

Gender Pay Gap Report 2019



UniCredit London

29 May 2020

Banking that matters.





Foreword

In our third instalment of the annual Gender Pay Gap Report, we explore our latest initiatives designed to reduce the Gender Pay Gap – and analyse some key statistics that will shed light on the progress we have made.

One of the key initiatives recently put in place by UniCredit is the “Ethics and Respect” manifesto, launched in 2019, which complements the bank’s core five fundamentals – Customers First, People Development, Cooperation & Synergies, Risk Management and Execution & Discipline – and lays out the framework to create an even more positive and inclusive work environment. Along with our guiding principle, “Do the Right Thing!”, the manifesto informs the way we actively promote diversity in the workplace, and helps define our relationship with all stakeholders to ensure sustainable results are achieved.

HEADLINE FIGURES

In 2019, the mean hourly gender pay gap across our three UniCredit UK legal entities was 36.9%, and the median, 40.7%. This is a gradual decrease from 2017, when the mean pay gap stood at 38.6%, and the median, 44.0%. For a definition of all terms, please see the Glossary on page 8.

This pay gap is not driven by pay inequality, but is instead a reflection of the structure of our workforce – with fewer women in senior leadership roles, and a higher proportion of women relative to men in more junior positions. To address this, our group Compensation Policy was established to ensure a gender-neutral approach to compensation and benefits, is taken.



In my new role as UK Country Head, it is encouraging to see the results of the significant steps taken to reduce the Gender Pay Gap. As you will see, we have recently implemented further strategic measures to this end – but there is still work to be done if we are to completely close the Gap.

At UniCredit, we are committed to creating an environment in which all employees can fulfil their potential and feel empowered to overcome any barriers to success.

As a team, we are looking forward to continuing the positive work already underway in this area and ensuring UniCredit remains a positive and proactive working environment for all.

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



Algis Pabarcius
UK Country Head



UniCredit’s Gender Pay Gap

The gender pay gap figures below relate to information taken on 5 April 2019 and cover the three UniCredit UK legal entities.

OUR OVERALL GENDER PAY GAP

Figure 1, below, shows 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 2018-2019 performance year.

Our overall gender pay gap at UniCredit is 36.9% on a mean basis, and 40.7% on a median basis. These figures reflect the fact we have fewer women in senior, higher paid roles. Naturally, this impacts our bonus pay gap, which in 2019 stood at a mean of 61.5%, since higher-paid roles carry higher bonus opportunities.

Figure 1

Year	Hourly Pay Gap		Bonus Pay Gap	
	MEAN	MEDIAN	MEAN	MEDIAN
2017	38.6%	44.0%	43.9%	56.2%
2018	37.1%	42.1%	64.0%	59.9%
2019	36.9%	40.7%	61.5%	56.3%

Figure 1: Hourly pay gap and bonus pay gap

In line with our Group Compensation policy, colleagues at all levels in the Group – irrespective of gender – are eligible to receive an annual bonus based on performance.

The split shown in Figure 2 reflects the fact that some employees in our 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 2019 – and so were not employed during the business year 2018 for which bonuses were awarded.

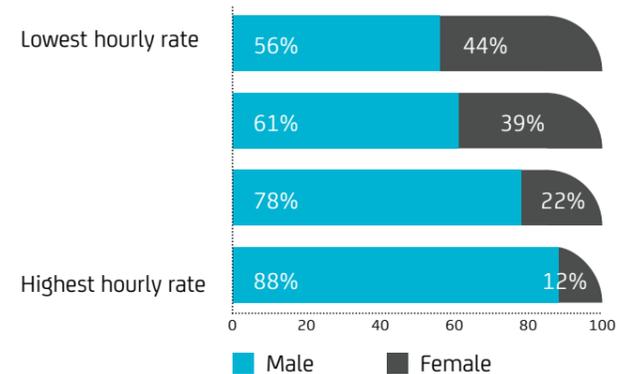
Figure 2



GENDER PROFILE BY PAY QUANTILES

Figure 3, below, outlines the proportion of male and female employees in each pay quartile. The figures reveal that a similar proportion of women (43.7%) and men (56.3%) sit in the lower pay quartile, while a higher proportion of men (77.7% and 88.3%) than women (22.3% and 11.7%) sit in the third and top quartiles.

Figure 3



We feel UniCredit’s gender pay gap is not an issue of equal pay. Instead, it is a consequence of our demographic profile, and the structure of our workforce. As such, the statistics are affected by two key factors:

- There is higher proportion of men in the most senior roles;
- There is a higher proportion of women who work part-time, and so receive a pro-rata bonus reflecting the number of hours worked.

Equal pay legislation provides that men and women in the same employment performing equal work must receive equal pay. This is a legal requirement under the Equality Act and is not the same as a gender pay gap which is a measure of the difference between men’s and women’s earnings across an organisation and may exist due to a number of legitimate factors.

UniCredit Bank AG Gender Pay Gap in the UK

In the UK, UniCredit has three legal entities. And, since the initiatives put in place have been applied to all these UK entities, this report describes the aggregated results of the bank's entire UK presence.

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.

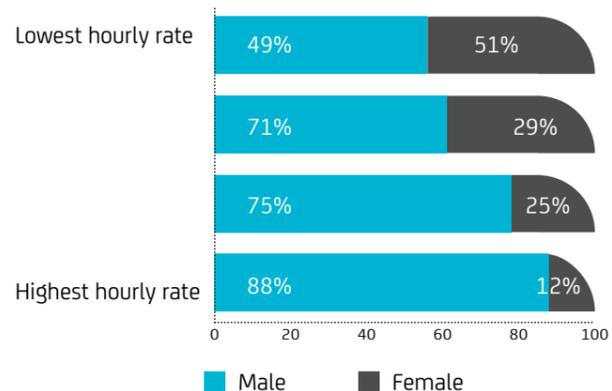
Overall gender pay gap

Year	Hourly Pay Gap		Bonus Pay Gap	
	MEAN	MEDIAN	MEAN	MEDIAN
2017	41.3%	51.9%	45.8%	65.5%
2018	38.5%	48.4%	63.9%	73.4%
2019	36.4%	43.6%	60.8%	63.0%

Proportion of employees receiving a bonus



Gender profile by pay quartiles



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At UniCredit we firmly believe that reporting is an effective tool to ensure companies continue to monitor and build further awareness of their progress on the gender pay gap topic.

It helps our Group decide on the necessary next steps and plan how to take continued action towards better gender balance and equal pay across the Bank.



Ayşe Ozpirincci
Global Head of Diversity and Inclusion

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The gender pay gap journey

Once again, our gender pay gap is mainly a result of the demographic profile of the workforce – as opposed to an equal pay issue. The gender pay gap challenge, however, must be addressed, and we are taking a number of actions to solve this.

This journey began in 2009, when UniCredit signed the Joint Declaration on “**Equal Opportunities and Non-Discrimination**”, which reiterated the importance of fostering a culture of inclusion, and that values differences at all levels.

In 2011, the **Gender Balance Programme** was launched, and then in 2013, the Global Equality Policy was released with its related monitoring process – the Gender Balance Dashboard.

By 2018, in order to harmonise and guide all these initiatives, UniCredit appointed a Group Diversity and Inclusion Manager, who reports to the Group Head of HR. Since the appointment, the Group Diversity and Inclusion Manager has established the “Diversity & Inclusion Committee”, which leads a Diversity & Inclusion Strategy and monitors the bank's progress towards its targets.

Then, in 2019, we rolled out the “Ethics and Respect” manifesto across the entire Group, and encouraged all colleagues to apply these principles to everything we do. To ensure these values permeate all levels of the organisation, we have launched a training scheme, “Respect in the Workplace”, which is available to all employees in London.

Measures taken to reduce the gender pay gap

We have implemented a number of initiatives that seek to reduce the gender pay gap, in the following areas:

1. RECRUITMENT AND TALENT

- We aim to recruit and appoint the best person for each role, while looking to increase the number of women in senior managerial positions where possible.
- We continue to make **key female appointments**, both in the UK and at Group level, via external and organic hiring.
- Last year, we saw a 60% female representation on our Summer Internship Programme, which reflects our continued focus on building a strong internal pipeline of female candidates.
- We also continue to **partner with universities** – either by joining their career fairs, or by organising in-house events – which gives students the opportunity to hear from professionals in the financial industry.
- What's more, with the support of the diversity network, we launched a “bring your daughter to work” day, designed to introduce banking to young females.

2. PROFESSIONAL DEVELOPMENT

- UniCredit UK has a number of initiatives that encourage gender balance and diversity, and support the development of our staff, by **fostering a strong culture of inclusion**.
- For example, we continue to nurture the skills of our female colleagues by offering internal and external coaching, mentoring sessions, meetings with senior management, career rotations, and secondments abroad.
- We even launched a **Women in Leadership** programme to encourage female executives to set ambitious career

goals, develop their personal presence and navigate the UniCredit organisation effectively.

- Lead by our Group D&I committee in 2019, we also held our inaugural **Diversity and Inclusion Week**, which took place in 15 locations within the Group, where a total of 80 thought-provoking events were organised, some of which to shed light on gender pay gap issues.
- UniCredit's London Diversity & Inclusion Network also organised many insightful events throughout 2019, such as a session on unconscious bias – a women's networking event and a seminar on inclusive leadership designed to help support the development of our colleagues and our culture.
- Our Group Compensation Policy ensures that we take a gender-neutral approach to both compensation and benefits.

3. WORK – LIFE BALANCE

- We have launched a number of initiatives, at a Group level, to help create a positive work-life balance for our colleagues.
- In 2019, we launched a **parental leave coaching scheme**, which supports new and expecting parents in their transition.
- We also continue to provide **My Family Care**, which supports colleagues who have dependents, or elderly relatives, in their care, or who face childcare emergencies. This initiative has been very well received, offering support by providing nurseries and holiday clubs.
- In terms of healthcare, we provide full screening and diagnostic services for five types of cancer – increas-

ing the chances of early detection. We also created a nursing room in the office, which provides a private area for breast-feeding and expressing mothers – ensuring mothers' return to work is smooth and comfortable.

4. STRATEGIC PARTNERSHIPS

We remain committed to the **Women in Finance Charter**, which was signed in June 2018. Under this charter, we publicly committed to the effort of cultivating a more balanced and fair banking industry, and promoting the progression of women in senior roles. In the first year since signing the charter, we have seen a 3% increase of females in senior management, between June 2018 and June 2019.

GOALS FOR 2022

Looking to the future, we have set a target to fill 20% (+/-1%) of our Senior Leadership roles (namely, Executive Vice Presidents and above) with females, by the year 2022.

Furthermore, at Group level, we are participating with the **United Nations LGBTI Standards of Conduct for Business**, to tackle discrimination against lesbian, gay, bisexual, transsexual and intersex persons.

More info on our Diversity & Inclusion initiatives can be found [here](#).



Gender Pay – A Glossary

Pay:

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

Bonus pay:

The gross bonus received during the 12 months prior to 5 April.

Mean gender pay gap:

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:

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 vs 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:

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:

The representation of males and females within grades across an organisation.

Equal pay:

Ensuring men and women are paid the same for work of equal value – set out in the Equality Act, 2010.

Overall gender pay gap:

The difference between the average male salary and the average female salary, expressed as a proportion of the average male salary.

Find our previous reports [here](#).





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