



Human Rights Commitment

What is the Human Rights Commitment?	The Human Rights Commitment includes the principles and systems adopted by UniCredit for its operations pertaining to human rights.
What is the purpose of the Human Rights Commitment?	The Human Rights Commitment aims to define a reliable and inclusive approach that allows UniCredit to identify and manage human rights impacts and reduce potential human rights violations.
Who approved the Human Rights Commitment?	The current version of the Human Rights Commitment was submitted to the Group Environmental and Social Council and to the Group Operational and Reputational Risk Committee and it was approved by the Executive Management Committee in March 2016.

1 INTRODUCTION

1.1 PREMISE

UniCredit is aware that every economic and business activity can potentially generate both positive and negative impacts on human rights.

As a leading European financial institution, the cornerstone of our mission at UniCredit is to not only generate value for customers and shareholders, but also to contribute to the development of the countries and communities in which we operate, thus reinforcing our competitiveness.

UniCredit operates in accordance with the Universal Declaration of Human Rights, which states that *“every individual and every organ of society, including companies, shall strive by teaching and education to promote respect for human rights and freedoms and by progressive measures, national and international, to secure their universal and effective recognition and observance”¹*.

Systematically, UniCredit is working to define a reliable and inclusive approach that allows our Group to manage human rights impacts and risks and reduce potential human rights violations.

In all of our activities, we maintain an ongoing, open dialogue with stakeholders in order to take into consideration their legitimate expectations.

1.2 PURPOSE AND SCOPE OF APPLICATION

This document summarizes UniCredit’s Human Rights Commitment, the approach, roles and responsibilities as well as the principles, rules, procedures and systems adopted by UniCredit to comply with generally accepted international and local standards and regulations for preventing, managing and, where possible, reducing human rights impacts.

UniCredit, throughout its sphere of influence (e.g., operations, financing activities, and the supply chain), strives to minimize its reputational, social and environmental risks and to maximize the positive impacts generated on human rights.

The Group Human Rights approach is focused on the following stakeholder categories:

- Employees
- Customers
- Suppliers
- Communities

As we are aware that UniCredit may directly or indirectly impact and interact with several human rights topics in its operations and business activities, this Human Rights Commitment should be considered a minimum guidance for our Group’s practices involving human rights.

The Human Rights Commitment summarizes the Group-level approach. UniCredit is aware that sole legal entities may develop local specific human rights best practices which can be disseminated across our Group, with a view to promoting continuous improvement.

¹ The Universal Declaration of Human Rights.

The Human Rights Commitment will be regularly updated to account for changes to the external requirements, and progress in implementing human rights related practices and standards. When applicable, it should be read in conjunction with other relevant internal policies and documents.

If any of the provisions defined in this document are less restrictive than the current laws of a country where UniCredit operates, Group entities will adopt local existing regulations that are more restrictive.

In case any of the provisions defined in this document are in conflict with local legislation, UniCredit will comply with the law, but will strive to provide an example of good practice through its own business conduct. Additionally, within our sphere of influence, our Group will also work to raise awareness of human rights topics.

1.3 BASIC PRINCIPLES

UniCredit's Human Rights Commitment is inspired by the generally accepted international declarations and conventions, standards, principles, guidelines and recommendations, including:

- The Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- International Labour Organization's (ILO) Fundamental Human Rights Conventions (convention 29, 87, 98, 100, 105, 111, 138 and 182)
- the Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework
- the OECD Guidelines for Multinational Enterprises (2011 edition)
- the UN Global Compact principles
- UN Principles for Responsible Investment (UN PRI)
- International Finance Corporation (IFC) Performance Standards
- World Bank Group Environmental, Health and Safety (EHS) Guidelines
- the United Nations Environment Programme Finance Initiative (UNEP FI) Statement of Commitment by Financial Institutions on Sustainable Development
- Equator Principles (EP)
- Women's Empowerment Principles

2 ROLES AND RESPONSIBILITIES

Human rights impacts are managed via governance rules and structures that assign guidance, support and control roles. These rules and structures involve strategic and operating committees at Group level, as well as within other key business divisions and functions.

2.1 STRATEGIC COMMITTEES

The Executive Management Committee (EMC)², chaired by the CEO, is a managerial committee that ensures the effective steering, coordination and control of Group business, as well as an effective alignment of the parent company with the different businesses and geographies regarding strategic topics, including those related to human rights. The EMC has approved the current Human Rights Commitment and, to help it steer the Group human rights approach, receives regular updates about Group positions and performance on human rights related topics.

The Group Environmental and Social Council (GESC) oversees the implementation of UniCredit's human rights-related initiatives and commitments. It also defines and updates the Group human rights approach, and the related activities submitted to the EMC for approval.

The GESC is chaired by the Head of Group Identity & Communication and includes representatives from key business divisions (e.g., CIB and CEE), competence lines (e.g., CRO and COO) and key country representatives. Depending on the specific agenda, additional functions may be invited to participate.

Regularly, the GESC Chairman presents to the EMC:

- the Group position on social and environmental topics
- the key transformation program

The Group Sustainability unit acts as the GESC Secretariat. It leads activities and collects data from global and local contributors to help define and update the Group's position on human rights/social and environmental topics.

2.2 OPERATIONAL AND MONITORING COMMITTEES

The Group Operational and Reputational Risks Committee (GORRIC) is responsible for monitoring and controlling operational and reputational risk at Group level. The Committee ensures consistency across business functions and legal entities for operational and reputational risk policies regarding sensitive sectors (e.g., Defense/Armaments and Mining), methodologies and practices, in addition to reputational risk topics related to noncredit transactions. It controls and monitors the Group operational and reputational risk portfolio and risk mitigation actions.

GORRIC is chaired by the Group Chief Risk Officer and includes the heads of Group Sustainability, Group Compliance, CIB and Group Investor Relations, among other members. The Group Transactional Credit Committee (GTCC) evaluates the potential social, environmental and reputational risks inherent in transactions as defined by our current internal Global Rules. In cases of doubt about the application of the Global Rules, the opinion of the Group Operational &

² Refer to the [Governance](#) section of the UniCredit website for more information about EMC members.

Reputational Risks Committee will be requested and considered during the overall evaluation of such transactions. GTCC is chaired by the Group Chief Risk Officer and includes relevant business and CRO functions among its various members.

On a regular and timely basis, the Group Transactional Credit Committee informs the Group Operational & Reputational Risks Committee about all transactions subject to the Global Rules that have been evaluated.

2.3 KEY FUNCTIONS

The implementation of UniCredit human rights approach, the definition of the related processes and procedures, and the management of the relationships with UniCredit stakeholders are in charge of the different Group units/departments responsible for the specific areas.

Main functions involved are:

- The Chief Operating Officer (COO), responsible for guaranteeing that our Group's organizational model and governance are in line with our commercial strategy. To do so, potential negative human rights impacts are taken into consideration in particular with reference to the security topics (including, but not limited to, ICT and physical security) and to the supply chain management.
- Compliance function, responsible for proactively monitoring and managing compliance risks as we carry out our activities in line with mandatory rules, internal procedures, best practices and ethical standards. It touches upon human rights related topics in Policies, such as Code of Conduct, Privacy, Anti-corruption and Anti-money laundering and Anti-Terrorism.
- Human Resources Strategy and Human Resources Management departments, which define the Human Resources strategy and activities, taking into consideration also the related human rights impacts and identifying the proper management system (e.g., in terms of personnel hiring and development, in terms of trade unions management, etc.).
- Group Institutional & Regulatory Affairs department, responsible for coordinating and defining the strategy of local and international institutional activities of the Group, for monitoring the evolution of the regulatory framework, and for carrying out analyses and drawing up socio-economic-political documentation (e.g., Country risk reports, political updates, political focuses, tailored documents) including aspects related to human rights, for internal and external use.
- The business divisions responsible, within their respective perimeters, for identifying and assessing human rights positive and negative impacts in Group strategies and activities.
- Group Risk Management oversees company-level risks that affect the human rights with either direct or indirect relevance to UniCredit's business, as described in Chapter 3.2.1.
- The Group Sustainability (GS) function is responsible for supporting senior management to define UniCredit's sustainability strategy. It promotes policies, projects and initiatives that aim to incorporate the analysis of social and environmental impacts associated within business activities, and also serves as the GESC Secretariat. Additionally, GS manages relationships with several external stakeholders such as Socially Responsible Investors (SRI) and local and international non-governmental organizations. Group Sustainability is in charge of the continuous monitoring of external evolutions in terms of human rights and of the periodic review of the Human Rights Commitment, also considering internal improvement actions.
- The UniCredit Foundation, established in 2003 to promote UniCredit values included in our Integrity Charter (e.g., fairness, transparency, respect, etc.), through its philanthropic activities, thus generating positive impact on local communities, also in terms of human rights.

3 IMPACTS MANAGEMENT

UniCredit considers the human rights included in the generally accepted main international declarations and conventions, as previously described. The Group, however periodically assesses its human rights impacts and risks, taking into consideration UniCredit operations and activities, the external environment (e.g., country risks³), international evolutions (e.g., legislations, principles and standards development), as well as the results of stakeholder engagement activities.

The assessment is an ongoing process performed thanks to the contribution of all the functions that evaluate the Group impacts and risks, including those related to human rights, in their daily activities.

In this context, UniCredit aims to:

- “Avoid causing or contributing to adverse human rights impacts through its own activities, and address such impacts when they occur, and
- Seek to prevent/mitigate adverse human rights impacts that are directly linked to its operations/products/services by their business relationships, even if they have not contributed to those impacts”⁴

Where UniCredit identifies that it has: “caused or contributed to adverse impacts, it provides for/cooperates in their remediation through legitimate processes.”⁴

Furthermore, UniCredit aims to maximize the positive impacts, through activities such as the development of specific financial products and services, the dissemination of knowledge and awareness on human rights and through the promotion of philanthropic activities.

UniCredit is committed to the following principles/rights relevant to all Group stakeholder categories:

- **Privacy**

UniCredit is aware of the importance of respecting our stakeholders’ privacy (e.g., personal data and confidential information of employees and customers), including the disclosure of such information to third parties. Our approach with respect to privacy⁵ is in line with the local laws and regulations governing the topic and applies to all kind of personal data, independently of the stakeholder they refer to and/or of the channel they have been received through.

We use appropriate administrative, technical, physical and security measures to meet legal requirements, and to safeguard personal data against loss, theft and unauthorized access, use or modification.

Further information on UniCredit’s approach to privacy can be found in:

- Code of Conduct
 - Privacy Global Policy
 - Identity Management and Access Governance Global
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³ The country risk analysis is performed by Group Institutional & Regulatory Affairs (Political Studies) taking into consideration different human rights aspects, such as political risks (e.g., corruption, separation and relations of powers, etc.), and social risks (e.g., political violence, human development, ethnic/religious conflicts, etc.).

⁴ Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework, United Nations Human Rights Council, 2011. By “*human rights impacts through its own activities*” we refer to those impacts UniCredit may generate via its own activities for example on employees e.g. harmful working practices. By impacts “*directly linked to operations/products/ services*” we refer to those impacts generated for example by our customers’ projects e.g. financing an infrastructure project that displaces local communities without an adequate stakeholder engagement.

⁵ UniCredit Privacy Global Policy.

Policy

- Secure Cloud Global Operational Regulation
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- **Anti-corruption**

UniCredit is aware that corruption is a considerable obstacle to economic and social development around the world and that it has negative impacts on development and on communities.

UniCredit Anti-Corruption Policy aims to define principles and rules for identifying and preventing potential acts of corruption to protect the integrity and reputation of our Group, and to provide general information on measures taken by each Group legal entity to identify, mitigate and manage corruption risks.

UniCredit has zero tolerance towards acts of corruption, prohibits facilitation payments and does not permit any transfer of value to public officials without approval.

UniCredit has in place mechanisms to monitor the effectiveness of the Group approach to anticorruption and anti-bribery.

Further information on UniCredit's approach to anti-corruption can be found in:

- Code of Conduct
 - Anti-Corruption Global Policy
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- **Sanctions**

With reference to high-risk counterparts, the Group is firmly committed to complying with all applicable sanctions regulations in every jurisdiction in which we operate⁶. In addition, the Group may decide to introduce further restrictions on business activity involving certain countries, organizations, persons, entities or goods, irrespective of whether they are the subject of a particular sanction imposed by a country or international organization.

3.1 EMPLOYEES

UniCredit is committed to select, hire and manage employees while respecting their dignity and rights as individuals.

UniCredit is committed to the following principles/rights:

- **Diversity and inclusion**

The principles of civil freedom (e.g., religious, political and cultural freedom, freedom of union and freedom of sexual orientation) must always be respected. All forms of discrimination in these areas must be eliminated and replaced with an appreciation of individuals' skills and abilities.

These principles must be also reinforced through an added effort to integrate and fully value individuals who join UniCredit either as new hires or as a result of mergers and acquisitions. Respect for and attention to individuals and their needs, regardless of grade, must become characteristic of our employees' actions in their business relationships⁷.

⁶ The list of sanctions regulations to be considered includes the European Union Financial Sanctions ("EU") List and the lists issued by the Office of Foreign Assets Control ("OFAC") of the US Department of the Treasury.

⁷ UniCredit Integrity Charter.

UniCredit strongly believes that managing diversities (e.g., age, gender, disability, sexual orientation, personal features and backgrounds, or an individual's traits acquired during his or her life, such as personal and corporate culture, geographical origin and location, religion, employment contract, professional role and level within the organization) through equal opportunity and non-discrimination policies contributes in developing a diverse corporate culture. This is in line with our aim to improve the working environment and enhance a stronger sense of inclusion and belonging, which will ensure a higher quality of life at work⁸.

In line with this approach, UniCredit adopts a *Gender Equality Global Policy*, addressing gender equality by setting guidelines for human resources processes and practices that create a level playing field for all employees.

Further information on UniCredit's approach to diversity and inclusion can be found in:

- Integrity Charter
 - Code of Conduct
 - Joint Declaration on “Equal Opportunities and Non-Discrimination”
 - Competency Model
 - Gender Equality Global Policy
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- **Respect and freedom to act**

Respect means continually listening and paying attention to our employees, and respecting their values, sensitivities and beliefs without resorting to any form of undue pressure or offence. UniCredit aims to provide a culture where individuals are free to voice dissent and to not be wary to reconsider their views, overcoming hierarchical and bureaucratic conditioning. Colleagues who do not share in dissenting viewpoints must also feel secure to express themselves and have their views heard. If, however, they hold senior positions, they must do so with fairness and respect⁹.

Further information on UniCredit's approach to respect and freedom to act can be found in:

- Integrity Charter
 - Code of Conduct
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- **Freedom of association and collective bargaining**

UniCredit is committed to respecting and enforcing sovereign state legislation on collective agreements, bargaining and freedom of association.

As international principles may not be fully ratified in each country where our Group operates, UniCredit pledges to shape its relationships with employees and its business practices around stricter and more recent international conventions.

The *UniCredit European Works Council*, 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 Group.

⁸ UniCredit Joint Declaration on “Equal Opportunities and Non-Discrimination.”

⁹ UniCredit Integrity Charter.

- **Elimination of forced labour and abolition of child labour**

As a financial services provider, UniCredit's principal asset is its highly skilled workforce. Thus, 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.

- **Health and safety**

UniCredit's commitment to being a great place to work is the foundation of our approach to health and safety. Managing the health and safety of our employees demands that we remain compliant with the law and its spirit. This includes providing an adequate evaluation of risks – an evaluation of the derivative risk for each position, and the definition and planning of prevention and protection measures to eliminate risks or reduce them to a minimum. The Group aims also to prevent and manage risks linked to the external environment that may affect our employees, such as the security context of the countries where UniCredit employees are working or travelling for working reasons (e.g. through the constant monitoring of country risks).

Further information on UniCredit's approach to health and safety can be found in:

– Travel Protection Policy

- **Work-life balance**

UniCredit's commitment to creating an inclusive environment incorporates efforts that promote our employees' well-being and help them to effectively manage personal and professional challenges. We support our employees and their families at different stages of their lives, providing benefits designed to enhance their work-life balance.

- **Adequate compensation**

UniCredit aims to ensure the competitiveness and effectiveness of remuneration, as well as transparency and internal equity. For these reasons, the principles of sound and sustainable conduct and performance are the key pillars of our Compensation Policy.

Further information on UniCredit's approach to adequate compensation can be found in:

– Compensation Policy

3.2 CUSTOMERS

UniCredit is aware that the financial sector plays an important role in the economy, having the responsibility to ensure stable markets and to support the real economy.

Sales and financial advice activities shall responsibly meet to customers' needs, thanks to our employees training and competences, the quality of our products and services, the proper organizational governance promoting integrity and the alignment of the incentive system with the mid and long term and sustainable goals.

UniCredit firmly believes in the importance of enhancing social dialogue across the Group, as a facilitator to build a profitable and sustainable company where people needs and rights are

balanced with business requirements. A tangible example of our commitment is represented by the Joint Declaration on “Responsible Sales”¹⁰.

Further information on UniCredit’s approach to Responsible Sales can be found in:

– UniCredit Joint Declaration on Responsible Sales

3.2.1 RISK MANAGEMENT

Sound risk management requires a deep understanding of many aspects of risk and their effects on financial results and the balance sheet.

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 associated with its financial products and services.

Through the Group General Principles for Credit Activities and other special policies and practices, UniCredit assesses and manages not only traditional economic and financial impacts, but also non-financial impacts including social, environmental, and other related reputational risk impacts associated with the social and environmental performance of its customers.

In particular, human rights aspects are managed through several Group policies and practices, including the Reputational Risk Special Policies (e.g., Defence/Armaments Industry Policy, and Water Infrastructure (Dam), the Special Credit Policies (e.g., Project Finance Transactions Policy, Structured Trade and Export Finance Policy) and the Compliance Policies (e.g., Anti-Money Laundering and Countering of Terrorist Financing Policy).

In performing our activities, we account for the International Finance Corporation (IFC) Performance Standards and the World Bank Group Environmental, Health and Safety (EHS) Guidelines.

At a transaction level, the Group Transactional Credit Committee evaluates the potential risks taking into consideration the Country risks analysis¹¹, where also human rights aspects are evaluated (e.g., corruption, ethnic and religious conflicts, human development, etc.).

With reference to human rights impacts that may be generated through the relationships with our Customers, UniCredit leverages on the following instruments:

- **Equator Principles**

The Equator Principles (EP) apply to project finance advisory services, project finance, project-related corporate loans and bridge loans across all industry sectors providing a minimum standard for due diligence, impact mitigation and supporting sustainable decision-making Group wide.

We work in partnership with our clients to identify, assess and manage social and environmental risks and impacts in a structured way on an ongoing basis.

Recognizing the importance of human rights, (e.g., forced/child labour, the health and safety of workers and communities, the rights of indigenous people, etc.), climate change, and biodiversity, UniCredit believes negative impacts on project-affected ecosystems, communities and the climate should be avoided where possible. If these impacts are unavoidable, they should be minimized, mitigated and/or offset.

¹⁰ The Declaration, jointly elaborated with the *UniCredit European Works Council*, defines - as one of his fundamental principles - “the importance of employees’ development as one of the main assets for the success of a sustainable business”, as well as respecting our employees’ “right to advice properly”.

¹¹ Performed by Group Institutional & Regulatory Affairs (Political Studies).

Further information on UniCredit's approach to the Equator Principles can be found in:

- Group General Principles for Credit Activity
 - Project Finance Transactions Special Credit Policy
 - Structured Trade and Export Finance Special Credit Policy
 - Equator Principles [website](#)
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- **Special sector policies and portfolio monitoring**

Certain sectors and activities require a tailored approach to ensure that transactional and related risks are comprehensively understood.

For this reason, UniCredit has developed specific sector policies with input from a wide range of stakeholders. These policies take into account generally accepted international agreements, guidelines and standards (including the International Finance Corporation's Performance Standards, the World Bank Group's Environmental, Health and Safety Guidelines, the UN Global Compact principles) or other practices widely adopted by specific industries and affected stakeholders. Our Group considers these international agreements, guidelines and standards a representation of best practices for assessing and avoiding potential social and environmental impacts. Through the implementation of appropriate management and mitigation measures on the part of our clients and counterparts, UniCredit aims to limit the risks associated with such transactions or projects. UniCredit's current social, environmental, and reputational risk policies are applied to a number of sectors, including defence/armaments, water infrastructure (as dams), mining, and nuclear energy.

On applying the sector policies, we have developed specific reputational risk assessment systems/tools – some that assess aspects of human rights – in order to evaluate and track clients' risks and performances.

Further information on UniCredit's approach to sensitive sectors can be found in:

- Defence/ Armaments Industry sector policy
 - Nuclear Energy sector policy
 - Mining Industry sector policy
 - Water Infrastructure (Dam) sector policy
 - Coal-fired Power Industry sector policy
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- **Anti-Money Laundering and Countering of Terrorist Financing**

UniCredit is committed to the fight against money laundering, including terrorist financing, and active management of legal, regulatory and reputational risks across the Group through the implementation of a risk based anti-money laundering (AML) program and mechanisms for monitoring the effectiveness of the Group's approach.

Further information on UniCredit's approach to anti-money laundering can be found in:

- Anti-Money Laundering and Countering of Terrorist Financing Policy
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3.2.2. POSITIVE CONTRIBUTION

UniCredit is committed to developing and promoting products and services that are capable of generating both positive impacts for our stakeholders, also in terms of social/human rights aspects, and sustainable long-term value for our Group and the communities where we operate.

Also considering the macroeconomic situation and social trends of the countries where we operate, UniCredit is committed to finding new ways to serve our customers, supporting their projects and generating positive social impacts as well.

In fact, we developed specific products and services for various customers' categories, thus generating positive social impacts, also in terms of human rights. Some examples are:

- children and young people by facilitating the access to banking products also through dedicated products;
- people in financial difficulty, low-income individuals and families can benefit from services and products suitable to their situation;
- immigrants can benefit from customized solutions, thus increasing their access to financial services;
- elderly customers are best served and introduced to innovative, convenient and easy-to-use banking tools;
- people with disabilities are served by designing products and services to minimize potential barriers;
- non-profit organizations can access to dedicated services, such as those promoting the charitable fundraising.

In addition, UniCredit creates sustainable products, such as banking cards, that support social initiatives and projects.

Also with reference to the asset management activities¹², the Group aims at generating positive social impacts, through:

- Socially Responsible Investments (SRI) funds – where the screening methodology applied aims to exclude companies operating in particular sectors (e.g., Gambling, Weapons and Military, etc.) and to assess others based on their approach to sustainability and human rights (e.g., formal commitment to respect human rights, compliance with national and international regulation relative to human rights, contribution to local development; transparency and communication, etc.). The screening methodology applied to government issuers aims to guarantee the investor that the investment portfolio is built with financial instruments from states following economic, social and international policies confirming general principles of human rights.
- Proxy voting – the related Policy¹³ defines that during the companies' annual or extraordinary meetings it is advisable to vote for shareholder proposals asking companies to adopt codes of conduct addressing global labour and human rights practices, to establish credible monitoring programs and to publicly report on these efforts.

Further information on UniCredit's approach to customers positive impacts can be found in:

- UniCredit Integrated Reports
- Group website → Sustainability → [Our customers](#)
- [Pioneer Investments website](#)
- Pioneer Proxy Voting Policy

3.3 SUPPLIERS

As part of UniCredit's commitment to promote sustainability within our supply chain, human rights are managed through specific policies and practices, such as the Green and Social Procurement Policy.

At UniCredit, procurement is based on sustainable models: suppliers must meet certain minimum sustainability requirements and are selected in compliance with the standards of various conventions of the International Labour Organization relating to fundamental human rights including child labour, freedom of association, working conditions, health and safety. Suppliers must also comply with the standards of our Environmental Policy. On the supplier level, the criteria are integrated into an overall supplier evaluation system¹⁴.

¹² Asset management activities are performed by Pioneer Investments, participated by UniCredit.

¹³ The Proxy Voting Policy applies to Luxembourg domiciled funds.

¹⁴ UniCredit Green and Social Procurement Policy.

In addition, our Group aims to increase awareness among suppliers/service providers of social and labour law issues¹⁵.

Further information on UniCredit's approach to suppliers and human rights can be found in:

- Green and Social Procurement Policy
 - Suppliers questionnaire – social standards/labour law
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3.4 COMMUNITIES

With regards to communities, UniCredit strives to provide an example of good practice through our own business conduct. Additionally, within our spheres of influence, our Group will also work to make a positive contribution to the communities of the countries where we operate and to raise awareness of human rights topics.

At UniCredit we believe that even activities encouraging and developing creative, and talented people and promoting culture in all its forms (e.g., art, music and sports) can have a positive impact on countries' economic growth and competitiveness. For this reason, our philanthropic and sponsorships activities are focused on these fields, in addition to the cooperation with local stakeholders in times of emergencies, thus responding swiftly and effectively to support the recovery of affected areas.

Through the UniCredit Foundation, UniCredit is committed to improve our proximity to the territories and the communities where the Group operates, adopting national and international operation perspectives.

The Foundation promotes long-term sustainable initiatives, looking for social innovation, also through effective and lasting partnership with nonprofit organizations.

Within the social innovation sphere, UniCredit Foundation gives preference to the development of social enterprises, by providing them with grants, consulting and training activities, thus stimulating the country employability. In fact, we believe that the social entrepreneurship is one of the most appropriate instruments to promote social inclusion and to increase the social capital, in particular in a disadvantaged environment.

In particular, UniCredit Foundation supports the social entrepreneurs' initiatives and projects that:

- are intended to improve standards of access to social services for individuals and families,
- reinforce the rights required to ensure participation in the labour market, in particular by creating new job opportunities,
- establish the conditions required to ensure the integration of individuals who are particularly vulnerable on account of disadvantaged circumstances (physical, social or economic).

Within its activities, the UniCredit Foundation is focused on the two groups of people that could lead the greatest risks of social marginalization: the young and the elderly.

As responsible financial habits are fundamental to stimulating real cultural change and community development, UniCredit also develops a range of financial education programs and tools across Group countries, in order to improve the personal financial management skills of our citizens.

¹⁵ Suppliers' questionnaire – social standards/labour law.

4 COMMUNICATION AND TRAINING

The Human Rights Commitment will be communicated to all employees through various internal initiatives that include, among others, internal communication and news on local intranets. In order to reach the widest audience possible, when necessary, our Commitment will be translated into the local languages of the countries in which our Group operates.

In addition, the relevant internal and external stakeholders (e.g., European Works Council, Global Compact, etc.) will be informed about the Human Rights Commitment to collect their feedback and thus consider their expectations in reviewing our improvement plan.

Training will be ensured according to employees' working areas, roles and responsibilities. In fact, for example, an effective risk assessment and monitoring requires appropriate technical risk knowledge at all levels of an organization. For this reason, our Group takes a common and consistent learning approach to risk issues, including those related to human rights. This is accomplished by training and developing highly qualified staff together with the competent risk management functions. When necessary, external experts are involved in the training sessions. Other training may include, for example, referencing human rights in the induction program, integrating human rights issues for our managers, etc.

Furthermore, UniCredit aims at increasing our customers' awareness on business risks, including those linked to human rights. For example, we provide to our international customers with information on country-risk studies, including aspects related to human rights (e.g., corruption and human development, political violence, etc.).

5 MONITORING AND TRANSPARENCY

5.1 MONITORING

UniCredit is aware of the importance of a tracking system to ensure that human rights performances are monitored, adverse human rights risks and impacts are correctly managed and, if any, are addressed.

Group Sustainability monitors the effectiveness of the Human Rights Commitment by leveraging existing monitoring processes linked to the policies, principles and systems mentioned within this document and monitored by the related functions (e.g., the Gender Balance Dashboard, a monitoring system that uses KPIs to measure progress and identify gaps in terms of gender diversity, etc.). Information is collected from global and local contributors through a dedicated IT application.

Group Sustainability is responsible for informing the Group Environmental and Social Council (GESC), whose overall goal is to support and coordinate the maintenance and/or improvement of the Group social and environmental strategy/commitment over time. The periodic reporting includes aspects related to the main human rights/social and environmental topics and impacts¹⁶.

As part of the Group Reputational Risk Governance, our Group adopts an “outside-in” approach in order to monitor stakeholders’ views on reputational risks of the banking sector. This approach aims at improving the Group capability to prevent, minimize and manage the reputational risks that may occur, leveraging also on the results of our periodic stakeholder engagement activities.

UniCredit has in place mechanisms allowing us to collect information on stakeholders’ feedback and grievances with reference to the Group practices and any negative impact that we may have caused or contributed to via our own activities (e.g., whistleblowing procedures, customers’ complaint management, etc). The Group is committed to analyse the information received and to transparently communicate the resulting mitigation actions, if needed.

In addition, for financing activities which apply the Equator Principles, the Group ensures that the project sponsor¹⁷ establishes a grievance mechanism designed to receive and facilitate resolution of concerns about the project’s social and environmental performance.

We also contribute, where appropriate, to legitimate external processes aimed at addressing and resolving grievances.

The Internal Audit function of Group Legal Entities - according to its mission and methodology - performs third level control activities also on processes regulated by policies mentioned in the Human Right Commitment, as included in its risk based annual plan.

The Human Rights Commitment is regularly reviewed, also based on external and internal evolutions (e.g., new international frameworks’ publication, development of internal improvement actions, etc.).

¹⁶ These include risks and opportunities considered relevant and which UniCredit stakeholders are sensitive to (e.g. the adoption of a Group approach that supports UniCredit to avoid causing or contributing to adverse human rights impacts and to prevent/mitigate such impacts related to UniCredit’s operations/products/services).

¹⁷ The project sponsor is the entity ultimately having ownership and operational control over the project.

Further information on UniCredit's approach to stakeholder feedback and expectations tracking can be found in:

- Group Reputational Risk Governance Guidelines
 - Whistleblowing Global Policy
 - Project Finance Transactions Special Credit Policy
 - Structured Trade and Export Finance Special Credit Policy
 - UniCredit Integrated Reports
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UniCredit's human rights performance is also evaluated by other external parties for main sustainability indices such as:

- FTSE4Good Index Series
- oekom Research
- Bloomberg

Finally, an external independent auditor releases a limited review on the annual UniCredit Integrated Report.

For further information on UniCredit's monitoring, refer to:

- UniCredit Integrated Reports
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5.2 TRANSPARENCY

UniCredit values transparency in each phase of its business operations, including those that relate to human rights impacts.

To communicate on social and environmental topics, and to promote a culture of awareness of and respect for human rights, our Group has adopted the following initiatives:

- annual publication of Group Integrated Report, reviewed by an external auditor
- public dissemination and the updating of UniCredit's human rights-related commitments, activities and data on our Group website
- dedicated intranet section for employees about Group human rights approach and commitment

Additionally, UniCredit promotes an ongoing dialogue on social and environmental topics with our stakeholders, including customers, investors, rating agencies and civil society organizations. This dialogue is maintained to help understand their legitimate expectations and enable UniCredit to better analyze global and local challenges and macro trends, and their relevance for our Group.

For further information on UniCredit's transparency, refer to:

- UniCredit Integrated Reports
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6 PARTNERSHIPS/MEMBERSHIPS

UN Global Compact

The United Nations Environment Programme Finance Initiative (UNEP FI)

Thun Group

Equator Principles

OECD Development Centre's Emerging Markets Network (EMNet)

Institute for International Finance (IIF)

European Foundation Center

Eurosif

United Nations Principles for Responsible Investment (UNPRI)