

# UniCredit Statement on Modern Slavery Act and Human Trafficking

2016

This statement is published in accordance with section 54 of the United Kingdom's Modern Slavery Act 2015, which addresses the issues of modern slavery and human trafficking. It was approved by UniCredit Board of Directors and applies to all companies within the Group that are required to have a modern slavery statement.<sup>1</sup>

The statement describes the measures taken by UniCredit to mitigate the risk of slavery and human trafficking, within our businesses or our supply chain for the financial year ended 31 December 2016.

## About us

UniCredit is a pan-European commercial bank with a fully plugged in Corporate & Investment Banking, delivering its unique Western Central and Eastern European network to its extensive 25 million client franchise. UniCredit offers local expertise as well as international reach and accompanies and supports its clients globally, providing them with unparalleled access to leading banks in its 14 core markets as well as an another 18 countries worldwide.

UniCredit has a significant, long-established presence in United Kingdom since 1972, where we offer a wide range of Corporate and Investment Banking services focusing on the unique strengths of UniCredit across Western, Central and Eastern Europe.

## Our Commitment

We are committed to contrast the risk of modern slavery or human trafficking in our business or in our supply chains. We operate in accordance with the Universal Declaration of Human Rights and we are signatory to the UN Global Compact, which encourages to conduct business in a responsible manner by following common principles in the field of human rights, labour, the environment and anti-corruption.

We adopted international declarations and conventions, including but not limited to:

- the International Labour Organization's (ILO) Fundamental Human Rights Conventions;
- the International Covenant on Economic, Social and Cultural Rights;
- the Guiding Principles on Business and Human Rights;
- the United Nations Environment Programme Finance Initiative (UNEP FI) Statement of Commitment by Financial Institutions on Sustainable Development.

In addition to these public conventions, we have specific policies in place which contribute to manage human rights topics such as the [Integrity Charter](#), the [Code of Conduct](#), the [Anti-Bribery and Anti-Corruption Policy](#), the [Whistleblowing Policy](#) and the Anti-Money Laundering (AML) and Countering of Terrorist Financing (CTF) Policy.

In 2016 we implemented a project focused on human rights issues that responds to the continued evolution of our bank's approach and to the expectations of our stakeholders with the aim to update our [Human Rights Commitment](#), which has been approved by the Executive Management Committee, a senior management body.

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<sup>1</sup> UniCredit SpA, UniCredit Bank AG, UniCredit Services ScpA.

Such commitment reflects our ethics and values, providing guidance on the way we treat our employees, work with our customers, suppliers and contribute to the communities in which we operate. It represents the guidance for our practices involving human rights.

## Our employees

UniCredit does not use child labour or forced labour in its own business practices, and is in full compliance with the International Labour Organization's (ILO) Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy or, when more rigorous, with current labour laws in each country where UniCredit operates.

UniCredit is committed to select, hire and manage employees while respecting their dignity and rights as individuals. The principles of civil freedom (e.g., religious, political and cultural freedom, freedom of union and freedom of sexual orientation) must always be respected.

UniCredit aims at providing a culture where individuals are free to voice dissent and not to be wary to reconsider their views, overcoming hierarchical and bureaucratic conditioning.

UniCredit is committed to respecting and enforcing sovereign state legislation on collective agreements, bargaining and freedom of association. The UniCredit European Works Council (UEWC)<sup>2</sup>, an enabler of social dialogue, is a tangible example of our attitude of moving beyond local requirements towards guaranteeing that employees' right to information and consultation is uniform throughout the bank. Over the past 10 years, UniCredit and the UEWC have achieved important results, defining a distinctive global approach to industrial relations. The [Joint Declaration on Equal Opportunities and Non-Discrimination](#), signed in 2009, is intended to be a point of reference for all employees to define the guidelines on sensitive issues such as diversity, equal opportunities and non-discrimination, with the purpose of creating a diverse corporate culture, improving the sense of belonging and enhancing the quality of life at work. Since 2013, we have also adopted a Global Policy on Gender Equality. In 2016, we continued to focus our efforts on promoting gender balance, bridging generational gaps in the workplace and supporting people with disabilities. More information can be found on our [2016 Integrated Report – Human Capital Chapter](#).

In order to guarantee well-being at work it is fundamental for us to manage the health and safety of our employees. For this reason, we have launched numerous initiatives while ensuring full compliance with all applicable laws. These include:

- adequate evaluation of risks (e.g., analysis and verification of staff work activities, including the nature of the job, the instruments for performing the job, work spaces, individual and collective protection measures, technical infrastructure and contractual matters – both for internal and contracted positions);
- fulfillment of a higher level of wellness at work through dedicated initiatives, workshops and training courses.

We adopted a [Code of Conduct](#) aimed at ensuring we all behave appropriately with respect to colleagues, clients and other third parties in our daily activities. The principles of the Code underscore the legal and ethical standards to which we must adhere in order to run our business successfully while at the same time protecting our clients' interests, mitigating risk, complying with financial regulations, assuring market transparency and safeguarding confidential data.

In addition, the bank's whistleblowing process provides employees with a way to report conduct that violates the law or the bank's internal rules within business operations or in the supply chain. The bank's approach to whistleblowing

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<sup>2</sup> UniCredit EWC Founded in 2007, (UEWC) is an international body composed by the Employees' Representatives of all the European Countries where the Group is present.

is set out in our [Whistleblowing Policy](#) which is intended to grant a corporate environment where employees may feel free to make reports on unacceptable conduct. The management of this process is designed to ensure the greatest possible confidentiality of the identity of the whistleblower and of the accused individual and to prevent any possible retaliatory or discriminatory behavior in response to the report.

## **Our customers**

UniCredit is aware that every economic and business activity can generate potential impacts, both positive and negative, on human rights. UniCredit is committed to promoting sustainable solutions in its financing and investment decisions and has adopted an integrated, multifaceted approach to managing the social and environmental risks, including human rights, associated with its financial products and services.

Human rights aspects are managed through several policies and practices such as:

- the Reputational Risk Special Policies (e.g., Defence/Armaments Industry Policy, and Water Infrastructure -Dam);
- the Compliance Policies (e.g. Anti-Money laundering and Countering of Terrorist Financing).

UniCredit environmental, social and reputational risk policies define internal processes to consistently identify, assess and monitor potential environmental and social risks. UniCredit implemented and integrated the Equator Principles (EP), when applicable, into the financing of projects. EP are an internationally recognized framework for environmental and social due diligence, which utilize International Finance Corporation (IFC) Performance Standards on issues including child and forced labour practices, as well as Social Sustainability and the World Bank Group Environmental, Health and Safety (EHS) Guidelines.

At a transaction level, bearer of single approval competence and members of credit committees have to bear in mind and evaluate, among others, potential risks and violations of human rights (e.g., corruption, forced labor, ethnic and religious conflicts, human development, etc.) based on available information and taking into consideration the country risks analysis.

UniCredit is committed to the fight against money laundering, including terrorist financing and active management of legal, regulatory and reputational risks across the bank through the implementation of a risk-based Anti-Corruption (ABC) and Anti-Money Laundering (AML) program and through mechanisms for monitoring the effectiveness of the bank's approach. Such programs are particularly relevant due to the fact that modern slavery offences are often linked to money laundering and other financial crimes.

Furthermore, another important declaration with the UEWC, the [Joint Declaration on Responsible Sales \(May 2015\)](#), promotes joint principles and guidelines in UniCredit commercial approach based on four pillars (Quality of products, Customer centricity, Employees professional development, Organizational Governance). This approach helps employees in having a responsible approach to sales, ensuring a medium – long term horizons for customers.

More information can be found on our [2016 Integrated Report](#).

## **Our suppliers**

In UniCredit suppliers and contractors must meet certain minimum requirements and are subject to appropriate review and assessment, before being engaged and on an ongoing basis. This is done in order to mitigate corruption risk and comply with our Group Policy applicable to the supply chain, which expresses - among others - our commitment to properly managing, and preventing the worst environmental impacts associated with our activities such as consumption of natural resources and production of waste.

Moreover, we examine whether suppliers, service providers and supplied products comply with our compulsory minimum requirements. These requirements represent the basis of our cooperation. Such requirements request our

suppliers to provide information regarding environmental and social /labor law issues, by filling in questionnaires related to the respect of fundamental human rights, prevention of child labor, freedom of association, working conditions, equal pay, health, safety and business ethics and, if necessary, by submitting relevant documents.

Our targets are to increase awareness of suppliers / service providers for social, labor-law and environmental issues.

## **Training and awareness**

During the year we launched several initiatives to communicate our Human Rights Commitment. We shared human rights content via the Group and local intranet available to all employees. A specific campaign on whistleblowing internal process has been carried out with the aim to raise awareness among employees.

Specific training on human rights has been provided as well as mandatory learning modules have been run on the topics of Anti-Money Laundering, Anti-Bribery and Corruption, Code of Conduct and Whistleblowing. Also training on EP and our sectorial policies took place. More info are available on our [2016 Integrated Report](#) and on our [corporate website](#).

This statement will be reviewed and updated annually.

**Jean Pierre Mustier**  
Chief Executive Officer  
UniCredit SpA

A handwritten signature in black ink, appearing to read 'JP Mustier', with a small dot at the end.