

UniCredit Group



Our value creation over time
Economic, Social, Environmental approach

Group Sustainability

UniCredit SpA - Public

London, July 5th, 2016

Welcome to
 **UniCredit**

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The buildings are curved and converge towards the top of the frame, creating a sense of height and scale. The sky is a clear, bright blue with a few wispy white clouds. The text is centered in the upper half of the image.

**We exist to bring prosperity to
individuals, enterprises and
communities.**

**Mindful of our potential to make a difference, our
Group applies a sustainable strategy to creating
value in a way that supports the advancement of
local communities, the competitiveness of
enterprises and the well-being of individuals**

AGENDA

- UNICREDIT IN A NUTSHELL
- OUR VALUE CREATION PROCESS AND OUR LONG-TERM STRATEGY
- OUR SOCIAL AND ENVIRONMENTAL APPROACH
- KEY ENABLERS OF SUSTAINABILITY: GOVERNANCE, RISK MANAGEMENT AND PERVASIVE COMPLIANCE CULTURE
- OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS AND TODAY'S RECOGNITIONS AND AWARDS



UNICREDIT IS A LEADING EUROPEAN COMMERCIAL BANK

- Banking operations in 17 countries, international network spanning: ~50 countries
- Over 144,000 employees (FTEs)
- Over 7,900 branches
- 32 million clients

FINANCIAL HIGHLIGHTS (€ m)

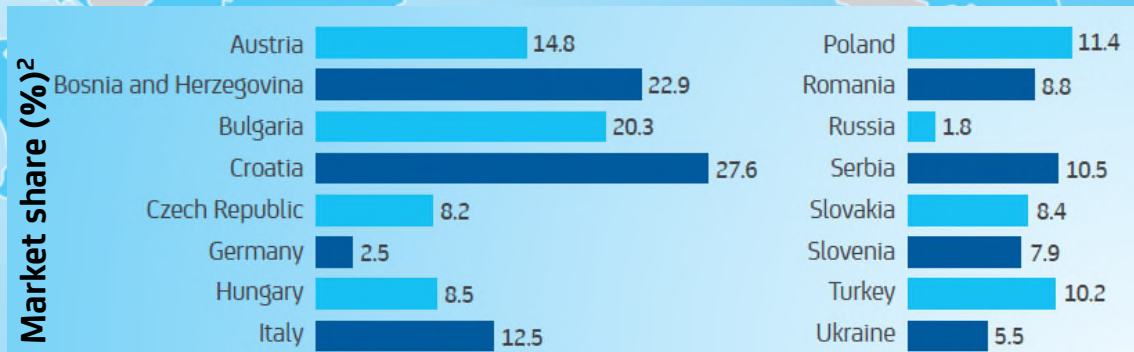
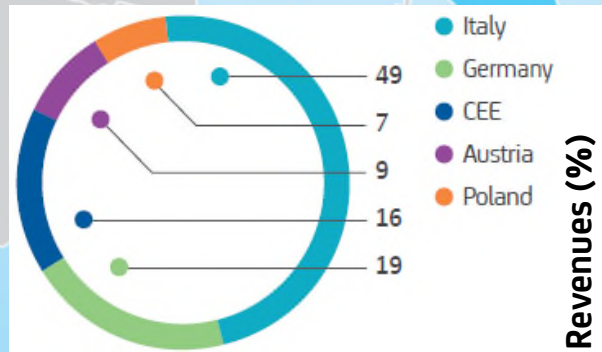
Operating income
22,405

Net profit
1,694

Total assets
860,433

Common Equity Tier 1 ratio¹
10.73%

Strategic position in Western and Eastern Europe



Data as published in 2015 Consolidated Reports and Accounts

Note: ¹ CET 1 transitional pro-forma for 2015 scrip dividend of 12 €cents per share assuming 75%-25% share-cash acceptance

²market shares in terms of total loans

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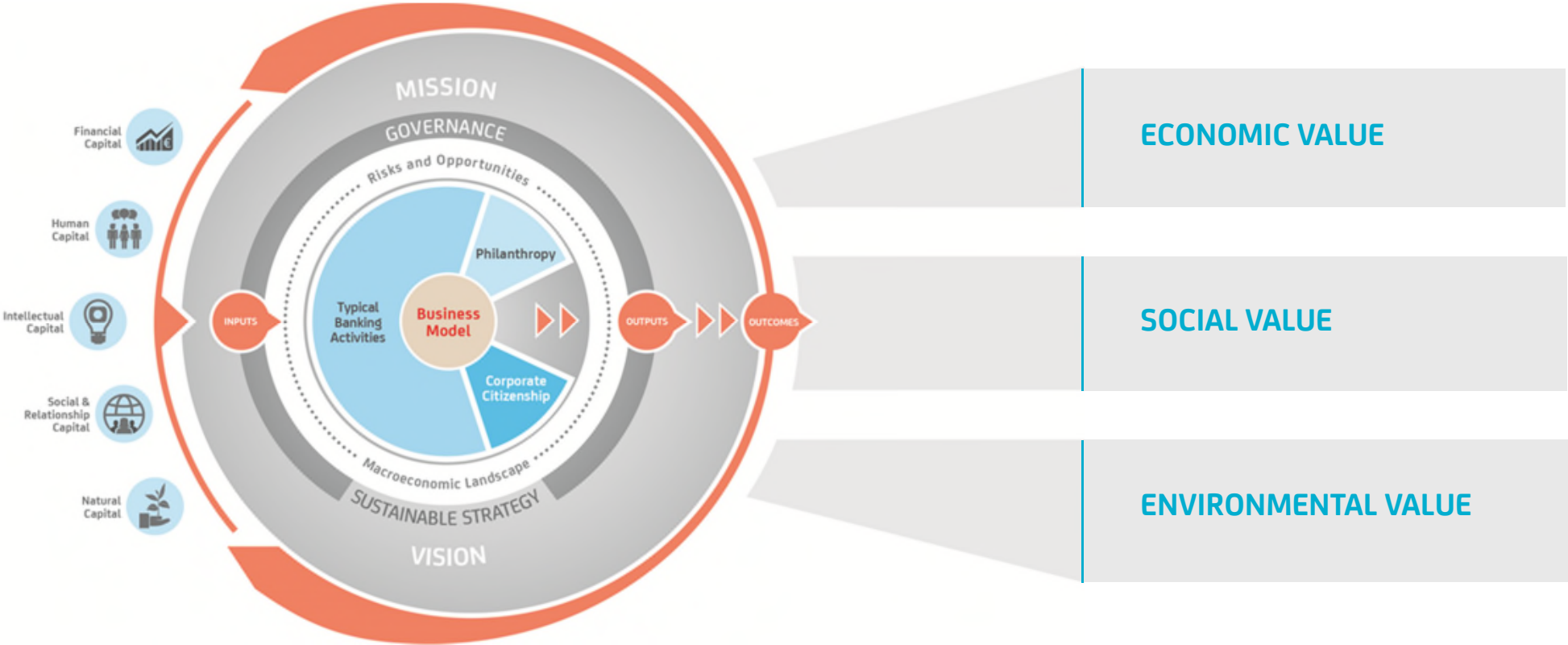
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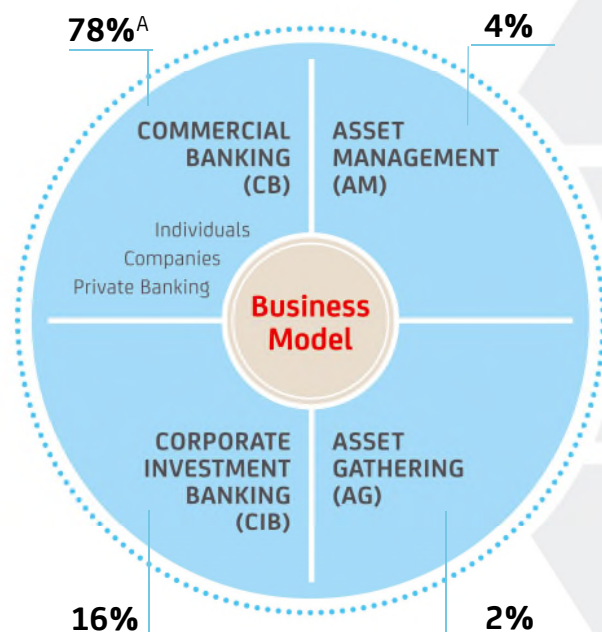
PART OF A COMPLEX VALUE CHAIN, GENERATING OUTPUTS SUCH AS REVENUES AS WELL AS SOCIAL AND ENVIRONMENTAL IMPACTS

VALUE CREATION PROCESS



OUR FOCUSED BUSINESS MODEL DELIVERS LONG-TERM VALUE

REVENUES 2015 (%)



OUR DISTINCTIVE ASSETS

Leading Pan-European Franchise with strong international footprint

Strong presence in
17 countries



International Group^A
rated top tier scoring
by our Corporate customers

Our People & Expertise

Top Employer



GERMANY



AUSTRIA



Top Professionals



Rated top tier scoring
by our Corporate customers

Top CIB Specialists

No. **1**

Bank in
EMEA

Euro-denominated
syndicated loans
and bonds

Financial sponsor
solutions and bonds
(by # of transactions)

Customer Satisfaction



UniCredit vs.
Competitors

RETAIL

+9
points

CORPORATE

+7
points

+ 1 million new customers in 2015

^AIncludes also CEE and Poland CIB revenues

COMMERCIAL BANKING

- **Individuals:** flexible and easy access to banking products, as payments, mortgages and consumer finance, investments and savings offered through traditional and digital channels.
- **Companies:** support for entrepreneurs - in their day-to-day business, or in executing new projects or strategies - through tailored, profit-driven solutions.
- **Private Banking:** a 360-degree advisory model, customized investment strategies and access to international markets through specialist advisors.

CORPORATE INVESTMENT BANKING: traditional corporate and transaction banking services, along with full-fledged structured finance, capital markets and investment products, as a strategic long-term partner that meets clients' specific needs and delivers access to WE and CEE.

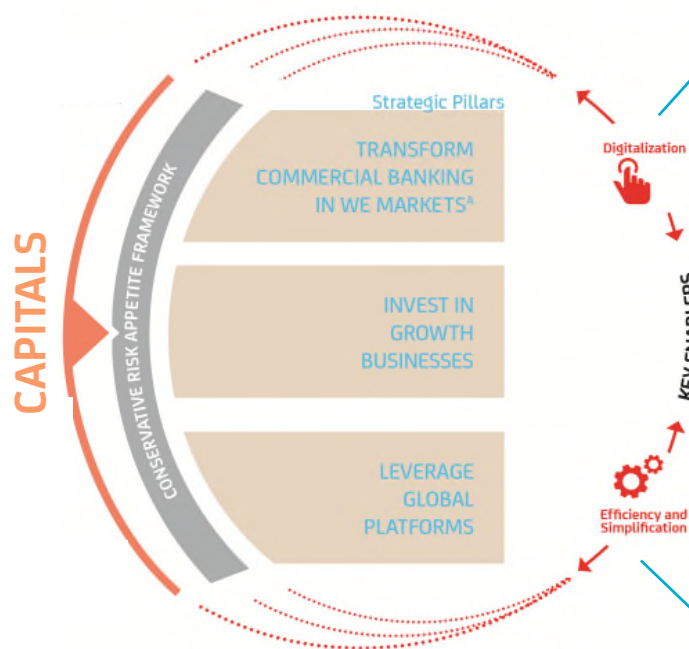
ASSET MANAGEMENT: concrete investment solutions that satisfy real investment needs, providing an innovative and consistent global offering that manages risk and delivers attractive returns to investors.

ASSET GATHERING: innovative financial services that combine the efficiency of digital channels with advisory expertise.

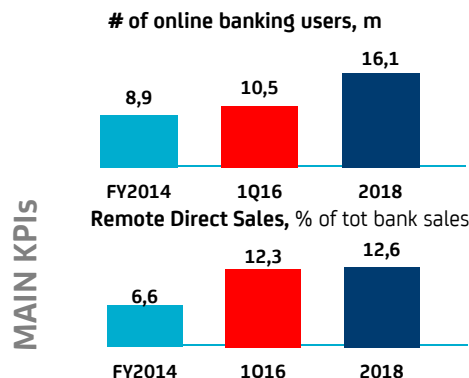


WE TARGET LONG-TERM SUSTAINABLE PROFITABILITY, INVESTING IN DIGITALIZATION, SIMPLIFICATION AND EFFICIENCY

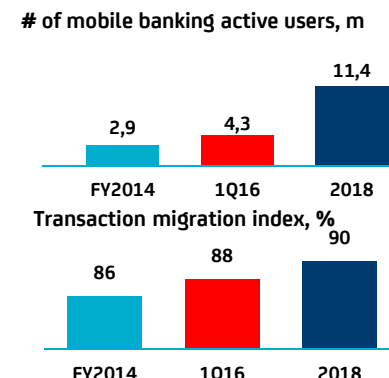
INTEGRATION OF STRATEGIC PILLARS AND CAPITALS STRATEGIC PLAN 2013-2018



BUILD A FUTURE DIGITAL BUSINESS MODEL



1st molecular bank offering a pure mobile customer experience with a 24/7 live-caring concierge



Fund to scout for new **Fintech solutions** for our business with €175m of committed capital

FOCUS ON EXECUTION, DELIVERY EFFICIENCY & COST REDUCTION

Real estate optimization

-445,000 sqm in 2015
-700,000 sqm in 2018
saving roughly €120M

Network optimization

restructuring: 800 branches (1,500 in 2018)
closing: 700 branches (1,000 in 2018)

Process simplification & automation

50 processes in mature markets
targeting 900 FTE efficiencies by 2018
(100 by 2016)

Paperless sign-pad

Users from 15% in '14 to 37% in 1Q16

Invoice discount on-line

50% of clients using, vs 20% in 2015 with significant reduction of administrative efforts

INVESTMENT AIMED AT SEIZING OPPORTUNITIES AND ANTICIPATING RISKS DERIVING FROM A HYPERCONNECTED ENVIRONMENT

MAKING USE OF BIG DATA



- Group **big data architecture** has been developed, enabling the realization of new effective CRM solutions for **Retail and Corporate business** in mature markets and CEE



- My Business View** dedicated to Italian **SME customers** managing sales through POS



- Big Data Project** will provide a 360° degree view of our **Retail customers** in CEE
- Big Data for CIB Clients** focused on the design and application of analytics to improve our ability to provide creative and targeted solutions for **Corporate clients** in CEE

STRENGTHENING ICT SECURITY CAPABILITY

“ Given the strategic importance of digitization, we are strengthening our ICT Security capabilities to contrast cybercrime and ensure top level protection to our customers ”



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DIALOGUE WITH STAKEHOLDERS ENSURES THE IDENTIFICATION OF MATERIAL TOPICS TO FORGE BUSINESS STRATEGY AND VIABILITY

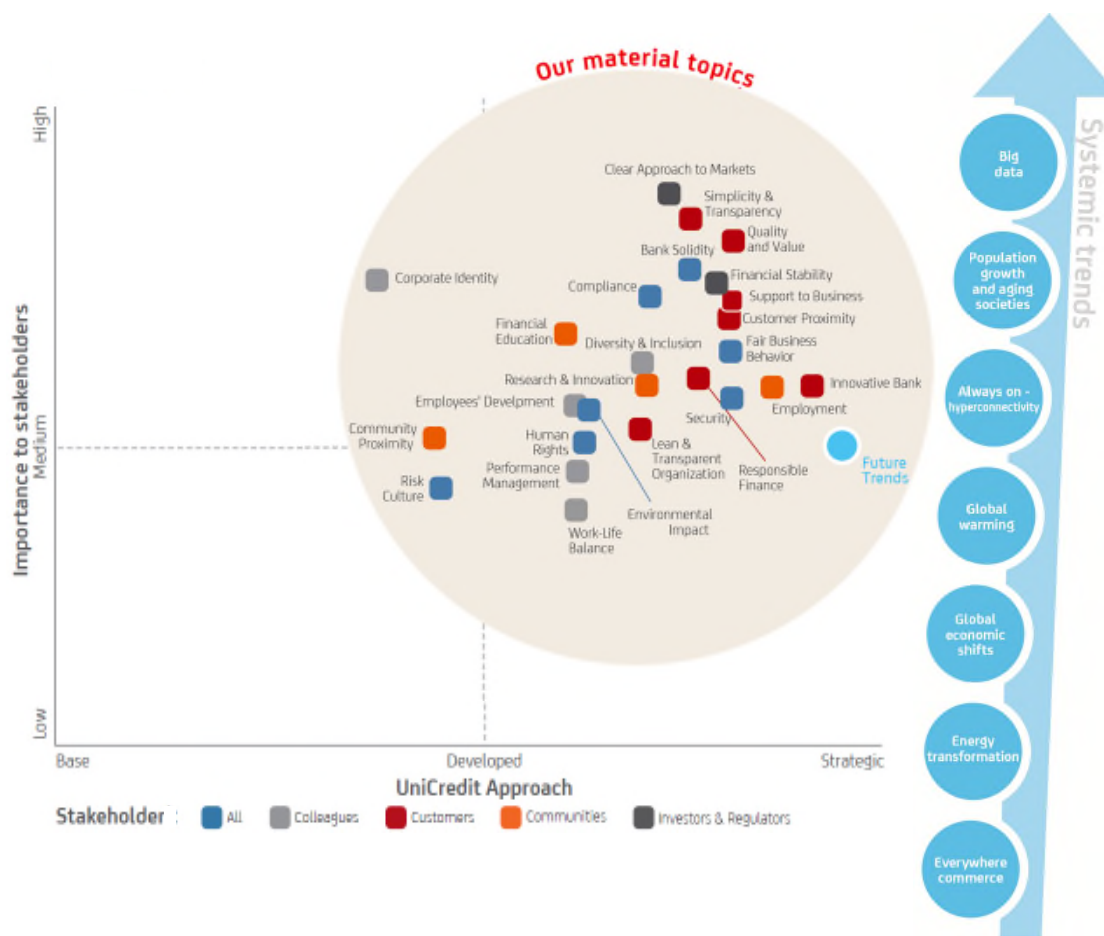
DIALOGUE WITH STAKEHOLDERS

2015: Stakeholders providing feedback more than 700,000

An ongoing, integrated dialogue with stakeholders via multiple channels

Stakeholder	Principal dialogue tools	Company departments involved
Customers	<ul style="list-style-type: none"> Customer satisfaction Brand reputation Instant feedback Mystery shopping Focus groups, ... 	<ul style="list-style-type: none"> Group Stakeholder Insight Local Stakeholder Insight Local marketing teams
Employees	<ul style="list-style-type: none"> People Survey Internal clients' perceptions Group Intranet Portal Online communities 	<ul style="list-style-type: none"> Group Stakeholder Insight Global HR Management Local HR Group Internal Communication
Investors/ shareholders	<ul style="list-style-type: none"> Quarterly webcasts and conference calls One-on-one and group meetings, calls Shareholders' meeting 	<ul style="list-style-type: none"> Group Investor Relations Group Sustainability
Communities	<ul style="list-style-type: none"> Surveys Social media 	<ul style="list-style-type: none"> Group Stakeholder Insight Group & Local Identity & Communication
Advocacy groups/ NGOs	<ul style="list-style-type: none"> Regular meetings and calls 	<ul style="list-style-type: none"> Group Sustainability Local sustainability teams

MATERIALITY MATRIX

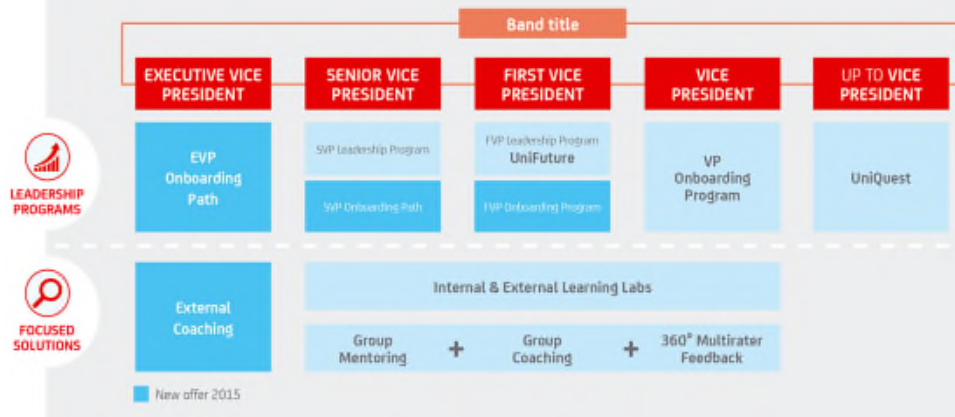


WE INVEST TO HONE GROUP COMPETENCE, CAPABILITY AND EXPERIENCE, AND FOSTER A CULTURE OF INCLUSION....

Social value creation

INVEST IN LEARNING AND DEVELOPMENT

DEVELOPING FUTURE LEADERS



HONING COMPETENCIES AND SKILLS

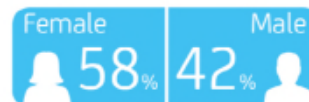


FOSTER A CULTURE OF INCLUSION



Diversity and Inclusion are business as usual

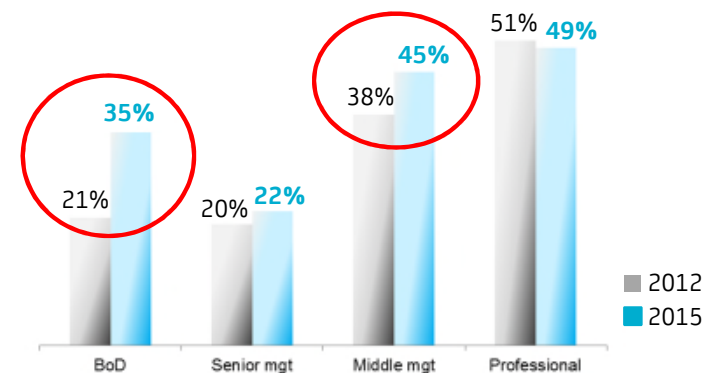
We invest in a **culture of inclusion** to make full use of the talent, skills and experience available in our Group. Our efforts are mainly intended to **support people with disabilities**, to **bridge generations gaps** and to **promote gender balance**. We appointed **24 Diversity Managers** in the Group



Considering the composition of our workforce, **Gender Balance** is a priority:

- **Gender Balance Program** launched in **2012**
- **Gender equality policy** approved in **13** countries and **60** Legal Entities

FEMALE PRESENCE BY TIER 2012-2015



...AND PROMOTE WELL-BEING, WHILE MAINTAINING A PERSISTENT HIGH LEVEL OF ENGAGEMENT OVER TIME

SUPPORT WORK LIFE BALANCE



We invest in welfare services and initiatives that take into account socio-demographic needs, changes and trends (e.g. singles, new families..):

- tailor-made welfare offer
- health insurance
- financial benefits
- in house nursery, gym, laundry
- *City plans* (positive impact on individual mobility)

Flexible working: **Work is something you do, not somewhere you go**



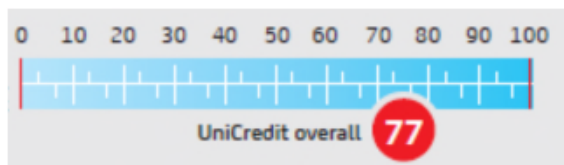
IN 2015 - more than **3,000** people in smart working in Milan, Turin, Bologna, Munich, and Frankfurt

2018 TARGET - to involve **30,000** colleagues

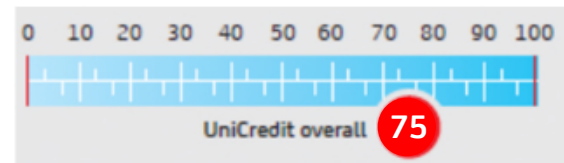
UNDERSTAND OUR EMPLOYEES MOTIVATION TO FOSTER IT ON CONTINUOUS BASIS

Our employees Engagement Index has been constantly growing over the years

EMPLOYEE ENGAGEMENT INDEX 2015



EMPLOYEE ENGAGEMENT INDEX 2012



87 percent of all respondents declared they are not considering leaving the Group

ENGAGEMENT INDEX QUESTIONS¹



Note: ¹ Figures are in percentage and represent very favorable and favorable responses. Trends compare to the previous People Survey's results




OUR APPROACH TO COMMUNITIES IS FOCUSED ON COUNTRY COMPETITIVENESS AND WELL-BEING ...


OUR APPROACH TO UNDERSTAND COUNTRY PROGRESS AND WELL-BEING



UNICREDIT WAY TO GENERATE IMPACTS AND SHARED VALUE (illustrative)

 **Poland: Company spending on R&D** 9,4

We financed the construction of 2 technology parks in Katowice and the purchase of specialized laboratory equipment, with a **bond issue of around €10 million**







 **Italy: Patent propensity** 10

UniCredit Start Lab acceleration program for startups support innovation and business development: 45 startups admitted to the program with **more than €10 million of external venture capital raised** for the most promising projects



... THAT STIMULATE OUR CAPABILITY TO CONTRIBUTE TO BUSINESS GROWTH AND EMPLOYMENT

Social value creation

	SECTOR	COUNTRY	ILLUSTRATIVE INITIATIVE	2015 ACHIEVED RESULTS
SECTOR SUPPORT	 START UP	IT, DE, AT, PL, BA, BG, HR, HU, RO	<i>UniCredit Start Lab</i> (Italy)	<ul style="list-style-type: none"> 900 applications - 45 selected 66% of young entrepreneurs (under 40) € 10 mln of capital raised
	 TOURISM	IT, BA,HR	<i>UniCredit 4 Tourism</i> (Italy)	<ul style="list-style-type: none"> € 480 mln in new loans 5 training events with 250 attendees € 2 bln by 2018 of which 75% for SMEs
	 REAL ESTATE	IT, AT	<i>Social Housing Program</i> (Austria)	<ul style="list-style-type: none"> € 250 mln in new loans
	 AGRICULTURE	IT, DE, PL, BA, BG, HR,CZ, RO,SK	<i>Agromania project</i> (Poland)	<ul style="list-style-type: none"> From 3,300 customers in 2014 to 6,500 in 2015 From €655 mln loan volumes in 2014 to € 1,400 mln
	 INFRASTRUCTURE	IT, PL, RS	<i>Municipalities</i> (Serbia)	<ul style="list-style-type: none"> € 10 mln
	 NON PROFIT	IT, PL, RO, SI	<i>Universo Non profit</i> (Italy)	<ul style="list-style-type: none"> 35, 000 customers of which 4,100 in 2015 € 106.5 mln in new loans



GENERAL SME SUPPORT

- KNOWLEDGE TRANSFER** - 3,200 companies reached by *Go International* and *Digital & Export Business School* offering 20,000 training hours
- HANDLING STATE AND EU SUPPORTED PROGRAM** – In IT, AU, CZ, HR, HU, SI, RO

... AND TAKES CARE OF INDIVIDUAL WELL-BEING

Social value creation

FINANCIAL INCLUSION

PRODUCT & SERVICES FOR EVERY STAGE OF LIFE

- YOUNG**
HR -9,500 students package
- MIGRANTS**
AU -325 people seeking asylum (from sept)
- LOW INCOME**
PL-103,000 Eurokonto opened
- DISABLED**
IT- Over 2,000 ATM for visually impaired
- ELDERLY**
HR- 13,700 customers with senior package

RESPONSIBLE FINANCIAL HABITS

More than **88,000 participants** in our 2015 financial education programs
 a total of about **267,000 participants** and more than **610,000 training hours** from the beginning of the program

SOCIAL INCLUSION

PROMOTE FUNDRAISING ACTIVITIES

- Engaging employees**
 - 13^o UNICREDIT FOUNDATION GIFT MATCHING PROGRAM**
Over **10,000** colleagues | **500** nonprofit organizations | Over **€3.3 m** donated
- Encouraging customers**
 - UNIVERSO NON PROFIT SERVICE MODEL**
1,597 Conto Donazioni accounts | **1,247 org.** on *Il mio Dono.it*²
~**€ 11.5 m** raised¹ | ~**€ 132,000** raised¹
 - UNICREDIT CARD E**
~**€1.7 m** collected via ~ **236,000** cards in circulation
- Responding swiftly to emergencies**
 - 2015 HEARTHQUAKE IN NEPAL**
Over **€ 230,000** donated by customers and employees³

SUPPORT SOCIAL ENTERPRISES

- 180** incubated organizations
- 297** jobs created
- ~4,000** training hours
- 140** grants given, mainly in the welfare and agrofood sector
- over **€2.3 million** total funding



2015 INVESTMENT IN CONTRIBUTION TO COMMUNITIES⁴ €45.3 MILLIONS

¹Data refer to end of December 2015

²UniCredit fundraising free web platform

³Funds devoted to initiatives carried out by UniCredit Foundation

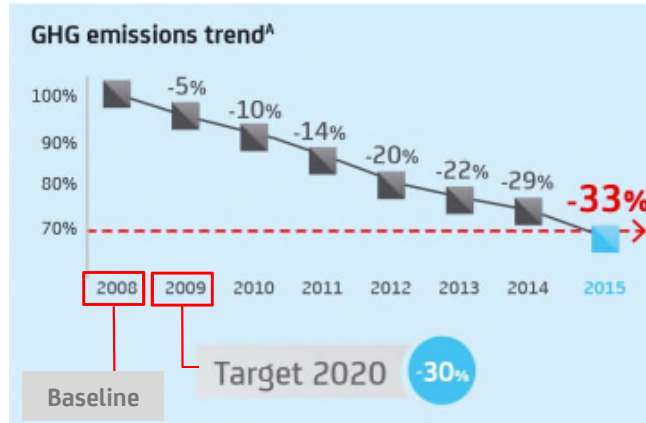
⁴ Total contributions include cash contributions Groupwide, in addition to the value of employees' time, in-kind resources and management costs referring to Italy, Germany and Austria only.

OUR APPROACH TO ENVIRONMENTAL PROTECTION FOCUSES ON REDUCING OUR OPERATIONAL IMPACT ...

Environmental value creation

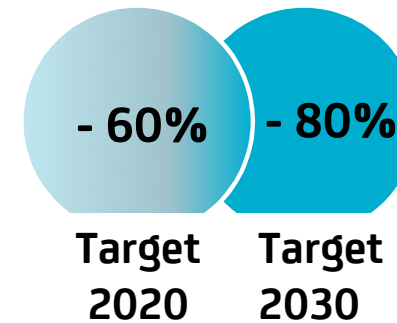
GHG EMISSIONS REDUCTION

2009 TARGET ACHIEVED 5 YRS AHEAD OF DEADLINE



^AOur Scope 1 and Scope 2 GHG emissions (tons CO₂e) in relation to our 2008 base year and our former 2020 reduction target of -30%.

2015 NEW SHORT-MEDIUM TERM TARGETS¹



OPERATIONAL OPTIMIZATION

- **REDUCING OCCUPIED SPACES:** -445,000 sqm vs. 2009 recorded under *City Plans* initiative, as at end 2015
- **RUNNING CERTIFIED ENVIRONMENTAL MANAGEMENT SYSTEMS (EMS):** EMAS -ISO certified systems present in IT, AU, GE, CZ, SK
- **IMPROVING POWER EFFICIENCY:** progressive reduction of PUE² ratios of our 4 data centers
- **CUTTING BUSINESS TRAVEL:** non customer related travel prohibited 1 week per month
- **MINIMISING PAPER CONSUMPTION:** digitalization of processes and services, such as *FirmaMia*, IT

FirmaMia 2015



Note: ¹Our Scope 1 and Scope 2 GHG emissions (tons CO₂e) reduction targets in relation to our 2008 base year ²Power Usage Effectiveness

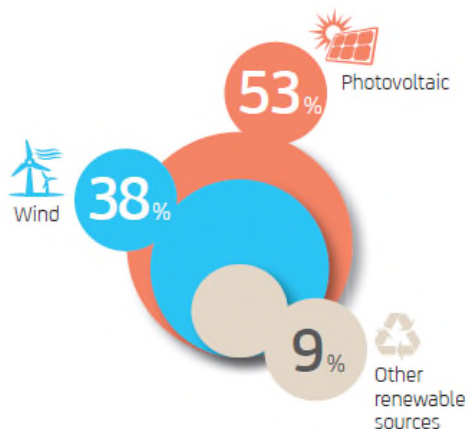


...AND EMBRACING GREEN BUSINESS OPPORTUNITIES

Environmental value creation

RENEWABLE ENERGY

- At the end of 2015 our **Portfolio of loans for renewable energy** amounted to a total exposure of around €9.3 billion



~€9.3 billion

E.ON hydroelectric business in Italy

- 527 megawatt
- potentially serving >500,000 households.

ENERGY EFFICIENCY

~ €3bln in 2015, including:

- AU- *Energieeffizienz-Paket* and *Energiesparmilliarde* initiatives
- GE- partnership with government-subsidized lender such as KfW for SME and individual
- CEE- partnership with EBRD for corporations



Energy Efficiency Group created by UniCredit in partnership with WWF Italia

From 2013:

- management of 500 renewable energy projects
- supply of 401 gigawatt-hours/year
- successfully avoiding 220K tons per year of CO₂ emissions

GREEN BOND



- Signatory, in 2007** UniCredit acted as joint lead manager in the EIB's Climate Awareness Bond, the first green bond to come to market



- Bookrunner and Joint lead for the first green covered bond**, issued by **Berlin Hyp** awarded by the Climate Bond Initiative (2015)



- Green structuring advisor, for the first ever "green Schuldchein" issued by Nordex**, which was positively welcomed by the market by both conventional, and ESG investors (2016)

MODEL ENGINEERING



- Member of the Advisory Committee of the **Sustainable Energy Investment (SEI) Metrics project**



- Signatory since 2012** and member of the **Steering Committee**



- Member of **Climate Change Advisory Group**



- Member of the **Advisory Council of the Portfolio Carbon Initiative** led by the GHG Protocol & UNEP FI

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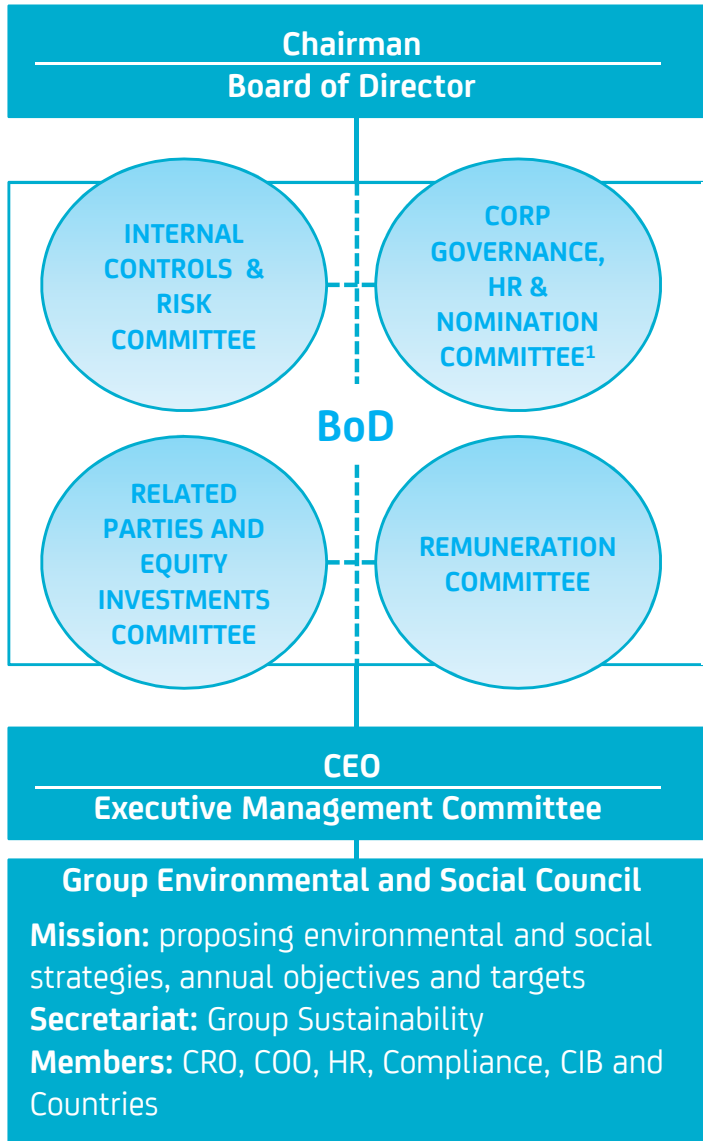
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GOVERNANCE: SUSTAINABILITY IN THE DRIVING SEAT



Balance of executive and non-executive directors

1 CEO executive 16 non-executive

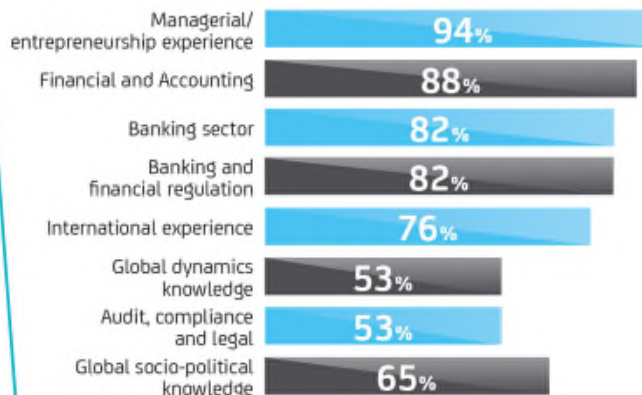
Board independence

10 As per Articles of Association and Corporate Governance Code 15 as per TUF

Length of tenure

5.5 years

Board skills and knowledge areas



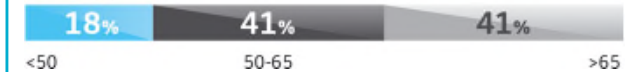
Board gender balance



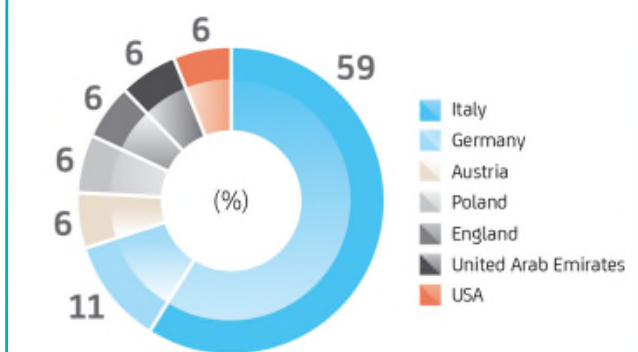
Board attendance



Average age



Geographical mix



- **The remuneration of the NED** is represented only by a fixed component
- **It is not linked to the economic results** and they do not take part in any incentive plans based on stock options or, generally, based on financial instruments

Note: ¹ We have presented to the Chairman and the CEO a proposal to assign the oversight of the Sustainability strategy proposed by the GESC, to the Corp. Gov, HR & Nom Committee, that will be denominated Corporate Governance, Sustainability and Nomination Committee. This change will presumably become effective by the end of 2016



OUR BONUS SYSTEM GUARANTEES SUSTAINABLE PAY FOR SUSTAINABLE PERFORMANCE

YEARLY BONUS COMPOSITION (2016)



POOL LEVEL

- | 1 BONUS POOL FUNDING | 2 ENTRY CONDITIONS | 3 RISK/SUSTAINABILITY ADJUSTMENT |
|---|--|---|
| <ul style="list-style-type: none"> Pool for each Division/Country Size based on actual operational profitability Risk adjusted metrics for funding (i.e. NOP, EVA) | <ul style="list-style-type: none"> Access to each bonus pool linked to the achievement of capital liquidity and profitability both at Group and Local level | <ul style="list-style-type: none"> Bonus pool revised up/downwards depending on the "quality of performance" Appraisal carried out by CRO/CFO Risk adjustment based on Risk Appetite Framework |



INDIVIDUAL LEVEL

- | 4 INDIVIDUAL ALLOCATION | 5 PAYOUT |
|---|--|
| <ul style="list-style-type: none"> Individual payout based on 4/6 goals scorecard Specific guidelines/rules defined involving CRO/CFO (KPI Bluebook): <ul style="list-style-type: none"> goals qualitative/ quantitative, aligned with MYP min 1 risk¹ and 50% sustainability goals | <ul style="list-style-type: none"> Payout in cash/shares on 3/5 year deferral horizon Future installment subject to Malus and claw back Compliance breaches and disciplinary actions hinder any payment |

CEO SCORECARD (2016)



GOAL

Economic Profit (EVA)

RISK ADJUSTED

Stay within RAF

RISK ADJUSTED

Common Equity Tier 1 ratio fully loaded

RISK ADJUSTED

GOP/RWA

RISK ADJUSTED

Stakeholder Value:

- Customer satisfaction (TRI*M external)
- People Engagement
- Reputation

Execution of Strategic Plan

Tone from the top on conduct and compliance culture, also coherent with FSB² guidelines



A SOUND RISK MANAGEMENT IS FUNDAMENTAL TO THE IMPLEMENTATION OF OUR STRATEGY



1

- **Balanced Risk Appetite Framework (RAF)** approved by the BoD
- RAF is an effective, forward-looking guide to align our desired risk profile vis-à-vis our short- and long-term strategic objectives

2

- Prospective risk and risk **outcome metrics incorporated into our incentive system** and management decisions
- Profitability, risk and rewards are explicitly linked; relevant functions (e.g. CRO, HR, Planning) provide input to BoD/ Remuneration Committee

3

- **Comprehensive communication approach** adopted to make risk culture integral to our operations
- Statements by senior managers are transmitted to every member of our Group via intranet, newsletters, video messages and corporate meetings

4

- **Risk Academy** - a multi-tier risk learning framework to strengthen the firm's risk culture
- Since its establishment in 2010, **over 368,000** hours of training to more than **15,900** people

Risk Academy in 2015

-50,700 h
of training



3,865
colleagues

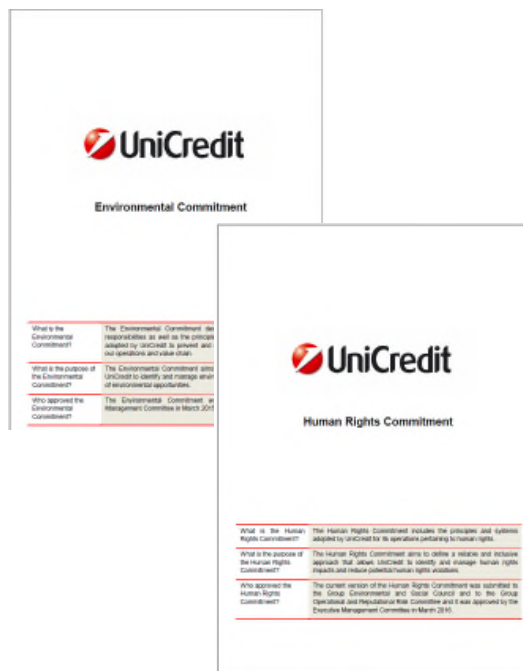


OUR ENVIRONMENTAL, SOCIAL AND REPUTATIONAL RISK APPROACH ALLOWS TO IDENTIFY, PREVENT AND MANAGE IMPACTS AND RISKS...

STRATEGY/POSITIONING

POLICIES FRAMEWORK

2015 HIGHLIGHTS



- Define a **reliable approach** that allows UniCredit to **identify, prevent and manage E&S impacts** and risks
- Describe roles/responsibilities, principles, procedures and systems adopted by UniCredit

EQUATOR PRINCIPLES



SECTOR POLICIES
 Defense/Armaments
 Water Infrastructure (Dams)
 Nuclear energy
 Coal Fired Power
 Mining



OTHER E&S/ REP RISKS IMPACTS (AD HOC ASSESSMENT)

EQUATOR PRINCIPLES (EP)

- 106 project transactions evaluated
- 27 projects financed (vs 17 in 2014)
- ~140 people were trained in EP standards

SECTOR POLICIES

- ~ 340 transactions were screened for environmental, social and reputational risk issues (vs. 230 in 2014)
- ~ 180 people were trained in UniCredit policies pertaining to the mining and coal-fired power

OTHER E&S/REP RISKS ASSESSMENTS

- ~ 160 transactions were screened for environmental, social/human rights and reputational risk issues (vs. ~70 in 2014)



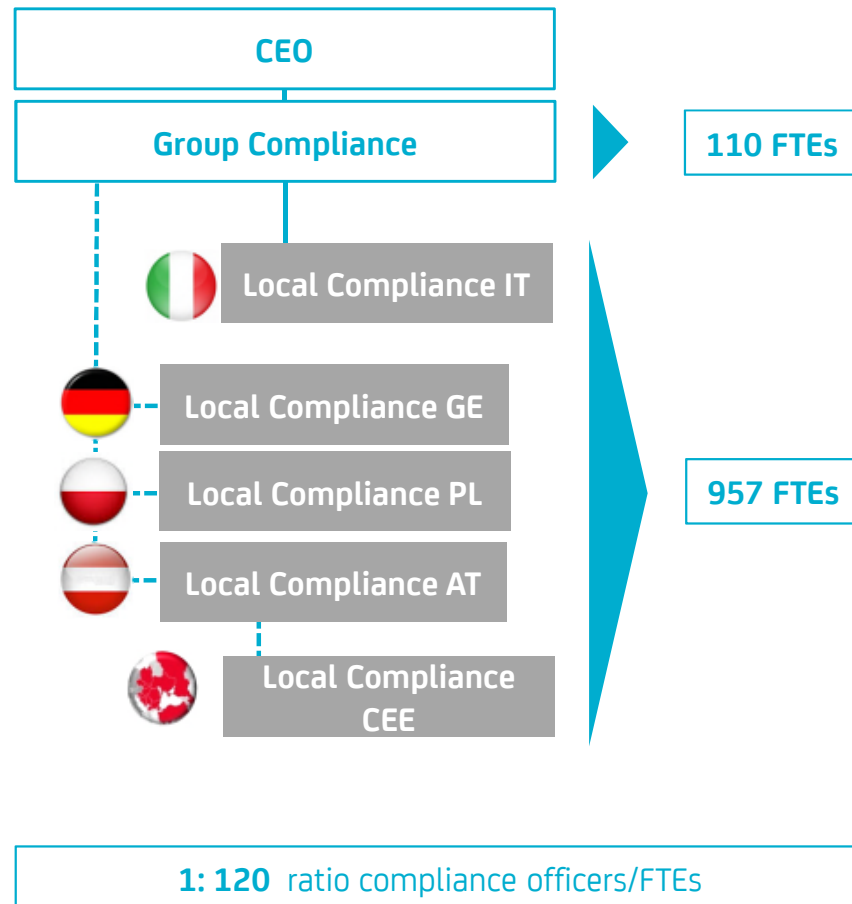
...WHILE OUR COMPLIANCE APPROACH ENSURES A STRONG INTERNAL ATTITUDE ABOUT A PROPER CONDUCT COHERENT WITH GROUP CORE VALUES¹ ...

APPROACH

Group Compliance key activities:

- Promote **Compliance culture** throughout all organizational levels and geographies
- Monitor business activities to **ensure compliance with rules** and manage effectively **risk assessment and control** activities
- Stay abreast of regulatory changes and **advise the business on regulatory rules and conduct**

GOVERNANCE



INDEPENDENCE

Compliance independence is guaranteed by periodical reporting to Corporate Bodies and internal committees²

- UniCredit **Compliance Plan approved by BoD** at the beginning of each management cycle
- UniCredit **Compliance annual report presented to the BoD** at the end of management cycle
- Group **compliance Risk assessment quarterly update**
- Timely **disclosure of any identified material breach** or deficiency

Remuneration criteria of compliance staff **not linked** to **economic results** to avoid conflict of interest

Note:¹UniCredit Core Values: Fairness, Transparency, Respect, Reciprocity, Freedom to Act, Trust

²At local level periodical reporting is presented in accordance with laws and regulation in force



... THROUGH PROACTIVE MANAGEMENT OF RISKS DERIVING FROM NON-COMPLIANCE

POLICIES	APPROACH	TRAINING 2013-15
Anti-Corruption	Zero tolerance toward acts of corruption, prohibits facilitation payments and no transfers of value to public officials without approval	145,000 training hours 157,000 employees ¹
Antitrust	Strengthen the effectiveness of all Group level actions / initiatives on Antitrust and Unfair Commercial Practices and enhance transparency vis-à-vis stakeholders to provide a higher level of protection	310,000 training hours 232,000 employees ¹
Anti-Money Laundering & Counter-Terrorism Financing	Commitment to the fight against financial crime and active management of legal, regulatory and reputational risks across the Group through the implementation of a risk based AML program	108,000 training hours 135,000 employees ¹
Conflicts of Interest	Assist employees in the identification and management of conflicts of interest and provide general information on measures taken	28,000 training hours 31,000 employees ¹
Privacy	Always in compliance with data protection regulations; integrated Directive 95/46/EC	196,000 training hours 139,000 employees ¹

MAIN AREAS ADDRESSED BY OUR CODE OF CONDUCT

BUSINESS ETHICS

- ▶ adherence to laws and regulations
- ▶ zero tolerance to giving or receiving of bribes
- ▶ manage conflicts of interest
- ▶ adhere to competition laws
- ▶ prevent money laundering and financial crime
- ▶ counter market abuses
- ▶ ensure banking secrecy and data protection
- ▶ assure responsible taxation
- ▶ treat others with dignity and respect
- ▶ value health and safety
- ▶ **report unacceptable conduct - whistleblowing**

COVERAGE

- ✓ employees group wide
- ✓ members of strategic and control bodies
- ✓ suppliers

IMPLEMENTATION

- ✓ definition of responsibilities, accountabilities and reporting lines
- ✓ dedicated help desks and hot lines
- ✓ reporting of breaches and outcomes of investigations
- ✓ integration with the employees performance appraisal systems

AGENDA

▪ UNICREDIT IN A NUTSHELL

▪ OUR VALUE CREATION PROCESS AND OUR LONG-TERM STRATEGY












▪ OUR SOCIAL AND ENVIRONMENTAL APPROACH

▪ KEY ENABLERS OF SUSTAINABILITY: GOVERNANCE, RISK MANAGEMENT AND PERVASIVE COMPLIANCE CULTURE

▶ ▪ OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS AND TODAY'S RECOGNITIONS AND AWARDS



OUR ECONOMIC, SOCIAL AND ENVIRONMENTAL ACTIVITIES CONTRIBUTE TO UNITED NATIONS GLOBAL GOALS FOR SUSTAINABLE DEVELOPMENT

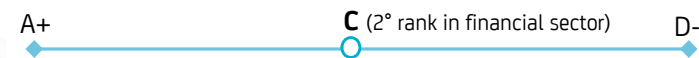
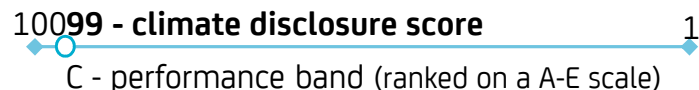
SDGs	OUR COMMITMENT	EXAMPLE OF ACTIVITIES ¹
  	<ul style="list-style-type: none"> Fostering financial inclusion Encouraging responsible financial habits Supporting the competitiveness of companies Promoting social inclusion 	<ul style="list-style-type: none"> Current account for financially challenged people – more than 103,000 low-income customers served with very low maintenance fees in Poland Financial education programs - more than 88,000 participants involved Sector-specific support - UniCredit Start Lab acceleration in Italy to support innovation and business development, as well as to increase patent propensity Social enterprises support - 180 incubated organizations and over € 2.3 million total funding
	<ul style="list-style-type: none"> Value Diversity and Inclusion 	<ul style="list-style-type: none"> The Group wide Gender Equality Policy defines responsibilities in the course of executing our strategy to achieve greater gender balance and disciplines the annual monitoring of our progress on diversity.
 	<ul style="list-style-type: none"> Embrace green business opportunities 	<ul style="list-style-type: none"> Financial support for a number of renewable energy sources such as wind, solar and hydro – our Group's portfolio in this sector amounted to a total exposure of around €9.3 billion
	<ul style="list-style-type: none"> Improving our digital banking 	<ul style="list-style-type: none"> New technologies to support access to financial services – new website, providing easy, interactive access to our core banking products in Romania followed by Hungary, Russia and Serbia
 	<ul style="list-style-type: none"> Reduce our environmental impact 	<ul style="list-style-type: none"> Greenhouse gas (GHG) abatement – our Group's GHG emissions had dropped to 330,327 tons, which was 33% percent less than 2008 base year. Our current commitment is 60% reduction target by 2020, and 80% reduction target by 2030
 	<ul style="list-style-type: none"> Strengthen Sustainability Governance and Culture 	<ul style="list-style-type: none"> The Group Environmental and Social Council (GESC) oversees the implementation of UniCredit's environmental and social initiatives and commitments.



WE ARE INCLUDED IN THE MOST SIGNIFICANT SUSTAINABILITY INDEXES

UNICREDIT SUSTAINABILITY RATINGS 2015

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



UniCredit was newly added in 2015 in:

- **STOXX Global ESG Leaders**
- **STOXX Global ESG Social Leaders**
- **STOXX Global ESG Environmental Leaders**

SELECTION¹ OF OVER 60 AWARDS RECEIVED IN 2015



Top Employers in 6 Countries and CEE



- Best Bank
- Best Bank in Bosnia and Herzegovina, Bulgaria, Hungary, Russia, Slovenia
- Awards for Excellence in CEE
- Best Debt House in CEE
- Best Transaction Service House in CEE



- Most Innovative Investment Bank in CEE
- Highly commended Bank in CEE



- Best Treasury & Cash Management Providers
- Best Trade Finance Bank in AU, PL, HR, CZ & CEE
- Best Sub-Custodian Bank in PL, BG, CZ, HU, SE, SL & CEE
- Best Private Bank in HR, HU & CEE
- Best Foreign Exchange Providers in BG
- Best Digital Bank in BG
- Best Bank in BG



Premio Cerchio d'Oro for Innovation - AIFin





OUR GROUP COMPENSATION SYSTEM ENSURES THE COMPETITIVENESS AND EFFECTIVENESS OF REMUNERATION AS WELL AS TRANSPARENCY AND INTERNAL EQUITY

GROUP COMPENSATION PILLARS - 2016



GROUP COMPENSATION CRITERIA - 2016

	DRIVERS	PAYMENT	BENEFICIARY
FIXED COMPENSATION +	<ul style="list-style-type: none"> Role Responsibility Talent Market Benchmarking 	100% (Cash)	<ul style="list-style-type: none"> All employees
ANNUAL BONUS +	Annual performance at <ul style="list-style-type: none"> Group level Country/Division level Individual level 	50% (Cash)	<ul style="list-style-type: none"> Top Management Identified Staff All other employees
LONG-TERM INCENTIVE +	<ul style="list-style-type: none"> Alignment Shareholders/Management interest Motivation and Retention Behaviors' orientation 	100% (Shares)	<ul style="list-style-type: none"> Top Management Identified Staff
BENEFITS	<ul style="list-style-type: none"> Satisfaction of non monetary needs, as healthcare, safety and welfare 	100% (Non-monetary)	<ul style="list-style-type: none"> All employees