821	151,915
Serbia	219,839	34,588	254,427	80,057	5,557	-8,476	243,812	418,779	1,390	34,479
Singapore	4,614	16,295	20,909	1,131	0	0	0	0	48	0
Slovakia	394,978	30,970	425,947	70,567	-16,232	-18,406	26,845	34,275	1,107	93,961
Slovenia	-6,588	105,866	99,279	45,819	-3,279	-6,451	20,392	141,500	548	10,816
Spain	0	7,504	7,504	640	-324	-192	0	0	17	511
Switzerland	21	3,188	3,209	193	-58	-107	0	0	7	30
United Arab Emirates	0	-40	-40	-4,158	0	0	0	0	0	0
United Kingdom	98,981	253,195	352,176	211,223	-89,317	-77,072	163	-140	220	2,801
United States of America	165,799	129,482	295,281	11,551	-5,128	-13,809	66,350	-57,848	139	1,090
Stateless	22,084	10,299	32,383	-541,655	-4,497	-2,222	841,997	-737,461	5	2,196,697

Total Tax Contribution (TTC)

In this section, for the first time we provide an overview of our TTC related to FY 2023. UniCredit believes that the information concerning its contribution to public finances is a step in the right direction towards conveying the company's tangible transparency.

We use the cash basis criterion, that is the sum of actual payments made in the year, as opposed to the accrual principle usually followed in ordinary financial statements, net of refunds obtained. In the case of compensation with tax credits due to an overpayment in previous years, the net amount of taxes actually paid has been considered, while tax credits granted by specific tax rules[2] do not offset the amount of taxes paid. Social contributions are out of scope for the time being.

The information covers a limited perimeter of 33 Legal Entities/branches including main Italian and foreign controlled Legal Entities of UniCredit S.p.A. (representing over 99% of total revenues based on CbCR). Compared to the scope of the year 2022, a further four Group companies were analysed. TTC in 2023 is equal to €5.8bn. The increase of the taxes paid of €1 bn compared to 2022 (€4.8 bn) is mainly due to a mix of phenomena linked to the trend of interest rates and dividends and to the Group's results. Below is the breakdown between the following two categories:

- **taxes borne** that constitute a cost for the Group and are paid to the tax authorities among the various jurisdictions on its income or property
- **taxes collected** that the Group collects from other parties on behalf of governments

The **taxes borne** by UniCredit Group in 2023 are equal to €1.7bn (2022: €1.1bn). As can be seen in the charts below, Corporate Income Taxes and the direct regime of contribution accounts for 57% of the taxes paid by UniCredit Group, withholding included (e.g. on dividends, interests). It should be pointed out that, for example, income tax of the Italian Tax Group regime is mainly reduced by tax losses of previous years. During 2023 some countries such as Hungary, Croatia and Russia have introduced the Windfall tax. Starting from 2024, other countries will introduce such tax, the regulation in Italy in particular states the possibility to pay or to allocate non-distributable reserves. The overall amount of this new type of tax is 5% of the taxes borne.

The **taxes collected** by the UniCredit Group during 2023 are equal to €4.1bn (2022: €3.7bn). Withholding taxes on financial income have been the most significant category of taxes collected (60%) which is consistent with the core business of the Group (provider of financial services).

On behalf of national governments, UniCredit has the important role of acting as tax agent in different jurisdictions in the collection of personal income tax on the earnings of employees (30% of the total amount of taxes collected), an amount that also encompasses the withholding on professional income paid to our professional providers.

The indirect tax contribution includes VAT and property taxes that are characterised by varying tax rates in the different jurisdictions and are considered either in taxes borne or in taxes collected according to their nature. In particular, VAT may be:

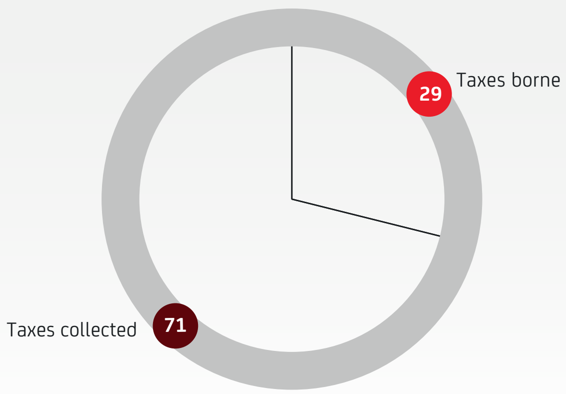
- a tax borne in the case of non-recoverable/partially recoverable input VAT on purchases, a cost for companies in the financial industry
- a tax collected as net VAT position of output VAT charged on the sale to customers minus the recoverable input VAT suffered on purchases

2. For example, tax credits deriving from conversion of tax loss generated from reversal of convertible DTAs according to Law n. 214/2011.

Total tax contribution (%)

€5.8bn

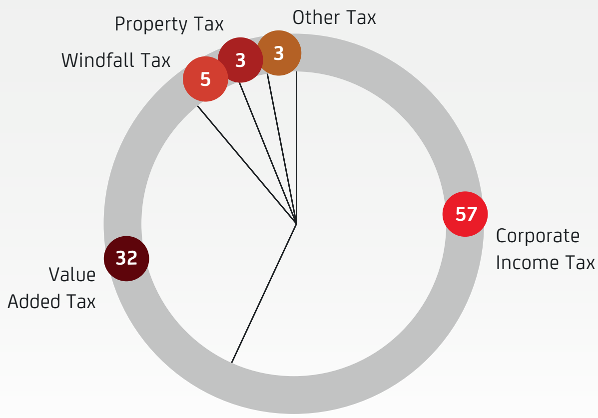
Total tax contributions



Taxes borne (%)

€1.7bn

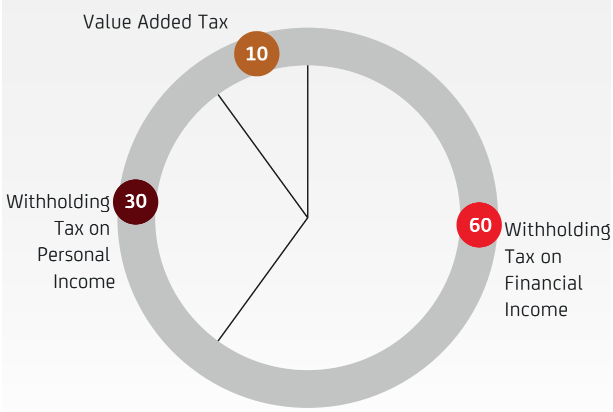
Total taxes borne



Taxes collected (%)

€4.1bn

Total taxes collected



Main partnerships and affiliations

Legal Entities	Organisation	Description
UniCredit S.p.A.	**ACAMS**	ACAMS is the largest international membership organisation for anti-financial crime professionals. It supports individuals and organisations who are dedicated to preventing financial crime through thought leadership, ongoing professional education and our best-in-class peer network.
	Assonime	Assonime is an association of companies that studies issues related to Italy's economy and works to improve its industrial, commercial, administrative, tax and currency legislation.
	Bruegel	Bruegel's distinctive nature is drawn from a balanced partnership between private and public stakeholders. Its member base is composed of EU member states, international corporations and self-standing institutions.
	B4SI Social Impact Framework & Benchmark (B4SI Framework)	The B4SI Framework is a robust measurement standard that any company can apply to understand the difference their contributions make to business and society. The companies using B4SI are from some of the world's leading organisations and are part of a global B4SI Network.
	CDP (formerly Carbon Disclosure Project)	The CDP promotes understanding of the potential impacts of climate change on shareholder value.
	CEPS-Centre For European Policy Studies	CEPS is a leading think tank and forum for debate on EU affairs, with an exceptionally strong in-house research capacity and an extensive network of partner institutes throughout the world.
	CSR Manager Network Italia	CSR Manager Network is the Italian national association for corporate social responsibility professionals.
	Ellen MacArthur Foundation	The Foundation works to accelerate the transition to a circular economy, developing and promoting it, and works with business, academia, policymakers and institutions to mobilise systems solutions at scale, globally.
	EUROFI	A non-profit organisation for exchanges between the financial services industry and public authorities, addressing issues related to the financial regulation and supervision and the economic and monetary context impacting the EU financial sector.
	European Financial Services Round Table (EFR)	The EFR brings together Chairmen and Chief Executives of leading European banks and insurance companies. Its purpose is to contribute to the European public policy debate on issues relating to financial services and to the financial stability with the completion of the single market in financial services. The EFR is also engaged in the lessons to be drawn from the financial crisis to render the financial system more resilient.
	European Microfinance Network (EMN)	The EMN is a member-based non-profit organisation based in Brussels which promotes microfinance as a tool to fight social and financial exclusion in Europe through self-employment and the creation of microenterprises.
	European Venture Philanthropy Association (EVPA)	EVPA is a lively network of organisations sharing the same vision and a common goal: creating positive societal impact through venture philanthropy. Its mission is to enable venture philanthropists and social investors to maximise societal impact through increased resources, collaboration and expertise.
	Finance for Biodiversity Foundation	The aim of the Foundation is to support a call to action and collaboration between financial institutions to reverse nature loss this decade.
	FinTech Innovation – ABILab	This observatory is dedicated to all main Italian and international fintech innovations.
	IFRS Foundation	The IFRS Foundation is a global coalition of regulators, investors, companies, standard setters, NGOs and accounting professionals that works to establish integrated reporting and thinking in mainstream business practices.
	Istituto Affari Internazionali (IAI)	IAI is an independent, private and non-profit think tank. It promotes knowledge of international politics and contributes towards the advancement of European integration and multilateral cooperation.

Legal Entities	Organisation	Description
	Nemetria	Nemetria is a non-profit association founded by companies, banks, organisations and universities. Its activities include seminars, workshops and conferences on the topics of economics, finance, ethics, corporate culture and culture in general.
	Parks – Liberi e Uguali	Parks – Liberi e Uguali, a non-profit organisation whose members are exclusively employers, was created with the aim of helping partner companies to understand and attain maximum business opportunities deriving from the development of strategies and good practices that respect diversity.
	Research Centre on Technologies, Innovation and Financial Services (CeTIF) – Università Cattolica del Sacro Cuore	The CeTIF has been carrying out studies and promoting research on the dynamics of strategic and organisational change in the financial, banking and insurance sectors since 1990.
	Social Impact Agenda per l'Italia	The mission of Social Impact Agenda per l'Italia is to monitor and contribute to the implementation of the recommendations contained in the finance report. These include the aim to strengthen the ecosystem for social impact investments in Italy and to promote social entrepreneurship.
	Society of Corporate Compliance and Ethics (SCCE)	SCCE is a member-based association for compliance and ethics professionals worldwide and across all industries. The vision of SCCE is to be the pre-eminent compliance and ethics association promoting the lasting success and integrity of organisations worldwide.
	Sustainable STEEL Principles Association	This is an independent, unincorporated association. It comprises signatories as its members, and its administrative functions are managed by RMI's Center for Climate-Aligned Finance. The Sustainable STEEL Principles represent a framework for banks to effectively assess and disclose the climate alignment of steel finance portfolios.
	Transparency International Italia	Transparency International is the largest global organisation that deals with preventing and combating corruption by collaborating with governments, companies and citizens to expose systems and networks enabling the abuse of power. Its mission is to encourage and support victims and witnesses to safely report corruption.
	UN Global Compact – Global Compact Network Italy	The United Nations Global Compact is a strategic policy initiative promoted at national level via local networks and aimed at businesses committed to aligning their operations and strategies with 10 universally accepted principles related to human rights, labour, anti-corruption practices and the environment.
	United Nations Environment Programme Finance Initiative (UNEP FI)	UNEP FI is an initiative promoted by the United Nations that addresses pressing, current issues in sustainable finance.
	Utenti Pubblicità Associati (UPA)	UPA is owned and operated by companies with a common interest in resolving concerns related to advertising. UPA is aligned with the Istituto dell'Autodisciplina Pubblicitaria (IAP) in its efforts to defend and promote responsible advertising as a vehicle for consumer information, market competition and social welfare.
	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.
UniCredit Bank AG	**Bundesinitiative Impact Investing**	Bundesinitiative Impact Investing wants to create a better awareness of the potential of impact investing, thereby generating more knowledge and capital for overcoming the social and ecological challenges modern societies are facing.
	Joblinge	Joblinge is a collaboration of the private, public and volunteer sectors to better prepare disadvantaged young people in Germany for the job market.
	Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (VfU)	VfU is an industry-specific body for environmental management at financial institutions

Main partnerships and affiliations

Legal Entities	Organisation	Description
UniCredit Bank Austria	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.
	klima:atkiv Pakt 2020	The climate protection initiative of the Federal Ministry for Sustainability and Tourism (BMNT) is klima:atkiv. 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, klima:aktiv supplements climate protection funding and regulations.
	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.
	RespACT Austrian Business Council for Sustainable Development	RespACT Austrian Business Council for Sustainable Development is Austria's leading corporate platform on corporate social responsibility and sustainable development. The association supports its member companies in achieving ecological and social goals economically and independently.
UniCredit Bulbank AD	Atanas Burov Foundation	The Foundation wants to preserve the ideas and work of Atanas Burov to build a democratic Bulgarian state and a prosperous economy, based on a modern financial system and free movement of capital, and pass them on to young Bulgarian generations.
	Bulgarian Business Leaders Forum (BBLF)	The BBLF is the country's top business community comprising successful local and international companies across sectors.
	Council of Women in Business in Bulgaria	Council of Women in Business in Bulgaria is an organisation, working in public benefit, whose main goals are recognition and popularisation of best practices and programmes for encouraging the professional development of women in small and middle-sized businesses and their professional growth to managerial positions, support of young specialists to realise their potential in Bulgaria and developing projects that aim at endorsing the talent in business activities.
	Green Finance & Energy Centre	Green Centre for Sustainable Finance and Energy is establishing itself as a think tank for policies in the fields of sustainable finance and energy, conducting public debate on these topics in the country and addressing issues that lead to concrete decisions. The mission is to create and transfer to stakeholders leading good practices in both fields.
	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.
	UN Global Compact – Global Compact Network Bulgaria	The United Nations Global Compact is a strategic policy initiative promoted at national level via local networks and aimed at businesses committed to aligning their operations and strategies with 10 universally accepted principles related to human rights, labour, anti-corruption practices and the environment.

Legal Entities	Organisation	Description
Zagrebačka Banka DD	Croatia Green Building Council (GBC)	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.
	Business Council for Sustainable Development in Hungary (BCSDH)	The BCSDH is a coalition of forward-thinking CEOs of more than 130 leading companies, working together to accelerate the system transformations necessary for a climate-neutral, nature-positive and fairer future.
	Joint Venture Association (JVSZ)	JVSZ assimilates the views of its members and supports them in facing challenges related to business conduct and organisational decision-making.
UniCredit Bank SA	Association of Business Service Leaders in Romania (ABSL)	The ABSL is a leading organisation representing the business services sector, 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 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.
	Romanian Banking Institute (RBI)	The RBI's primary objective is to improve the professional training and specialisation of staff from the financial/banking sector in line with the strategy determined by the National Bank of Romania, in cooperation with the Romanian Banking Association and programmes approved by the Board of Directors.
UniCredit Bank Serbia	National Alliance for Local Economic Development (NALED)	NALED is an association of businesses, local governments and civil society organisations working together on creating better conditions for living and working in Serbia. Members are committed to advocating an efficient state, eliminating bureaucracy and reducing the para-fiscal burden for businesses and fair competition.
	Responsible Business Forum	Responsible Business Forum is Serbia's network of socially responsible companies that inspires, supports and encourages companies to continually improve their impact on society, carrying out a series of activities which aim to promote the concept of corporate social responsibility in the business sector and the wider general public.
	Smart Kolektiv	Smart Kolektiv is an independent, non-profit organisation founded in Belgrade in 2003. The organisation is a pioneer in promoting the concept of corporate social responsibility and the development of social entrepreneurship in Serbia.
UniCredit Banka Slovenija dd	Network for Social Responsibility of Slovenia	The Network for Social Responsibility of Slovenia is the meeting point of companies and other organisations whose common purpose is to promote social responsibility, both within their companies and organisations and in society in general.

Governance

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

The overall corporate governance framework of UniCredit[1] 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 the Bank of Italy and, in detail, to the regulations on banks' corporate governance.

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

Governance framework

UniCredit's corporate governance adheres to current rules and regulations as well as to the recommendations laid out in the Italian Corporate Governance Code. The governance system is regularly verified and updated to ensure that UniCredit complies both with the evolving regulatory framework and with the relevant operating and market practices which are constantly monitored in order to verify their implementation.

UniCredit governance components include:

- the Articles of Association which set forth corporate governance provisions aimed at ensuring the correct execution of corporate activities
- the Regulations for the Shareholders' Meeting, governing the conduct of ordinary and extraordinary meetings
- the Corporate Bodies and Committees Regulation, governing the function and competencies of the corporate bodies and Board Committees, in compliance with relevant legal and regulatory provisions, and the UniCredit Articles of Association, also incorporating the principles and criteria set out in the Italian Corporate Governance Code
- the Group Remuneration Policy, ensuring that – throughout the Group – compensation is aligned to business objectives, market conditions and stakeholders' long-term interests while also being fully compliant with all relevant regulatory provisions
- the Group Managerial Golden Rules (GMGR), a set of guidelines defining the Group managerial coordination mechanisms, assigning to the Heads of the Holding Company functions, specific responsibilities and powers vis-à-vis the corresponding functions within the controlled Legal Entities. Based on such system, ad-hoc structures/functions work across UniCredit and the Group Legal Entities to ensure the coordination of the activities and the control of risks across the Group as a whole by interacting with the related competent structures within the Legal Entities in order to ensure the steering, coordination and control activities in the interest of the Group stability.

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 and to ensure one single approach to corporate planning and overall efficiency.

In particular:

- the Global Rules issued by the Holding Company are classified into three different document types:
  - Global Policies (GP) which contain behavioural and methodological principles, guidelines and rules, as well as the general framework of responsibilities between the Holding Company and the recipient legal entities (when needed)

1. Refer to the annual Report on corporate governance and ownership structure and the 2024 Group Remuneration Policy and Report available in the Governance section of the Company's website (www.unicreditgroup.eu/en/governance.html) for more information.
2. Since 2001, UniCredit has adopted the Italian corporate governance code for listed companies. In line with the experience of major international markets, the code identifies the corporate standards and best practices for companies listed in Italy recommended by the Italian Corporate Governance Committee - inspired by transparency, accountability and a long-term perspective - to be applied according to the comply or explain principle that requires the explanation in the report on corporate governance of the reasons for failure to comply with one or more of the best practices recommended. In January 2020, a new version of the corporate governance code was approved. The key areas of improvement deemed to be functional to better implementing the new code are, inter alia, focused on the integration of sustainability into the definition of strategies, the internal control system and remunerations.

- Global Process Regulation (GPR) which describes the key elements for the discipline of processes classified by the parent company as global due to relations between activities, responsibilities and supporting tools
- Global Operational Regulation (GOR) which provides detailed technical, operational or methodological instructions.

Governance structures

UniCredit has adopted the so-called Italian traditional management and control system based on the existence of two corporate bodies whose members are appointed by the Shareholders' Meeting: the Board of Directors, in charge of the strategic supervision and management of the Company, and the Board of Statutory Auditors, responsible for supervising the management. Legal accounting supervision is entrusted by the Shareholders' Meeting to an external audit firm, upon proposal of the Board of Statutory Auditors, in compliance with applicable provisions.

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 applicable provisions, both the Board of Directors and the Board of Statutory Auditors establish their qualitative and quantitative composition deemed to be optimal for the effective fulfilment of the duties entrusted to them by law, by the Supervisory Provisions and by the UniCredit Articles of Association. The Board of Directors and the Board of Statutory Auditors also establish the requirements that their members shall meet, in addition to those envisaged under current provisions.

Prior to the appointment of its members, each corporate body informs shareholders on the composition deemed to be optimal in order that the expertise required may be taken into consideration in the choice of candidates. However, shareholders may carry out their own assessment on the best composition of the above-mentioned bodies and file candidacies consistent with that assessment, providing reasons for any difference vis-à-vis the analyses carried out by the corporate bodies. The outcomes of the check on the matching between the qualitative and quantitative composition deemed to be optimal and the one resulting from the appointment process done by each corporate body as per current regulatory provisions are disclosed to Shareholders in due time before the first Shareholders' Meeting called for the approval of the financial statements following the renewal of the corporate bodies.

With regard to the following:

- the qualitative and quantitative composition of the Board of Directors and the Board of Statutory Auditors as well as the profile of candidates for the position of Director or Statutory Auditor
- the time commitment recommended for an effective attendance of meetings
- the limits regarding the maximum number of offices established by the current provisions
- the gender composition criteria for corporate bodies,

reference can be found in the documents ruling the qualitative and quantitative composition of the Board of Directors and the Board of Statutory Auditors of UniCredit published on the Company's website, Governance section.

The composition resulting from the appointing process of both the Board of Directors and the Board of Statutory Auditors qualitatively and quantitatively corresponds to the relevant theoretical profiles and meets the suitable requirements established by current provisions.

The Directors' and Statutory Auditors' personal qualities and gender diversity comply with the principles of the theoretical profiles. In particular, also in light of the information given by the persons concerned, the requirements regarding, inter alia, experience, integrity and independence[3], as well as the time commitment and the limits regarding the maximum number of offices that Directors and Statutory Auditors may hold, were accounted for.

Furthermore, with reference to professional expertise gained in the areas of competence envisaged by the relevant profiles, all core areas of competence are represented in the corporate bodies and the experience possessed by all the Directors and Statutory Auditors are in line with the requirements of the relevant profiles.

3. At the approval date of this Integrated Report, the number of independent Directors in office is above the minimum required by current regulatory and statutory provisions (9 out of 12 under the Italian Corporate Governance Code; 10 out of 12 under Legislative Decree no. 385/1993 ("TUB"), 11 out of 12 under Legislative Decree No. 58/1998 ("TUF"), 11 are non-executive).
4. Refer to the annual Report on corporate governance and ownership structure and the 2024 Group Remuneration Policy and Report, available in the Governance section of the Company website (www.unicreditgroup.eu/en/governance.html), for more information.

In order to support the Board of Directors, also pursuant to the provisions of the Italian Corporate Governance Code, there are five 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 Committee
- the ESG Committee
- the Remuneration Committee
- the Related Parties Committee.

The first four Committees were set up in compliance with the provisions of the Bank of Italy Supervisory Regulations on banks' corporate governance. The Related Parties Committee was established for overseeing issues concerning transactions with related and associated parties, in compliance with the relevant Italian Companies and

Exchange Commission (CONSOB) regulatory provisions and the Bank of Italy Supervisory Regulations, carrying out the specific role attributed to independent Directors in the afore-mentioned provisions. The Committees' duties are undertaken in accordance with the terms of reference and procedures set forth by the Board.

Board Self-Evaluation[5]

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

The self-assessment process is undertaken with the assistance of an external consultant chosen on the basis of competence and expertise in the field of corporate governance and the need for neutral, objective and independent judgement which are the hallmarks of the self-assessment process.

Induction Initiatives and Recurrent Training[5]

At UniCredit a permanent induction programme is active for the Board members, also for the benefit of the Board of Statutory Auditors members, based on three-year cycles connected to the Board's mandate, with the aim of ensuring ad hoc training on a continuous basis by taking into account both individual and collective needs.

The induction programme and recurrent training, put in place with the support of an external consultant, respectively include sessions aimed at fostering the integration of new Directors and training to preserve over time the expertise needed for the proper fulfilment of their duties.

In addition, individual training plans will be activated, should they be deemed necessary, to strengthen specific individuals' technical knowledge and expertise and to increase the level of diversity and the collective experience of the Board of Directors.

Board and Senior Management Compensation

The CEO is the only Executive Director who sits on the Board of Directors. With reference to 2023 and in line with the 2023 Group Remuneration Policy provisions, the CEO received a variable remuneration, determined by the Board of Directors on the basis of % targets achievement of the KPIs embedded in the CEO's 2023 scorecard, composed by a financial section (80% overall weight where all KPIs were equally weighted) and a non-financial section (20% overall weight).[6]

All other Board members are non-executive Directors and are not beneficiaries of incentive plans utilizing stock options or, more generally, of any incentive plan that makes use of financial instruments.

The remuneration for members of the administrative and auditing bodies of UniCredit is represented only by a fixed component, determined on the basis of the importance of the position held and the time required for the performance of the assigned tasks.

This policy applies to non-executive Directors, as well as to Statutory Auditors.

The approach to compensation for UniCredit's top managers, as detailed in the Group Remuneration Policy, is connected to performance, market awareness and is aligned with UniCredit's business strategy and shareholders' interests. More details on the compensation for top management leaders and for members of the administrative and auditing bodies of UniCredit are reported in the Group Remuneration Policy.

To ensure competitiveness and effectiveness of remuneration, as well as transparency and internal equity, the principles of sustainable conduct and performance define the key pillars of the Group Remuneration Policy. The Remuneration Policy framework is designed to ensure the consistency of the remuneration elements and systems while also conforming to our Group's long-term strategies and principles of sound risk management.

The Group Remuneration Policy, as proposed by the Remuneration Committee, is submitted for approval to the Board of Directors and, subsequently, to shareholders at the Annual General Meeting.

5. Refer to the annual Report on corporate governance and ownership structure, available in the Governance section of the Company website (www.unicreditgroup.eu/en/governance/our-governance-system.html), for more information.
6. For further details on the CEO's 2023 variable remuneration, refer to the 2024 Group Remuneration Policy and Report.

Risk Management

Managing environmental and social risks

Sound risk management requires a deep understanding of many types of risk, including environmental and social risks, and their subsequent impacts on financial results and statements.

Environmental and social risk assessments are guided by our environmental, social, operational and reputational risk sector policies as well as by our human rights commitment and, when applicable, by the Equator Principles (EP).

How we mitigate environmental, social and reputational risks

Policies	Scope & Objectives	2023 Highlights
Equator Principles	– Framework of standards for determining, assessing and managing environmental and social risk for large projects	**56** project transactions evaluated **12** projects financed
Sector Policies Coal, Oil & Gas, Mining (update), Defence/ Armaments (update), Nuclear energy, Water Infrastructure **Commitments** Human rights Rainforests	– Framework of sector-specific standards/guidelines to identify, assess and mitigate environmental, social and reputational risks/ impacts on an ongoing basis with our clients	**~1,274** transactions screened for environmental, social and reputational risk issues (vs >1,480 in 2022) **40** RepRisk colleagues trained on policies and exception
Other Environmental and Social Impacts	– Specific high risk cases/transactions analysis not covered under the defined policies, including local regulations, sensitive sectors not yet regulated or other RepRisk issues – Ad hoc analysis leveraging the data analytics and key internal functions of external ESG providers	**~606** transactions screened for environmental, social/human rights and reputational risk issues
Environmental, Social and Reputational Risk – Prevention Process	– Dedicated Committee (GNFRCC) to assess business initiatives, transaction banking, projects, customers, etc. – Awareness and knowledge of potential reputational risks across the Group	**43** meetings Group Reputational Committee **96** transactions analysed by GNFRCC

Climate risk identification (reference to 1.1 – impacts identification)

Table 1: Risk Hazard events at counterparty level

Potential Climate-Related Risks	Time Horizon	Main Potential Impacts	Specific Actions	Overarching Actions
Transition risks Changes in or introduction of public policies and/or environmental regulations	Short and medium/ long term	– Reduction of business for corporate clients with potential drawbacks on creditworthiness/solvency – Financial implications arising from environmental/ESG regulations and GHG emission limits and/or taxes applied to clients operating in specific economic sectors – Reduction of Group profits deriving from concentration on sectors more sensitive to climate-related risks	– Inclusion of ESG risks considering both counterparty scoring (including the use of an internally developed questionnaire) and energy performance certificates (EPC) and when assessing credit applications – Enhancement of Market and Liquidity risk framework to incorporate the assessment, monitoring and control of ESG risks – Integration of industry steering signals within the Credit Risk Strategies framework, based on relevant Climate & Environmental (C&E) factors	– Definition of data governance processes and related IT investments to integrate ESG risk into the risk management framework – Participation in international working groups and commitments related to climate, such as the Net Zero Banking Alliance, stakeholder engagement initiatives and active collaboration with policy makers – Risk identification process and materiality assessment, including stress tests, to evaluate the significance of climate-related risks in the short-, medium- and long-term horizons – Inclusion of specific KPIs related to transition and physical risks within the Risk Appetite Framework. The risk appetite is then cascaded to more granular levels via risk strategies and policies
Transition risks Technological changes	Short and medium/ long term	– Increase in costs for corporate clients with potential drawbacks on creditworthiness/solvency		
Transition risks Changes in customer/ consumer preferences	Short and medium/ long term	– Reduction of business for corporate clients with potential drawbacks on creditworthiness/solvency – Potential changes to the offering of products and services to clients		
Transition risks Changes in customer or community perceptions	Short and medium/ long term	– Reputational impacts or negative perceptions from the community or Stakeholders due to inadequate management of climate-related risks	– Environmental sector policies and their subsequent implementation – A Reputational Risk assessment to evaluate the positioning of clients and specific projects in relation to climate-related topics	– Promoting a sustainable culture within the organisation by developing ESG training courses and workshops

Potential Climate-Related Risks	Time Horizon	Main Potential Impacts	Specific Actions	Overarching Actions
Physical risks **Acute** Extreme weather events such as floods, droughts, heavy rainfalls, heatwaves, fires and hail) **Chronic** Chronic weather events such as variations in average temperatures and sea level rise	Short and medium/long-term	– Financial implications resulting from corporate/retail clients being damaged by extreme weather events, potentially impacting their creditworthiness/solvency – Potential damage to the Bank's infrastructure and the potential disruption of activities – Increase in energy supply costs due to higher heat/electricity demand – Potential fires, driven by rising temperatures, affecting areas in proximity to the Bank's buildings – Potential impact of sea level rise on buildings located near the sea – Reduced productivity due to higher temperatures	– Inclusion of ESG risks considering counterparty scoring – Monitoring of physical risks both on counterparties within our portfolio and individual collaterals	– Definition of data governance processes and related IT investments to integrate ESG risk into the risk management framework – Participation in international working groups and commitments related to climate, such as the Net Zero Banking Alliance, stakeholder engagement initiatives and active collaboration with policy makers – Risk identification process and materiality assessment, including stress tests, to evaluate the significance of climate-related risks in the short-, medium- and long-term horizons – Inclusion of specific KPIs related to transition and physical risks within the Risk Appetite Framework. The risk appetite is then cascaded to more granular levels via risk strategies and policies – Promoting a sustainable culture within the organisation by developing ESG training courses and workshops – Signing (2022) of the Finance for Biodiversity Pledge (FfB) and participation as member to the working table on Biodiversity of the UNEP FI

List of hazards (reference to 2.8 – physical risk in the credit portfolio)

Table 1: Risk Hazard events at counterparty level

Type Of Physical	Material Risk (Acute/Physical Risk Chronic) Hazard Event	Description Of The Physical Risk Hazard Event	Metric/Approach	Spatial Resolution	Source
Acute	Landslides	Risk of landslide events, long historical data	Annual probability of event with high severity	grid 200 metres/census cell	Third party Data & Bundesanstalt für Geowissenschaften und Rohstoffe & Istituto di Ricerca per la Protezione Idrogeologica
Acute	Floods	Risk of flood events, related to waterways and heavy rain events, predictive model	Annual probability of event with high severity, return period 50y	grid 100 metres/census cell	Third party Data & ISPRA (Italy)
Acute	Wind (extreme wind-related events)	Probability of extreme wind events based on storm footprint, measured on Beaufort scale, return period 50y	Annual probability of extreme events (11-12 Beaufort scale)	grid H3	Third party Data
Acute	Wildfire	Risk classes depending on days with high fire risk subject to the type of environment in which the company is located, RCP 4.5 scenario	Average days/year with high fire risk, subject to type of environment	grid 4 kilometres	Third party Data & ESA Data & Copernicus Data
Acute	Extreme waves (extreme waves, storm surges)	Probability of having storm surges and high energy waves	Wave height in RCP 8.5 with a return period of 50y	grid 25 kilometres	Third party Data
Acute	Frost occurrence	Probability of cold events (frost, even of short duration), predictive model	Average number of events by years	grid 10 kilometres	Third party Data
Acute	Heat occurrence	Probability of hot events (even of short duration), predictive model	Average number of events by years	grid 10 kilometres	Third party Data
Acute	Heat waves	Probability of heat waves (extreme hot event > 3 days), historical data	Number of events (> 3 days) observed in a 60y period	grid 10 kilometres	Third party Data
Acute	Aridity	Probability of aridity phenomena (ratio precipitation/ evaporation), predictive model	Mean annual precipitation (P)/mean annual evapotranspiration (ETP)	grid 500 metres	Third party Data
Chronic	Rainfall soil erosion	Severity of soil erosion due to rainfall, scenario RCP 4.5	R factor: Mj mm/ha h yr	grid H3	Third party Data
Chronic	Shoreline erosion	Score representing the erosion compared to the present, RCP 4.5	Meter of erosion, scenario RCP4.5 a y2050	grid 200 metres	Third party Data
Chronic	Sea level rise	Estimates the sea level with various meteorological models	Max wave height at 2050, return period in 50y	grid 25 kilometres	Third party Data

Table 2: Risk Hazard Events at Collateral Level

Type Of Physical Risk (Acute/ Chronic)	Material Physical Risk Hazard Event	Description Of The Physical Risk Hazard Event	Metric/Approach	Spatial Resolution	Source
Chronic	Sea level rise	Estimates the sea level with various meteorological models	Sea level rise hazard zones defined on Elevation Index (driven by coastal topography) and sea level rise Index (driven by sea level rise). The sea level rise hazard information is available for different scenarios	30 metres resolution for flooding hazard by sea level rise globally	Third party data: Sea level rise zones were modelled based on high-resolution elevation data from elevation model and sea level rise projections from climate models
Acute	Flood: – River Floods – Flash Floods	– River floods: Risk of river flood events, related to waterways and heavy rain events, predictive model – Flash floods are short-term events which can be produced by multiple thunderstorms with heavy rain over one area	– River floods: Global climate model and global land surface models estimate changes in peak water runoff at hydrological basin resolution. These changes in peak runoff are then used to scale current river flood maps. The projections are available in different scenarios – Flash floods: The flash flood map is based on meteorological data, as well as soil, terrain and hydrographic data (slope and flow accumulation). The meteorological data includes the amount, variability, and extreme behaviour of rainfall	– River floods: 30 metres – Flash floods: approximately 250 metres	Third party data: – River floods: Geoweb natural hazard maps – Flash floods: soil-sealing maps (detected by looking at impervious surfaces), curvature (from global multi-resolution terrain elevation data), slope and flow accumulation (from conditioned terrain data) as modifiers to generate the final flash flood map
Acute	Storms	– Storms (including blizzards, dust and sandstorms): extratropical storms and storm surges	– Extratropical storms: The main variables of the exposure analysis are forward wind, maximum wind speed, minimum central pressure, radius of maximum wind speeds, track of the centre (eye) in 3 to 6 hourly intervals – Storm surges: Multiple wave heights are simulated for each coast and the maximum expansion calculated. Wind speeds and bathymetry data were also taken into account	– Extratropical storms: approximately 5 kilometres – Storm surges: approximately 30 metres	Third party data
Acute	WildFire	– Risk classes depending on days with high fire risk subject to the type of environment in which the company is located, RCP 4.5 scenario	– Fire Weather Index (FWI) combining the probability of ignition, the speed and likelihood of fire spread and the availability of fuel.	– Approximately 1 kilometre	Third party data: modelled according to daily information on temperature, precipitation, humidity and wind

Implementation of the Equator Principles

Since 2003, UniCredit adopted the EP, 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.

From the outset, our Group has actively contributed to the framework's development. In 2023, we continued to be engaged in the work of the EP and to strengthen our internal and external commitment. In particular we participated in reviewing the optimal legal and management structure of the EP Association as well as its Governance Rules.

Equator Principles – Projects evaluated and financed, 2023

Projects evaluated	Projects financed[A]
56	12

A. Includes eight Project Finance transactions and four Project-Related Corporate Loans.

Risk category[A]	2023[B]	2022[B]	2021[B]
Category A	3	4	1
Category B	4	13	8
Category C	5	7	6
Total	**12**	**24**	**15**

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 S.p.A, and UniCredit Bank Austria AG.

Equator Principles – Number of projects financed by risk category and sector, 2023

Sector	Category A	Category B	Category C
Resources[A]	1	1	0
Energy	1	3	5
Infrastructure	1	0	0
Total	**3**	**4**	**5**

A. Including Oil & Gas, Mining and Metals.

Equator Principles – Number of projects financed by risk category and region, 2023

Region	Category A	Category B	Category C
Europe: EU	0	3	5
Extra EU	0	1	0
North America and Mexico	0	0	0
Africa	2	0	0
Asia and Australia	1	0	0
Total	**3**	**4**	**5**

Equator Principles – Number of projects financed subjected to independent reviews[A], 2023

	Category A	Category B	Category C
Independent Review	3	4	5

A. 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

Green Line – railway project, Egypt

UniCredit acted as MLA in a consortium of several financial institutions for the Green Line railway project in Egypt.
The National Authority for Tunnels has completed a transaction with support from the Ministry of Finance. Euler Hermes, the German Export Credit Agency, provides 95% cover for commercial and political risk.

Green Line is the first of three railway lines in Egypt, connecting the Mediterranean Sea with the Red Sea with high-speed trains for passengers and cargo. At around 660 km long, the railway will serve to reduce congestion and improve transport between major cities.

The project is listed as a green loan in support of Egypt's 2030 Vision, a national project aimed at boosting the country's progress in meeting the UN Sustainable Development Goals.

Green Line is environmentally and socially beneficial as it will reduce carbon emissions resulting in annual benefits of pollution reduction, and will enhance reliability through reduced travel and waiting times compared to highways or the former railway system. Furthermore, the state-of-the-art security and IT system of the trains is expected to improve passenger safety and reduce train accidents.

The main international Environmental and Social Standards applicable to this project are International Finance Corporation Performance Standards, OECD Common Approaches and Equator Principles 4.

A reputable Independent Environmental and Social Consultant supported the lenders with comprehensive Due Diligence.

Given the environmental and social benefits of the project, the financing achieved Green Loan Certification backed with a Second Party Opinion considering Green Loan Principles, administered by the Loan Market Association and the EU Taxonomy Climate Delegated Acts. The nominated project category is aligned with the Climate Change Mitigation Criteria, with the Minimum Safeguards requirements and with the Do No Significant Harm Criteria.

To ensure the compliance of the project with international environmental and social standards, e.g. the Equator Principles and the IFC Performance Standards, various actions included in an Environmental and Social Action Plan (ESAP) are agreed between the project developer, operator and parties involved in the financing. A regular monitoring, to be performed by a reputable international consultancy, is taking place accordingly to confirm adequate compliance with the applicable standards and the ESAP.

Compliance

How compliance is managed at UniCredit

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

The Compliance function is embedded in the second-level internal control system, pursuing the objective of preventing and managing the risk of regulatory non-compliance and conflict of interest, with a view to preserve the Bank's reputation, its customers' confidence and to contribute to Group ESG sustainability (corporate value creation/consolidation). This is done by monitoring, for the competence area, the alignment to ESG regulatory requirements, by providing advice and performing controls on a risk-based approach and integrating ESG topics into existing frameworks and processes.

Compliance provides support to the Bank functions on regulatory requirements and interacts with them monitoring and supervising the risks of non-compliance. Inherent in its mission is also the goal of being a valuable partner to the business, firstly by ensuring the necessary advice to deal promptly both with any new regulations and emerging risks that have an impact on the Bank's strategic interests, secondly by enhancing awareness on conducting business in an ethical way.

In order to accomplish such goals, the Compliance function defines, develops and monitors both the implementation of and adherence to compliance rules, procedures, methodologies, training and, in particular, the minimum compliance standards within the Group.

Compliance indeed plays a leading role in promoting a culture which reflects the Group's fundamental values and principles.

Key compliance policies updated in 2023

The Compliance function is responsible for areas with the greatest impact on external clients and a high risk of reputational damage (e.g. anti-money laundering, transparency, privacy, market abuse, financial instruments and products issued by banks).

During 2023 the following Global Policies have been updated according to new external requirements and/or internal processes changes:

- Whistleblowing
- Sustainability-related disclosures in the financial services sector
- MiFID II – Product Governance Rules
- Market abuse
- Privacy

Anti-Money Laundering

UniCredit is firmly committed to the fight against financial crime. It aims to actively manage the Money Laundering and Terrorism Financing (ML/TF) risk by continuing to enhance the AML programme comprised of robust policies, a strong control environment and careful client selection.

The programme is supported by Compliance initiatives in place on training and culture and is shaping the risk management culture. The strategy includes Risk Appetite Statement and Framework, regular review and test of policies/procedures, training and culture programme, client acceptance criteria, a dedicated control environment, regulatory strategy, and collaboration with the authorities.

The Global Policy on anti-money laundering and countering of terrorist financing (AML/CTF) (hereinafter the AML Policy) sets out the framework by which the Group manages its money laundering and terrorist financing risk and establishes minimum standards for the Legal Entities' anti-money laundering programmes.

Official documents related to the Global AML/CTF Policy that further build on the AML/CTF framework provide more details on areas such as: i) AML due diligence requirements for clients, ii) AML standards for correspondent banking, iii) AML/CTF transaction monitoring etc.

Key achievements 2023

- The design of the new Target Operating Model
- The testing of the transaction monitoring tool; the implementation of additional transaction monitoring controls as well as of the first level controls catalogue

Key priorities 2024

- Update of framework in light of legislative developments; review of Know Your Customer (KYC) requirements for specific clients; progressive implementation of new AML tool

Anti-bribery and corruption

UniCredit has a zero-tolerance approach towards acts of corruption.

The Bank's approach to anti-bribery and corruption is laid out in the dedicated Global Rules which set minimum standards of anti-corruption compliance throughout the Group. Each Legal Entity is responsible for the development and implementation of an effective Local Anti-Corruption Programme.

Moreover, Italian Group Legal Entities have also implemented an Organisational and Management Model (hereinafter the Model) pursuant to Italian Legislative Decree 231/01 (Administrative liability of Legal Entities, companies, and associations hereby L.D. 231/01) that foresees, inter alia, specific Protocols aimed at avoiding bribery and corruption issues.

The Code of Conduct (CoC), reviewed in 2022, contains a specific section dedicated to bribery and corruption risks, and provides behaviour rules and tips on how to manage and prevent such risks.

Key achievements 2023

- Development of a common and standardised Group ABC third-party registry

Key priorities 2024

- Review of the ABC framework and training

Organisation and Management Model pursuant to Italian Legislative Decree 231/2001

UniCredit S.p.A. has adopted a Model, pursuant to L.D. 231/01, which is integrated within the rules, procedures and control systems already in place and applied in the Bank. In drawing up the Model, the Bank especially considered the Italian Banking Association (ABI) guidelines.

The Bank's organisational framework consists of a set of rules, structures and procedures that ensure the proper functioning of the Model; it is a structured, comprehensive system with the aim of guaranteeing the prevention of unlawful conduct, including conduct regulated by specific legislation on the administrative liability of entities.

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

Furthermore, the Bank has formalised the Special Section containing specific decision protocols listing all at-risk activities and relative potential offences, as well as the principles of conduct and control rules aimed at preventing these offences. As an integrated part of the model, UniCredit S.p.A. has established additional rules of conduct in the Code of Ethics pursuant to the decree.

The Organisation and Management Model 231/2001 of UniCredit S.p.A. was last updated in November 2023 mainly as follows:

i. General Section: as required by new L.D. 24/2023 (implementing the Directive on Whistleblowing), some changes were made (i) to highlight the strict confidentiality regime that must be applied to reports received via whistleblowing channels (already in place), and (ii) to make explicit the extension of the protection measures to all the involved subjects and the strengthening of disciplinary sanctions against the authors of retaliation and defamation.

ii. General and Special Section: in compliance with the new L.D. 19/2023 (implementing the Directive on cross-border conversions, mergers and divisions) a new offence "False or omitted declarations for the issuance of the preliminary certificate" was introduced (the preliminary certificate must be issued by the Notary who must certify the correctness of cross-border transactions).

Key achievements 2023

- The update of the Model following the insourcing of UniCredit Services S.C.p.A. and the further introduction of new crimes in Legislative Decree 231/2001

Key priorities 2024

- Alignment of the Model following the change in the corporate governance and the introduction of new crimes in L.D. 231/2001. Checks on compliance with the Decision Protocols

Antitrust

Since 2016, UniCredit defined the Compliance-Antitrust Programme at Group level (hereinafter CAP) aimed at:

- increasing the governance of antitrust matters at both Legal Entity 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

Based on the antitrust sensitivity of the relevant Group Companies, the following two alternative forms of CAP are carried out:

(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

In 2023 the Compliance Antitrust Programme Standard was refreshed in 11 Group Companies (in Austria, Bulgaria, Croatia, Czech Republic, Hungary, Italy, Romania and Slovakia) and launched to one additional Company in Austria.

Key achievements 2023

- Compliance Antitrust Programme Standard was refreshed in 11 Group Companies (in Austria, Bulgaria, Croatia, Czech Republic, Hungary, Italy, Romania and Slovakia) and launched to one additional Company in Austria

Key priorities 2024

- Update of the Group Policy Single Antitrust Rulebook in light of the recent regulatory developments

Main legal actions regarding anti-competitive behaviour, antitrust and monopoly practices

Number of new legal actions/disputes commenced in 2023 and concluded in 2023	0
Number of legal actions/disputes already existing and concluded in 2023	1
Number of legal actions already existing but not yet concluded	2

Table 2: Risk Hazard Events at Collateral Level

Country	Description
Italy	In April 2016, the Italian Competition Authority, Autorita' Garante della Concorrenza e del Mercato (AGCM) notified UniCredit and 10 other banks of the extension of proceedings I/794 ABI/SEDA opened in January vis-à-vis the Italian Banking Association (ABI). The proceedings are aimed at ascertaining the existence of alleged concerted practices with reference to the Sepa Compliant Electronic Database Alignment system (SEDA). On 29 October 2021, the AGCM appealed the decision of the Tribunale Amministrativo Regionale (TAR) before the Consiglio di Stato. **Update:** In February 2023, the Consiglio di Stato rejected the AGCM appeal, confirming the above-mentioned TAR decision.
Italy and Germany	On 31 January 2019, UniCredit S.p.A. and UniCredit Bank GmbH (HVB) 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 extended to certain periods from 2007 to 2011 and included activities by UCB GmbH (HVB) between September and November 2011. The European Commission concluded its investigation by issuance of its decision on 20 May 2021. The decision provides for the imposition of a fine of €69.4 million on the parent company UniCredit S.p.A. and UCB GmbH (HVB). The parent company UniCredit S.p.A. and UniCredit Bank GmbH (HVB) contested the European Commission's findings and brought an action for the annulment of its decision before the General Court of the European Union on 30 July 2021. **Update:** The appeal is still pending.
Romania	On 27 November 2017, the Competition Council carried out dawn raids on the headquarters of several banks (including UniCredit Bank SA), financial non-banking institutions, leasing companies (including UniCredit Leasing Corporation IFN SA and UniCredit Leasing Fleet Management), professional associations and employer associations working in the financial services market. No further action was taken vis-à-vis the Bank following the raids, but two separate antitrust proceedings started vis-à-vis UniCredit Leasing Corporation IFN SA and Leasing Fleet Management respectively. Regarding Leasing Fleet Management, on 28 July 2021, the Competition Council issued its decision in which the commitments submitted by the parties were accepted. The proceeding was closed and no sanction applied. Regarding Leasing Corporation IFN SA (UCLC), on 8 April 2021, UCLC was served with a fully motivated decision of the Competition Council to close its investigation and sanction UCLC for an alleged exchange of sensitive commercial information which took place for a limited period during 2014 within the local industry professional association. The sanction applied to UCLC amounted to approximately €1.8 million and was paid in April 2021 within the deadline. UCLC appealed the Authority's decision before Bucharest Court of Appeal (first instance court) to seek its annulment, on both procedural and substantive grounds. **Update:** In October 2023 the Court rejected the appeal that UCLC submitted. After the publication of the full Court's decision (that is still pending and could take 12 months) UCLC will formulate a second appeal before the Supreme Court.

Conflicts of interest

As the Bank provides a wide range of products and services to a diversified client base, the different kinds of relations and stakeholders consequently expose it to a number of potential conflicts of interest (COI).

The types of conflict of interest identified are the following:

- conflicts in the provision of investment services and activities
- conflicts in the provision of insurance product distribution services
- conflicts related to the issuance of financial instruments
- conflicts arising from the administration and/or contribution to financial benchmarks
- conflicts arising from the provision of investment recommendations
- conflicts in the provision of banking services and activities
- conflicts arising from employees' personal interests
- organisational conflicts
- conflicts arising from the assignment of services and/or activities to external providers

The Global Policy on COI defines principles and circumstances that could generate an actual or a potentially relevant COI on the basis of current regulatory framework and market best practice.

The updated version of the Global Policy on COI simplifies and better clarifies some terms of disclosure provided to customers in relation to MiFID II requirements with a consequent update of the COI Matrix (the list of potential cases of COI identified on the basis of the activities and services provided by Group Legal Entities).

In addition, during 2023 the Global Operational Regulation (GOR) related to the COI arising from employees' personal business interests (Outside Business Interest – OBI) has been reviewed. Leveraging on the adoption of the new Group OBI Tool (DET: Declaration and Evaluation Tool), a new Risk Based Approach (RBA) has been implemented. The process is more focused on specific Target Population (sensitive positions and managerial roles). New GOR on OBI has been reviewed in alignment with RBA and issued in UniCredit S.p.A. in December 2023. Implementation in all Legal Entities in perimeter is ongoing and will be finalised in the first part of 2024.

At Group and/or Legal Entity level, the process for a proper management of COI consists of:

- definition and maintenance of the COI management model
- identification of events that can result in COI
- identification of both the organisational measures and behaviours suitable to mitigate the relevant COI
- record-keeping of COI
- first and second level controls, in accordance with Global Policy

Key achievements 2023

- Review of the Global Conflict of Interest Policy embedding the new Operative process in place on COI disclosure supported also by new IT functionalities

Key priorities 2024

- Complete the roll-out of the OBI IT tool in the Legal Entities

Privacy management

UniCredit ensures the compliance with data protection rules set forth both in the GDPR (EU Regulation 670/2016) and in Italian Legislative Decree 196/2003 updated by the Italian Legislative Decree 101/2018. UniCredit's approach is described in the Global Rules on Privacy (latest update December 2023) with reference to the management of the appointment of Data Processors (GOR), Right to Be Forgotten (GOR) and Data Protection Guidelines on cookies and tracking tools.

At Group level, the Data Protection Officer (DPO) Community ensures that the DPOs/Privacy Referents of the various Legal Entities and Foreign Branches share their opinions on different issues, experiences, lessons learnt and local/European regulatory evolutions.

Key achievements 2023

- Further enhancement of Right to Be Forgotten mechanism with review of deletion rules and extension to further IT applications (e.g. AML)
- Support to the business in relevant Group Digital projects, consistently with the Privacy by Design principle
- Definition of data protection organisational model to cover GDPR risks in former UCS foreign branches (in particular in CEE area)

Key priorities 2024

- Fine-tuning of Right to Be Forgotten mechanism; Record of Processing Activities (RoPA) data quality enhancement and certification campaign
- Preliminary impact assessment of the new European Data Protection Board guidelines on "Right of Access" and issuing of relevant Group guidelines
- Data Protection awareness initiatives on Privacy requirements (training, tone from the top)

Whistleblowing

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

The policy is intended to:

- grant a corporate environment where employees feel free to report any unacceptable conduct
- define adequate communication channels for the receipt, analysis and use of the reports

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 the local level, UniCredit has identified a reference person in Compliance as the person responsible for internal whistleblowing systems and for ensuring that the procedure is followed correctly.

UniCredit provides the following channels (some of which are available 24 hours a day) for employees and third parties to make whistleblowing reports, anonymously if desired:

- by phone – the UniCredit SpeakUp line allows a voice message report to be left, with the option of remaining anonymous
- on the website, where the UniCredit SpeakUp web service allows a written report to be submitted, with the option of remaining anonymous
- by email to the UniCredit Italy Whistleblowing email address
- by letter to the dedicated UniCredit Italy whistleblowing postal address
- by physical meeting

At Group level, the Whistleblower's Champion of every Legal Entity annually makes a report on the internal whistleblowing system, with aggregated information on the actions taken and results achieved, on the observance of confidentiality and non-retaliation principles.

With the purpose of assessing any possible offence against regulations, the UniCredit S.p.A. Supervisory Body, in accordance with L.D. 231/01, requested a monthly report session to the Compliance structure in charge of receiving whistleblowing reports and also regularly provides the Board of Statutory Auditors with an update on any whistleblowing cases not considered relevant under L.D. 231/01.

The Group undertakes to provide all employees with mandatory, up-to-date training on whistleblowing, outlining the relevant procedures to follow and potential consequences should misconduct occur and is committed to promoting the regular global communication, implementation and enforcement of this rule across the Group worldwide and including third parties.

Information about internal channels, process description and external channels provided by the National Competent Authority are available for third parties on the Group Institutional website and on the UniCredit commercial website and employees also in the section dedicated to whistleblowing on the Group's intranet.

In 2023, a new version of the Global Policy has been issued. Main changes are related to:

– expansion of people who can make a report
– extension to other persons of the protection measures reserved for the whistleblower
– expansion of the concept of retaliation

Key achievements 2023

– Update of the Whistleblowing Global Rule according to the European Directive
– Launch of a communication campaign on new requirements

Key priorities 2024

– Full implementation of the 2023 improvements

Number of cases by category, 2023

Reports received resulting in real policy or requirement breaches	**159**
Closed reported cases as at 31 December 2023	**185**
Categories of closed cases	
Anti-Bribery and Corruption	4
Financial Sanctions	0
Anti-money Laundering	10
Fraud	22
MiFID	3
Conflict of Interest	5
Banking Transparency & Consumer Protection	5
Privacy & Banking Secrecy	4
Anti-trust	0
Failure to comply with HR regulations	62
Failure to comply with internal regulations (and other inappropriate behaviour)	45
Other	25
Pending reported cases as at 31 December 2023	**33**
Total reported cases	**218**

Stakeholder Engagement

Material topic	Main stakeholder involved[A]	Definition	Type of involvement	Main reference chapter of the Integrated Report
Digitalisation and innovation	Clients Communities Colleagues Investors	Being proactive, acting promptly and promoting innovation: contributing to social and economic progress and innovation as well as the well-being of countries, developing products and services to support research and innovation intensive industries, by leveraging analytics, as they increasingly becoming significant, with positive and negative implications.	Contributed	– Our Strategy – Intellectual Capital – Social and Relationship Capital
Value to clients	Clients	Being close to clients, understanding their needs and promptly developing products and services for families and companies that support their prosperity and growth (e.g. innovation, internationalisation, research and development) and are good value for money.	Caused	– Our Strategy – Social and Relationship Capital
Digital security	All[B]	Building and maintaining an environment in which all data and information confidentiality, integrity and availability are protected from relevant cyber threats and digital trends as well as implementing security mechanisms that aim to ensure the highest standards and ethical principles related to responsible artificial intelligence systems and information management.	Contributed	– Intellectual Capital – Risk Management and Compliance
Climate and environmental impacts	All	Developing a strategy that incorporates transition and physical risks arising from a changing climate and environmental issues, while at the same time seizing opportunities in order to mitigate the impacts on global temperatures, enhance climate resilience, protect and restore nature.	Caused by the Group and directly linked to its business relationships	– Our Strategy – Our Context – Natural Capital – Risk Management and Compliance
Political and societal change	All	Bearing in mind the impacts of political and societal changes on all our banking business activities both in terms of demand and supply of products and services and well-being for clients and colleagues.	Contributed	– Our Context – Social and Relationship Capital

A. Main stakeholder groups that raised and/or is affected by the material topic.
B. Includes Colleagues, Clients, Communities, Investors/Shareholders and Regulators.

Material topic	Main stakeholder involved[A]	Definition	Type of involvement	Main reference chapter of the Integrated Report
Lean and solid bank	All	Being a stable and solid reference point for all stakeholders basing all our interactions on transparency and using effective and clear communications. A commitment to build a long-term foundation for financial stability while supporting all stakeholders in an uncertain environment, provide tangible support for regulatory discussions, propose and offer simple and easy to understand products/services, disclose relevant information to understand our competitive positioning and business trends	Caused	– Governance – Our Strategy – Financial Capital – Risk Management and Compliance – Social and Relationship Capital
Diversity, inclusion and employee engagement	Colleagues, investors, communities	Fostering and improving a Culture of inclusion, fairness and respect by promoting equal opportunities in the workplace and valuing employees' well-being so all colleagues can maximise their potential. A commitment to enhancing colleagues' professional skills and accelerating their professional development while managing the impacts that global trends such as digitisation, demographic changes, and pandemics have on the jobs to ensure that employees are able to perform new and future jobs well.	Caused	– Human Capital
Business ethics	All	Basing our business practices on strong ethics fundamentals and high standards for fair business behaviour: recognising the importance of environmental, social and governance issues and embedding them into specific business strategies; respecting and supporting human rights within our sphere of influence; respecting and maintaining a fair competition and responsible procurement practices; reinforcing a Culture of compliance and attention to colleagues' health and safety at all levels of our organisation.	Caused by the Group and directly linked to its business relationships	– Risk Management and Compliance – Natural Capital – Social and Relationship Capital
Responsible tax practices	Regulators Communities	Respecting and maintaining a fair competition, ensuring transparent management of taxation matters, rigorous and accountable reporting on non-financial performance in compliance with public policy practices, protecting and consolidating the corporate reputation against any illegal activities aimed at evading the imposition or payment of a tax.	Caused	– Financial Capital
Positive impact on society	Communities Investors	Understanding the priorities of communities, supporting sectors and enterprises which can create environmental, social, and economic positive impacts for individuals and the community, fostering a just and fair transition.	Caused	– Social and Relationship Capital – Natural Capital

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

Human Capital

Portrait in numbers[A]

The data in this part of the Supplement applies to UniCredit employees (headcount) as at 31 December 2023, excluding external staff (e.g. interns or consultants). Numbers reflect all employees of fully consolidated entities and represent 100% of the population unless otherwise noted.

Percentage and number of employees by country and gender 2023-2022

Country	Women 2023	Men 2023	Head count 2023	Head count 2022
Italy	49.09%	50.91%	32,864	34,428
Germany	52.78%	47.22%	11,751	13,332
Austria	56.36%	43.64%	5,499	5,860
Bosnia and Herzegovina	76.74%	23.26%	1,539	1,598
Bulgaria	77.20%	22.80%	4,049	4,369
Croatia	74.55%	25.45%	3,430	3,549
Czech Republic	63.58%	36.42%	3,451	3,581
Hungary	66.92%	33.08%	2,095	2,131
Romania	73.60%	26.40%	5,268	5,425
Russia	64.31%	35.69%	3,595	3,937
Serbia	67.59%	32.41%	1,370	1,387
Slovenia	66.79%	33.21%	521	550
Other[B]	64.02%	35.98%	1,148	1,201
Total	**57.58%**	**42.42%**	**76,580**	**81,348**

A. Numbers may not add up due to rounding.
B. Other includes: Luxembourg, Poland, Slovakia, UK and USA.

Percentage of employees by employment tier 2023-2022

Employment tier	2023	2022
Senior leader	0.14%	0.15%
Executive	0.44%	0.46%
Middle management	12.27%	12.04%
Staff	87.15%	87.35%
Total	**100.00%**	**100.00%**

Percentage of employees by employment tier and gender 2023-2022

Employment tier and gender	2023	2022
Senior leader		
– Female	32.11%	31.40%
– Male	67.89%	68.60%
Executive		
– Female	22.99%	23.99%
– Male	77.01%	76.01%
Middle management		
– Female	35.43%	34.49%
– Male	64.57%	65.51%
Staff		
– Female	60.91%	60.60%
– Male	39.09%	39.40%

Percentage of employees by gender and contract type 2023-2022

Gender	2023		2022	
	Fixed term	Permanent	Fixed term	Permanent
Female	1.62%	55.96%	1.80%	55.44%
Male	1.01%	41.42%	1.02%	41.74%
Total	**2.62%**	**97.38%**	**2.82%**	**97.18%**

Percentage of employees by contract type and country 2023-2022

Country	2023		2022	
	Fixed term	Permanent	Fixed term	Permanent
Italy	0.00%	100.00%	0.00%	100.00%
Germany	2.40%	97.60%	2.21%	97.79%
Austria	5.51%	94.49%	4.32%	95.68%
Bosnia and Herzegovina	7.41%	92.59%	6.57%	93.43%
Bulgaria	5.29%	94.71%	5.70%	94.30%
Croatia	0.47%	99.53%	1.27%	98.73%
Czech Republic	8.32%	91.68%	10.11%	89.89%
Hungary	0.10%	99.90%	0.09%	99.91%
Romania	4.20%	95.80%	6.19%	93.81%
Russia	2.81%	97.19%	3.99%	96.01%
Serbia	6.28%	93.72%	7.43%	92.57%
Slovenia	17.47%	82.53%	17.82%	82.18%
Other[A]	25.44%	74.56%	23.98%	76.02%
Total	**2.62%**	**97.38%**	**2.82%**	**97.18%**

A. Other includes: Luxembourg, Poland, Slovakia, UK and USA.

Percentage of employees by employment tier 2023-2022

Employment tier	2023			2022		
	under 30	age 31-50	over 50	under 30	age 31-50	over 50
Senior leader	0.00%	0.11%	0.24%	0.00%	0.12%	0.24%
Executive	0.00%	0.41%	0.61%	0.00%	0.50%	0.53%
Middle management	0.95%	13.02%	14.64%	1.06%	12.93%	14.14%
Staff	99.05%	86.46%	84.51%	98.94%	86.45%	85.09%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Turnover for incoming employees by country 2023-2022[A]

Country	2023		2022	
	Number	Percentage	Number	Percentage
Italy	788	2.29%	1.458	4.12%
Germany	373	2.80%	406	2.81%
Austria	271	4.62%	236	3.42%
Bosnia and Herzegovina	141	8.82%	132	8.14%
Bulgaria	325	7.44%	480	10.65%
Croatia	305	8.59%	362	9.75%
Czech Republic	272	7.60%	446	12.28%
Hungary	200	9.39%	306	14.35%
Romania	654	12.06%	973	17.27%
Russia	418	10.62%	520	11.43%
Serbia	194	13.99%	262	19.15%
Slovenia	57	10.36%	78	13.81%
Other[B]	81	6.74%	169	13.82%
Total	**4,079**	**5.01%**	**5,828**	**6.80%**

A. Turnover rates are calculated as follows: for incoming employees (employees hired)/(total employees at the end of the year) × 100.
B. Other includes: Luxembourg, Poland, Slovakia, UK and USA.

Turnover for outgoing employees by country 2023-2022[A]

Country	2023		2022	
	Number	Percentage	Number	Percentage
Italy	2,375	6.90%	2,394	6.77%
Germany	1,982	14.87%	1,571	10.87%
Austria	682	11.64%	1,319	19.10%
Bosnia and Herzegovina	199	12.45%	155	9.56%
Bulgaria	644	14.74%	617	13.69%
Croatia	425	11.98%	538	14.50%
Czech Republic	396	11.06%	502	13.83%
Hungary	235	11.03%	307	14.40%
Romania	803	14.80%	1,166	20.70%
Russia	760	19.30%	1,134	24.92%
Serbia	215	15.50%	243	17.76%
Slovenia	85	15.45%	92	16.28%
Other[B]	133	11.07%	142	11.61%
Total	**8,934**	**10.98%**	**10,180**	**11.88%**

A. Turnover rates are calculated as follows: for outgoing employees (employees who left the Group)/(employees at the end of the year) × 100.
B. Other includes: Luxembourg, Poland, Slovakia, UK and USA.

Turnover for incoming employees by gender[A] and age[B] 2023-2022

Gender	2023		2022	
	Number	Percentage	Number	Percentage
Female	2,294	4.93%	3,327	6.83%
Male	1,785	5.13%	2,501	6.76%

Age	2023		2022	
	Number	Percentage	Number	Percentage
Under 30	2,203	24.61%	3,081	32.75%
Age 31-50	1,529	3.46%	2,389	5.06%
Over 50	347	1.23%	358	1.23%

A. Turnover rates are calculated as follows: incoming employees (employees hired) by gender/(employees by gender at the end of the year) × 100.
B. Turnover rates are calculated as follows: for incoming employees (employees hired) by age/(employees by age at the end of the year) × 100.

Turnover for outgoing employees by gender[A] and age[B] 2023-2022

Gender	2023		2022	
	Number	Percentage	Number	Percentage
Female	4,821	10.35%	5,452	11.20%
Male	4,113	11.83%	4,728	12.78%

Age	2023		2022	
	Number	Percentage	Number	Percentage
Under 30	1,527	17.06%	1,974	20.98%
Age 31-50	3,393	7.68%	4,029	8.53%
Over 50	4,014	14.22%	4,177	14.40%

A. Turnover rates are calculated as follows: for outgoing employees (employees who left the Group) by gender/(employees by gender at the end of the year) × 100.
B. Turnover rates are calculated as follows: for outgoing employees (employees who left the Group) by age/(employees by age at the end of the year) × 100.

Percentage of employees by gender and employment status 2023-2022

Gender	2023		2022	
	Part-time	Full-time	Part-time	Full-time
Female	12.37%	45.21%	12.53%	44.71%
Male	1.59%	40.84%	1.60%	41.16%
Total	13.95%	86.05%	14.13%	85.87%

Differential[A] between female and male employee gross salaries[B] by country and employment tier 2023-2022[C]

The percentage represents the weighted averages of women's average gross salary compared to men's.

Country	2023			2022		
	Executive	Middle management	Staff	Executive	Middle management	Staff
Italy	99.21%	92.15%	93.66%	99.80%	91.07%	92.16%
Germany	85.91%	87.51%	92.71%	85.87%	87.45%	90.87%
Austria	Not applicable	95.55%	85.35%	0.00%	94.13%	82.54%
Bosnia and Herzegovina	126.42%	93.49%	87.29%	126.42%	95.00%	88.26%
Bulgaria	Not applicable	87.48%	74.55%	Not applicable	87.59%	75.21%
Croatia	97.00%	89.94%	91.28%	103.02%	92.76%	89.39%
Czech Republic	Not applicable	86.70%	81.25%	103.17%	100.00%	72.30%
Hungary	104.76%	88.32%	80.54%	97.83%	90.59%	83.98%
Romania	132.50%	101.09%	81.01%	105.44%	91.41%	77.77%
Russia	85.64%	99.33%	68.03%	78.45%	92.37%	68.37%
Serbia	Not applicable	96.69%	73.40%	Not applicable	99.84%	72.61%
Slovenia	Not applicable	89.49%	89.60%	Not applicable	97.86%	90.41%

A. The ratios were calculated as follows: (total gross salary of female employees/total females)/(total gross salary of male employees/total males).
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 90.3% of the population.

Differential[A] between female and male employee total remuneration[B] by country and employment tier 2023-2022[C]

The percentage represents the weighted averages of women's average remuneration compared to men's.

Country	2023			2022		
	Executive	Middle management	Staff	Executive	Middle management	Staff
Italy	95.29%	88.66%	93.11%	94.98%	87.99%	91.85%
Germany	89.12%	81.04%	91.22%	78.66%	80.91%	89.05%
Austria	Not applicable	91.82%	84.02%	0.00%	91.07%	81.33%
Bosnia and Herzegovina	112.95%	95.14%	86.07%	82.91%	94.99%	87.24%
Bulgaria	Not applicable	86.12%	74.68%	Not applicable	87.07%	75.30%
Croatia	88.33%	86.49%	90.16%	98.84%	89.30%	89.71%
Czech Republic	Not applicable	80.74%	79.47%	84.01%	91.40%	71.01%
Hungary	115.28%	85.89%	80.04%	108.30%	90.48%	84.38%
Romania	140.65%	101.19%	80.10%	108.24%	91.03%	77.64%
Russia	59.38%	96.76%	69.01%	69.40%	89.08%	69.99%
Serbia	Not applicable	97.56%	73.80%	Not applicable	97.50%	72.70%
Slovenia	Not applicable	93.14%	90.31%	Not applicable	98.49%	90.94%

A. The ratios were calculated as follows: (total remuneration of female employees/total females)/(total remuneration of male employees/total males).
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 amounts which are not one-off payments.
C. Data represents 90.3% of the population.

Training hours per capita by employment tier and gender 2023-2022

Employment tier	2023			2022		
	Female	Male	Total	Female	Male	Total
Senior leadership	14.58	12.04	**12.86**	15.23	8.49	**10.61**
Senior executive	20.88	21.80	**21.59**	13.59	15.49	**15.04**
Middle management	25.22	23.61	**24.18**	21.18	19.08	**19.81**
Staff	35.67	37.06	**36.21**	31.47	31.82	**31.61**
Total	**34.84**	**34.36**	**34.64**	**30.67**	**29.27**	**30.07**

Industrial Relations

Maintaining proactive and regular dialogue with our workforce strengthens UniCredit's spirit of collaboration and helps us unlock value creation. We have a proud track record of consistent engagement with our people at both national and international levels across the Group – and this has enabled us to manage the many market challenges we have faced over the years.

At the heart of our drive to maintain effective and mutually beneficial industrial relations is our unwavering commitment to respecting local laws and the terms and conditions of collective agreements, including employees' rights to exercise freedom of association and collective bargaining. We continually monitor our engagement processes and outcomes Group-wide, sharing best practices to strengthen social dialogue across all Group countries.

Nationally, employees' interests can be represented by trades unions, works councils or other representatives in line with the applicable labour laws and local industrial relations systems. At an international level, employees are represented by the European Works Council (EWC). Since it was first established in 2007, the EWC has ensured that our workforce has the right to information and consultation on transnational Group topics that could significantly affect employees' interests.

Percentage of employees covered by collective bargaining agreements 2023-2022[A]

Country	2023	2022
Italy	100%	100%
Germany		
UniCredit Bank AG	38.29%	38.59%
Wealthcap Kapitalverwaltungsgesellschaft GmbH	Not applicable	Not applicable
UniCredit Leasing GmbH		
UniCredit Direct Services GmbH		
Austria	100%	100%
Bosnia and Herzegovina	Not applicable	Not applicable
Bulgaria		
UniCredit Bulbank AD	57%	59%
UniCredit Consumer Financing AD	Not applicable	Not applicable
UniCredit Leasing AD		
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
Hungary	Not applicable	Not applicable
Romania		
UniCredit Bank SA	100%	100%
UniCredit Consumer Financing IFN SA	Not applicable	Not applicable
UniCredit Leasing Corporation IFN SA		
UniCredit Leasing Fleet Management Srl		
Russia	100%	100%
Serbia		Not applicable
Slovenia	100%	100%
Slovakia		
UniCredit Bank Czech Republic and Slovakia as	97%	96%
UniCredit Leasing Slovakia as	Not applicable	Not applicable

A. The collective bargaining agreement refers to national, sector and company level.

Notice period typically provided to employees and their elected representatives prior to implementing significant operational changes that could substantially affect them, 2023

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	30 (15 days if less than five years of service)	No
UniCredit Bank and Banja Luka	Yes	Minimum 30 days (eventually more depending on length of service)	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			
Czech Republic			
UniCredit Bank Czech Republic and Slovakia as	Yes	60	Yes
UniCredit Leasing CZ as			
Hungary	Yes	30	No
Romania	Yes	20	Yes
Russia	Yes	60	No
Serbia	No	Not applicable	No
Slovenia	Yes	8	Yes
Slovakia			
UniCredit Bank Czech Republic and Slovakia as	Yes	28	No
UniCredit Leasing Slovakia as			

Retirement plans offered to employees 2023

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 a gross yearly income of €63,084 After 2003: 2.5% of gross income up to a gross yearly income of €63,084	Before 2003: 1.75% of gross income up to a gross yearly income of €63,084 After 2003: 2.5% of gross income up to a gross yearly income of €63,084
UniCredit Leasing GmbH	Defined contribution plan	4.36% of the agreed annual income	2.14% of the agreed annual income
UniCredit Direct Services GmbH	First and senior vice presidents	1 gross monthly salary	2.5% of gross income up to gross yearly income of €63,084
Austria			
UniCredit Bank Austria AG Schoellerbank Aktiengesellschaf Card Complete Service Bank AG UniCredit Leasing (Austria) GmbH	Defined contribution plan	2.9% or more Depending on length of Service	Arrangement between the pension fund and employees are made on an individual basis
Bosnia and Herzegovina	No plans	Not applicable	Not applicable
Bulgaria	No plans	Not applicable	Not applicable
Croatia	No plans	Not applicable	Not applicable
Czeck Republic	No plans	Not applicable	Not applicable
Hungary	No plans	Not applicable	Not applicable
Romania	No plans	Not applicable	Not applicable
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 newly hired employees with apprenticeship contracts (pursuant to Art. 33 – National Collective Bargaining Agreement of ABI, 3 March 2015) as amended by the Renewal Agreement of 19 December 2019, the Group in the Team 23 Agreement of 2 April 2020 in Art 14 (Supplementary pension), has provided for a total contribution of 4% for the first three years following recruitment.

Transition assistance programmes to support employees[1] 2023

Across the Group, we have a number of transition assistance programmes in place to facilitate employees' continued employability and/or manage the end of their careers due to retirement or termination. For example, in Italy and Germany we provide pre-retirement planning for retirees and specific reskilling programmes in order to help employees continue to work in the Group.

In CE&EE countries such as Russia, we provide an outplacement programme that aims to help employees leaving the Bank to develop professional CVs and prepare for job interviews.

Health and safety management

We are totally committed to the health and safety of our people. Our aim is to provide optimal conditions for employees' health, safety and well-being in the workplace – avoiding or reducing to the minimum their possible exposure to the risks, accidents and occupational diseases associated with work.

To reach and maintain this goal, we have adopted policies, procedures and controls in compliance with EU directives, local laws, regulations and signed agreements, which ensure an adequate working environment and respect for the individual dignity of all employees.

Our organisational and management framework ensures the protection of personnel in all workplaces. It includes an effective company-wide system for the identification, assessment, prevention, protection from and prompt elimination of risks and dangers, which are monitored and analysed as follows:

- compliance with the technical and structural regulations relating to equipment, workplaces, chemical, physical and biological agents
- risk assessment activities and preparation of any necessary prevention and protection measures
- organisational activities regarding the management of emergencies, first aid, procurement contracts, periodic meetings on safety, consultations with the workers' safety representatives (RLS) and the Group's formal joint management-worker committees
- health surveillance activities, carried out by UniCredit's occupational physicians, and the drafting of the related protocols
- information and training activities for all employees through specific training and updated modules on health and safety, emergency management, first aid and work-related stress
- supervision of employees' compliance with procedures and instructions for working safely
- periodic checks on the application and effectiveness of the procedures adopted

Employees are able to report any dangers or malfunctions via a range of channels including by e-mail and a dedicated "ticket remedy" tool. Reports are then managed by the competent function.

In addition, during 2023 we continued to support measures to ensure the health and safety of our employees and customers in relation to Covid-19, including:

- support for all colleagues from competent physicians, through the appropriate channel
- availability of personal protective equipment where appropriate

In compliance with local regulations and with the support of specialised consultants, we have continued to update specific protocols regarding the necessary prevention and protection measures for the containment of Covid-19 infection.

In addition to the adoption of appropriate behaviours and personal protective equipment, we continued to provide flexible arrangements to encourage remote working where possible, until the end of the emergency was declared. Our support was extended beyond that point for those in the most vulnerable categories (fragile people and pregnant women).

1. Some programmes are provided only in the case of company restructuring/reorganisation.

Formal joint management-worker health and safety committees 2023

Country	Formal joint management-worker health and safety committee
Italy	Yes
Germany	Yes
Austria	Yes
Bosnia and Herzegovina	No
Bulgaria	Yes
Croatia	Yes
Czech Republic[A]	Yes
Hungary	No
Romania	Yes
Russia	No
Serbia	No
Slovenia	No

Rates of injury 2023–2022[A]

Number of injuries	2023	2022
Number of fatalities as a result of work-related injuries[B]	0	0
The number of high-consequence work-related injuries (excluding fatalities)[C]	5	2
The number of recordable work-related injuries[D]	148	146
Rates		
Rate of fatalities as a result of work-related injuries[E]	0	0
Rate of high-consequence work-related injuries (excluding fatalities)[F]	0.04	0.02
Rate of recordable work-related injuries[G]	1.21	1.18
Hours worked[H]	122,413,209	123,629,487

A. This data was drawn from a population that represented 100% of the reporting perimeter. Injuries are recorded as per applicable local law. The data reported in the above table refers to the injuries of employees included in the reporting perimeter.
B. A death resulting from a work-related injury.
C. A work-related injury from which the worker cannot, does not or is not expected to fully recover to pre-injury health status within six months.
D. A work-related injury or ill health resulting in any of the following:
 – death, days off work, restricted work or transfer to another job, medical treatment beyond first aid, loss of consciousness;
 – significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if not resulting in death, days away from work, restricted work or job transfer, medical treatment beyond first aid or loss of consciousness. This includes injuries resulting from commuting accidents only when transport is organised by UniCredit Group.
E. Calculated as follows: (total no. of fatalities as a result of work-related injuries/total hours worked) × 1,000,000.
F. Calculated as follows: (total no. of high-consequence work-related injuries (excluding fatalities)/total hours worked) × 1,000,000.
G. Calculated as follows: (total no. of recordable work-related injuries/total hours worked) × 1,000,000.
H. The reported hours worked are the result of an estimation method based on the hours prescribed by local agreements.

Social and Relationship Capital

Customer distribution

Number of customers by division and country as at 31 December 2023

Italy	
Retail	6,963,688
Corporate	182,806
Germany	
Retail	1,426,044
Corporate	61,468
Central Europe – Retail	
Austria	1,108,476
Czech Republic and Slovakia	661,578
Hungary	279,008
Slovenia	63,217
Eastern Europe – Retail	
Bosnia and Herzegovina	605,251
Bulgaria	1,041,912
Croatia	995,282
Romania	771,148
Russia	313,344
Serbia	325,478
Central Europe – Corporate	
Austria	12,927
Czech Republic and Slovakia	21,969
Hungary	10,073
Slovenia	2,671
Eastern Europe – Corporate	
Bosnia and Herzegovina	3,585
Bulgaria	14,328
Croatia	7,774
Romania	12,639
Russia	10,851
Serbia	4,379

Customer experience

After years of experience and knowledge acquired through gathering insights from customers and prospects, in 2017 UniCredit defined an integrated approach with a benchmarking study which provides us with a view of customers' and prospects' perception of customer experience, brand reputation and business indicators in local markets. It allows:

- a fair comparison between UniCredit and its competitors thanks to a random selection of customers by the research provider (no customer lists provided by the Bank) and no mention of UniCredit as survey commissioner (double-blind approach); mixed interviews of main and secondary Bank customers
- a unique and comparable cross-country and segment view of how the Bank is perceived

The main KPI is the Net Promoter Score (NPS), a metric used across industries to measure customer experience. It is based on the sole question – How likely are you to recommend our Bank to ..., on a scale of 0 to 10? In the numeric scale, 0 corresponds to not at all likely and 10 to extremely likely. The score is calculated as the difference in percentage between promoters (customers who gave a 9 to 10 score) and detractors (customers who gave a 0 to 6 score). Within the Benchmarking Study, the KPI is more specifically referred to as the Strategic Net Promoter Score to clarify the goal in assessing the overall positioning on high-level topics/areas.

The tables below show the results of the NPS for UniCredit and its competitors. At Group level in 2023 UniCredit achieved an NPS of 16 among SME, +2 ahead of competitors. Among individuals the NPS cross-country was 13. Germany and Eastern Europe kept the advantage, while in Central Europe we are working on catching up with the competition in Austria and Czech Republic. Italy was impacted by a change in methodology.

Strategic net promoter score results – retail (individual customers including only mass and affluent) 2023-2022

Country	2023	2022	Competitors 2023
Italy	6	31	13
Germany	42	36	26
Austria	-2	-9	12
Bosnia and Herzegovina			
UniCredit Bank a.d. Banja Luka	65	60	57
UniCredit Bank DD Bosnia	61	61	54
Bulgaria	40	32	25
Croatia	23	15	32
Czech Republic and Slovakia	29	36	32
Hungary	26	24	22
Romania	52	57	44
Russia	0	0	0
Serbia	50	58	42
Slovenia	29	11	20

Strategic net promoter score results – corporate 2023-2022

Country	2023	2022	Competitors 2023
Italy	15	8	9
Germany	17	19	13
Austria	-15	-17	11
Bosnia and Herzegovina			
UniCredit Bank a.d. Banja Luka	63	54	62
UniCredit Bank DD Bosnia	64	60	56
Bulgaria	31	31	14
Croatia	28	31	28
Czech Republic	10	17	20
Hungary	48	36	31
Romania	54	58	33
Russia	0	0	0
Serbia	33	64	54
Slovenia	18	11	6

Handling complaints

UniCredit's approach to complaint management is driven by the belief that continuous dialogue and rapid responses are fundamental to address and improve the quality of our service and client satisfaction.

Clients can submit their complaints through several channels including email, written letter or in person at one of our branches. Complaints are then managed locally or centrally depending on the subject and nature of the complaint.

It is also possible to forward a verbal complaint at the branch. We aim to improve the efficiency of our responses to operational events (errors, delays, malfunctions, and churn rate) as we believe that rapid resolutions increase client satisfaction and strengthen confidence in the Bank.

The adequate management of complaints is fundamental to improve operational effectiveness and to reduce operational risks. Complaints may highlight areas where service quality (also perceived) can be improved, with positive effects on risk mitigation and client experience. In addition, effectively and efficiently managing complaints represents an opportunity to re-establish a satisfactory relationship with clients.

In line with our Global Compliance Guidelines – Complaint Management, a complaint is any form of dissatisfaction expressed in written form by current, potential or former clients, which can be clearly identified regarding the way the Group has managed a banking, finance or insurance transaction or service. Each UniCredit Legal Entity develops and regulates its own complaint management processes and defines the methods and timing applied to settling complaints according to the type of complaint, the means of communication chosen by the client and to any external legislation provisions in force.

Retail division: number of recorded complaints[A] 2023-2022

Region	2023		2022	
	Recorded (written and verbal)	Written	Recorded (written and verbal)	Written
Italy	195,224	37,788	209,440	42,360
Germany	25,412	6,372	41,164	16,536
Austria	30,746	5,151	33,408	5,326
Bosnia and Herzegovina	1,797	1,522	1,921	1,511
Bulgaria	2,684	2,678	2,425	2,415
Croatia	43,176	16,557	46,169	15,947
Czech Republic	19,220	8,404	18,611	14,793
Hungary	5,848	2,929	8,301	4,692
Romania	12,043	9,613	12,082	9,786
Russia	14,539	9,376	19,010	13,391
Serbia	1,861	1,861	1,490	1,490
Slovenia	1,959	1,242	1,641	1,000

A. In Italy, Germany and Austria the complaints refer to Individual clients and small businesses. In the remaining CE and EE countries the complaints refer to the Retail division. Totals are not provided because definitions and recording methods have not been completely aligned across all countries.

B. 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 2023[A]

Country[B]	Percentage
Italy	23.1%
Bosnia and Herzegovina	100%
Bulgaria	100%
Croatia	25.0%
Czech Republic	39.4%
Hungary	100%
Romania	100%
Russia	100%
Serbia	100%
Slovakia	100%
Slovenia	75.0%

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% 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, Hungary, Romania, Russia and Serbia were considered to be disadvantaged areas in accordance with an IMF study published in October 2023 which considered these countries emerging markets and developing economies (https://www.imf.org/-/media/Files/Publications/WEO/2023/October/English/text.ashx).

Adherence to legal standards and voluntary codes relating to marketing and communications

UniCredit follows the Code of Marketing Communication Self-Regulation (www.iap.it) disseminated by the Istituto dell'Autodisciplina Pubblicitaria (IAP), which ensures subscribers follow transparent and honest advertising practices.

UniCredit is also a member of the Utenti Pubblicità Associati (UPA) which supports the IAP. All UniCredit entities follow the regulations disseminated by these bodies, particularly when local codes do not provide guidance on topics covered by the UPA.

All advertising and communication activities at UniCredit are internally ruled by our Group Marketing & Communication department which is responsible for assuring the effective application of the IAP code as well as coordinating with the Group Legal and Group Compliance departments in their own areas of competence. With regard to advertising of investment products, all texts are submitted to the Commissione Nazionale per le Società e la Borsa (CONSOB) in Italy so they can be evaluated for regulatory compliance and consistency with the principles of truth and transparency.

Main legal standards and voluntary codes relating to marketing and communications adopted by the group legal entities

Country	Description
Austria	Advertising Industry Ethics Code of the Austrian Society for Self-Regulation in Advertising (Werberat)
Bulgaria	Code of Ethics of the Association of Banks in Bulgaria
Croatia	Code of Advertising issued by the Croatian Association of Advertising Agencies
Hungary	Banking Association's Code of Conduct

Natural Capital

Environmental performance indicators[1, 2]

Scope 1: Direct GHG emissions[A] (tons CO_2e) 2023-2022[B]

Country	2023	2022
Italy	11,342	12,827
Germany	6,849	8,227
Central Europe	3,351	3,887
Eastern Europe	4,530	5,163
Total	**26,072**	**30,104**

A. GHG emissions from sources owned or controlled by our Group, which includes direct energy consumption, road business travel and refrigerant gas leakages.

B. 2022 figures restated from those published in the 2022 Integrated Report as a consequence of the periodical updates of GHG emission factors and corrected data. 2021 figures restated from those published in the 2022 Integrated Report as a consequence of corrected data: total 2021 Scope 1 emissions are 33,158 tCO_2e.

Scope 2: Indirect GHG emissions[A], market and location-based (tons CO_2e) 2023-2022[B]

Country	Market-based		Location-based	
	2023	2022	2023	2022
Italy	363	442	48,532	53,170
Germany	4,195	4,794	29,454	35,602
Central Europe	741	945	4,316	4,955
Eastern Europe	16,124	23,945	18,253	19,319
Total	**21,422**	**30,126**	**100,555**	**113,046**

A. GHG emissions from purchased electricity, steam and heating/cooling consumed by equipment or systems owned or controlled by our Group.

B. 2022 figures restated from those published in the 2022 Integrated Report as a consequence of the periodical updates of GHG emission factors and corrected data. 2021 figures restated from those published in the 2022 Integrated Report as a consequence of corrected data: total 2021 Scope 2 market-based emissions are 33,035 tCO_2e and total 2021 Scope 2 location-based emissions are 110,888 tCO_2e.

Scope 3: Other indirect GHG emissions[A] (tons CO_2e) 2023-2022[B]

Country	2023	2022
Italy	8,847	9,335
Germany	4,857	5,195
Central Europe	5,782	5,194
Eastern Europe	10,196	10,058
Total	**29,683**	**29,782**

A. GHG emissions from air and rail business travel; from copy paper consumption; from glass, paper and plastic disposal; and from energy consumption at leased assets for which we do not have operational control calculated considering the market-based method.

B. 2022 figures restated from those published in the 2022 Integrated Report as a consequence of the periodical updates of GHG emission factors and corrected data. 2021 figures restated from those published in the 2022 Integrated Report as a consequence of corrected data: Scope 3 emissions are 27,247 tCO_2e.

1. Data includes the full set of Legal Entities considered respectively in the 2023 Integrated Report perimeter (corresponding to a full-time equivalent of more than 70,200) and 2022 Integrated Report perimeter (corresponding to a full-time equivalent of more than 74,000), unless otherwise stated. Country-to-country comparisons may be misleading as different tracking systems should be taken into account. The business division Central Europe also includes Poland.
2. The sum of Country figures may not coincide with corresponding total figures due to rounding.

Scope 3: Total other indirect GHG emissions, by category (tons CO_2e) 2023-2022

Category	Description	2023	2022
1. Purchased goods and services	Copy paper consumption	626	723
5. Waste generated in operations	Glass, paper and plastic disposal	221	248
6. Business travel	Air and rail	2,904	2,071
8. Upstream leased assets	Energy consumption at leased assets not within operational control	25,932	26,740
Total		**29,683**	**29,782**

Energy consumption per employee[A] (GJ/capita) 2023-2022

Country	2023	2022
Italy	27	28
Germany	45	49
Central Europe	18	22
Eastern Europe	20	21
Group	**26**	**29**

A. Figures include energy consumption at premises for which we have operational control and at leased assets for which we do not have operational control.

Copy paper consumption per employee (kg/capita) 2023-2022

Country	2023	2022
Italy	28	30
Germany	7	8
Central Europe	17	23
Eastern Europe	33	37
Group	**25**	**27**

Approximately 100% of copy paper used Groupwide holds an environmental label, such as Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC). Approximately 73% of copy paper used Groupwide derives from recycled sources.

Water usage per employee (m^3/capita) 2023-2022

Country	2023	2022
Italy	23	31
Germany	26	24
Central Europe	7	8
Eastern Europe	8	9
Group	**17**	**21**

Waste production per employee (kg/capita) 2023-2022

Country	2023	2022
Italy	66	65
Germany	247	199
Central Europe	66	88
Eastern Europe	159	153
Group	**116**	**111**
of which hazardous[A]	0	0

A. The values are a consequence of rounding (the real values are 0.4 for 2023 and 0.4 for 2022).

Waste by disposal method 2023-2022

Country	Separation and recycling of valuable materials		Incineration		Disposal in landfill		Other treatment	
	2023	2022	2023	2022	2023	2022	2023	2022
Italy	97.70%	97.78%	0.00%	0.00%	0.00%	2.22%	2.30%	0.00%
Germany	66.76%	60.40%	33.17%	39.53%	0.00%	0.00%	0.07%	0.06%
Central Europe	57.72%	59.53%	18.54%	24.44%	19.38%	14.15%	4.36%	1.88%
Eastern Europe	17.62%	20.00%	0.71%	0.71%	79.27%	77.25%	2.39%	2.04%
Group	**56.93%**	**56.34%**	**12.28%**	**14.24%**	**28.97%**	**28.48%**	**1.81%**	**0.93%**
Total hazardous by disposal method	75.34%	66.74%	1.48%	1.02%	0.00%	0.00%	23.18%	32.23%

UniCredit has chosen not to print official copies of this report, leading by example to safeguard the environment. You are therefore advised not to print any copy of the report but to refer to the digital version.

To explore the full content of the Integrated Report 2023 pdf document or our Integrated Report 2023 dedicated website,

you can follow the links below:

https://www.unicreditgroup.eu/en/investors/financial-reporting.html

March 2024
The Integrated Report and Supplement have been made available at **www.unicreditgroup.eu**

UniCredit SpA.

A joint stock company

Registered Office and Head Office in Milan:
Piazza Gae Aulenti 3 – Tower A – 20154 Milano

Share capital Euro € 21,133,469,082.48 fully paid in, Fiscal Code, VAT number and Registration number with the Company Register of Milan-Monza-Brianza-Lodi:00348170101

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