



Gender Pay Gap Report 2021

UniCredit London

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Gender Pay Gap Reporting Legislation in the UK



We are pleased to publish the **5th Annual Gender Pay Report**.

At UniCredit Diversity, Equity & Inclusion (DE&I) are key tenets underpinning the very essence of our business and performance. They act as an integral and critical part of our corporate culture, ensuring consistent growth and opening up new business opportunities. They enhance the potential for innovation and creativity and foster a work climate defined by positive impact based on productivity, well-being, and the engagement of our people. By leveraging “diversity of thought” and ensuring all voices are heard, DE&I enables our employees to speak up, to challenge, and to unlock their potential and talent to best meet our customers’ needs and deliver for all our stakeholders.

We aim to empower our people to do this through a common purpose fortified by our Values of Integrity, Ownership and Caring.

UniCredit DE&I are a cornerstone of the People and Culture strategy, fully integrated in our business model to ensure long term sustainable growth.

UK Gender Pay Gap figures:

- In 2021, we are happy to announce that our gender pay gap figures showed a year-on-year reduction in the mean gap from 38.4% to 33.6% and the in the median pay gap from 47% to 39.3%. This improving picture can be evidenced in increasing representation of women at senior levels but also the continuation of efforts from previous years in talent pipeline, professional development and supporting work life balance.

As I commence my tenure as UK Country Head, it gives me a sense of pride to see that, through positive actions and commitment, the UK gender pay gap has reduced. As you will see from this report there have been a number of excellent measures in 2021 which evidence the positive and proactive approach we embrace in the U.K. The journey however doesn’t stop here, and reflecting on a comment from our Group CEO, we must build equality through our continued effort and collective commitment. Therefore for 2022, I want us to continue to focus on enhancing a positive working environment, where employees are fully engaged and actively contributing to our success. #BreakTheBias. Let’s do it individually and let’s do it together.

I confirm that all the data in this report is accurate and in line with government regulations.



Graham Williams
UK Country Head



Creating an inclusive culture where all employees feel supported and valued



Our Group Remuneration Policy ensures that we take a gender-neutral approach to both compensation and benefits. We are confident that our gender pay gap is not driven by pay inequality but is a consequence of the structure of our workforce in the UK. Like many organisations we have fewer women in senior leadership roles and a higher proportion of women relative to men in more junior positions, and therefore lower-paid, positions. There is still much work to be done in adjusting this imbalance, but we are committed to continue promoting a gender balance representation in our leadership roles.



Indeed with the appointment of our new Group CEO in April 2021, we have seen an increase in the number of senior females both at Group level and in the UniCredit S.p.A. London branch. As of today we have reached 46% women presence on Group Board of Directors (compared to 33% of June 2018) and 40% women presence on the Group Executive Committee (compared to 0% of June 2018).



Continuing to evolving from previous years initiatives and acknowledging a challenging year, Well being and Mental Health remained a significant focus for the UK. London Branch hosted the “Wellbeing week” and also the “Mental Health Awareness week”, organising various online events covering many topics such as nutrition, exercise, stress, anxiety, sleep, infertility, emotional and social wellbeing.



We again partnered with universities – either by joining career fairs, or by organising Online events giving students the opportunity to hear and advise with tips from professionals in the financial industry. This has helped to drive a very successful summer internship programme.



Enhancement of the Parental Leave policy evidencing how UniCredit continues to strengthen equal opportunities for engagement in childcare for all parents, whilst ensuring job security and continued career prospects. Furthermore, we held an event to mark Menopause Awareness Day, in which we hosted a webinar with a leading practitioner, who explained what it is, the various symptoms and importantly how we can all support someone who is going through the menopause.



In December 2021 we launched the updated Staff Handbook developing further our family friendly policies, such as including a Menopause and Parental Bereavement policies. Moreover, we updated our Parental leave policy to include rights for same sex couples and an extension of the paternity leave entitlement. Finally, and acknowledging the previous 2 challenging years, we launched a Stress and Mental Wellbeing at Work policy.



UniCredit is committed to putting employees' welfare, wellbeing and quality of life at the heart of its strategy. In February 2022, the London Branch continued the initiative of “Wellbeing week” hosting various events for employees to join covering topics such as physical, mental and financial wellbeing. Other highlight in 2022 was the launch of a new benefit for the London employees: “Peppy” app in which employees can now access expert, personalised support for fertility, pregnancy, early parenthood, and menopause.



UK UniCredit's Gender Pay Gap (1 / 2)

The Gender pay gap figures below relate to information taken on the snapshot date on 5 April 2021 and cover the three UniCredit UK legal entities

Our overall gender pay gap:

Figure 1 below shows UK UniCredit's mean and median gender pay gap based on hourly pay rates, and the mean and median difference between bonuses paid to men and women for the 2020 / 2021 performance year.

Our overall gender pay gap at UK UniCredit is now 33.6% reduced on a mean basis and 39.3% on a median basis. Our figures again evidences the increase in women in senior, higher paid roles. It also evidences the significant reduction of the mean bonus pay gap of 47.8%, with an increase in women higher-paid roles carry higher bonus opportunities.

Year	HOURLY PAY GAP		BONUS PAY GAP	
	MEAN	MEDIAN	MEAN	MEDIAN
2019	36.9%	40.7%	61.5%	56.3%
2020	38.4%	47.0%	55.5%	62.5%
2021	33.6%	39.3%	47.8%	60.0%

Figure 1: Hourly pay gap and bonus pay gap

Colleagues at all levels across the Group are eligible to receive an annual bonus based on the annual performance, in line with our Group Remuneration policy.

For comparison, the UK 2020 results were 84.5% male and 88.1% female. The allocation below reflects the fact that some employees who fall into the scope of the gender pay gap study did not qualify to receive a bonus as they either left the Bank before the bonus was paid or joined early in 2020.

Figure 2

Male
91.6%



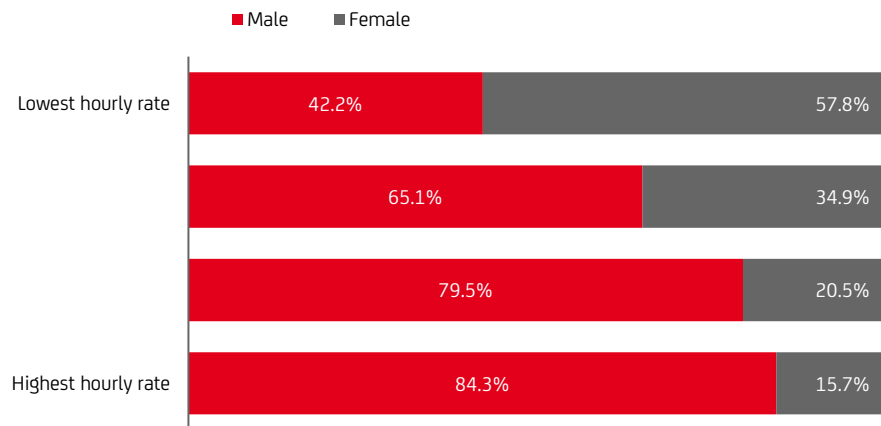
Female
89.8%



UK UniCredit's Gender Pay Gap (2 / 2)

Gender profile by pay quartiles:

Figure 3 below represents the proportion of male and female employees in each pay quartile. The results demonstrate a similar proportion of women (57.8%) and men (42.2%) in the lower pay quartile, and a higher proportion of men (79.5% and 84.3%) than women (20.5% and 15.7%) in the third and top quartiles.



We are confident that UK UniCredit's gender pay gap is not an issue of equal pay. It is a consequence of our demographic profile (i.e. the structure of our workforce) and is affected by the key factors:

- > The higher proportion of men in the most senior roles.
- > The higher proportion of women with reduced working hours and the pro-rated bonus reflecting the number of hours effectively worked (as the methodology doesn't annualise pro rated payments).
- > The London branch is fairly small and any change can have an important impact on the gender pay gap.

Equal pay ensures that men and women who perform equal work, at the same level, and with similar performance receive equal pay.

The UK government legislation deals with the gender pay gap and not equal pay.



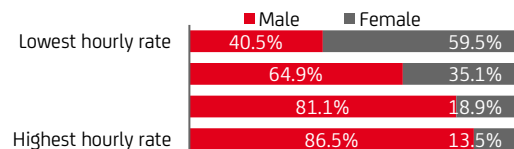
UniCredit's Bank AG Gender Pay Gap in the UK

In UK, we have three legal entities. This report describes the aggregated result for our entire UK presence, as the initiatives we have in place are applicable to all our UK entities. Our legal obligation, however, is only to publish the figures for UniCredit Bank AG London branch (as this is the only entity with more than 250 employees in the UK). The isolated figures for UniCredit Bank AG London branch are presented on this page.

Our overall gender pay gap:

Year	HOURLY PAY GAP		BONUS PAY GAP	
	MEAN	MEDIAN	MEAN	MEDIAN
2019	36.4%	43.6%	60.8%	63.0%
2020	38.5%	50.1%	55.6%	65.7%
2021	37.9%	47.7%	47.3%	60.9%

Proportion of employees receiving a bonus



The recent recognitions are testifying our tangible actions to moving forward, towards a more diverse and inclusive future. With the latest introduction of the Group's DE&I Global Policy and guidelines on Inclusive Language, Inclusive Recruitment and Gender Transition, UniCredit confirms its commitment to achieve our ambition of full equality for all, regardless of any diversity strands. They are not just rules to follow but a natural expression of UniCredit's DNA. Each of us plays a critical role in implementing meaningful change so we keep on empowering our people, our clients, and our communities to progress.

This is yet another step in our journey to cultivating a culture of inclusion, unlocking the potential of UniCredit and so, we can continue to Win. The Right Way. Together.



Sara Gay
Head of Group Diversity, Equity and Inclusion



Our Commitment (1 / 3)



Global companies doing business in today's world must create a **diverse and inclusive workplace** as part of their core strategy. UniCredit is proud of its decade-long commitment to empower its **highly diverse staff** by creating a **workplace with equal opportunities**, where people regardless of gender identity, age, race, ethnicity, sexual orientation, ability, background, religious or ethical values system and political belief can contribute to decision making.

UniCredit Diversity, Equity & Inclusion principles are a cornerstone of the People and Culture strategy, fully integrated in our business model to ensure long term sustainable growth. As a Group, it's our goal to empower our people, our clients, and our communities to progress, so we can continue to Win. The Right Way. Together.

A new Diversity Equity & Inclusion Global Policy was set up in 2021, playing a crucial role in promoting an inclusive working environment - where all individual differences are recognised and celebrated.

Our Policy defines expected behaviors by everyone in our Group, increasing transparency and providing direction on the ways we are addressing positive change, regardless of gender identity, age, race, ethnicity, sexual orientation, ability, background, religious or ethical values system and political beliefs.

All UniCredit people play an active role and are accountable for applying DE&I principles in everything they do.

DE&I Accountable Executives have been nominated under each GEC leader to promote the enforcement of the new Global DE&I Policy and act as role models across the Group, ensuring that DE&I are at the centre of our business agenda and permeate our corporate culture, alongside with Group DE&I Manager and local DE&I Managers appointed in our Group countries.



Our Commitment (2 / 3)

We promote gender parity and inclusion across the Group

At UniCredit, we believe that we must play a fundamental role within society to act as the engine of social progress

Through our external commitments and participation to Capital Market Indexes we reaffirm our pledges towards greater gender equality, diversity, equity, and inclusion. We remain committed to gender parity to ensuring equal pay to equal jobs.



In October 2021, during the G20 Women's Forum Italy, our Group CEO signed the CEO Champion Commitment "Towards the Zero Gender Gap", ensuring the topic is firmly established as a key corporate commitment with concrete objectives and a framework to move towards greater gender equality, and diversity and inclusion in our Bank.



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

We are proud to have recently received important external recognitions for our Diversity, Equity and Inclusion best practices, that show our commitment to strengthen the Bank's pipeline of talented women in line with our pledge for a more diverse and inclusive future, embracing diversity of thought at all levels of our business:



UniCredit has been ranked for the first time in the Top 100 Globally for Gender Equality by Equileap: #5 in Italy (the only international bank) and #25 in the global financial sector, out of nearly 4.000 publicly listed companies assessed.



Acknowledged as a Best Practice Leader in the European Women on Boards (EWoB) 2021 Gender Equality Index Report, being first in Italy and among top 3 companies in the Financial and Insurance sector.



Included for the third time in Bloomberg's 2022 Gender-Equality Index, with an overall GEI score being above the sector and country Italy benchmark.



Nominated 2022 Top Employer in Europe for the last consecutive six years, thanks to our extraordinary commitment to the well-being of our employees and for providing an innovative, rewarding and inclusive workplace.



Included for the first time in 2022 Break the ceiling touch the sky 101 Best Global Companies for women in leadership Index, ranked 14 out of 101 companies.



Our Commitment (3 / 3)



DE&I Programmes

We continue to offer initiatives across the Bank as well as a rigorous monitoring process to support our ambition to achieve gender parity across all organisational levels. The Group Development Offer is fully aligned with DE&I strategy, embedding the behaviours required to promote a more equitable and inclusive culture.

- Dedicated **Inclusive Leadership Programmes** have been rolled out to all managers across the Group to equip them with the right tools and skills. A series of initiatives addressed to all colleagues was launched to raise awareness and drive the cultural change, including a webinar on inclusive language and guidelines with concrete suggestions on how to tackle unconscious bias in the workplace. In addition, we launched dedicated leadership and development programmes for women to empower our most promising female colleagues, enhancing their leadership capabilities and maximising their career progression, including a dedicated **Sponsorship Programme**.
- UniCredit's **Courageous Voices campaign** engenders a new accountability and speak-up culture throughout the Group, allowing our people to play an active role in shaping the bank's future. The **Accountability and Speak up leader-led Programme** cascading ensures that all managers create a safe working environment in which team members feel free to voice their opinions, are motivated to find solutions and take ownership of their activities.
- We have also invested in **initiatives to foster the professional development** of our people ensuring they can contribute to UniCredit's results. To face the challenges connected to talent retention and development, accelerated by a rapidly changing environment, upskilling and reskilling programmes, have been deployed based on data-driven workforce planning.



How UniCredit is tackling the Gender Pay Gap

At UniCredit, we continue to invest in creating a diverse, equitable and inclusive workplace, breaking down barriers and valuing individual differences and diversity traits.

Whilst we remain conscious of the journey ahead, we are taking concrete actions, making Diversity, Equity and Inclusion part of everyday business at UniCredit. Our gender pay gap is caused mainly by the demographic profile of our workforce.

UniCredit is strongly committed towards addressing the gender pay gap and we are taking a number of different actions in each business area to concretely address any pay differentials such as: guidelines for our compensation process, allocation of salary budgets, as well as specific ambitions related to DE&I assigned to senior leaders within the annual goal setting process.

To reach gender pay equality, UniCredit has in place a defined methodology to evaluate and monitor twice a year the progress within the Group and to promote a respectful and inclusive culture based on equal treatment and equal pay.

Diversity, Equity, and Inclusion represents a core set of values that must be embedded in every key moment of our employee journey, from recruiting and onboarding, to learning and development, performance management and compensation.

To further promote a culture of inclusion based on equal opportunities and non-discrimination, UniCredit has in place a dedicated Policy against Harassment, Sexual Misconduct, Bullying and Anti-Retaliation and specific guidelines on Gender Transition, Inclusive Language and Inclusive Recruitment have been introduced to removing bias and barriers, and harmonising our Group approach towards this important topic.



How UniCredit is tackling the Gender Pay Gap



1. Recruitment, Appointment and Promotion

UniCredit recognises the value of Diversity, Equity and Inclusion in our workplace and strives to promote fairness and equal employment opportunities. The decision to employ, engage, appoint, and promote an individual is based on merit, competencies, and ability to carry out the role regardless of diversity traits, granting procedures free from any bias.

Any discriminatory and non-inclusive criteria are removed when writing job offers and job responsibilities, with special care on the adopted language to make it as inclusive as possible in all phases of the above processes, diverse interview panels are required in the recruitment process. Gender equality is pursued in both external hiring processes and internal appointment process by setting up a balanced gender representation shortlist.

We also continue to attract and retain diverse talent, strengthening internship programmes, and fostering employer branding by partnering with universities – either by joining their career fairs, or by organising in-house events.

2. Group Development Offering

UniCredit is committed to being a company where people can fully deploy their skills, abilities, and talents. The Group offers equal learning and development opportunities to all colleagues throughout their professional lives without any type of discrimination to ensure they can support business priorities.

UniCredit promotes inclusion by ensuring that all people have access to and receive adequate training with specific focus on inclusive leadership and communication; psychological safety and trust; how to recognise and tackle unconscious bias; how to address and eliminate harassment, sexual misconduct, bullying and retaliation and how to report potential cases of misbehaviour.

Career development programmes aimed at enhancing women in leadership across the Group have been rolled out, including a dedicated Sponsorship Programme.



How UniCredit is tackling the Gender Pay Gap

3. Compensation

Within the framework provided by the Group Remuneration Policy as well as DE&I Global Policy, UniCredit is committed to equal pay principle, ensuring fair treatment in terms of remuneration based on the role covered, the scope of responsibilities, performance outcomes and the overall quality of the contribution to business results, regardless of gender identity, age, race, ethnicity, sexual orientation, ability, and cultural background.

4. Work-life integration

UniCredit strongly believes that a positive, healthy and inclusive work environment based on respect enables each colleague to contribute at their best improving quality of life and wellbeing.

UniCredit promotes consistent actions and behaviours to create a corporate culture oriented to work-life balance, equipping employees with specific solutions to manage new ways of working.



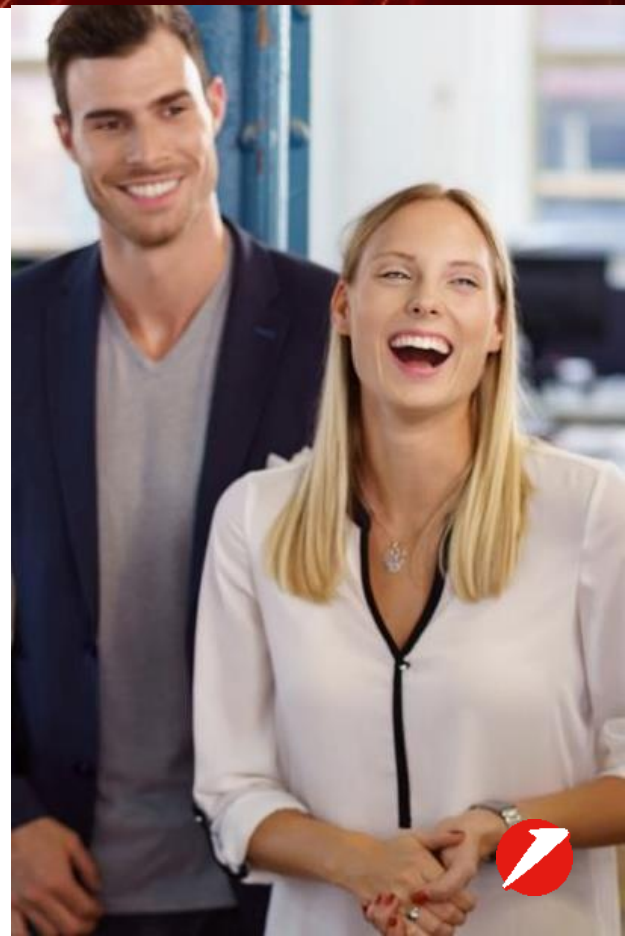
5. Strategic partnerships

Through our external commitments we transparently reaffirm our pledges towards greater gender equality, diversity, equity, and inclusion.

UniCredit is endorsing, since 2015, United Nations Women Empowerment Principles to promote gender equality and women's empowerment in the workplace, marketplace and community.

By signing the CEO Champion Commitment "Towards the Zero Gender Gap" by our Group CEO, testifies the topic is firmly considered on the corporate agenda with concrete objectives and a framework to move towards greater gender equality, diversity and inclusion in our bank.

Joining the UK Women in Finance Charter, UniCredit is fully supporting to help improving gender diversity in the financial services sector in the UK and worldwide.



Diversity, Equity & Inclusion in UK



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

UniCredit is firmly committed to building a healthy and inclusive working environment, breaking down barriers and building a fair and respectful workplace.

The Diversity, Equity & Inclusion London Network, alongside DE&I London Committee promoted and facilitated a number of highly endorsed online events and seminars:

- To celebrate the International Women's day in 2021, the theme of 'Choose to Challenge' was the concept: Bonita Norris, the youngest British woman to reach the summit of Mount Everest was invited to unpack her story of perseverance, resilience and sheer grit in the face of challenge.
- Female leadership and success have been essential in fostering a diverse and inclusive workplace environment, and as part of "Women in Banking" initiative, May Busch, an executive coach and consultant on leadership and career development, was invited as speaker.
- Disability 101 webinar' has been hosted, giving an insightful presentation covering topics like: What is a disability, the different models of disability, myth busting about disability and concluding with a call to action on how to create an inclusive culture for disabled people.
- Finally and to round of another successful year and evidencing the bank's commitment to creating an inclusive workplace with regards to the LGBT+ Allyship, the Roundtable "An active exchange of ideas" had colleagues openly sharing their personal journey and experiences and how we can all strive to improve.

By nurturing a supportive and inclusive work environment we can continue unlock the potential of UniCredit to Win. The Right Way. Together.

In 2021, the UniCredit London DE&I Network focused on the inspirational, as we celebrated what makes us different and what makes us unique.

This is the central tenant of DE&I and increasingly, a company's ability to harness these differences, whether they are based on our identity, gender, ethnicity or mindset, will determine the extent to which it thrives.

As we emerge from the challenges of the pandemic, the tragic war in Ukraine has refocused us all on the cornerstones of democracy, which include the right to life and liberty, freedom of speech, equality and inclusion.

This will serve as a critical reminder of the need to continue to seek out alternate views, challenge our biases and to focus not on what divides us, but on that which unites us.



Sophie Sanadi
Chair of Diversity, Equity and Inclusion
London Network



Glossary

Pay means the gross hourly pay received during the pay period in which 5 April falls.

Bonus pay is the gross bonus received during the 12 months prior to 5 April.

Mean gender pay gap is the difference between the average hourly pay of men and women. This is often expressed as a percentage to give the gender pay gap in hourly pay as a percentage of men's pay.

Median gender pay gap is the difference between the median hourly pay rates of men and women. This is often expressed as a percentage to give the median gender pay gap in hourly pay as a percentage of men's pay.

Mean v. median

The mean and the median are different types of average. The 'mean' or 'average' is calculated by adding up all the hourly earnings or bonuses for the relevant employees and dividing this by the number of relevant employees. The median is the middle point in the range of hourly earnings or bonuses, in which half the numbers are above the median and half are below. It is found by taking all the hourly earnings or bonus amounts in the sample, lining them up in numerical order from highest to lowest, and then finding the middle number in the list.

Pay quartiles show the proportion of men and women in each pay band category. This calculation looks at the hourly rates for male and female full-pay relevant employees, ranked from the highest to lowest and divided into four equal parts (known as "quartiles") to show the respective proportion.

Demographic profile is the representation of males and females within grades across an organisation.

Equal pay is ensuring men and women are paid the same for work of equal value (set out in the Equality Act 2010).

Overall gender pay gap is defined as the difference between the average male salary and the average female salary, expressed as a proportion of the average male salary.

DE&I, Diversity, Equity and Inclusion, where Equity means fairness and equality of opportunities.



Contact Page

UniCredit London

Moor House
120 London Wall
EC2Y 5ET London
[Online](#)

Imprint

Client Solutions
UniCredit London
Moor House, 120 London Wall
EC2Y 5ET London

